

**Struggling to Care: Voluntary sector work organization
and employee commitment in the era of the quasi-
market**

**This Thesis was submitted for the Degree of Phd
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Declaration of own work

I declare that this thesis is my own work and that all documents (paper and electronic) used is done according to the University rules. I have not copied the work of others (including students) in any way.

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Abstract

In the context of a closer relationship between voluntary organizations and state funding bodies, the purpose of this thesis is to provide an understanding of how this relationship can reshape work organization and employee commitment in the voluntary sector. In doing so, the research is divided into two phases, each with distinct theoretical frameworks. Overall, the thesis finds an intensifying influence from state bodies on the sector in relation to HR policies, practice and work organization. Voluntary organizations are not passive in this relationship and there remain circumstances where they can resist unwanted changes to the employment relationship. At the same time, where voluntary organizations alter, for the worse, terms and conditions of employment in response to state pressure this is seen as having considerable detrimental consequences on employee commitment. This is despite the existence of strong value-based orientations to work within the sector.

List of Acronyms

- APL – Approved Providers List
- CCPS – Community Care Providers Scotland
- CCT – Compulsory Competitive Tendering
- CIPD – Chartered Institute of Personnel and Development
- LFS – Labour Force Survey
- NCVO – National Council for Voluntary Organizations
- NPM – New Public Management
- OCB – Organizational Citizenship Behaviour
- RNLI – Royal National Lifeboat Institute
- RSPCA – Royal Society for the Protection from Cruelty to Animals
- SSC – Social Care Council
- SSSC – Scottish Social Services Council
- SCVO – Scottish Council for Voluntary Organizations
- SVQ – Scottish Vocational Qualifications
- THB – Transitional Housing Benefit
- TUC – Trades Union Congress
- VNPOS – Voluntary and non-profit Organizations
- VSSOs – Voluntary Social Services Organizations

Chapter 1: Introduction

The growth of voluntary sector activity in social services provision

The voluntary sector workforce in the UK now provides social services to some of the most vulnerable people in our society, covering the areas of provision for the elderly, social housing, young people, those with learning difficulties, the physically disabled and those with mental illnesses. This growth in activity is a direct consequence of almost twenty years of 'contracting out' of social services provision by central and local government agencies to the sector, encouraged firstly by Conservative and then Labour governments (Kendall, 2004). As a consequence, there has been significant employment growth in voluntary organizations, where the workforce now stands at 570,000, or 2% of the UK workforce (Wilding, Collins, Jochum, and Wainright, 2004).

Studies have suggested that the closer relationship between the state and the voluntary sector, has led to some far from positive outcomes for the latter. Firstly, there are concerns related to the continued independence of the sector from state influence as most of the major voluntary organizations are funded largely by money from government bodies (Whelan, 1999). This greater dependence on government funding has also led to reports of constant financial uncertainty in the sector due to the vagaries of funding priorities by public bodies (Russell, Scott and Wilding, 1996).

As we proceed through to the current Labour era, these pressures are ongoing. New Labour has continued much of the 'contracting out' culture introduced by the Conservatives (Kendall, 2004), though, arguably, of a less harsher nature through the introduction of Best Value in determining the award of contracts to would be providers, which along with the 'Compact' supposedly promotes a 'partnership culture' with the voluntary sector as opposed to the excesses of Compulsory Competitive Tendering (CCT) (Passey, Hems and Jas, 2000). However, it is also arguable whether the pressures on the voluntary sector are any less under New Labour. Best Value still places competition for contracts at the centre of its relationship between state and voluntary sector (Passey, et al, 2000). Voluntary

organizations also face increased regulation of their activities as a consequence of new care standards introduced by Labour, through the Care Commission.

Gaps in the voluntary sector literature

Despite this central position in providing social services, we have limited knowledge of the influences on and management of employment relations in UK voluntary organizations, especially in relation to ongoing fiscal and regulatory changes.

Exploratory studies focusing on the Conservative era of contracting revealed how terms and conditions of employment suffered a downward trajectory (Cunningham, 2000; Cunningham, 2001a; Knapp, Hardy and Forder, 2001): concerns that have been confirmed by more recent studies of the Labour era of contracting (Barnard, Broach and Wakefield, 2004).

Crucially, still less is known in the UK regarding how workers have reacted to this changing climate. Traditionally, the provision of the extremely labour intensive services provided by the sector was widely assumed to be undertaken by a highly committed group of staff eager to serve a cause (Paton and Cornforth, 1992; Zimmeck, 1998). Yet, these observations of worker orientations in the UK sector are mainly anecdotal and have not been subject to in-depth empirical scrutiny (for example, Alatrasta and Arrowsmith, 2004 provide valuable insights, but only through one case study). Therefore, we do not have much information regarding the extent to which the much-vaunted high levels of worker commitment within the UK voluntary sector are being sustained within the changing climate of contracts and competition.

This gap in our knowledge is of some concern given studies in other countries. Here, despite differences in regulatory environments and definitions of the sector raising problems with comparisons, studies from overseas have revealed how where workers in the non-profit sectors of the United States (see Mirvis and Hackett, 1983; Mirvis 1992), Canada (see Baines, 2004a, 2004b; Saunders, 2004:) and Australia (see Onyx and Maclean, 1996) have experienced significant job restructuring, cuts to terms and conditions and changes to organizational mission due to external, state influenced programmes of change, this has led to a decrease in worker commitment, and significant problems in recruiting and retaining staff.

Given that the UK's move to contracting services to the third sector has led to a greater rate of employment growth than other countries, and a more dramatic shift in its resource base, with a marked move towards reliance on public sector funding compared to these other countries (Kendall, 2003), concerns must be raised with regard to the impact on employment relations policies and worker commitment in the sector from this closer relationship. This is especially the case as newer studies highlight persistent recruitment problems and skill deficits in the sector (Scottish Centre for Employment Studies, 2005; Wilding, Collis, Lacey, and McCullough, 2003).

What the above observations therefore reveal is a growing body of research on the voluntary sector, which on the one hand provides an informative, but still relatively small, literature pertaining to the developing state voluntary sector relationship, and its impact on employee relations. While on the other in the UK context, we have only isolated studies concerning the nature of worker orientations and commitment in voluntary organizations, and the factors that influence them. Still rarer are efforts to try and directly link these two research themes, given the aforementioned centrality of government funding in shaping employment issues in voluntary organizations. It is in the light of these lacunae in the literature that this thesis sets out to draw together and explore two core themes, which are:

To explore the impact of the state – non-profit sector relationship on HR and employee relations policies in voluntary organizations.

And

The impact of these changes to HR and employee relations policies on employee orientations and commitment in the sector.

In doing so, it is recognized that the thesis also touches on another area of growing academic interest. Specifically, the move to a purchaser – provider split in the state - voluntary sector relationship mirrors developments that have been receiving increasing attention, i.e. the creation of more complex organizational forms that are blurring the notion of a clearly defined employer-employee relationship (Grimshaw,

Vincent and Willmott, 2002: Hebson, Grimshaw, Marchington. and Cook, 2003: Marchington, Grimshaw, Rubery and Wilmott, 2004). These studies have been concerned with relations between private organizations and suppliers or public private partnerships, and, along with others (e.g. Scarborough, 2000), have illustrated how such inter-organizational relationships are complex and subject to variability due to a number of causal factors.

In the light of the above, this thesis will explore the relationship between the state at local level and the voluntary sector and seek to reveal the nature and causes of any variability in these social relations. In doing so, it will then focus on the subsequent impact of these different purchaser – provider relations on the voluntary sector employment relationship, in particular HR/employee relations policies, worker orientations and commitment. In exploring whether the above social structures and mechanisms can produce different outcomes in areas such as worker orientations and commitment, it can be seen that the thesis is influenced by the critical realist perspective on social science research (Sayer, 1992: Bhaskar, 1975), of which more will be said in the methodology chapter. The chapter now proceeds to outline the plan for the remainder of the thesis.

Outline of the thesis

The remainder of the thesis comprises of nine chapters. To explore the above themes and develop sharper research questions there follows three distinct literature chapters. The purpose of Chapter 2, is two-fold. The first is to provide a more in-depth outline of the development of the state – voluntary sector relationship since the advent of contracting, through to contemporary policy developments introduced by New Labour. This will highlight the degree to which the sector has not only become financially dependent on the state, but is also subject to significant pressures with regard to the type of care delivered to clients and the legal regulation of its activities. The second is to raise a number of employee relations implications from this changing climate.

In doing so, the chapter identifies two distinct forms of intensifying influence by the state on the voluntary sector employment relationship. The first is through an increasing regulatory burden, which includes but also goes beyond changes in

employment law experienced by all employers and relates to a series of specific normative pressures peculiar to the care sector which impact on the content of HR policies. The second source of influence is a consequence of a greater financial dependency on the state, and relates to efforts from funding bodies to control costs in the delivery of contracted out services, with obvious implications for employment conditions in the sector. At the same time, this literature search identifies aspects of the voluntary sector literature that reveal an ability by some organizations to maintain varying degrees of independence in the face of this intensifying state influence.

As a consequence of these areas of possible state influence and voluntary sector autonomy, the thesis seeks to construct a theoretical framework that adequately captures the influence of these various normative and financial pressures from the state on the voluntary sector employment relationship, and the conditions under which autonomy can be exercised. Chapter 3 is therefore concerned with the construction and justification of such a theoretical framework. In doing so, it utilizes three theoretical perspectives, which explore different aspects of this relationship. The first is institutional theory, largely influenced by the perspectives of Meyer and Rowan, (1977) and DiMaggio and Powell (1983). Here, institutional theory is utilized as a framework to explore the depth of state (coercive) isomorphic influence on voluntary sector HR policies, in the light of employment law, the establishment of the Care Commission and the ongoing relationship with local authorities, while also highlighting other sources of isomorphic influence on HR policies (i.e. mimetic and normative). The second part of this aspect of the study then focuses on changes to the labour process in voluntary organizations as a tool to provide an evaluation of the influence of cost pressures from the state on working conditions in the voluntary sector. The third line of analysis incorporates the exercise of agency by organizations in the management of employee relations. In doing so, it will draw lessons from studies of inter-organizational relations that will seek to explain the circumstances under which organizations can exercise strategic choice.

Chapter 4 is designed to construct a framework to explore employee orientations and commitment in the voluntary sector. In doing so, it begins with an overview of the UK and literature exploring what is already known with regard to people's orientations and commitment to working in non-profit organizations and the factors

that may alter them. This analysis of the literature leaves the thesis with a number of key areas to study, which are:

Why do people choose paid employment in the voluntary sector?

To what extent do employees experience the anticipated benefits of working in the voluntary sector?

What are the reactions of employees to breaches in their employer's ability to deliver anticipated benefits from working in the sector, especially in relation to their commitment to the organization?

In constructing an analytical framework to refine these areas of investigation, the thesis adopts a line of analysis that is largely influenced by psychological contract literature, as developed by Rousseau (1995). In doing so, this framework brings with it a number of advantages that are central to answering the above areas of investigation. Firstly, the psychological contract has an ability to contextualize changes in the employment relationship and employee attitudes within the wider changes to economy, competition and public policy. Secondly, it identifies and categorises complex reasons behind employees accepting employment in organizations, and the nature of reciprocal arrangements between employer and employees. Thirdly, a focus on the psychological contract identifies sources of disenchantment among employees with regard to the employment relationship and nature of work through the concept of violation. Fourthly, through the reported link between violations to changes with Organizational Citizenship Behavior, it helps to explore the consequences of dissatisfaction on worker commitment.

Chapter 5 then outlines the methodology for the fieldwork. In doing so, the chapter begins by eschewing the positivist – relativist dichotomy in social science research and places the approach to undertaking research in the thesis within the critical realist perspective of social science. The chapter then outlines the rationale for two distinct phases of fieldwork, which is predominantly qualitative in nature, and based in Scotland, with each phase designed to explore the two broad themes outlined earlier.

Chapters 6 to 9 then outline the findings of this thesis. Chapter 6, utilizing the conceptual framework outlined in Chapter 3, specifically addresses the issue of the impact of local authority funding bodies on HR and employee relations in the voluntary sector. This does so through an outline of findings from a qualitative study of twenty-four voluntary sector organizations, and seven local authorities, investigating the impact of the purchaser – provider relationship on employment relations in the sector. Chapters 7 – 9 are then designed to specifically outline the findings from three case study organizations from within the voluntary sector. The purpose of these chapters is to investigate, using the conceptual framework outlined in Chapter 4, the impact of the purchaser – provider relationship on employee psychological contracts in work. These case study findings are set firmly within the context of each organization’s reported relationship with external funding bodies, and the impact that this has on internal HR policies.

Chapter 10 then seeks to draw the key results of the findings chapters together and discuss their relevance to literature. The aim here is to highlight the implications of this study with regard to our existing knowledge of HR and employee relations policies and worker orientations in the voluntary sector. Moreover, it will also seek to discuss a series of policy options open to the sector in the light of these results and conclude with some future areas of research.

CHAPTER 2: THE EVOLUTION OF THE STATE – VOLUNTARY SECTOR RELATIONSHIP

Introduction

Recent years have seen the publication of research that has shed some light into the workforce profile and employment relations within voluntary organizations (Almond & Kendall, 2000: Passey, Hems and Jas, 2000: Wilding, Collins, Jochum and McCulloch, 2004). However, our knowledge of this area of employment remains in its infancy, with little appreciation of the influences on employment trends and the management of employment relations. For example, the state represents potentially one of the key influences on the sector given voluntary agencies' increasing dependence on government funding (Wilding et al, 2004: Kendall, 2003), yet we are largely unaware of how far this relationship impacts on employment relations within the sector.

To begin an in-depth exploration of this relationship and its employee relations implications, this chapter provides an overview of the development of the state – voluntary sector relationship in recent years. This will be undertaken by firstly outlining the changing policy agenda of successive governments pertaining to the voluntary sector since the 1980s. The next section will provide a discussion regarding possible implications for the voluntary sector in relation to its continued financial independence and employment relations policies. In doing so, it will outline a series of research themes to be explored for the first part of the data collection for this thesis.

FROM GRANTS TO CONTRACTS: THE CHANGING NATURE OF VOLUNTARY SECTOR ACTIVITY

The marketization of public services

Government has played a significant part in shaping voluntary sector activity in the post-war era, with two periods of activity being particularly significant. The first occurred during the period of the post-war consensus, where successive UK governments

perceived the market to be an inadequate or inappropriate mechanism to deliver facilities such as health and social services. The provision of the welfare state in the UK in the immediate post-war era was therefore organized around the principles of planning, centralism, direct control and professionalism. Services were delivered through large scale, state run hierarchical bureaucracies, where control over decisions lay with the center, and local discretion was exercised informally. Public service professions were largely self-regulating and had considerable influence on the policy field within which they worked. The result was that the public sector was characterized by large, complex organizations, accompanied by strong producer control and acceptance of professional values and orthodoxies. In doing so, the state provided services on the basis of uniformity of treatment and routinization (Walsh, 1995). During this era there was concern in Britain about the fate of the voluntary in a welfare state continually widening its scope and taking responsibility for many services provided by voluntary organizations, with the result that the sector was perceived to be in decline (Kramer, 1990).

However, from the 1980s, voluntary organizations in the UK faced radical changes to this environment (Batsleer, 1995). These changes stemmed from the shift that occurred in the ideological consensus from 1979 with the election of the Thatcher government that led to a revolution in the approach to the delivery of welfare services in the UK. The critique by the 'New Right' saw the welfare state as poorly managed, unaccountable, professionally dominated and lacking client involvement. The state was seen as inefficient and wasted public resources because of its unresponsiveness to the market; lack of incentive to control costs; and a propensity to produce the wrong mix of services (Walsh, 1995; Osborne, 1997).

The response to these perceived inefficiencies was to introduce a new approach to welfare that sought to constrain the role of the state, and where present instill it with market principles. The broad heading for this philosophy has been labeled 'the New Public Management' (Pollitt, 1995). A key aspect of this agenda was the creation of a 'mixed economy of welfare' where governmental activity, at the local and health authority levels, changed from being 'monopoly providers' of care to the planning,

commissioning, purchasing, monitoring and regulation of services contracted out to non-statutory providers in the private and voluntary sectors (Harris, et al, 2001). The aim of this approach was to encourage quasi-market forces in the sphere of welfare, with local authorities using devolved budgets to purchase services from voluntary and private organizations in direct competition with each other under Compulsory Competitive Tendering (CCT). These quasi-markets would mimic market-like mechanisms but provide free services at the point of use. The aim of such competition was to create greater choice for those in need of support, and to improve efficiency among public sector institutions and managers by exposing them to the discipline of competition (Langan & Clarke, 1994; Charlesworth, Clarke and Cochrane, 1996).

A significant move towards creating these quasi-markets in health and social care was the 1990 NHS Community Care Act (Part III), which encouraged social service departments of local authorities to move from a provider to an 'enabling role'. Consequently, under the accompanying care management system social services departments were required to spend 85% of transferred Department of Social Security funds in the private and voluntary sectors. In relation to health authorities, the 'Care in the Community' policy led to voluntary organizations being offered roles in providing support for clients with mental health problems who were living in the community as opposed to institutions (Blackmore, 2000).

The result of this move to 'quasi-markets' on the sector has been profound, with voluntary organizations now at the center of the social policy stage with an expanded role in welfare provision. Voluntary organizations benefited from receiving significant increases in public funding because of their reputations for innovation, their non-profit status and providing services at reduced cost (Wistow, Knapp, Hardy and Allen, 1992; Whelan, 1999; Taylor and Bassi, 1998). The result of this is that their responsibilities moved away from complementing and supplementing state provision in social care to delivering mainstream services that were previously provided by statutory bodies (Billis and Harris, 1990; Billis and Harris, 1992; Harris et al, 2001). These developments have

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'concordat' between government and the voluntary sector, with the latter seen not just as an agent of service delivery, but a contributor to policy formulation (SCVO, 2001). The introduction of Compacts were greeted with optimism, but there remain concerns that they will lead to voluntary organizations becoming unable to act independently, being incorporated into a corporatist state, where isomorphic pressures will diminish or eradicate their distinctive organizational features (Osborne, 2001).

Best Value

Although predominantly concerned with the provision of services in the public sector, Best Value is seen to have strategic relevance for voluntary organizations because of their role as providers of mainstream care services (Kendall, 2003). The origins of Best Value lay in the local government White Paper (DETR, 1998), and the Local Government Act, 1999. The policy was introduced in response to concerns about CCT and how it prioritized cost considerations over quality when allocating contracts on a competitive basis. As a consequence, it contains several key differences to its predecessor. For example, it seeks to deliver local services to clear standards covering both cost and quality by the most effective, economic and efficient means available. In addition, its principles are to apply to all local authority services, thus considerably broadening areas of local authority provision that are open to competition. Local authorities are also to be committed to the principle of 'continuous improvement' in services and wider consultation with citizens and other groups interested in service delivery (Martin, 2002). Thus, a significant element of Best Value is the aim to seek to promote wider user involvement in the construction of care packages and move from a 'service provider' focus to a 'customer focus' that delivers affordable, quality services (Scottish Office, 1998: Community Care Providers Scotland (CCPS, 2001).

However, Best Value has a harder set of requirements. For example, service providers are obliged to undertake a fundamental performance review of all services over a five-year period, and achieve annual efficiency savings of two per cent. This involves challenging existing service provision by comparing it with alternative service providers, but in consultation with the community. Performance reviews will be subject to independent

scrutiny by a new Best Value Inspectorate (Keenan, 2000: Martin, 2002). Local authorities also remain obliged to provide a 'mixed economy of provision' through private and voluntary organizations. The result is that the Best Value regime still involves competition for contracts, with local authorities encouraged to strive for continuous improvements in organizational performance, with competitive tendering seen as an important mechanism for securing such improvements (Boyne, Gould-Williams, Law and Walker, 1999). Moreover, for voluntary organizations that wish to provide social and welfare services, it is argued that the Best Value regime still contains a range of strict regulatory, monitoring and enforcement, cost cutting, market mechanisms, linked with improvements to services similar to those demanded under CCT (Vincent-Jones, 1997: Passey, Hems and Jas, 2000).

This raises the question whether Best Value represents continuity or a radical departure from CCT. For example, on the one hand, in order to improve strategic planning funding under Best Value from central government for local authorities is now over three-years, as opposed to annual settlements (Keenan, 2000). As a consequence this development may bring much needed financial stability to the sector. Further, the introduction of Best Value Reviews may also have advantages for the sector as voluntary organizations can use these reviews to compare and contrast their performance with existing services provision by local authorities and offer a possibly more effective alternative, and thus win contracts.

On the other hand, over the next few years, the funding of voluntary organizations from local authorities will be subject to such Reviews, where the local authority will question if particular functions currently provided by the sector are needed at all, and whether it could be delivered more effectively by another organization. Therefore, it is felt that the sector can no longer assume that it will be financially supported because it is 'a good thing', but it will face increasing competition from outside sources, e.g. the private sector. (Blackmore, 2000: Martin, 2002).

Other Reforms to the regulation of the care sector

The last few years have also witnessed further regulation of the mixed economy of care under the Labour government. These reforms are seen as part of the principles of care outlined in the White Paper *Modernising Social Services (CM 4169) (1998)*, as well as the Green Paper *New ambitions for our country: A New Contract for Welfare*, and in Scotland *Modernising Community Care: An Action Plan* and the *Framework for Mental Health Services in Scotland*. In combination, these policy papers appear to be reinforcing a number of themes regarding the nature of care provision. The first is the continuing promotion of independent living in the community (raised in the 1990 Community Care Act), and the person-centred approach to care.

This person centred approach to care sees the client - carer relationship as multifaceted, and can include strictly functional and task-orientated aspects, where the carer becomes the 'arms, the legs, the eyes' of the client (Ungerson, 1999), allowing them to participate in any activity they choose in order to live independently in the community; it can involve the carer as companion, implying great potential for emotional closeness; and develop the carer as a 'social asset' who will participate in activities that bring the client into society at large because of the carer's acceptance of the goal of independent living (Yamaki, and Yamazaki, 2004). Underpinning this type of work is an assumption that employees in the voluntary sector are 'caring professionals' who display appropriate degrees of empathy with client needs bearing some similarity with Bolton's 'philanthropic emotional management', where the carer genuinely cares for the people involved in receiving their services (Bolton, 2000).

This philosophy is embedded in policy in the UK. For example, in the Forward to the Government's *Modernising Community Care (1998)* paper it is stressed how care has to be 'needs led' and involve 'shifting the balance from institutional forms of care to caring for people at home'. At the same time, each of these policy documents is underpinned by the potentially contradictory aims of 'cost effectiveness' and 'value for money'. The outcome of these documents appears to be the introduction of a number of changes to

legislation governing and regulating the care market and the benefit/funding system. These are outlined below.

The Regulation of Care Act, 2001: The establishment of the Care Commission and Social Services Council

Another key area of change under New Labour has been through the introduction of The Regulation of Care Act, (2001) and the Regulation of Care (Scotland) Act 2001. This legislation has handed over the regulation of a range of care services from local authorities and NHS boards to the Care Commissions of England and Wales and Scotland. The Commissions have a regional infrastructure that takes over the responsibility from local authorities for the inspection of registered care homes in the public, private and voluntary sectors. The Care Commission has powers of inspection over the following range of services:

- Support/day care services, care at home services
- Care home services (residential care homes for adults and children)
- Welfare and care in boarding schools
- Independent health care (hospices, private doctors, independent hospitals)
- Nurse agencies
- Childcare agencies (nanny and sitter services)
- Secure accommodation services for children
- Offender accommodation services
- Adoption services
- Fostering
- Adult placement schemes
- Childminding
- Day care and early education for children
- Housing support services

The Care Commission inspects and regulates care services in accordance with National Care Standard to ensure equity of care services across the UK. The Commission has

powers of ensuring registration, inspection, and dealing with complaints and enforcement. The latter includes legal sanctions that can involve improvement notices and cancellation of registration. In addition, the Care Commission has established recommendations on providers of care to have fifty per cent of their workforce trained to NVQ 2 and SVQ 2 standards by 2005, and is responsible for establishing a register of those employed in care. At this point, it is worth raising that local authorities still retain significant monitoring and control of contracted services with the voluntary sector through what is known as 'contract compliance' (Care Commission, 2004).

The Regulation of Care Act also established the General Social Care Council (GSCC) and its Scottish equivalent the Scottish Social Services Council (SSSC). These have been established to regulate the care workforce. Included in its responsibility is the establishment and regulation of workforce qualifications and the establishment of a register of individual care workers and managers, where in the event of misconduct such workers can be 'struck off' and no longer employed in the care sector. As a result, there are requirements on care providers to progressively invest in the training and development of the workforce over the next five to ten years, in order to ensure consistency of care across the public, private and voluntary sector. One of its early requirements is the expectancy that all managers of registered homes should be qualified to SVQ 4 standards by 2005. In addition, the Council has produced its own recommendations with regard to standards in HR policies among employers in the care sector. This covers such areas as recruitment and selection, training and development, equal opportunities and general personnel policies and procedures. (SSSC, 2004: McClimont and Grove, 2004).

In addition to this, the SSSC issues codes of practice to the social care workforce. Again, it is revealing how the philosophy of person centred care is evident in these codes. For example, the code of practice recommends how social care workers must:

Promote the independence of service users while protecting them from danger or harm;

Promote the individual views and wishes of both service users and their families;

And

Support service users' rights to control their lives and make informed choices about the services they receive (SSSC, 2004).

Changes to the benefit system

Community care is financed through a variety of funding streams e.g. from social work, the NHS, European Community, and the DSS. The Labour government has introduced several important changes to the benefit system that have the potential to further shape the nature of care work in the UK. One of the key principles behind these changes is, again, to promote independent living and person-centred services through a funding system where the money follows the individual (CCPS, 2001). An example of this is an update of the Direct Payments system originally introduced through the Community Care Direct Payments Act (1996) (see Pearson, 2004 for details)

A more significant part of New Labour's changes to the benefit system is the 'Supporting People' agenda. From April 2000 the Department of Work and Pensions introduced Transitional Housing Benefit as the main source of funding through the benefit system for charges for support services. This was in operation until April 2003, when funding streams for support services were integrated into a single budget to be administered by local authorities labeled 'Supporting People'. The ultimate aim of this agenda is to replace Housing Benefit and other funding streams as the means for meeting the costs of housing (rent) and support services for vulnerable people. This is to encourage residence and tenancies in accommodation that allowed individuals to live as independently as possible within the community.

In addition, the DWP stresses that the aim of this benefit is also to give proper consideration of value for money, quality of services and transparency in the use of

resources. Vulnerable groups that come under this umbrella benefit include the elderly, people with learning disabilities, those with mental health problems, rough sleepers, and people with drug problems. Significantly, the scheme also allows access to tenants from among these vulnerable groups whose accommodation is provided through contracts outside local authority provision, and thus allowing voluntary organizations to access such funds (Department of Work and Pensions, 1998).

Some consequences from devolution

Finally, of relevance to this thesis, given the location of the fieldwork, are the differences in the approach to social care in Scotland as result of devolution. Generally, the mixed economy of care has been seen to develop at a slower pace in Scotland. This is seen largely because of the dominance of state provision in Scotland, but also its rejection of the rule stating that 85% of earmarked funds should be spent on the independent sectors. With regard to New Labour's initiatives, legislation has led to Best Value being introduced more gradually, because of its status, until recently, as a recommendation on local authorities to implement Best Value reviews. The status of this initiative in Scotland has been given statutory force through the Local Government in Scotland Act 2003 requiring local authorities to move away from the cost based culture of compulsory competitive tendering, with a more flexible system that aims to put quality and effective management to the fore (Scottish Executive, 2003). The extent to which these differences lead to significant variability in quasi-market systems in the UK is open to debate. It has been argued that these differences do not signal a great departure from the rest of the UK, or the creation of a distinctive post-Devolution Scottish social welfare policy (Mooney and Poole, 2004).

There are arguably numerous implications for the voluntary sector emanating from the above changes to policy. The next two sections focus on the implications regarding the financial independence of the sector and employment relations.

Implications for voluntary sector income

The National Council for Voluntary Organizations (NCVO) provides a regular outline of income from a survey of its own membership. Overall gross income of UK charities for 2001/02 was £20.8bn, with the majority (two-thirds) of this being concentrated within 2,400 general charities. This represents a fall in real terms of £429m from 2000/01, with smaller voluntary organizations particularly vulnerable to decreases in income, while those with turnovers of over £10m continue to see increases (Wilding, *et al*, 2004).

The two largest sources of income in 2001/02 stem from the public sector in the form of government grants and contracts (37%) and the general public (36.6%), followed by other voluntary organizations (6.6%) the private sector (4.3%) and internally generated sources (15.5%). Several points are worth highlighting with regard to income from government. The first is that this source of income to the sector has increased significantly from 26% in 1991 to 37% in 2001/02 (Wilding, *et al* 2004). Moreover, it is far more dependent on the state for funding than private sector providers of care services (McClimont and Grove, 2004). This represents a dramatic shift in the sector's resource base, and one that is greater compared to other industrialized countries (Kendall, 2003). The second is that public sector funding was seen as the only source of income that has experienced an increase over 2001/02. The third is that income from the state is slightly biased in favour of contracts (representing 15.3% of overall income total, as opposed to 14.6% grants), but the relative weighting in favour of either funding mechanism fluctuates. The fourth and final point is that the importance of public sector income to the sector increases according to size, i.e. for organizations with turnover between £100,000 to £1m, the public sector contributes 41.9% of income (Wilding, *et al*, 2004).

In terms of the breakdown of this income from government sources, the provision of personal social services on behalf of local authorities and health authorities has been the main component (41% and 22% respectively in 1998/99). A quarter also comes from central government, with 11% from Quangos and the EU (2%). Government contracts are also reported to be more important and significant contributors to the incomes of larger voluntary organizations (i.e. incomes over £1m) (Passey, Hems and Jas, 2000).

An analysis of local authority spending during the 1990s found that the proportion of total expenditure devoted to the voluntary sector by councils rose from 1.5 per cent to 3 per cent, reflecting the changes in community care, special funding programs and contracting-out. Recent figures show how social services' spending represented 52% of the total spent on voluntary bodies from councils' expenditure. In addition, spending on social services is predominantly composed of fees, contracts and payments for services (Mocroft, 2000).

Information from health authorities regarding expenditure on voluntary organizations is limited, although a recent study of London Health Authority expenditure provides some insights. In 1996-97, these authorities spent an average of 3 per cent of their revenue expenditure on voluntary service providers, illustrating that the policy changes of the 1990s have resulted in health service spending on the sector reaching levels of other funding sources such as local authorities. Two-thirds of this contribution is dedicated to long-term residential care, for people with learning disabilities, mental health problems, people with AIDS/HIV, and elderly or acutely ill people (Mocroft, Pharoah and Romney-Alexander, 1999).

For the voluntary sector there are a number of contentious implications resulting from the above funding relationship with the state. The first is that the market, originally through CCT, has become the foundation for understanding the relationship between government and other sectors. This has led to a change in the relationship between the public and voluntary sectors. In particular, funding to the voluntary sector has become far less based on grants for the general purposes of voluntary activity, but increasingly linked to a reliance on fees for specific identifiable service provision, leading to the creation of the 'contract culture'. Consequently, public bodies regulate the voluntary sector by establishing precise, measurable and binding performance criteria and output controls in exchange for funding. Often such contracts are increasingly legalistic, and enforceable. In addition, commercial practices have emerged as the preferred model for managing organizations. Voluntary organizations are expected to demonstrate that they are 'business-like' in order to participate in the new policy arena, which includes taking on

the values and techniques of the private sector (Perri 6 & Kendall, 1997: Tonkiss and Passey, 1999: Harris Rochester and Halfpenny, 2001).

Another consequence of the changing relationship with funders has been that many voluntary organizations live with financial uncertainty because of reappraisals by the statutory sector of funding priorities or strategies for delivering services; eleventh hour budgetary decisions; and short-term financial settlements (Russell, Scott and Wilding, 1996). In such circumstances little allowance is made for increases in core costs (such as staffing) resulting from increased demands on voluntary organizations in terms of service provision. The result is that charities have been meeting these overheads from their other resources (Russell *et al*, 1996: Whelan, 1999).

A further potential change under this funding and regulatory environment is, again, 'mission drift'. Specifically, it has been reported that under contracting, the priorities of the purchaser can dictate the type of client receiving a service, to the detriment of other vulnerable groups previously serviced by the sector. Furthermore, it is argued that the priorities of the funder can lead to a limiting of resources devoted to other activities of voluntary organizations, such as advocacy and development work. As a result, there is a risk of goal distortion that can threaten the identity and autonomy of voluntary agencies (Taylor and Lewis, 1997). Indeed, there have been more reports of the NCVO voicing concerns regarding the wisdom of voluntary organizations 'plunging into contracts' to deliver public services: such concerns largely based around fears regarding the continued independence of the sector (Brindle, 2005).

Implications for Employee Relations Research in the Voluntary Sector

There is a growing understanding of the possible consequences from the above changes in state policy and levels of public expenditure on paid employment in the sector.

Exploratory insights into employment relations in voluntary organizations up to the mid to late 1990s, point towards cuts in pay and conditions (Cunningham, 2001: Knapp, Hardy and Forder, 2001). Further, a more recent study of large employers in the sector

revealed continuing funding shortfalls from statutory forces, and an expectation from purchasers that voluntary providers would subsidize these. Moreover, once contracts are agreed, voluntary organizations reportedly have problems negotiating inflationary uplifts to cover increased costs in areas such as management, training and development and recruitment (Barnard, Broach and Wakefield, 2004).

In terms of the specific impact on pay in the sector, prior to the development of the quasi-market, pay scales were traditionally aligned to local authority terms and conditions (Ball, 1992). However, analysis of studies of pay scales uncovers how this link is unraveling. For example, Ford, Quiglers and Rugg (1998) found that in comparison to care workers in local authorities and the private sector, workers in voluntary organizations had the widest range of pay in the community care sector, with evidence of comparability only for those staff in specialist care roles. Other studies have revealed pay gaps between the private and public sectors of around 20%, with a gap in London of up to 25%, with little prospect of improvement (Reward, 2001: Remuneration Economics, 2001: IDS, 2001: IDS, 2002). Pay rises have also reportedly fallen behind that of public sector increases since 2001 (Barnard, et al, 2004: Shah, 2004). Further, there have also been reports that voluntary organizations would be less likely to pay their staff higher rates of pay for achieving accreditation under the NVQ schemes (IDS, 2005). Moreover, given the focus of this study is in Scotland, it is worth highlighting how average weekly earnings in the Scottish voluntary sector are 13% lower than in the private sector, and even more so when compared to the public sector (20%) (Shah, 2004).

In relation to other aspects of the employment relationship in the contract culture, it has been found that there has been a greater reliance on atypical forms of employment such as temporary contracts due to pressure from funders (Cunningham, 2001). Indeed, in the latter case there are some suggestions that management in charitable organizations now have more freedom to use greater flexibility in their employment practices compared with public and private sector counterparts (MacVicar, Foley, Graham, Ogden and Scott, 2000). Moreover, a report by the Kings Fund revealed how commissioning agents paid

little attention to service quality, and recommended that local authorities work with providers to raise the skills and standards of care staff (Kings Fund, 2001).

Moreover, other research has uncovered how the tension between delivering care that is cost effective and of a reasonable quality has led to reforms in social care that have involved reviewing skill mixes. As a consequence, evidence suggests depletion in the ranks of middle managers and professionals, while recruiting a large number of vocationally trained but unqualified staff at the bottom, in some cases on short-term contracts (Humphrey, 2003).

Yet given the exploratory nature of these studies, and the aforementioned policy developments, there is a need for continued and more in-depth research into the relationship between funding bodies and the sector, and the extent to which the former influences employment conditions within the latter. The impact of some aspects of the reform agenda outlined above remains uncertain despite a number of the above policy developments potentially having distinct and significant influences on the purchaser – provider relationship and the employee relations/HRM policies of the latter. This is especially the case given that research from the private sector reveals how commissioning organizations do, in reality, intervene to shape the human resource policies of organizations with which they have contractual relations (Hunter, Beaumont and Sinclair, 1996; Rubery, Earnshaw, Marchington, Cooke, and Vincent, 2002; Truss, 2004).

For the voluntary sector, at national level, for example, requirements from the Care Commission and the SSSC will send powerful normative signals that will assume the sector will embrace and conform to recognized structures and practices that are designed to achieve the various targets aimed at accrediting the voluntary sector workforce. In addition, there will be pressure from these same bodies regarding compliance with what is seen as ‘best practice’ in employee relations policies such as discipline and grievance, health and safety. Similarly, at local level, such pressure for ‘best practice’ in HR policies may be brought to bear in accordance with ongoing contract compliance and performance management requirements from local authorities, as well as Best Value through the

acknowledgement of 'non-commercial considerations' in the award of contracts. In addition, any prescriptions from government agencies regarding the content of policies such as discipline may also spill over into interference with the actual practice of discipline and supervision, as has been the case with contractual relations under private and public sector partnerships (See Rubery, *et al*, 2002: Vincent, 2004).

Moreover, these legal pressures from central and local government agencies have implications beyond the content of HR policies and practice. For example, the 'independent living' and 'person centered planning' agendas involve approaches to delivering care that assume twenty-four hour coverage, which, in turn, will have to be provided through a significant degree of staff flexibility, with significant implications for the organization of working time. Leat and Ungerson (1994) point how this means voluntary organizations will have to:

Introduce the idea of flexible labour willing to work as the need arises at unusual times, but nevertheless contracted to provide reliable services (pp.262).

In addition, state agencies will also subject the sector to powerful '*cost based*' and competitive pressures through a continuing emphasis on the principles of NPM, but also from more recent policy changes introduced through Best Value and the changes to the benefit system through Supporting People. It has been noted that the twin themes of quality and cost effectiveness are not always in conflict as purchasers are responsible for spending public funds and have a responsibility to attain value for money. At the same time, it has also been argued that these aims will conflict if there is a shortage of funds and cost saving becomes paramount. Here, purchasers may drive a hard bargain and push down costs or select the cheapest providers (Johnson, Jenkinson, Kendall, Bradshaw and Blackmore, 1998). This has potential significant consequences on the management of employee relations in the voluntary sector, particularly around pay and conditions, the work effort bargain, and, again, working time.

In addition, it can be argued that the continuing financial uncertainty that this environment brings will lead to various types of insecurity in the workplace, beyond where an employer can dismiss or lay off workers. Certainly, there are conceptualizations of workplace insecurity that encapsulate the numerous forms of insecurity, which include shifting workers from one job to another and altering job content, working time insecurity and work insecurity, where the employee's health and safety is under threat (Standing, 1999).

At the same time, there are several countervailing pressures that make the outcome of these cost pressures uncertain. For example, in recent years, from central government there has been a review of service delivery by the voluntary sector in the area of social care. This has led to the introduction of the notion of 'full-cost recovery' where the Treasury has made a commitment to allow voluntary organizations some clarification/benefits to improve their financial situation when negotiating contracts with local authorities. These include, the incorporation of overhead costs within their bids for services and the move to three-year contracts. However, the outcome of this initiative is uncertain given it still acknowledges that the financial position of local authorities will vary across the regions and contract awards will reflect this (HM Treasury, 2002). Indeed, a recent investigation by the National Audit Office reveals a slow transformation of attitudes among various parties in state – voluntary sector negotiations that is making the cultural change necessary to achieve 'full-cost recovery' difficult (National Audit Office, 2005).

In addition, there are labour market pressures that could push terms and conditions of employment in an upward trajectory. In particular, the reported severe skill shortages and recruitment crisis in parts of the sector, exacerbated by tight labour markets in certain parts of the country and competition from public and private sectors. There is some perception that the sector has deeply unattractive jobs and that pay is uncompetitive with other sectors of the economy, with one in two employers reporting how recruitment problems stemmed from low salary levels. (Wilding, Collis, Lacey, and McCulloch, 2003) In addition, in Scotland research findings have revealed how recruitment problems

are more acute in the sector compared to private and public sector organizations. (Scottish Centre for Employment Research, 2005: SCVO, 2004). In such an environment, it is unlikely that all voluntary organizations, even in the face of tight local authority funding decisions, can rely on low pay strategies, and so will face ongoing contradictory pressures impacting on their reward policies.

Another consideration is the extent to which voluntary organizations are able to resist pressure from state agencies on internal employee relations matters. Again, studies outside of the voluntary sector have revealed how a range of features such as 'balance of dependency' that exists between contracting organizations, the degree of vulnerability, or risk, involved in the relationship, and the degree of trust between the parties determines how far one party can influence HR in the other (Deakin and Michie, 1997). Some studies more specific to the sector, have pointed out how the more a voluntary body relies on one single funding source, the greater control the funder has over employee relations issues (Morris, 1999). It is necessary, therefore, to explore the extent to which voluntary organizations are able to resist pressure on their terms and condition as a consequence of their status as monopoly providers of certain services or with reputations as 'experts' in a particular niche.

SUMMARY AND IMPLICATIONS

This chapter has outlined key changes in the state – voluntary sector relationship over the past twenty years, which has seen the latter given a significant role in the provision of social services in the UK. On the one hand, the consequences of this have included a higher profile in the provision of services where the focus of many voluntary organizations' mission and values lie, alongside significant increases in income and workforce numbers. The price that is being paid for this higher profile and closer relationship with the state is, arguably, an intensification of two forms of control by government agencies over the voluntary sector. The first is through an increasing regulatory burden, the second a consequence of a greater financial dependency on the

state. Overall, these changes lead us to several research themes regarding the implications for employment relations within the sector. These are:

- a. What is the influence of various normative and financial pressures on the voluntary sector from the state on the voluntary sector employment relationship.
- b. What is the capacity of the voluntary sector to resist the above pressure.

These areas of investigation that have been identified require an analytical framework for evaluation. The next chapter is designed to develop such a framework.

CHAPTER 3: DEVELOPING A FRAMEWORK TO EVALUATE STATE INFLUENCE ON VOLUNTARY SECTOR EMPLOYMENT RELATIONS

Introduction

The purpose of this chapter is to construct a research framework that will capture the dynamics of the state – voluntary sector relationship that were outlined in Chapter 2. In particular, it was argued in the previous chapter that the voluntary sector was subject to two distinct types of control by the state - regulatory and financial - within the organization of its general activity, and the management of HR and employee relations. As a consequence, this chapter proposes a framework that will evaluate the impact of these various types of control on voluntary sector employment relations. In doing so, it embraces several distinct theoretical approaches that are recognized as being able to capture these forms of control – Institutional and Labour Process theories.

However, the chapter will also argue that the relationship between the state and voluntary sector cannot be seen solely in the confines of the latter being a passive recipient of influences from the former. In the light of this, the research framework argues that management in organizations can exercise a degree of strategic choice (Child, 1972). A good approach to help evaluate the exercise of autonomy is gleaned from aspects of recent literature concerning inter-organizational relations (Bresnan, 1996; Marchington *et al*, 2005). The Chapter begins by outlining the early foundations of institutional theory, within the open systems approach to organizational analysis. This will be followed by an overview of some of the relevant perspectives that make up the institutional approach. It will then outline the strengths of this theory followed by an outline of its contribution to exploring the state's influence of voluntary sector HR policies. In the light of the limitations of this approach in studying the employment relationship, it then argues for a framework that incorporates an institutional perspective, but also focuses on changes in the voluntary sector labour process and as well as one that includes a broader understanding of inter-organizational relationships and the exercise of strategic choice and autonomy by organizations within such relationships.

INSTITUTIONALISM IN ORGANIZATIONAL ANALYSIS

The origins of contemporary institutional theory can be traced to the open-systems approach to organizational analysis that seeks to explain the conditions that give rise to rationalized formal structure. The open systems approach recognizes that complex organizations are not autonomous entities, but are conditioned by other social units and thus interdependent with a larger environment (Meyer and Rowan, 1977). These external variables are not subject to complete control by the organization and bring a considerable degree of uncertainty into decision-making. The processes therefore going on within organizations are significantly affected by the complexity and uncertainty of their environments. At the same time, organizations require certainty and determinateness to achieve their goals and so create formal administrative structures specifically to limit this uncertainty. It also assumes, as with the closed systems approach, that managers exercise command authority over their organizations (Thompson, 1967; Meyer and Rowan, 1977).

The development of an open systems approach to organizational analysis has seen interest wax and wane on a number of related perspectives such as 'contingency theory' resource dependence analysis, and population ecology. (see Bryman, 1993; Carroll, 1988; Hannan and Freeman, 1977; Pfeffer and Salancik, 1978; Thompson & McHugh, 1995 for summaries of these perspectives). At the same time, these approaches bring several key foundations to the institutional thesis. These are, firstly, that complex organizations are interdependent with their environments, and, secondly, that a process of *isomorphism* leads to the structural features of organizations corresponding to their environments. However, it was not until Meyer and Rowan's influential 1977 paper that institutional theory began to be recognized as a distinct approach to studying organizational structure and inter-relationships.

Meyer and Rowan saw formal organizational structures as the reflection of wider societal institutional rules. Such rules and patterns are products of the state (through legal mandates), professional groups and public opinion and are designed to make sense of

ambiguous and uncertain environmental phenomena (Quaid, 1993). Moreover, crucially Meyer and Rowan argued that the purpose behind incorporating the various structures, rules and practices and procedures is to increase the legitimacy and survival prospects of organizations, independent of the immediate relevance of the practices to specific work processes. In other words, Meyer and Rowan argued distinctively that many institutionalized products, programs and policies function as myths that depict various formal structures as rational means to attain desirable ends, and are adopted ceremonially by organizations. The implication of this institutional approach is that the formal structures of many organizations will reflect the myths of their institutional environments instead of the demands of their work activities (Meyer and Rowan, 1977).

Moreover, Meyer and Rowan introduced the concept of 'loose coupling'. Specifically, where these institutionalized rules conflict with the efficiency criteria of an organization a process of 'loose coupling' occurs that results in the formal institutionalized structures being separated from actual work activities, so ensuring efficiency, while continuing ceremonial conformity. This further assumes the existence of formal and informal organization, and also that organizational success depends on factors other than efficient coordination and control of productive activities (Meyer and Rowan, 1977).

As a consequence, according to Meyer and Rowan, various policies programs etc become formalized and engrained into organizational life because:

Many of the positions, policies, programs and procedures of modern organizations are enforced by public opinion, by the views of important constituents, by knowledge legitimated through the educational system, by social prestige, by the laws, and by the definitions of negligence and prudence used by courts. Such elements of formal structure are manifestations of powerful institutional rules which function as highly rationalized myths that are binding on particular organizations (p.343).

Once embedded within organizations, these institutionalized techniques and processes further establish organizations as rational and appropriate, and therefore bestow legitimacy. Such claims of legitimacy from organizations are supported by external assessment criteria that evaluate the value of structural elements (Meyer and Rowan, 1977). By incorporating these institutional rules organizations can form and expand: the result being that organizations are structured by their environments and become isomorphic with them. Isomorphism with environmental institutions also, it is claimed, reduces turbulence and maintains stability. Organizations that fail to become isomorphic with their environments risk being seen as illegitimate, and vulnerable to claims of negligence and inefficiency and lead to the imposition of costs, perhaps through an ending of flows of support from external resource holders (Meyer and Rowan, 1977).

A further development of institutional theory came from DiMaggio and Powell (1983). In a similar vein to Meyer and Rowan they argued that organizations were becoming more homogeneous and bureaucratic within organizational fields (The concept of 'organizational field' is defined as a group of organizations that constitute a recognized area of institutional life, e.g. organizations that produce similar products and services, regulatory agencies and key suppliers). DiMaggio and Powell again use the concept of isomorphism to capture the process of homogenization and identify three mechanisms of institutional isomorphic change – coercive, mimetic and normative. The first of these mechanisms is described in the following terms:

Coercive isomorphism results from both formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function. Such pressures may be felt as force, as persuasion, or as invitations to join in collusion. In some circumstances, organizational change is a direct response to government mandate: manufacturers adopt new pollution control technologies to conform to environmental regulations; nonprofits maintain accounts and hire accountants in order to meet tax law requirements; and organizations employ affirmative action officers to fend off allegations of discrimination (DiMaggio and Powell, 1983).

Again, DiMaggio and Powell (1983) in a similar vein to Meyer and Rowan (1977) cite the state as a major influence on this process of isomorphism as it expands its dominance over organizational life and organizations attempt to reflect the rules institutionalized and legitimated by government and its agencies.

Mimetic isomorphism is seen as deriving from uncertainty in terms of either organizational technology, ambiguous goals or uncertain environments. Organizations will borrow/mimic other organizational practices in response through employee transfer, trade associations etc. Once again, under this process, legitimization occurs as firms that mimic others send signals to customers, competitors etc. that they are adopting the 'right' approach to managing business organizations. Moreover, it is stressed that adoption of certain practices or structural arrangements can be credited to their universality rather than evidence that they improve efficiency (DiMaggio and Powell, 1983).

Normative isomorphism is seen as stemming primarily from professionalization, i.e. defined as how members of an occupation define the conditions and methods of their work in order to control production, and establish a cognitive base and legitimacy for their occupational autonomy. Professions are seen as subject to the same coercive and mimetic pressures as are organizations. The result is that various kinds of professionals in an organization are similar to their professional counterparts in other organizations. Two aspects of professionalism act as mechanisms for isomorphism: the first is formal education and legitimating of a cognitive base; the second is the growth and elaboration of professional networks spanning across organizations. The former spreads organizational norms. The second uses professional and trade associations to spread rules and attitudes about professional and organizational behavior. The result is a pool of individuals occupying similar positions with similar orientations and traditions that can shape organizational behavior. As a consequence of this, the same policies, procedures and structures are sanctioned and legitimated because these professionals have undergone a similar socializing process and view decision-making in the same way (DiMaggio and Powell, 1983).

At the same time, other institutional theorists stress that the institutional environment is not necessarily unitary or coherent, and that organizations face multiple and competing pressures. This leads to conflicting definitions and demands on organizations. This is seen as largely due to the complexity and fragmentation of state controls (Oliver, 1991). As a consequence, organizations are faced with incompatible and competing demands that make unilateral conformity impossible because the satisfaction of one body/organization or government department implies an organization has to ignore the requirements of another. The result is that organizations manage conflicting interests (Pfeffer and Salancik, 1978).

Moreover, other interpretations of the institutional perspective have argued that organizations are not all passive within their organizational fields, but can also be interactive. This implies that organizations do not simply copy social facts, but can influence them and help shape their environments. This can be undertaken individually by organizations or as an aggregate (Zucker, 1987).

In the light of the above, a number of common characteristics to the different perspectives to institutional theory emerge, in particular:

A focus on the interrelationship between an organization and its environment in determining the former's structure

Organizations becoming homogenous through a process of isomorphism with their environment

A core reason for this isomorphism and management actions being an organization's search for legitimacy from key elements in its institutional environment

The state and professions represent key agents of isomorphic change.

These points leave us with a question regarding how this theory then allows us to evaluate the influence of the state on the employment relationship within the voluntary sector. The next two sections will contain a summary of the strengths of the institutional approach in the context of the objectives of this thesis, followed by an outline of a possible research framework incorporating institutionalism.

The Case for an Institutional Analysis of Voluntary Sector – State Relations

Recognizes the state as a key environmental influence

As previously mentioned a key focus of this thesis is the role of the state in influencing the internal organizational policies of the voluntary sector (specifically HR policies). Therefore, the first reason in favour of utilizing the institutional thesis within this project is that it recognizes that the state is a significant and influential environmental shaper of organizational policy and practice. The institutional thesis argues that organizations are not autonomous entities, but are conditioned by other social units (Meyer and Rowan, 1977). Formal organizational structures are seen as a reflection of wider societal and institutional rules, and the state is seen as a key facilitator of such rules through mandates and the distribution of resources (Meyer and Rowan, 1977). The organizational structures, rules, techniques and processes that emerge from this isomorphic state pressure are viewed as rational and appropriate and therefore bestow legitimacy on organizations in the pursuit of scarce resources. Organizations, therefore, adopt these rules and processes and become isomorphic with their environments. Indeed, the coercive isomorphic power of the state in shaping employee relations has been illustrated in studies from the United States that have focused on the widespread adoption of formal disciplinary, grievance and equal opportunities practice and the adoption of personnel departments in response to Government mandate (Baron, Dobbin and Devereaux Jennings, 1986: Edelman, 1990: Sutton, Dobbin, Meyer and Scott, 1994).

The reliance of the voluntary sector on state support and legitimacy

A second, and related, reason for using the institutional thesis relates to the traditionally close relationship between state and voluntary sector. For example, a number of studies in the United States have revealed how voluntary social service organizations are seen as particularly susceptible to influence from the state because of their historically close association with government, which was frequently regarded as complementary to, or an appendage of, state operated service systems (Singh, Tucker, and House, 1986: Singh, Tucker and Meinhard., 1991: Tucker, Singh , Meinhard and House, 1988: Euske & Euske, 1991: Tucker and Baum, 1992). The reasons for this vulnerability to institutional pressures from the state is illustrated by Tucker *et al*:

A significant feature of VSSOs is that they have somewhat indeterminate technologies. Thus, their ability to demonstrate their effectiveness in terms of conventional output, efficiency or process criteria is very limited. Under these conditions, social criteria, like the satisfaction and the approval of external constituencies, are more likely to be used to judge effectiveness. This suggests that VSSOs are specifically vulnerable to conditions and constraints that have their origins in the institutional environment and that factors such as the acquisition of external institutional support significantly affect their survival chances (Tucker *et al*, 1988, pp. 131).

The extent of financial dependence of the voluntary sector on the state is outlined in the previous section. The exact impact of this dependence is currently a source of debate. For example, it has been noted that although changes in the role of the state and in social policy do not necessarily impact on the voluntary sector in a direct or linear fashion, they do lead to tighter regulation, standardization, formalization and professionalisation. In extreme cases this process is seen as coercive isomorphism in which structures, working practices and missions from the government sector are imposed on the voluntary organizations. Indeed, it is suggested that some agencies are incorporated into the public sector through a combination of funding, contracts and close, detailed monitoring (Harris, 2001).

A notable example illustrating this dependence by the voluntary sector on the state is provided by Osborne (1998). This study identifies a number of sources of institutional pressure on voluntary organizations including the overall societal framework for the role of VNPOs and its impact on government perceptions and legislation concerning voluntary organizations, and the influence of funders such as local authorities. This study outlines how the capacity of voluntary organizations to exhibit innovation in service delivery significantly contributed to the achievement of legitimacy to their environment, especially to local authority and social service department funders. Voluntary organizations had to sensitize their operations to the needs of funders and tailor funding applications to highlight innovativeness in delivery because this was identified as key criteria for successful bids. Moreover, other organizations in this study were facing crisis in legitimacy and were attempting to carve out a niche to demonstrate to local authorities their innovative capacity and therefore suitability for continuance of funding. Indeed, the study showed evidence of voluntary organizations attempting to claim innovation in their activities, irrespective of their true nature in order to achieve such legitimacy. Moreover, where one voluntary agency was deliberately failing to meet the requirements of social service departments, it risked its own survival. Voluntary organizations were therefore seen as operating within open systems, dependent on interaction with their environments in order to achieve their mission (Osborne, 1998).

An approach to evaluating external normative influences on organizational values and culture

Institutional theory contains another advantage in the study of inter-organizational relations. In particular, it helps us evaluate whether organizational structures and working practices are in place in order to create the appearance of rationality and progress to key stakeholders, or whether such innovations have really become part of organizational values and culture. This is achieved through recognition of the aforementioned phenomena of 'loose coupling', where, it is argued, managers create the appearance that they are conforming to norms of rationality, while at the same time operating according to their traditional structures and methods of work (Meyer and Rowan, 1977:

Abrahamson, 1996). In exploring whether 'loose coupling' exists, institutional theory assists in evaluating the extent to which, on the one hand, organizations merely adopt the rhetoric of various programs of rationality to secure legitimacy, or, on the other, whether such techniques exercise powerful normative pressure on organizations so that they become integrated into the values and culture of organizations. In doing so, institutional theory gives us an insight into the depth of influence from environmental shapers such as the state.

A recent example of this, in the context of understanding the state's influence on employment relations and HRM in the sector, comes from a recent study into the adoption of external awards, such as Investors in People (IiP) and ISO 9000. In particular, this study was useful in illustrating how there is less decoupling within voluntary organizations and more integration of the values of such benchmarks as IiP and ISO than was expected (Paton and Foot, 2000). For this thesis, similar observations regarding an evaluation of the extent of decoupling can be applied to the variety of isomorphic pressures outlined in the previous chapter such as those under the PCP agenda, and more general prescriptions regarding HR policies emanating from the contracting process.

In the light of the above, it is argued here that institutional theory provides this thesis with a way to explain the diffusion of a number of normative pressures from government and professional institutions on shaping voluntary sector HR policies. The next section will outline in more depth the application of the theory to the objectives of this thesis.

ESTABLISHING AN INSTITUTIONAL FRAMEWORK OF ANALYSIS

The following section seeks to build a research framework for this thesis that utilizes institutional theory. To begin, it is useful to examine some of the approaches from several notable studies in the UK regarding state – voluntary sector relationships that have included an institutional approach. In particular, these studies provide a framework of questions that are relevant to this thesis. For example,

What are the key institutions involved in the isomorphic process?

What is the projected nature of their impact? (See Lane, 1993; Osborne, 1998)

In answering these questions in turn, we can construct a framework for research that begins to address the complex issues already outlined so far.

What are the key institutions involved in the isomorphic process?

In answering the first question, Osborne uses three levels of analysis in his study to identify the various institutional pressures on voluntary organizations. The first is identified as the *meta-environmental* level concerned with the overall societal framework and attitudes to the voluntary sector for service delivery. This is seen as being implemented through a series of statutes at national level. The second is the *macro-environmental* level, which is concerned with the forces that operate within the organizational field of voluntary organizations, in particular local councils and health authorities that have certain performance expectations of voluntary providers of services, and other voluntary organizations. The third is the *micro-level*, concerned with forces operating within particular voluntary organizations, such as professionals and organizational ideals, values and culture (Osborne, 1998). If a similar approach to this study is undertaken we can begin to identify the specific institutions that form the environment of the voluntary sector. To begin, attention is focused on the *meta-level* environmental forces.

Meta level institutions and pressures

Quasi-markets and community care legislation

At the meta level, the first of these forces is the radical change in the approach to providing welfare services introduced since the 1980s, which have direct contextual relevance to this study. In particular, these environmental factors include the changes

mentioned in the first section of this chapter which outlined how central government made local authorities move from a provider role, to an increasingly enabling function that includes coordination, planning and purchasing. This new role was embedded in the principle of the quasi-market, where would be suppliers of services compete to provide the most efficient and effective provision. The environment of the voluntary sector is therefore embedded within the principles of the market and enshrined in various pieces of legislation and regulation. These pressures include the continuing influence of legislation as the National Health Service Community Care Act, 1990; the creation of the Care Commission and Scottish Council for Social Services and to a certain extent changes to the benefit system through the introduction of the Supporting People agenda. Combined these potentially have implications for the direction of organizational HR policies and approaches to delivering care

Government as legislator in employment relations

The second of these *meta-level* institutional pressures are more specific to the employment relationship and is identified as the framework of employment legislation developed by successive governments. For example, the current Labour Government has sought to introduce legislation that arguably returns some balance in the employment relationship, after what many saw as the excesses of the Conservative era towards shifting employment regulation in favour of the employer (See Dickens, 1995 for summary). One of the first acts upon the election of Labour in 1997 was to sign up to the EU's Social Charter regarding the provision of basic employment rights across the EU. Therefore, it can be anticipated that developments such as this will exert a degree of isomorphism in the voluntary sector around new developments in employment law.

Macro-level pressures

Expectations of funders

At the *macro-level* it has been indicated how strong institutional pressures on voluntary organizations come from funding bodies such as local and health authorities, because they can define both the criteria for receipt of funding and also the evaluation of

subsequent performance (Singh *et al*, 1991: Tucker *et al*, 1992). Local authorities achieve this because of their role as coordinator and manager of the quasi-market. Voluntary sector organizations therefore face pressures to conform to externally generated standards in order to gain access to markets, and then face pressure to deliver services efficiently and effectively, but also at a lower cost (Langan & Clarke, 1994: Charlesworth *et al*, 1996: Whelan, 1999).

Micro-level pressures

The Influence of professionals and other organizations within institutional fields

In evaluating isomorphic pressures at the *micro-level*, it is interesting to begin by noting that the significant growth in recruitment of professional experts from the private sector into voluntary organizations (Butler and Wilson, 1990: Bruce and Raymond, 1992: Leat, 1995). Among these professions, there will undoubtedly be a rising number of Personnel/HRM specialists. Indeed, a study undertaken by the author revealed that in organizations with higher incomes (Over £1m turnover), thirty-seven per cent had a personnel HR specialist in post (Cunningham, 1999). If we follow the institutional argument, Personnel specialists will be seen as key gatekeepers of knowledge regarding HR practices, and therefore employment policies in voluntary organizations will be influenced to some extent by these networks.

In acknowledging this form of influence, the thesis begins to recognize the need to illustrate other determinants of HR policy, beyond the influence of the state. In doing so, this project is answering Mizruchi and Fein's call (1999) for effective studies of isomorphism to account for all three types outlined by DiMaggio and Powell. The type of isomorphism the above most accurately reflects is the *normative* approach. In addition, this project does not rule out that the sector will be open to *mimetic* isomorphic pressures. In the light of the above, we now move onto the second core questions designed to explore the impact of institutional forces on the voluntary sector.

What is the projected impact of institutional forces?

From the identification of the range of institutional forces developed above, we can perhaps begin to try to predict their impact on employee relations in voluntary agencies.

Projected outcomes of Meta-level institutional pressures

To begin, at the *meta-level*, it can be assumed that the increasing regulation of care will be impacting on voluntary organizations. In addition, through the creation of the Scottish Care Commission and the SCSS, normative pressure will be exerted on voluntary organizations to establish structures, policies and procedures that mirror the requirements of these regulatory bodies, including efforts to reach the standards for workplace qualifications, compliance with various aspects of employment legislation, and introduce standards in HR which are recommended as wider requirements and guidance relating to the management of staff in areas such as recruitment and selection, equal opportunities, training and development, discipline and grievance, bullying and harassment.

In addition, through the pressures exerted by successive changes to community care legislation, and changes to the benefit system the thesis will anticipate that there will be profound effects on the way voluntary organizations are expected to deliver care. In particular, in order to achieve legitimacy and contracts in a competitive market, it will emphasize the need for organizations to deliver care in a person's home or some other community setting, and provide for as normal a life for clients as possible under the principles of person-centred planning. As a consequence, this philosophy of 'person centred care' will, arguably, be leading to greater demands for flexibility in working time, more lone working, and enhanced behavioral expectations on employees to meet with client needs.

This will have profound implications for the organization of working time, with regards worker flexibility seen as a key factor in ensuring credibility and legitimacy in care services. As a consequence, this thesis anticipates management attempts to introduce changes to working hours that reflect the needs of the organization and service user rather

than those of staff. At the same time, due to the introduction of new employment legislation since 1997 this leads us to assume that there will be further isomorphic pressure relating to the government's agenda on family friendly policies (maternity and paternity provisions), and procedures, as well as regulations relating to the protection of workers under the Working Time Directive. The implications of the above will be the emergence of competing institutional pressures as raised by Oliver (1991) around the issue of working time.

In addition, other areas that may be affected by employment legislation may be in the area of employee representation in line with the recent EU Directive on Information and Consultation. Moreover, with the advent of stricter provisions around Criminal Disclosure legislation for those entering the care profession, there will also, arguably, be increased pressure to introduce 'best practice' in the recruitment of care workers.

Projected outcomes of macro level impacts

In terms of macro level pressure, there are several possible institutional impacts on the voluntary sector. In relation to the delivery of care, local authorities have a legal obligation to see that standards are maintained and that service quality is matched with the expectations under the person centred and independent living agendas. It has been argued that purchasers will only purchase from those that are on registers of accredited providers to ensure minimum standards are set (Johnson, *et al*, 1998). In the light of this, voluntary organizations can anticipate pressure to adopt their working practices in line with the requirements of these local lists as well as those of central government.

In terms of broad HR policies and procedures, given the introduction of Best Value and the accompanying recognition of 'non-commercial considerations' in the award of contracts, this normative influence provides for the possibility that state may begin to exert a positive force on voluntary sector employee relations. For example, in the public sector, it has been acknowledged that Best Value could lead to managers changing their approach to HRM, in line with the 'high commitment' response (Gould Williams, 2004). The implication from this for voluntary organizations is that where they are involved in

Best Value reviews and tenders, this may, in turn, lead to the dissemination of strong signals to the sector that the quality of their employment policies is an increasingly important factor in the award of contracts. For example, local authorities may begin to include in their contractual obligations pressure on the sector to introduce more progressive policies associated with the 'softer' models of HRM, as a way of encouraging the creation of a properly trained and resourced workforce to meet new care standards. Similarly, Best Value's emphasis on consultation with all stakeholders involved in service provision may encourage the creation of employee involvement/consultation mechanisms.

At the same time, given the legal obligations on local authorities, Best Value does call for continued regulatory and enforcement procedures which could imply a greater focus on more professional practices in the provision of HR policies and procedures, similar to that demanded by the Care Commission, especially in areas covering discipline, grievance, recruitment etc. These policy requirements could have further implications for voluntary sector providers. For example, in other studies of inter-organizational relationships it has been found that the insistence from purchasers on suppliers fulfilling certain requirements around HR policies and procedures and other regulations can be used as a quality check to reduce the number of providers in a market, and tie suppliers more closely to the purchaser (Marchington and Vincent, 2004).

At an operational level these meta and macro isomorphic pressures could have serious implications with regard to the nature of control and supervision in voluntary organizations brought about by the aforementioned blurring of organizational boundaries in areas such as discipline and performance management. In particular, it has been found that within various inter-organizational relationships governed by contracts, the client/contracting agency can have considerable influence over discipline, supervision and grievance to the point where there is a blurring over whose rules apply - the client or the provider. For employers in the sector, these developments, if repeated, will have significant implications for their status as independent organizations. For employees the same developments have serious implications in that their continued job security may be

conditional on meeting the rules regarding discipline and conduct of an external agency, rather than their immediate employer (see Rubery *et al*, 2002).

Projected outcomes from micro-level impacts

It can be argued that using the institutional thesis will predict a degree of isomorphism around HR policies occurring from the normative influence from those benefiting from professional education and links with other personnel specialists. Such specialists will have undergone a similar socialization process through education and professional associations such as the CIPD. These educational networks will span across organizations (DiMaggio and Powell, 1983), and be utilized by professionals in the voluntary sector to inform their HR policies. The result being that these professionals will probably advocate a standard, established and familiar package of personnel/HR responses that reflects the common normative pressure from state sources, but also contain a series of unrelated set of ideas and values within their own profession. To a degree, these will represent alternative isomorphic pressures to those imposed by the state.

However, the above presents only a partial insight into the state's influence on employee relations in the voluntary sector. This shortfall is inexorably tied up with several weaknesses in institutional theory's capacity to explore other areas of the employment relationship that are affected by the cost pressures emanating from various state bodies. To address this problem, the next sections outline in more depth specific weaknesses in institutional theory's explanatory power and outline how the thesis turns to another theoretical tool, i.e. the Labour Process perspective to assist in constructing a more robust analytical framework.

Problems with an Institutional Analysis of the Voluntary Sector Employment Relationship: An insufficient conceptualization of power and control

Criticisms of institutional theory largely begin with questions over its theoretical distinctiveness, i.e. its overlap with resource dependency and network theory/analysis Edelman, 1992: Knoke and Kuklinski, 1991, Mirzruchi and Fein, 1999: Osborne, 1998:

Slack and Hinings, 1994). For the purposes of this thesis, a more significant weakness in institutional theory can be seen to be in its inadequate recognition of power relations and control. This has implications at several levels of analysis in terms of evaluating state - voluntary sector relations. For example, institutional theory is unable to provide an appreciation of whose interests, and to which ends states act, in a capitalist society when exerting isomorphic pressure on organizations (Warhurst, 1997). This shortfall in analytical capacity is evident in several studies that have focused on employment. For example, studies that have charted the diffusion of modern employee relations policies in the process of transforming the employment relationship in the USA (For example, Baron, *et al*, 1986: Edelman, 1990: Sutton, *et al*, 1994) provide little explicit analysis or interpretation as to why governments in the USA became assertive in these areas.

As a consequence, sole reliance on institutional theory at this level of analysis would lead to similar unanswered questions regarding why the state transformed the political and economic climate facing the voluntary sector, and in turn the sector's approach to employee relations. In response, arguably, a radical interpretation (see Coates, 2000: Hay and Watson, 1999: Offe, 1984) could be adopted to explore evidence that the restructuring of welfare states is in response to the requirements of global capital to devote lower expenditures on welfare, or to open up new sources of accumulation through widespread decentralization, privatization and contracting out (Baines, 2004a: Baines, 2004b). However, the motivations of the state in exerting influence on the voluntary sector relationship, while undoubtedly an important area of study is beyond the focus of this thesis, and insights, if any, that do emerge from forthcoming data analysis must be treated with caution.

At the same time, the inadequate recognition of power relations within institutional theory does have significant implications for this thesis. Specifically, recognition of power relations within the theory is limited to an acknowledgement of inter-organizational power relations between state and voluntary sector through DiMaggio and Powell's *coercive isomorphism*, and as a consequence provides only limited insight into the effects of that relationship on voluntary sector employment relations. That is, it is

only able to identify changes to the employment relationship through management policies that are driven by the necessity within organizations to be seen to appear to be rational and efficient in their operations in order to secure legitimacy in the eyes of external stakeholders. The result is that the application of institutional theory is only useful in providing explanations for the backdrop of HR policies that are influenced by legislation, regulation and notions of best practice.

This leaves several gaps in our understanding of the employment relationship in the voluntary sector in the context of its wider relationship with the state. For example, it fails to evaluate the impact of the state's capacity to exert control over those aspects of the employment relationship that are the subject to the state's efforts to control costs, and its subsequent impact on management's policies regarding the organization of work and general terms and conditions of employment of employees.

Moreover, apart from the aforementioned capacity among individual or groups of organizations to influence the shape of organizational fields (Zucker, 1987), an institutional analysis still largely sees organizations as largely passive in their response to institutional pressure, with resistance confined to the concept of 'loose coupling'. This fails to take account of management's capacity to resist isomorphic pressure and build alternative structures and policies to that dictated by the environment (Bryman, 1993).

Further, there is an additional failure to take account of management's decisions, and therefore the outcomes of organizational structure, policies, and working conditions, being influenced by the reality of internal power relations within organizations.

Specifically, conflict between employees and management that the radical tradition acknowledges lies at the heart of the employment relationship (e.g. Edwards, 1979; Friedman, 1977; Thompson, 1983). In the light of this, the next sections will attempt to add to this framework designed to explore state – voluntary sector relationships and its impact on employment relations, which minimizes these shortfalls. It will do so by utilizing an analysis that focuses on changes to the labour process, but also recognizes the

capacity of organizations to exhibit degrees of agency and independence in inter-organizational relations.

INCORPORATING A LABOUR PROCESS ANALYSIS OF THE VOLUNTARY SECTOR EMPLOYMENT RELATIONSHIP

The conceptual framework of this part of the thesis is to incorporate an evaluation of the continuing impact of cost pressures from the state on the employment relationship in the voluntary sector. In order to undertake this evaluation, a focus on changes to the labour process within voluntary organizations is adopted. This focus on the voluntary sector labour process is advantageous with regard to this aspect of the thesis. In particular, this is because, arguably, in a labour intensive area of activity such as the provision of welfare services in the voluntary sector, it is at the point of production, or in this case service delivery, that managers will be able to achieve cost savings because the labour process offers an immediate and accessible means to innovate and reduce labour costs (Warhurst, 1997). For this reason, it is argued here, that a focus on changes to the labour process is the most likely and visible location on which to discern efforts by state funders to influence and impose cost savings on management within voluntary organizations, and therefore effect terms and conditions of employment.

As a consequence, a major focus of the analysis of this part of the fieldwork will be to explore the extent to which management, under the influence of direct and indirect external pressures by funding bodies through contracts and negotiations, seek to exert control and cheapen employment costs by introducing changes to the labour process. In doing so, it will explore incidents of management introducing changes to pay, intensifying work, introducing forms of insecurity and efforts to dilute skills.

Yet, there is a question mark over the suitability of exploring changes to the labour process as a line of analysis for this aspect of the thesis. There are aspects of the labour process framework as outlined by Braverman that are problematic (1974). In particular, studies focusing on changes to the labour process have been primarily concerned with

conditions of exchange between capital and labour in the private sector sphere, where social relations between management and labour are conflictual and characterized by 'structured antagonism' (Edwards, 1990). This antagonism is based on the struggle over the distribution of surplus value (profits), which is generated through the labour process (Thompson and Newsome, 2004). However, the focus of this study is on the voluntary sector where employees are not directly employed in producing surplus value, but rather are involved in producing services for use. This raises the question regarding the motivation for managers to introduce the aforementioned systems of cost control that pervade private enterprises, given that the source of conflict at the heart of the employment relationship, i.e. the distribution of surplus value, does not apply to the voluntary sector.

However, in response, it is argued here that the divisions between private, public and voluntary sectors have been considerably blurred in the past twenty years as a consequence of the construction of quasi-markets and the introduction of private sector management principles across sectors. As a consequence, it has been noted that it is possible to construct a labour process analysis that embraces forms of work activity that are not focused on the generation of profit (Thompson and McHugh, 2002). As an illustration, there have been studies that have recognized how the organization of work in the social services and welfare sectors has become an arena of struggle between management and labour as a consequence of a range of political demands and conflicts. For example, Cousins (1987) highlighted how, inspired by private sector principles, the Thatcherite era brought with it an emphasis on efficiency, value for money coupled with outsourcing and contracting of services in the name of competition. As a consequence, welfare work saw the introduction of styles of management similar to the private sector which incorporated the need to increase control and efficiency. In terms of the implications for the conduct of work, this led to the provision of welfare services and the subsequent organization of the labour process that were subjected to the discipline of competition and cost control. Moreover, given that such services were labour intensive, costs could only be reduced by applying Taylorist principles which intensified work and lowered working conditions and wages for staff (Cousins, 1987).

More recently in the UK, it has been noted that the introduction of stricter financial regimes in public services such as local government and health under the quasi-market has led to changes to how work is organized. In particular, widespread delayering to control costs has led to the intensification of lower level jobs to the point where people feel over-stretched. These changes were also within the context of ever-tighter performance parameters (Beynon, Grimshaw, Rubery and Ward, 2002).

The focus on changes to the labour process has also been utilized in studies in Canada that have placed changes to work in the social care sector within the context of welfare state restructuring characterized by downsizing, decentralization and funding cuts. As a consequence, paid employment in social care is seen according to Baines (2004c) to undergo a process of degradation and is '*leaned out*' (pp.21) leading to an intensification of social services work through staff cuts and speeded up work, where the tasks of poorly paid employees are standardized, placing limitations on the types of skills, tasks and relationships that workers could form with clients (Baines, 2004a: Baines 2004c).

Therefore, in focusing on changes to the labour process in a similar vein to studies such as that undertaken by Cousins (1987) and others (e.g. Baines 2004 and Beynon, *et al*, 2002) it is argued here that external pressures by funding bodies operating in the context of the cost imperatives of the 'quasi-market' for care under the 'New Public Management' agenda, will exert pressure on management in the sector to introduce patterns of degradation within care work in voluntary organizations.

As a consequence, and in line with a labour process perspective, this thesis argues that, in response, voluntary organizations will be under pressure to alter the work effort bargain. In broad terms this will be in the form of a move away from their traditional reliance prior to the 1980s on mirroring aspects of the terms and conditions common in the public sector, which incorporated job security, incremental pay schemes that recognized a national going rate for the job and relatively favorable pensions, holidays and sickness benefits etc. (Ball, 1992). Instead, it is argued here that voluntary organizations may be

increasingly forced to base pay and other terms and conditions on local market rates that are driven by the cost saving demands of funding bodies. In order to achieve this, control will be exercised by management under direct and indirect pressure from external bodies to introduce changes to pay, effort levels, working time and skills.

Further, in line with the notion that the rationale behind changes to areas such as working time are multi-faceted (Beynon *et al*, 2002), management in the voluntary sector will continue to reduce budgets through manipulating working time in the face of competitive pressures, as well as meeting changing client needs. As a consequence, this thesis argues that there will be continued and more intense use of 'sleepovers' and 'on call payments' that further erode distinctions between social and unsocial hours and increase the use of relief staff. Moreover, changes to increase flexibility in hours may also lead to a more intensive pace of work if the restructuring is matched by tighter staffing levels.

While this incorporation of the control thesis brings a more complete understanding of changes to employment relations resulting from inter-organizational relations that a sole reliance on institutional theory lacks, there are further concerns regarding the full explanatory power of this framework. Specifically, it could be argued that this framework is an overly deterministic perspective of the state and voluntary sector relationship, with the latter a passive recipient of control by the former.

As a consequence, the thesis acknowledges the possibility highlighted within the literature relating to supply chain relationships that purchasers/customers may not necessarily benefit from continually exerting cost pressure on their suppliers, because of the degree of interdependence between the parties. The risk is that such behavior will lead to supplier organizations going out of business, or lead to the provision of goods or services that do not conform to specification, so creating problems for the purchaser of those services. This situation will be particularly problematic where there are not many suppliers available, and even where they are plentiful the purchaser still has to consider issues of quality and reliability (Marchington and Vincent, 2004). Therefore, a purely

cost driven strategy by local authorities in their relationship with voluntary sector providers is unlikely in all circumstances.

At the same time, the ability of management within voluntary organizations to pursue an overwhelmingly cost cutting agenda with their workforce, even under pressure from purchasers may be constrained by internal factors that mitigate the inevitability of processes of degradation. In response to this, it is pointed out how in recognition of some of the shortfalls in Braverman's work, developments in labour process analysis recognize that variability in management actions and choices can be brought about by independent worker activity (Thompson, 1983). This has involved the need to introduce the potential for workers to resist coercion from management. As a consequence, it is argued that there is a dynamic interplay between control and resistance. Here the term 'frontier of control' is used to suggest the way the balance of power between management and workers can shift (Edwards, 1979: Friedman, 1977: Thompson, 1983: Thompson and McHugh, 2001).

Again, earlier studies into the impact of neo-liberal market reforms on non-profit welfare services point towards how control of the labour process is contested and negotiated, as a consequence of labour power (Cousins, 1987). This resistance may manifest through traditional collective means, via trade union pressure. Yet, the capacity for such collective resistance in the voluntary sector is within the constraints of continuing problems for unions in organizing in the sector (see Cunningham, 2001: Simms, 2003). These difficulties are potentially aggravated by the growing recognition of how more complex conceptions of employment and organizational relationships under, for example, purchaser - provider relationships, lead to influences from 'non-employers' over the nature of changes to the organization of work. The influence of these 'non-employers' leads to problems for workers in trying to express their voice beyond the specific organizational boundaries of their immediate employer. (Marchington *et al*, 2004: Marchington, Rubery and Cooke 2004).

For unions, as representatives of employee concerns there are also particular problems. For example, for a public sector union attempting to mobilize worker interests in a

purchaser – provider relationship there will inevitably be tensions between the interests of existing ‘internalized’ members from the public sector and those in the contracting organization. In particular, in representing the interests of workers under contractual arrangements unions may find that they risk undermining the terms and conditions of internalized members. Moreover, even if a union accepts the need to represent the interests of these externalized members its capacity to do so across organizational and sector boundaries is also constrained by the way employment law restricts their activities to ‘the workplace’. Further, for unions located in provider organizations, it could be the case that their presence could be dependent on the degree to which purchasing organizations view union recognition approvingly, thus restraining prospects for militant action. (Marchington *et al*, 2004: Marchington, Rubery and Cooke 2004).

Given these potential limitations to collective forms of resistance in the voluntary sector, a labour process analysis also acknowledges an alternative form of employee action in the face of management efforts to undermine terms and conditions. Specifically, studies utilizing a labour process analysis acknowledge that individuals are active agents in the employment relationship, and that they can decide which organizations to join, or how long they stay, and to what extent they participate in employer sponsored initiatives. Here, employees can embark on individual forms of resistance to management control such as absenteeism, sabotage or quitting (Cousins, 1986: Beynon, et al, 2002). Certainly, it is the case that the aforementioned labour market pressures characterized by recruitment and retention problems may be part of this form of resistance (see Wilding, *et al*, 2003).

Another source of variability that may mitigate management’s efforts to exert and introduce greater control and cost cutting initiatives irrespective of external pressures is through a recognition of alternative management strategies designed to illicit consent among the workforce (Burawoy, 1979). Here categories of workers are given a degree of autonomy and better conditions to harness the creative potential of workers. This is achieved through a number of processes, such as the institutionalization of conflict through recognizing trade unions, or the creation of workplace cultures that alter

workers' perceptions of the desirability of opposition to the way they work or alterations to their working conditions (Thompson, 1983). In constructing such workplace relations, there may not be the need for more formal management control, because of the exercise of self-discipline among the workforce. Certainly, there is recognition of this capacity among voluntary sector workers, given reports of acceptance of longer hours of work, lower pay etc. (Orlans, 1991). This type of behavior is facilitated through individual assimilation to workplace cultures and ideologies and the internalization of norms and accepted standards of behavior (Thompson and McHugh, 1985).

However, the adoption of alternative strategies will also be partly contingent on management's ability to resist pressure from purchasers to cut costs. The potential to do this has been recognized within various theoretical approaches that acknowledge the exercise of agency and divergence within organizations when operating within particular environments. The literatures on strategic choice and inter-organizational relations are useful in identifying the circumstances under which management can exercise independence in the face of external pressures. This is dealt with in the next section.

DETERMINING THE CIRCUMSTANCES UNDER WHICH VOLUNTARY ORGANIZATIONS EXERCISE AUTONOMY

The previous sections helped construct two aspects of the research framework for this aspect of the thesis. An institutional framework was adopted because of its capacity to help us understand how inter-organizational relations and subsequent HR policies are partially shaped by external factors such as regulatory and legislative environment. A focus on changes to the labour process within voluntary organizations was utilized to help understand the impact of the various cost pressures from the state on the work – effort bargain in the sector. At the same, there is a need to explore more fully the factors that determine the circumstances under which management can exercise agency in its inter-organizational relations in the light of these pressures.

There is a tradition that recognizes that management are able to evaluate their organization's position within their external environment; choose a set of goals and objectives for the organization to follow; and proceed with a strategy to be acted upon (Child, 1972: Child, 1984). Indeed, studies of voluntary service agencies that have evaluated the impact of competing explanations for organizational structure (including the institutional thesis), have found that organizations possess significant latitude in terms of designing their own structures, and that organizational environments accommodated divergence. The implication being that environments are less deterministic than institutional theory suggests (Oliver, 1988). Moreover, these studies have identified a number of responses by organizations to institutional pressures, such as acquiescence, compromise, avoidance, defiance and manipulation. Such approaches are seen as constructing a program for understanding inter-organizational relationships that embrace both constraint and agency (Bryman, 1993: Oliver, 1991). This thesis accepts that management in voluntary organizations are able to choose alternatives to isomorphic and cost-based pressures from state funding bodies, and exercise discretion over the design of their structures, and the conduct of their approach to employment relations.

At the same time, this theoretical framework needs to incorporate some understanding of the circumstances under which managers can exercise agency in their inter-organizational relationships. There is a growing literature on this topic (see Marchington, Grimshaw, Rubery and Wilmott, 2004: Marchington and Vincent, 2004: Vincent, 2005 for summaries), of which this thesis does not have the space to review. However, this part of the framework acknowledges the influence of recent studies of inter-organizational relationships that have called for different levels of analysis in understanding variations in inter-organizational relations. In particular, Marchington and Vincent (2004) argue that as well as institutional forces, the organizational and interpersonal levels can be relevant and inter-linked in determining the shape of inter-organizational relations. The first of these, organizational relations can refer to the degree of (resource) dependency between organizations. The second recognizes that to a degree inter-organizational relations are

themselves shaped at the interpersonal level by the activities of what have been called 'boundary spanning agents' (Marchington and Vincent, 2004).

Therefore, in relation to what the first of these levels brings to our understanding of the circumstances in which voluntary organizations can exert autonomy, the literature on buyer-supplier relations offers some insights. For example, in the private sector, supplier organizations have been seen to avoid dependence on buyers by not orienting their whole production systems to the demands of individual organizations. It also recognizes that suppliers can be large-scale, powerful organizations in their own right that are less dependent on or even have influence over the buyer. Explanations for this lack of dependence relate to the market conditions of specific organizations. In particular, the nature of the buyer – supplier relationship may be such that there is significant buyer dependence because the supplier organization has a monopoly over a specific product or service, or can deliver in terms of quality and consistency. Market conditions between the two organizations are therefore seen as contingency factors influencing the form and nature of the buyer-supplier relationship (Bresnen, 1996; Hunter, *et al*: 1996).

In a similar vein, evaluations of the quasi-market have indicated some similarities with the above, where in some instances, e.g. in a rural community, in the area of social care there is only one credible supplier. In addition, the more specialist and unique the service, the more likelihood there will be fewer suppliers who are in a relatively strong bargaining position with purchasers. This is seen as possible even within competitive markets as organizations build a specialist reputation in areas of service provision. Larger voluntary organizations are also seen as being able to manage markets more effectively and negotiate with purchasers on equal terms (Johnson, *et al*, 1998). In addition, it has also been argued that the position of the purchaser is not as strong once a service is up and running with a contractor, given the disruption to services involved in changing providers (Mackintosh, 2000).

Another application of this literature is perhaps one that recognizes the complexity of inter-organizational relationships in that it acknowledges that supplier organizations may

not be wholly dependent on one buyer and may provide services to other organizations. In doing so, it argues that an organization's activities can be 'loosely coupled' as firms undertake a range of different self-contained tasks. The effects of dependence may be confined to certain parts of the supplier organization, while other activities are insulated from the dependent relationship (Bresnen, 1996).

Moreover, there also has to be some recognition within studies that explore inter-organizational relationships of the potential influence of personal relationships between the parties. Here, it has been noted in other studies that close personal ties between the parties foster relations of interdependence rather than dependence and control (Marchington & Vincent, 2004). This is similar to Ouchi's (1980) notion of clans, where organizations exhibit degrees of interdependence built on goal congruence. Moreover, this notion of interdependence between organizations built on personal relationships was identified by Osborne (1998) in his study of relationships between local authorities and voluntary organizations. Here, relations were reportedly reciprocal, ongoing, interdependent, and with the parties sharing perspectives on the social needs in their communities. The result of this relationship was that contracts were negotiated within these clans rather than on a strictly competitive basis, so leading to better outcomes for voluntary organizations (Osborne, 1997).

This refinement to the theoretical framework of this thesis also needs to incorporate later works on the exercise of strategic choice which also see its exercise limited by powerful external pressures from state policies, organizational mission, purpose and structure (Purcell, 1995). Certainly, voluntary organizations can have a strong desire to maintain independence and avoid 'mission drift', or even protect organizational values with regard to issues such as quality of care. Yet, for a more complete understanding of the motivations behind the exercise of agency, there also has to be a recognition that managerial choices can, again, be shaped by power relations between capital – labour. In particular, it has been recognized that management can be caught in the contradiction of needing to exert control and authority in competitive conditions, while also requiring workers to be motivated and co-operative. In addition, these choices may also be

exercised in the context of minimizing worker resistance, both collective and individual, and ensuring the continued co-operation of the voluntary sector workforce (Thompson and McHugh, 2002).

In the light of these possible sources of interdependence, divergence and autonomy between organizations in the state – voluntary sector relationship, the study, through utilizing the arguments outlined above, will explore when and under what circumstances management in voluntary organizations are able to initiate decisions and actions that lead to divergence from isomorphic and cost based pressures exerted from the state. As a result, it reflects the course of other studies which recognize that institutional theory can be complimentary to other theoretical perspectives such as strategic choice and resource dependence analysis that to varying degrees acknowledge the existence and influence of agency in organizational analysis (Oliver, 1986).

SUMMARY

Overall, this chapter argues that on its own institutional theory does not present a viable approach to evaluate the state – voluntary sector relationship and its impact on the whole employee relations arena. This does not mean the institutional perspective is abandoned, rather, it argues its value is in its ability to help evaluate the degree of state control over HR policies founded on the need of voluntary organizations to appear to be legitimate in the eyes of funders. At the same time, the thesis recognizes the need to incorporate theoretical approaches that provide insights into the outcome of state pressure on the voluntary sector employment relations in the context of competitive and cost pressures, internal power relations in voluntary organizations and the sector's capacity to insulate itself from a wholly dependent relationship with the state.

In order to do so, the focus of analysis shifts to changes to the voluntary sector labour process as the most likely target of direct and indirect pressure from state funding bodies on organizations to reduce costs. As a consequence the focus of the study will be on exploring the extent of management strategies that are designed to erode pay and other

terms and conditions of employment, as well as the incidence of Tayloristic forms of work intensification, deskilling, manipulation of working time and threats to job security. Furthermore, on the other hand through an acknowledgement of the capacity of management in the sector to exert choices regarding organizational structures and policies, this thesis rejects a purely determinist analysis of state voluntary sector relations. Rather, through utilizing aspects of the literature on inter-organizational relationships and strategic choice theory it seeks to identify circumstances where state pressure does not lead to isomorphism or the diffusion of Taylorism. At the same time, while recognizing management objectives of retaining organizational independence and values in determining the exercise of such strategic choice, the thesis also places such decisions within the context of management - labour relations.

In the light of the above, this Framework leads us to the core research questions for the first part of the fieldwork for this thesis, which are:

What is the influence of isomorphic pressures from various state regulatory and funding bodies on the HR policies and practices of employers in the voluntary sector?

What is the impact on voluntary sector terms and conditions of employment and the labour process from the cost based pressures from state regulatory and funding bodies?

What are the internal and external factors that can lead to employers exercising autonomy and prevent trends towards isomorphism and the undermining of terms and conditions of employment in the voluntary sector?

CHAPTER 4: WORKING IN THE UK VOLUNTARY SECTOR: TOWARDS A RESEARCH AGENDA IN A CHANGING EMPLOYEE RELATIONS ENVIRONMENT

Introduction

The purpose of this chapter is to formulate a series of research questions relating to employee orientations in the UK voluntary sector. This is in the context of the overall themes of this project, which seek to examine the impact of the contract culture on employee commitment in voluntary organizations. In doing so, the chapter also seeks to identify appropriate conceptual tools with which to measure these attitudes. In order to do this, the chapter is divided into four sections. The first begins by outlining a traditional view of employee relations in the sector, which is characterised by assumptions of harmonious employee – management relations and positive orientations to work among staff. However, the second section reveals a growing body of literature that suggests these assumptions are becoming less tenable. In doing so, it reveals a need to explore and reveal a potentially far more complex picture with regard to employee orientations in the UK voluntary sector than is assumed under the traditional model of employee relations. As a consequence of this, the third section outlines a series of research themes/questions that will form the basis of the second part of the core empirical investigation of this project. The fourth and final section then outlines a theoretical framework within which these themes/questions are to be addressed. In particular, while acknowledging some weaknesses in its explanatory power, this chapter advocates the use of the concept of the ‘psychological contract’ as a suitable approach to evaluating changing employee orientations in the voluntary sector.

A TRADITIONAL VIEW OF EMPLOYMENT RELATIONS IN THE VOLUNTARY SECTOR

The voluntary sector literature in the UK and USA identifies a number of characteristics with regard to management - subordinate relations, employment relations structures, workforce characteristics and employee orientations that combine to form a traditional view of employment relations in the non profit/voluntary

organizations. This model builds a picture of a sector characterised by relatively harmonious and reciprocal management – employee relationships. The foundations of this mutuality can be drawn from writers in the USA and UK who highlight how the value expressive nature of voluntary organizations, implies that management has to be sensitive to employee needs, and treat the workforce with respect and with the same values the organization projects for its clients. The risks involved in not fulfilling these assumptions include public disillusionment with the sector, which potentially would be harmful to continued financial support and recruitment of much needed staff. (Jeavons, 1992: Ball, 1992).

Elements of this reciprocal relationship can be seen in the UK literature. For instance, there are claims that work in the sector delivers a distinctive culture based on employees and management sharing the values linked to the organization's cause/mission and a 'desire to care'. Consequently, it is presumed that employees remain highly committed to their employer's cause, resulting, if necessary, in an acceptance of smaller pay packets and less personal advancement and job security (Paton and Cornforth, 1992: Zimmeck, 1998). For management perceived advantages from these high levels of commitment is that it may be used to encourage employees to work longer hours, and so go some way in meeting the gap between organizational goals that address the needs of the most vulnerable in society, without adequate resources (Orlans, 1991). In support of this argument, it has been found that 80% of employees in the UK sector work extra hours on an unpaid basis (Hems and Passey, 1999).

At the same time, it has also been recognised that the sector should not be overtly exploitative of the 'goodwill' of its workforce. As a result, in the UK, in return for high levels of commitment, the voluntary sector workforce has benefited from having the determination of pay and conditions based on local authority scales. The motives behind such moves by employers in the sector were, again, to be seen to be part of management's aim of being seen as 'good employers' in the eyes of potential public funding bodies (Ball, 1992).

This reciprocal relationship is also seen to characterize the sector's approach to employee participation. Specifically, the reported consequences of high levels of commitment and concern by employees about how the organization goes about its work, is an environment that allows high involvement in decisions regarding employee roles and the organization's activities (Paton and Cornforth, 1992). The notion of harmonious employment relations with employees benefiting from a participative culture is also held partly accountable for the traditionally low level of unionisation in the sector. At the same time, there are reports of management hostility to efforts by unions to organise (Ball, 1992). Therefore, it can be assumed that such representative structures that there are in the sector under this traditional view of employee relations are in the context of being non-union, and given the small size of many voluntary enterprises (see Passey et al, 2000), probably informal.

Another key aspect of this model is the notion of mutual flexibility in working hours. On the employer side, flexible working arrangements are seen as a key recruitment tool given that the voluntary sector organizations are traditionally staffed overwhelmingly by female employees who, it is assumed, take advantage of an environment that offers them scope to work, but also help to fulfil their childcare responsibilities. In return, in taking on caring roles, this largely female labour force is expected to provide the necessary flexible cover to meet client needs (Hohl, 1996).

Reappraising the traditional view

Evidence from the UK and overseas is emerging that is beginning to shed some light on the continued relevance of some of the above assumptions regarding employment relations IN voluntary organizations. For example, Chapter 2 was able to outline continued slippage in relation to the degree of pay comparability between care work in the voluntary sector and that undertaken in the public and private sectors (See, Cunningham, 2001; Knapp, et al, 2001: Shah, 2004, Barnard, et al, 2004, IDS, 2005).

Scrutiny of the other aspects of the pillars of employment relations in the sector reveals similar tensions. For example, in relation to the notion of a high degree of mutuality between employer and employee with regard to the organization of working time, the evidence suggests that employees in the sector work extremely flexible working hours, which given the changes to the delivery of care outlined in the

previous chapter is highly desirable for employers. For example, the Labour Force Survey reports how two-thirds of the sector's 481,000 jobs, are staffed by females, compared to three in five in the public sector, and just less than half in private organizations (Almond & Kendall, 2000). In addition, the same study confirms a high degree of flexibility in working patterns by employees, with the sector employing proportionately more part-time employees than the other sectors, at just over thirty-five per cent compared to twenty-nine per cent in public and twenty-two per cent in the private organizations (Almond & Kendall, 2000).

Arguably, a way of evaluating whether these flexible working patterns are being undertaken with a degree of mutuality is to assess the extent to which they exist alongside effective family-friendly policies. Evidence as to how organizations in the sector are implementing recent legislative changes introduced by the Labour government towards family friendly policies is minimal. However, a survey by the SCVO has found that despite the majority of organizations in the Scottish voluntary sector reporting that they met the statutory minimum in terms of family friendly policies, barriers remained to the introduction of effective work-life balance policies. These included tensions between employee rights and the needs of clients; the existence of largely informal family friendly policies that were unsuitable to cope with rapidly expanding workforces; a reluctance among management to formalise such policies for fear they would damage flexibility; and an unreliable funding regime making it increasingly difficult to fund such working arrangements (SCVO, 2001).

It is also worth noting that these tensions in working time and pay are in the context of continued weakness in employee representation in the sector. Labour Force Data reveals how voluntary sector unionisation in 1998 was at higher levels than the private sector with thirty-seven per cent of workplaces having a trade union presence, but it remains less unionised than the public sector and the economy as a whole. Arguably, these problems will continue given that previous trends have revealed how in the past modest, but encouraging growth in unionisation has lagged behind the growth in the sector's workforce (Passey, et al, 2000). Moreover, despite some high profile recognition deals for the TGWU, Unison and Amicus the pace of recognition agreements reportedly slowed from 2002 (IDS, 2001, IDS, 2002).

In terms of future prospects union renewal will be dependent on employees formulating collective interests through perceiving injustice in the workplace (Kelly, 1998), as well as arguably a degree of dual commitment (Guest, 1992) by the sector's workforce to the values of unionism, collectivism and collective action and to their employers' objectives. Certainly studies of the voluntary sector workforce have unveiled little evidence of anti-union feelings (Simms, 2003). Moreover, another study on voluntary sector unionization points towards a changing climate encouraged by the introduction of the Employment Relations Act, 1999 and some of the larger voluntary organizations recognizing the potential value of unions as a representative - communication device in expanding, complex and geographically dispersed organizations (Cunningham, 2000). At the same time, the optimism from these studies has to be tempered by continuing management hostility in parts of the sector towards union recognition, which is manifesting itself into union avoidance strategies such as establishing non-union forums of consultation (Cunningham, 2000: Simms, 2003).

Overall, then we have evidence suggesting that the pillars of the traditional, harmonious view of employment relations in the UK voluntary sector, the link with public sector pay and conditions and mutuality with regard to working hours are beginning to erode. Moreover, the apparent dissolution of some of the benefits of working in the sector appears to be occurring within the context of continuing low levels of unionisation, with only modest prospects for growth. The next section will explore existing literature on the extent to which the other aforementioned assumptions from the traditional model of voluntary sector employment relations, i.e. positive employee orientations and commitment to working in the sector, are a reality and indeed sustainable in this climate.

WORKFORCE ORIENTATIONS IN THE NOT-FOR-PROFIT SECTOR

Why do people choose employment in the voluntary sector?

Despite there being little in the way of studies dedicated to employee orientations in the UK voluntary sector, there is some evidence recently emerging regarding reasons for joining the sector. The data is limited given that most of the studies examined here

are focused on the employer experience, and relate to topics not directly associated with the main themes of this section. Moreover, the data from the Ford study (1998), despite including worker perspectives, is drawn from a relatively small sample of employees in voluntary organizations whose orientations were compared with workers in private and public sector care roles.

However, despite these reservations, there are suggestions of a more complex picture with regard to employees' reasons for joining the voluntary sector is emerging. For example, there are reports that many new recruits into the sector have not joined for the traditional altruistic reasons, and that employment in the sector can be characterized by double job holding, with care workers having several jobs and being on the books of various agencies. Moreover, one in five voluntary sector workers studied did not see care as their primary job, but instead undertook such work as second jobs to increase their incomes (Ford *et al*, 1998). The same study also revealed employer concerns regarding the quality of potential recruits. Organizations were reportedly receiving too many unsuitable applications from people applying for work because they were unemployed and had heard of the vacancies from the job centre. Therefore, applications were a consequence of benefit regulations that were pressurizing people to apply for work for which they were not really suited (Ford *et al*, 1998).

Broader survey work on recruitment problems and skill shortages in the sector suggests intensifying problems in relation to acquiring the necessary committed staff. For example, in 1997, it was reported that eighteen per cent of all voluntary organizations that employ staff had experienced recruitment problems in the previous twelve months (Passey, *et al*, 2000). Another survey, primarily focusing on the largest organizations in the sector (i.e. with incomes over £1m) suggests a higher proportion experiencing such problems at forty-two per cent, and that management and information technology posts were areas of most concern (Cunningham, 2001).

A more comprehensive analysis of recruitment difficulties in the sector revealed how one in two employers experienced difficulties recruiting and that it was a problem particularly prevalent among larger organizations. Posts that were particularly difficult to fill were those on the front line, notably Project/Support Worker,

Project/Support Assistants and outreach functions. Reasons for these problems relate again to issues of perceptions that the sector was characterized by low pay and lack of career progression (Wilding *et al*, 2003): suggesting would be applicants considered other factors beyond the value base of the organization in selecting employment in the sector.

There is also the complication of people entering the voluntary sector involuntarily from local authorities as a consequence of having their employment transferred under contracting-out arrangements. It has been documented that the psychological contract between employees and their organizations can be altered during the transfer of employment under such arrangements because such a process is seen as disempowering for the employee as they lose their choice of the type of employment and his/her employer (Colling, 2000, pp. 81-82). Therefore, in recruitment terms the sector faces not only problems of skill shortages, but also contains a proportion of its workforce who gained employment for purely monetary reasons or do not intentionally choose to do so.

Overall, this evidence from the UK suggests greater complexity in people's reasons for joining the voluntary sector over and above that outlined in the traditional model. Yet, the evidence is somewhat patchy and indirect. To further support the assertion of a multitude of orientations to work in the voluntary sector it is also useful to briefly explore studies from overseas. In particular, there is evidence from countries such as the United States, Australia, Canada and Germany that, despite having different regulatory environments, provide useful insights into orientations in non-profit, third sector employment.¹

For example, in the USA studies of worker orientations from the 1970s onwards in the US non-profit sector found on the one hand poorer working conditions than in other sectors, but on the other a degree of choice among workers in taking up employment in the sector. These studies to varying degrees generally controlled for

¹ For outlines of definitions, income, and regulatory systems of these countries see (Sokolowski and Salamon, 1999 for the USA; Lyons, Hocking, Hems and Salamon, 1999 for Australia; Priller, Zimmer, Anheier, Toepler and Salamon, 1999 for Germany and Baines, 2004a for Canada).

differences in sector, human capital and or qualifications and opportunities for job mobility compared with comparable posts in private and public sector occupations. In doing so, these studies found how the reasons for joining the sector were based on non-monetary orientations, where the work (such as providing care, education) was seen by employees as more important than the money they earned (Rawls, Ullrich, and Nelson, 1975: Mirvis & Hackett, 1983: Weisbrod, 1983: Preston, 1989: Young, 1984: Mirvis, 1992).

Work in Australia, again focusing on orientations to work, explored the reasons for choosing jobs in the non-profit sector. Here, Onyx and Maclean (1996) found that among a sample of non-profit workers, 34% had experienced a drop in wages as a result of job moves, but very few of these admitted having to accept the job out of necessity. Rather, the three main reasons for joining the sector included some form of personal orientations to the work itself, based on a commitment to social change (seventy-eight per cent). The other reasons were related to pragmatic reasons (one-third) or because of earlier life experiences as volunteers or service users (one-quarter). Very few respondents in this study moved into the community sector by chance or necessity.

However, as with the UK evidence, care must be taken with these findings. In the USA, for example, Preston was less definite regarding whether people entered the sector for purely altruistic reasons. In studying reasons behind the non-profit pay differential in comparison to the for-profit sector her results could not completely dismiss the argument that the differential was explained by selectivity or self-sorting of less productive workers into non-profit jobs: suggesting that reasons to join were not wholly altruistic (Preston, 1989).

Evidence indicating a variety of reasons for joining the sector was also found in the aforementioned Australian study. Here, some interesting differences in orientations were also found according to age. For example, younger employees reported that they moved to the sector for philosophical or political commitment, while older workers moved for more pragmatic, family reasons (Onyx and Maclean, 1996).

Data from Germany provides similar evidence regarding the lack of a purely altruistic reason for taking employment in the sector among certain employees. Research examining employee orientations in church-based social service providers found how German churches have had to employ people with little or no affinity to the values of church institutions. Specific religious motives for taking employment in the church were found in only a minority of employees. Moreover, the study found that the real economic and social situation of employees in church institutions did not differ from that of employees in other sectors (Beyer and Nutzinger, 1996).

The next section now turns to evidence regarding to levels of commitment among employees once in work, and the issues that can compromise it.

Employee orientations in the voluntary sector

Emerging evidence in the UK voluntary sector also indicates some cause for concern with regard to the possible trajectory of employee morale in current regulatory and fiscal climate. For example, estimates of employee turnover in the sector vary from between twelve per cent in a twelve month period to twenty per cent and rising (Passey, et al, 2000: Dullahide, et al, 2000). In addition, research undertaken by the author indicated how the destinations of employees leaving specific voluntary organizations were not, in the majority of cases, to other employers in the sector, but to private or public organizations or due to individuals becoming self-employed. Arguably, the lack of people remaining in the voluntary sector may be a result of fewer employment opportunities compared to public or private organizations. At the same time, studies have reported that reasons for quitting have been related to specific problems with working conditions (Cunningham, 2001: Ford et al, 1998). More recently, an analysis of turnover figures in the Scottish voluntary sector reveals figures averaging around 21%, which are higher than the public sector (12%) and lower than that in the private sector (23%) (SCVO, 2004a).

In searching for reasons behind these high turnover figures, pay is a possible cause. For example, it has been argued that even if high levels of commitment to an organizational cause were common reasons for taking up employment within the sector, it is questionable how sustainable these attitudes are. Reports from employers

and union officials have highlighted how staff in the sector are particularly concerned with changes in pay and conditions structures brought about by pressures from funding bodies that involve moving away from the benefits of being aligned to NJC scales (Cunningham, 2000). A more recent study of fifty-eight large voluntary sector employers revealed how approximately three quarters of voluntary sector employers reported how their pay rates for care workers, managers and supervisors were below that of local authorities (Barnard, Broach and Wakefield, 2004). In response, unions have called for the introduction of regional pay scales on the basis of a minimum allowance payable across London of £4,000 a year (IDS, 2002).

In addition, in Ford et al's comparison of worker satisfaction in relation to pay across private, public and voluntary organizations found that:

Voluntary sector care workers are particularly dissatisfied with the rate of pay. A much higher proportion reported that they viewed pay rates as unacceptably poor than was the case among care workers in for-profit organizations (pp.42: 1998).

Commentators have argued how, due to pressures from the state to fundamentally alter employment conditions in the sector through changes to funding, even the most committed employees cannot tolerate either continuing low pay and conditions or pressure to reduce their terms and conditions, given they have the same cost of living pressures as workers in other sectors (Zimmeck, 1998). Yet, we do not know the breadth and depth of any employee discontent over pay in the voluntary sector, i.e. whether it is limited to employees who are located in the sector merely to top up their income.

Other sources of discontent could relate to the inability of employees to maintain morale in difficult care roles. For example, there are problems related to the inherent job insecurity in voluntary sector jobs emanating from short-term contractual agreements (Ford *et al*, 1998: pp.36). In addition, there was evidence to suggest that employee turnover was the result of workers not having a full appreciation of the nature of work in the sector, which is characterised by unsocial hours, and is of a particularly personal and sensitive nature, which requires strong personal relationships

between client and employees (Ford *et al*, 1998, Ungerson, 1999, Cunningham, 2001).

It is also the case that much care work is now increasingly being undertaken predominantly in the client's home. This raises valid concerns about the safety of employees undertaking work with individuals with challenging behaviour, or working in areas of deprivation where they could be more vulnerable to crime. It is noticeable that a TUC survey of safety representatives found that the sector appeared to have greater problems regarding staff working alone and violence from clients. Moreover, the same study reported a lack of management systems such as risk assessment procedures or health and safety policies to overcome these problems (TUC, 2000).

Other findings from the same TUC study reveal how 82% of participants from the voluntary sector reported how overwork and stress were the main safety concerns of employees in voluntary organizations. Sources of stress were particularly linked to bullying, where reports of such incidents by the sector's safety representatives were higher than in any other sector at 45% (TUC, 2000). Indeed, reports of bullying and harassment by managers, led to employee suspensions at the Citizens' Advice Bureau, which have been followed by industrial disputes and protests (MSF, 1999)

Moreover, although we can assume that strikes in the sector are extremely rare because of the low level of collectivisation within the sector, another measure of discontent, tribunal cases, reveals problems. The aforementioned study by the author revealed how twenty-five per cent of voluntary organizations had faced an industrial tribunal case in the year preceding the survey, and just over half of these cases were on the grounds of unfair dismissal. This figure represents a level of tribunal cases that is far higher than that recorded in the public and private sectors. Specific issues that were commonly heard at tribunals involving the sector related to inconsistency of treatment in discipline cases and problems with employee performance. (Culley *et al*, 1999: Cunningham, 2000: Cunningham, 2001).

Another dimension to these problems is the increase in staff recruited from private industry in order to bring much needed management and professional expertise to face the greater emphasis on quality and performance by funding bodies. It has been

suggested that there is no guarantee that these new entrants will have strong value based orientations to work in voluntary organizations in particular many of these new employees have reportedly joined the sector as a career move (Leat, 1995, pp16-17). This raises the possibility that if these needs are not met then this will lead to discontent among this group of staff, and possible large-scale defections to other sectors.

At the same time, more recent studies do reveal some grounds for caution with regard to the above concerns. A recent study (albeit from a single case study) reveals how some voluntary sector employees may have negative feelings about 'the organization', largely because they feel it no longer exhibits a strong value base. Yet, these workers maintain a strong orientation to their immediate work team and client group within their projects (Alatrasta and Arrowsmith, 2004). Arguably, what this implies is that such value based orientations are robust in the face of difficult circumstances. In addition, a study of recruitment and retention within the sector among nine large voluntary organizations, which incorporated telephone interviews with staff, revealed evidence of considerable attachment to the value base of their employers among people choosing employment in the sector. Moreover, analysis of intentions to quit revealed a degree of continuing attachment to individual organizations and the sector generally (Scottish Centre for Employment Research (SCER), 2004).

Overall, these findings suggest some connection between low pay, job insecurity, intensifying work and health and safety and problems with employee morale in the sector. In addition, it is useful to briefly explore other work from overseas to support this assertion. In the USA, there have been studies raising concerns regarding the sustainability of positive orientations among the non-profit workforce outlined in the previous section. These concerns have usually accompanied the introduction of tighter financial controls and performance indicators from state funding bodies on the sector, with organizations becoming more 'lean and mean' and performance orientated (Singer and Yankey, 1991: McMurty, Netting and Ketter, 1991). As a consequence of these changes workers faced fewer resources, tighter controls, intensified work and less job security (Mirvis, 1992). As a consequence, a study from the early 1990s concluded that:

The new found emphasis on efficiency in nonprofits with attendant concerns over being exploited or working harder than peers, has had some bearing on employee commitment and on the mystique once associated with the non-profit organization (Mirvis, 1992 pp. 39).

Such concerns continued to be reported throughout the decade, accompanied by predictions of greater opportunities for unionization in the sector. The reasons for these projections are based on increasing reports of employee grievances and industrial disputes over job demarcations, poor pay increases, perceptions of inequity in pay compared to similar posts in public services, cuts in terms and conditions, work intensification, changes to working hours, deskilling, threats to professional autonomy, greater accountability, lack of training and threats to job security (Pynes, 1997; Masaoka, Peters and Richardson, 1998).

More recent single case study analysis from the United States has also uncovered how intrinsic motivations diminish as full time employees earn salaries that are uncompetitive compared to other organizations. Many employees specified that their propensity to stay was contingent on adequate compensation. This was irrespective of employees' identification with organizational mission and values. Dissatisfaction with pay tended to override employee's mission attachment as explanations as to why paid staff may leave the organization (Brown and Yoshioka, 2003).

Dissatisfaction has also been reported alongside attempts by voluntary organizations to apply specific private sector management techniques to their workforce. Using a measure of intrinsic worker motivation constructed by (Hackman & Oldman, 1975) a study in the USA found that merit pay programmes actually led to a decline in intrinsic orientation among some of its most highly committed employees. In addition, for those employees working for extrinsic monetary factors, the salary increases under such schemes were generally too small to make performance-related pay meaningful. This low level of merit pay increases was attributed to financial limitations caused by cash limitations from funding bodies. It has been reported that in these cases, employees experienced a decline in their extrinsic commitment, which were not made up by a subsequent increase in intrinsic commitment. Merit-pay

programmes are therefore seen as representing a double-edged sword for voluntary organizations (Deckop and Cirka, 2000).

Problems concerning employee commitment have also been found in the Australian non-profit sector. Third-sector organizations in Australia, subject to greater competition and cuts in funding have been offering relatively poor salary packages, less job security and fewer promotional opportunities in comparison with other sectors, against a background of greater management controls and monitoring. Here, again, there appears to be a link to increased formalisation and poor terms and conditions with declining morale and commitment in the sector. Onyx and Maclean, state:

Certainly, it is difficult to maintain a commitment to social change when the organizational emphasis is on the quantitative measurement of performance indicators. It is difficult to continue to forego salary advantages and contribute unpaid additional work when the mounting pressure is for increased financial stringency and organizational efficiency. While financial stringency and organizational efficiency may indeed be necessary for the organization, this need may well translate into practices and reward patterns that are demotivating (pp.343).

In Canada, recent analysis of the *Work Employment Survey (WES)* has uncovered similar issues. A changing revenue basis towards short-term project funding has meant a greater emphasis on organizational change programmes that have emphasized reducing costs, while raising productivity and quality of service (McMullen and Brisbois, 2003; Saunders, 2004). This has led to significant implications for the workforce. In particular, despite overall job satisfaction remaining high in the sector, there is growing concerns over pay, especially among those over the age of 45. Moreover, it has been found that heavy workloads and long-hours, with large amounts of unpaid overtime are common in the sector (McMullen and Brisbois, 2003; McMullen and Schellenberg, 2003; Saunders, 2004) and that this latter practice can in many cases be involuntary (Baines, 2004a).

As a consequence of the above, it is felt that if these trends continue, non-profit employers within Canada will have difficulty recruiting and retaining talented staff. Within this environment of short-term state sponsored project funding, further concerns are also raised with regard to the sector's ability to engage with and adhere to their primary missions, thus leading to a further undermining of staff commitment and disillusionment (Saunders, 2004).

Summary

Thus far, this chapter has outlined a traditional view of employee relations in voluntary organizations. An analysis of evidence either directly or indirectly casts doubt as to how far the existence of this traditional view has any empirical reality. In the UK, continuing cost pressures from funding bodies appear to be fracturing the link with determining pay through comparability with the public sector. Evidence also suggests the emergence of tensions between increasing employer demands for flexibility from employees and requests for family-friendly policies, as well as concerns about health and safety and workplace stress. Furthermore, the low level of union activity implies a lack of employee voice to counter these changes.

Moreover, evidence indicates that people's reasons for joining, and orientations towards their employment whilst in the voluntary sector may be significantly more complex than the traditional model allows, and that employee turnover is high. Part of the reasons behind this turnover may be related to employees who have joined the sector without any real commitment to organizational values and/or to the linkages between workplace changes such as undermining pay etc and demanding greater flexibility in working time.

Yet this analysis from the UK is fragmented and to some degree reliant on second-hand accounts. Evidence from overseas is helpful in linking declines in commitment to wider contextual/external changes, but no such up to date, systematic analysis exists in the UK. Therefore, the above supports much of the claims regarding the distinctive contribution of this thesis. That is, there is a need to gather more empirical data that attempts to assess the impact of changes to the organization of work brought about by the external environment on worker orientations in the UK. This will include an exploration of the exact reasons why people seek employment with the voluntary

sector; the extent to which the above assumption about high employee commitment among the workforce is a reality; whether this commitment is under threat by wider changes to management policies brought about by the sector's external environment; and where there is evidence of declining commitment, the impact this has on employee behaviour towards their employer. These gaps in our knowledge require further refinement into specific research questions that are within an appropriate conceptual and theoretical framework. The next two sections will address this task.

IDENTIFYING RESEARCH THEMES

For the purposes of this thesis, the evaluation of changes in employee orientations in the sector is divided into four areas of investigation. The four broad areas of study are now summarized in turn.

Why choose paid employment in the voluntary sector?

In the light of the discussion in the earlier part of this chapter, this aspect of the study seeks to explore the potential complexity behind individual's choices in taking up employment in voluntary organizations beyond that assumed in the traditional model of employee relations in the sector. In doing so, it will explore the influence of such practical considerations as the lack of alternative employment, geographic location (or transfers of employment); securing a living wage; fulfilling the balance between work and domestic responsibilities; furtherance of a particular career path; having autonomy at work or input into decision-making; having an orientation towards the social values and mission of particular organizations; and a general desire to serve public good/ the community.

Recent changes to working conditions in the voluntary sector

Again, in the light of the analysis of literature in this study regarding changes to the external operating environment of the voluntary sector, this part of the investigation will explore the extent to which employees have, in recent years, experienced changes to their working conditions through career progression and personal development; additional training and accreditation of skills; changes to the work effort bargain

through an intensification of work, increases in personal responsibility and accountability; demands for greater flexibility in working time; lone working; and changes to pay and other terms and conditions of employment.

Employees' experience of the anticipated benefits of working in the voluntary sector

In the light of the above two themes, this part of the study will explore whether employees receive the anticipated benefits of working in the voluntary sector. The purpose of this section is to discover whether there have been any breaches in the assumptions regarding the type of benefits employees presumed they were going to receive as part of the reciprocal relationship they have with their employer. In addition, this section will explore how far employees attribute any failures to receive rewards to the aforementioned changes to working conditions, and whether they hold management solely responsible for such actions, or blame the wider relationship their organization has with various funding bodies.

What are the reactions of employees to breaches in their employer's ability to deliver anticipated benefits from working in the sector?

This section will explore the extent to which these breaches in what employees perceive to be reciprocal obligations in the employment relationship has on levels of commitment in the sector. The conception of commitment adopted in this thesis acknowledges its multi-dimensional nature i.e. that people's commitment is composed of attitudes that can be monetary (continuance commitment) to more emotional and value based (affective commitment), or be part of an employee's perception that it is morally right to stay with an organization (normative commitment) (Meyer and Allen, 1997). It is also recognised that these three aspects of commitment are components, rather than types of commitment, and that an employee's relationship with their employer will reflect varying degrees of all three, and may shift over time (Meyer and Allen, 1997). Moreover, it is the intention of this thesis to explore the outcomes from any reduction in commitment, in particular on such behaviours as employees' intentions to quit and willingness to work beyond contract.

IDENTIFYING A FRAMEWORK TO EVALUATE EMPLOYEE ORIENTATIONS IN THE VOLUNTARY SECTOR

Given the above themes, the purpose of this section is to identify an appropriate framework with which to evaluate changing employee orientations in the voluntary sector. In doing so, such a framework should provide this thesis with the following:

An ability to contextualize changes in the employment relationship and employee attitudes within the wider changes to economy, competition and public policy.

Identify and categorise both complex reasons for deciding to accept employment in the voluntary sector, and the nature of reciprocal arrangements between employer and employees.

Identify sources of disenchantment among employees with regard to the employment relationship and nature of work. And

Predict and illustrate the consequences of such disenchantment on employee commitment.

It is noticeable that work from overseas briefly reviewed in the earlier part of this chapter was predominantly based on the work orientations tradition. This study intends to incorporate such an approach, but in a conceptual framework that, in practical and theoretical terms, has attracted significant academic attention in recent years – the psychological contract. In doing so, this section will firstly outline what is meant by the psychological contract; it will secondly evaluate its potential contribution to measuring employee orientation within the context of the themes outlined above, while at the same time identifying any specific gaps in its ability to capture all of the areas of investigation relevant to this thesis, concluding with a series of research questions.

Origins and definition of the psychological contract

The origins of the psychological contract can be traced back to writers such as Argyris (1960) and Schein (1965), whose early conceptualisations defined the psychological contract as the mutual expectations that govern the relationship between employee and employer. A more contemporary conceptualisation of the psychological contract defines the term as an individual's belief that a reciprocal exchange agreement has occurred between the employee and another party – the employer. The psychological contract emerges as one party believes that in response to their contributions, promises of future returns have been made (e.g. pay for performance), and thus an obligation has been created to provide future benefits. (Rousseau, 1990: Robinson and Rousseau, 1994). As Rousseau explains:

Individual employees believe they are obligated to behave or perform in a certain way and also believe that the employer has certain obligations toward them, these individuals hold a psychological contract (1990, pp.390).

The psychological contract is also subjective and 'in the eyes of the beholder'. Therefore, two parties need not agree for each to believe a contract exists. The result is that parties are likely to possess somewhat different interpretations of the composition of contracts, and what each party owes each other. The more contemporary concept also makes a distinction between employee expectations and the psychological contract, with the former being identified as what employees expect to receive, while the latter refers to the perceived mutual obligations that characterize the relationship between the two parties (Robinson and Rousseau, 1994). The distinction between obligations and expectations is that the former are seen as more likely to illicit strong feelings among employees because they are seen as *promissory* and *reciprocal* (Rousseau, 1990). The concept is also seen as fluid in nature in that it is recognised that it can be revised and reassessed throughout an employee's tenure, and can also lead to employee perceptions changing over time (Rousseau and Parks, 1993).

There are well-recognised concerns relating to the use of the psychological contract as an analytical framework for evaluating changes in the employment relationship. It is not the purpose here to discount the concept's ability to chart shifts in employee orientations. Rather, it is to take advantage of its strengths, so an acknowledgement

and brief summary of some of the recognised concerns surrounding the concept will, at this point, suffice, with a recognition that the research design for this aspect of the project will attempt to overcome some of these shortfalls.

Guest (1998) provides a summary of some of the specific concerns, which question the concept's uniqueness given its overlap with concepts such as job dissatisfaction and commitment. In addition, he also identifies problems of content validity. This reflects the continuing ambiguity surrounding the differences between expectations, promises or obligations, and problems in identifying the exact content of these expectations, promises or obligations. There are also problems of construct validity. That is, there is confusion with regard to who or what constitutes the organization, given the existence of various organizational agents giving possibly competing interpretations of the organization's obligations (Guest, 1998). For example, there is a growing literature exploring the importance of supervisor – subordinate perceptions of psychological contracts (See for example, Lester, Turnley, Bloodgood and Bolino, 2002). The result of this is that in recruiting employees, many organizations send different messages to candidates, which can differ from their working experience in the organization. (Shore and Tetrick, 1994). The practical consequences of this for research design are that there needs to be consideration regarding how many parties should be approached to collect data from (Arnold, 1996).

At the same time, these same critics do not completely dismiss the psychological contract, but call for continued research into the consequences of what has been termed violation on issues such as job satisfaction, organizational commitment, organizational citizenship, intentions to quit etc. With this in mind, the section will now outline the specific contribution the concept can make to this study. These are based around five broad strengths underlying the concept, which are:

In accordance with the spirit of the times, the psychological contract offers an explanatory framework to understand the impact of wider changes to socio economic environment on the employment relationship

It provides insights into the content of the reciprocal exchange relationship between the parties to the employment relationship

The psychological contract can help to illustrate some of the complexity behind employees choosing employment in the sector

The concept identifies sources of discontent in the employment relationship through the concept of 'violation'

It aids our understanding of the outcomes of violation and breaches in trust on employee behaviours such as commitment, organizational citizenship, turnover and absence.

These advantages are now outlined in turn.

The psychological contract reflects the spirit of the times in the employment relationship

A key advantage from utilizing the psychological contract in this thesis is the concept's ability to understand and predict the consequences of contemporary changes occurring in the employment relationship (Herriot, Manning and Kidd, 1997; Guest, 1998; Coyle-Shapiro and Kessler, 2000). In particular, the concept of the psychological contract begins from the premise that globalization, increased competition, organizational restructuring and cost cutting have had significant implications and changes for employment relations in organizations. Employees now face a series of demands/expectations from management that are somewhat removed from the perceptions of the content of their psychological contract framed some years ago, which normally contained assumptions such as long-term job security in return for hard work and loyalty. Organizations, in the above climate of change, have moved to reconsider their mutual obligations to employees, thus increasing the likelihood that traditional contracts will be breached, and be open to continual renewal under changing circumstances (Robinson, 1996).

Certainly, this notion of changes to a traditional approach or model of employment relations reflects much of the literature pertaining to the voluntary sector and its workforce that has been summarized in this and the previous chapter. Specifically, the changes that have occurred in the voluntary sector's external operating environment

under marketization and the 'contract culture' are apparently challenging established approaches to people management, such as that outlined in the traditional view of employee relations in the sector. Within this context this thesis argues that the psychological contract provides a useful framework for helping to illustrate the consequences of these changes on employee orientations in the sector.

It provides insights into the content of the reciprocal exchange relationship between the parties to the employment relationship

The concept of the psychological contract is also useful in the way it illustrates the different basis of reciprocal obligations between the parties in the employment relationship. (Rousseau, 1990). This is achieved through the notion of transactional and relational contracts. These have been identified as two ends of a continuum, where transactional contracts are defined as being based on short-term monetary exchanges, and include terms such as the level of wages, little flexibility, limited personal involvement in the job, use of existing skills, and are possibly short-term in nature. Within such arrangements, individuals are expected to return a suitable level of performance to the employer, but invest little emotional attachment or commitment to the organization (Rousseau, 1995).

The other end of the continuum is represented by relational contracts that assume a much more mutual, open-ended employment relationship involving a degree of reciprocal investment by employees and employer. The terms of such contracts would include emotional involvement, as well as economic exchange, a commitment to personal growth and development and trust (Rousseau, 1995). These relationships are built on monetary and non-monetary foundations, which emphasize the need for organizations to build a strong, value orientated organizational culture that employees 'buy into'. In return, employees receive benefits such as training and development, personal growth and a degree of job security (Rousseau, 1990).

The psychological contract illustrates some of the complexity behind employees choosing employment in the sector

In making the distinction between relational and transactional contracts, the psychological contract also provides this thesis with a useful framework to help

potentially capture and classify some of the complexity identified earlier in this chapter with regard to understanding individuals' orientations to work within the voluntary sector environment. This behaviour, while recognising the influence of other organizational agents in constructing the employment relationship, is seen to be largely dependent on the degree of emphasis by the employee on transactional and relational issues when forming their psychological contract (Shore and Tetrick, 1994).

For example, those employees whose work orientations in the sector are based predominantly on a monetary basis to top up their income, such as those identified by Ford *et al* (1998) can, arguably, be seen as forming predominantly transactional contracts with their employer. It will also be recalled that earlier sections in this chapter identified employees who have joined for the sector as a career move (Leat, 1995). Work undertaken in examining the nature of psychological contracts has also placed such reasons as 'careerism' in the instrumental transactional part of the psychological contract's continuum (Robinson and Rousseau, 1994). Moreover, the relational aspect of the psychological contract, in identifying the potential for the employment relationship to contain some emotional, value orientation, can provide a framework to identify some of the value laden aspects of reciprocal exchange between employer and employee, e.g. such as the provision of training and development in return for commitment to organizational values and culture.

However, there are problems with using the psychological contract given that a question is raised regarding the extent to which the notion of relational contracts embraces the full range of work orientations outlined in the traditional model of employment relations in the voluntary sector. This is because the notion of relational contracts is founded on the premise that employee perceptions of well-being and commitment to the organization are engendered primarily by managers through the provision of and participation in training and development, a commitment to personal growth and development, trust and long-term security (Rousseau, 1995). Yet, this does not capture employee orientations such as those based on altruism that may be formed outside the current employment relationship.

In order to resolve this issue, the thesis incorporates an established assumption in the sociology of work that commitments made by individuals can represent values that

are formed outside the work environment, and transcend management's agenda. This stems from the 'orientations to work' perspective highlighted in the Affluent Worker studies of Goldthorpe and Lockwood (1968), and more recently Gallie, White, Cheng and Tomlinson, (1998). For the purposes of this thesis, it is assumed that there will be a proportion of employees who joined the sector because of orientations to serve a cause and/or client group, or a wider contribution to the public/community good, which was formed outside the workplace. In recognising these orientations, this thesis is not dismissing the relevance of the transactional and relational continuum. Rather, it is suggesting that the mutual obligations within relational contracts should be expanded to include these more altruistic orientations to work formed outside current employment. Indeed, recent reviews of psychological contract research have advocated the construction of more comprehensive conceptual frameworks that include such antecedents as past employment and experiences formed outside the current workplace (Taylor and Techleab, 2004).

In response, the thesis argues for the construction of a conceptual framework that includes the familiar transactional and relational aspects of the psychological contract, but also embraces more altruistic orientations that are common in the voluntary sector which are for the purposes of this thesis labelled the *Voluntary Sector Ethos* (VSE). In constructing a VSE the thesis acknowledges the influence of what has been termed the Public Service Ethos (PSE) (Pratchett and Wingfield, 1996; Hebson, Grimshaw and Marchington 2003). The PSE contains assumptions regarding employee orientations to work that include identification with the needs and interests of a wider client group/community, and where the nature of the job is perceived by employees to be more important than the money they earn. In addition to this, a VSE could incorporate other orientations to work that are perhaps more peculiar to the sector, such as a philosophical or religious commitment to promote social change, and a desire to have autonomy in work and participation in decision-making (Paton and Cornforth, 1991).

In addition, it should be noted that the psychological contract does not accept a purely dichotomous definition with regard to relational and transactional aspects of a psychological contract. Rather, it accepts that psychological contracts can be

combinational and embrace aspects of both types. Therefore, in the words of Millward and Hopkins (1998), this thesis operates on the principle that:

“It is unlikely that anyone will exhibit one or another type of psychological orientation in pure form; in reality, the psychological contract is likely to be expressed in a much more dynamic and combinational way..”(pp. 1550).

The psychological contract can identify sources of tension and conflict in the employment relationship through the concept of ‘violation’

Another key contribution of the psychological contract framework is its ability to identify and illustrate some of the causes of conflict between the parties to the employment relationship. This is achieved through utilising the concept of violation. Violations are said to occur when ‘a failure to keep a commitment injures or causes damages that the contract was designed to avoid’ (Rousseau, 1995, pp.112). Reneging or incongruence can cause violation. The former occurs when agents of an organization recognize that an obligation exists, but they knowingly fail to meet it. This can occur either when the organization is unable, or unwilling to meet such obligations. The latter notion of incongruence occurs where organizational agents responsible for fulfilling obligations to an employee believe that they have met their promises, but the employee believes the organization has fallen short on their delivery. Here, the employees’ perceptions of a given promise are different to those held by organizational agents (Morrison and Robinson, 1997). It is also the case that people tend to discount their own poor performance, so that the focus of studies is generally on describing individual’s perceptions of contract violation, rather than incorporating all of the variables that may precipitate it (Shore and Tetrick, 1994).

The outcome of violations in the psychological contract are, depending on the size of the discrepancy, seen as leading to intense feelings of anger and broken trust, and having potentially significant repercussions. This can include a loss of trust in the employer’s motives to build and maintain a mutually beneficial relationship. In addition, when employees encounter a violation, their satisfaction with the job is said to diminish, because those aspects with which employees have experienced violation are more than likely to be the most important sources of work satisfaction,

predictability and control. The result is that it will become increasingly difficult for employees to perform and they will experience feelings of negative satisfaction with regard to the organization itself. (Robinson and Rousseau, 1994).

In the context of this study, it can be anticipated that employees in the sector with familiar transactional or relational contracts will experience violation if any of the foundations are breached, such as pay and conditions, training and development and career progression. Similarly, the thesis argues that there will not be an unproblematic coexistence between those that possess orientations under the VSE and the familiar tensions at the heart of the employment relationship. In particular, it would be simplistic to assume that employees would, for example, accept lower wages, give a commitment to stay, (or alternatively tolerate a degree of job insecurity) work beyond contract and, where possible, provide full attendance in return for simply satisfying orientations related to the VSE.

Rather this thesis argues that the potential for violations can emerge from a number of sources. For example, research has suggested that the stability of orientations to work can change over time according to family life cycle and age, or when the employer fails to provide benefits that employees felt were reasonable and legitimate. The result of this breach is seen to be a much more negative and alienative involvement in the organization (Brown, 1992). For example, violations may occur due to the aforementioned claim that low pay and conditions or pressure to reduce their terms and conditions, will have a detrimental impact on employee orientations given employees in the sector will have the same cost of living pressures as workers in other sectors (Zimmeck, 1998).

Commentators have also argued such corrosion of worker goodwill within voluntary organizations can be aggravated by the value driven culture of the sector, where little attention is given to the demands and needs of their staff. Concerns have been raised regarding how certain Christian relief organizations 'burn out' their staff through work intensification, and the possible negative knock-on affect this can have on employee orientations (Jeavons, 1992). For example, it has been found that stress brought about by work intensification can lead to demotivation, disaffection, higher absence and increased turnover (Mancelow, 2002).

Similarly, recent work in the public sector has uncovered how cost cutting and work intensification under Public, Private Partnerships are seen as a significant threat to the resilience of traditional values among workers. Here changes in the employment relationship, rather than changes in the nature of work are seen as threatening the resilience of the PSE (Grimshaw, Vincent and Willmott, 2002). In particular, workers experiencing a decline in working conditions show a weakening of values associated with the PSE, such as loyalty or commitment to their employer. In addition, the authors point out there is a danger that the corrosive impact of this continued intensification of work will eventually threaten workers' traditional willingness to perform roles that go beyond contract (Hebson *et al*, 2003). If the orientations of workers in the voluntary sector are subject to the same dynamics in the employment relationship, again, this suggests similar dangers with regard to the impact of work intensification.

Other possibilities for breaches in what the thesis has termed the VSE may arise from changes in management policies presenting challenges to employees' desire to serve client needs and offer quality service. Indeed, some conceptualizations of the psychological contract have argued that violation should embrace breaches based on employee perceptions about the organization's obligations in relation to the promotion of a cause the employee highly values (Thompson and Buderson, 2003). An example of this perhaps comes from research in Canada which revealed how the introduction of standardization and new technology led to a steady erosion and degradation of care work. Employees were seen to no longer able to be creative in the type of care package they could provide to clients, nor build helping relationships. This was accompanied by a perceived loss of decision-making power and control. The consequences of this inability to provide clients with the type of care they felt appropriate was seen to be a source of deep regret and dissatisfaction (Baines, 2004a).

However, a problem remains with using the concept of violation of the psychological contract to measure the impact on changes to reciprocal obligations between employer and employee. In particular, it does not adequately address changes in the work-effort bargain, in particular the impact of work intensification on employee orientations. The need to incorporate an evaluation of work intensification into the conceptual

framework of this aspect of the thesis is crucial given the potential, already outlined, for changes to the work – effort bargain to lead to alter employee orientations in the voluntary sector.

In order to evaluate these issues the study will therefore incorporate a series of questions from the labour process perspective. In doing so, this acknowledges that management can intensify work directly and indirectly. Direct work intensification is achieved through making employees work longer or harder to maximize labour input through changes to skills and direct forms of managerial control. The consequence of this is seen to be worker dissatisfaction. Indirect forms of intensification come from the realisation that direct forms can cause conflict. In response management will introduce techniques to increase employee discretion in order to gain employee compliance, and creative capability. Employees receive minor gains from such discretion, but the increased responsibility it brings, is outweighed by greater insecurity and work intensification and job strain (Ramsay, Scholarios and Harley 2000). Therefore, this thesis will include, as with studies undertaken in Canada (See Baines, 2004a, 2004b), a series of questions that incorporates the possibility for both types of intensification being a characteristic of work for employees in the sector covering themes such as demands on employees to work longer and/or more unsociable hours; cuts to manning levels; demands to speed up work; working to tighter deadlines; and pressure to expand discretionary effort, i.e. to work beyond contract (Green, 2001).

The psychological contract has predictive power regarding consequences of violation on employee orientations and behaviour

It is also the case that the psychological contract is seen as providing a degree of predictive power in relation to the consequences of violation on employee orientations. For example, it has been linked to studies that have shown how violations in employees' psychological contracts are associated with attempts to maintain or reinstate the contract, or negative behaviours such as a decrease in perceptions of trust in the employer, poor performance, job dissatisfaction, and employee turnover (Robinson and Rousseau, 1994: Robinson, *et al*, 1994: Robinson 1996). In addition, it has also been reported that reactions to violation can be even

more extreme and lead to employees indulging in sabotage, theft and aggressive behaviour (Morrison and Robinson, 1997). Again, these behaviours would vary in accordance with the type of psychological contract between the parties. For example, in the voluntary sector it could be argued that it could be expected that those who had transactional contracts in direct care roles would exhibit lower levels of commitment, where they have experienced detrimental changes to their pay and conditions, and would therefore eventually quit.

This predictive power has been acknowledged in studies exploring the outcomes of the concept of the psychological contract being linked with organizational citizenship behaviour (OCB). The definition of OCB is ambiguous, with Podsakoff (2000) outlining how there have been thirty dimensions identified by authors. The focus here is on the civic virtue aspects defined as 'behaviour on the part of an individual that indicates that he/she responsibly participates and is involved in, or is concerned about the life of the company' (Robinson and Morrison, 1995; Coyle-Shapiro, 2002; Hui, Lee and Rousseau, 2004). OCB also encompasses employees' willingness to provide those extra parts of their role, beyond their literal contractual obligations, that are perhaps not explicitly recognised by their organization's reward system (Organ, 1988).

Studies have shown that employees will withhold or reduce organizationally directed citizenship behaviour if they feel employer obligations have not been met, due to perceptions of trust in their employer diminishing and their psychological contracts being subsequently violated (Robinson and Morrison, 1995; Robinson, 1996). An understanding of the reasons, extent and outcomes of such breaches in OCB in the sector is crucial for voluntary organizations given that they traditionally rely on employee goodwill from those with long-term, altruistic commitment to meet the needs of clients within limited resources (Orlans, 1992)

The final element of predictive power associated with the psychological contract is its link with union commitment. Thus far, the outcomes emanating from violations to employees' psychological contracts have been focused on the implications for individual behaviour in relation to their employer via OCB, including individual expressions of resistance and discontent such as a failure to 'go the extra mile' and

intentions to quit. However, other work links violations to the psychological contract with forms of collective resistance. In particular, it has been found that breaches in individual's psychological contracts can lead to stronger commitment to unions when it is perceived that a union is instrumental in protecting their rights and benefits following violations (Turnley, Bolino, Lester and Bloodgood, 2004).

Mediating Factors affecting the impact of violation

There are a number of mediating factors that can influence, for better or worse, the perceptions of and the intensity of feeling surrounding perceived violation of contracts. These mediating factors have to be acknowledged in an operationalization of the psychological contract. In doing so, the following summary will illustrate some of the possible outcomes of these mediating factors. These are not intended to be exhaustive, but rather they are raised to highlight some of the possible trajectories in employee orientations resulting from these mediating factors. For example, there has to be a consideration of the impact of organizational procedural justice mechanisms, which can offer some form of amelioration from the consequences of violations such as job loss or lower pay (Robinson and Rousseau, 1994).

A further possible mediating factor impacting on employee perceptions of contract degradation and violation is the degree to which blame is attributed to the employer or to forces beyond the immediate control of management. One factor that may affect employee perceptions of violation is the extent to which they perceive there was intentionality behind employer actions, i.e. was it deliberate or an honest oversight (Morrison and Robinson, 1997).

It has been noted that if an organization violates a contract voluntarily, then perceptions of injustice will be greater (Bies, 1987; Arnold, 1996). However, if a contract is violated because of outside factors, such as an economic downturn, then this may lessen the extent of violation. Research by Sparrow (1996) in the banking sector explored whether a positive correlation existed between organizational commitment and satisfaction and employee perceptions that the locus of control for contract degradation and violation was beyond the organization. The research found that this was not the case, but this does not rule out such perceptions arising in the voluntary sector. Unlike banking, employees, in the voluntary sector, arguably, have

an identifiable alternative locus, i.e. public funding bodies, on which to shift blame for violations in their psychological contract. If this were the case, it could be that management in the voluntary sector are able to maintain employee commitment to organizational aims.

Moreover, a further mediating factor on the outcomes of violation could stem from a recognition that people's commitment may be towards other things rather than the organization. For example, employees' jobs could form the focus of their commitment. Research into the psychological contract amongst employees in four UK-based multi-nations found evidence to suggest that the job can be pivotal to contractual orientation and level of commitment, whereas the organization had less meaning. Individuals were seen as being attached to the organization via the 'concrete here and now experience of their job (Millward and Hopkins, 1998, pp.1549)', so the job was the focus of emotional attachment, rather than the organization. Arguably, as the authors point out, this finding may be simply sample-specific, but if psychological contracts are job specific rather than organization, then as long as the employee is able to continue to fulfil what he/she identifies as the fundamental aims and goals of the job/profession then dissatisfaction with specific actions of the employer through violation may not be fatal in terms of a withdrawal of OCB or quitting. Alternatively, if a long-serving voluntary sector employee has strong altruistic orientations, and the nature of the job has changed so much that those desires are not met or are being compromised by changing priorities, then they may move to an organization that they perceive is better suited to help them achieve their goals.

Similarly, the specific 'foci of commitment' felt by employees can be to a specific team/work group or supervisor (Becker, 1992; Reichers, 1985, 1986). Given the aforementioned evidence from Alarista and Arrowsmith (2004) of the existence of strong value based orientations to specific workgroups and services, then this may act as a further mediating factor on employees' intentions to withdraw OCB or quit an organization even when their commitment to 'the organization' has been degraded through psychological contract violation.

Finally, in terms of the impact on collective forms of resistance through greater commitment to unions in the face of psychological contract violation, it has been argued that a strong counter to this trend is when the union is perceived to be relatively ineffectual and powerless to redress the effects of violation (Turnley, *et al* 2004). Specific factors that may lead to union ineffectiveness in this case study, besides the ongoing weakness in union organization highlighted earlier (Cunningham, 2001; Simms, 2002) is the influence of 'non-employers', i.e. the incapacity of workers in the voluntary sector trying to express their voice beyond the specific organizational boundaries of their immediate employer, i.e. in this case funding and regulatory organizations (Marchington *et al*, 2004; Marchington, Rubery and Cooke 2004).

The Gender dimension to exploring work orientations in the voluntary sector

The above framework also has to acknowledge the context of gender in the voluntary sector, given that the workforce is made up predominantly of women. Some of the above studies revealed significantly different orientations within the voluntary sector workforce, based on gender. Again, some of this research stems from the United States, where women entered the non-profit sector in the USA in increasing numbers during the 1970s and 1980s. The reasons for this were reportedly related to the occupational locus of the non-profit sector, the opportunity for less repetitive work, and the perception that they were more likely develop skills. It was also the case from this study that women's wages kept pace with for profit counterparts in the 1980s, and actually surpassed those of workers in government. In terms of measures of equality, women appeared to make progress in terms of their occupational and educational distributions (Preston, 1990).

However, there are a number of other trends that suggest that employment in the sector is not without its familiar issues of discrimination for women. For example, in the United States women in the voluntary sector continued to lag behind in the attainment of managerial positions, with evidence also suggesting that the wages of managerial women were twenty per cent below that of men. In addition, black women were further disadvantaged with lower wages and less prestigious occupations than white women in the sector (O'Neill, 1994). Moreover, it has been found that many day-care workers who were predominantly women were paid poverty level wages,

even when working full-time. Such occupations also offered very few opportunities for advancement. Women carers also reportedly felt that their ability to influence decisions are increasingly becoming limited as agencies become more formalised and subject to government regulation (Burbridge, 1994).

A more recent study has confirmed these trends. A survey of human service agencies in the USA's not for profit sector confirmed that men continue to be disproportionately represented in management, particularly at upper level, while women are predominantly placed at direct service or lower management levels. Moreover, men earn higher salaries than women at all levels of organizations, and women from ethnic minorities earn the lowest. The study argues that 'the glass ceiling' phenomenon is equally as present in the non-profit sector compared to for-profit and government sectors (Gibelman, 2000).

There are several explanations for these unfavourable trends in pay, working conditions and occupational hierarchy. The first is actually drawn from work in Australia which highlights gender differences regarding people's reasons for joining the sector. Women, especially those who were married and had children under the age of 12, were more likely to be found to enter the sector for pragmatic convenient reasons, related to family ties. In contrast, men were more likely to enter the sector for religious reasons. There are obvious linkages between women's more pragmatic orientations to work, and the patriarchal features of society and the labour market in general, but in the context of this thesis, the point to be drawn out here is that women may not have the same positive orientation to the values of the voluntary sector, or be as career focused compared to men (Onyx and Maclean, 1996).

There are dangers in accepting these assumptions. For example, in the UK research has found that efforts to characterize women returners in the voluntary sector as uncommitted to paid employment and merely satisfying some instrumental orientation, ignores the possibility that the entry into the voluntary sector may have been preceded by a periods of unpaid caring work in the community as a way of gaining the necessary experience to find a paid job in their chosen area of work in the voluntary sector. Therefore, identifying people's unpaid activities is essential in understanding people's orientations to work in the sector (Taylor, 2004).

The second reason suggests that these gender differences are a result of the equality aspects of organizational personnel policies and practices being benign with regard for internal advancement for women (Gibelman, 2000). The third, suggests that these trends stem from perceptions that many tasks that are performed in non-profit organizations are economically devalued by society because the skills required are taken for granted and treated as invisible. This perception is seen as being due to the work of the sector being performed predominantly by women, and that the skills and talents required of service workers are often summarised to be natural female attributes, deserving of little serious consideration. Further, it is claimed that the low wages of work performed by women are crucial to the viability of the non-profit sector, where labour costs are a leading budget item. These low wages are perceived to be reinforced by what are seen as seemingly gender neutral practices borrowed from the for-profit sector, that, in fact, “maintain the power of the small elite of historically male managerial positions and maintain the under-valuation of the overwhelming majority of historically female positions that constitute the essential character and work performed in the non-profit sector”(Steinberg and Jacobs, 1994, pp. 113).

In the UK context, this last explanation is seen to have some relevance in relation to broader trends in social care provision. In particular, it is argued that the contemporary organization of care services with its combination of marketisation and privatisation is profoundly gendered, and disadvantageous to women. In particular, it is argued that there is a steady reconfiguration of work and consequent deskilling, where tasks of care are fragmented into smaller and smaller units and delivered at speed, reducing the emotional content and attentiveness traditionally associated with care (Ungerson, 2000). It is further argued that because of the relatively mundane aspects of this type of care, it is regarded as unskilled and intrinsically natural, especially when undertaken by women as it resembles practices based on the experience of mothering (Leat and Ungerson, 1994: Ungerson, 2000). The result of these trends being that some care work for women is largely seen as unskilled, akin to informal caring in the home and therefore low paid.

The above issues touch on a number of broader debates regarding work orientations among women (see for e.g. Hakim, 1996, 2000 and Rose 1994, and more recently Doorewaard, Hendrichx and Verschuren, 2004)). In addition they reflect wider debates regarding the sexual division of labour, and the idea of 'gendered jobs', where specific tasks can be considered as gendered, and contributing to the occupational segregation of women into low skill, low paid work, especially for those in part-time posts (Grugulis, Warhurst and Keep, 2004: Thompson and McHugh, 2002).

It is beyond the scope of this study to make a significant contribution to understanding these debates. However, it is recognized that any findings that have specific relevance to these will have to be evaluated in the context of established literature in the concluding and discussion section of this thesis.

Summary and construction of a Framework for analysing changing employee orientations in the voluntary sector

Given the above, Figure 2.1, which is influenced by Guest's 1998 Model, illustrates the potentially fluid nature of the psychological contract in the UK voluntary sector. The first box at the top of the Figure outlines the nature of reciprocal transactional and relational psychological contracts in the voluntary sector. The left hand side illustrates the possible range of employee perceptions regarding the obligations they feel are owed to them by their employer. These include those that place emphasis on predominantly monetary rewards to ones that include orientations closer to what has been termed the Voluntary Sector Ethos. In return, on the right hand side employers expect a range of performance, attendance and organizational citizenship behaviours from their employees.

The second box illustrates how these contracts can be violated through a range of changes to employment relations, or wider strategic policies introduced by management. Again, these violations attempt to encapsulate the range of breaches of trust that could possibly occur between employer and employee, and contain simple cuts to terms and conditions, work intensification, but also wider changes to the organization's mission and values. While it is accepted that an exploration of the causes of these violations must acknowledge the possibility that they can emanate from within the organization, it is noted that Figure 2.1 illustrates how the voluntary

sector psychological contract is embedded within the wider changing public policy arena of the sector.

The third central box then illustrates the possible outcomes of violation that are associated with a loss of commitment to the organization. These range from a loss of trust, less job satisfaction, intention to quit, poor attendance and withdrawal of OCB and/or growth in union commitment. At the same time, it illustrates how these possible outcomes can be mediated by a number of factors inside and outside of management control, such as the nature and content of employer organizational justice procedures, the degree to which the employee attributes blame for violation to the employer or outside factors; the foci of employee commitment, i.e. job, workgroup/client and management – labour relations. In doing, Figure 2.1 presents the framework within which the research questions for the second part of the empirical work for this thesis will be constructed.

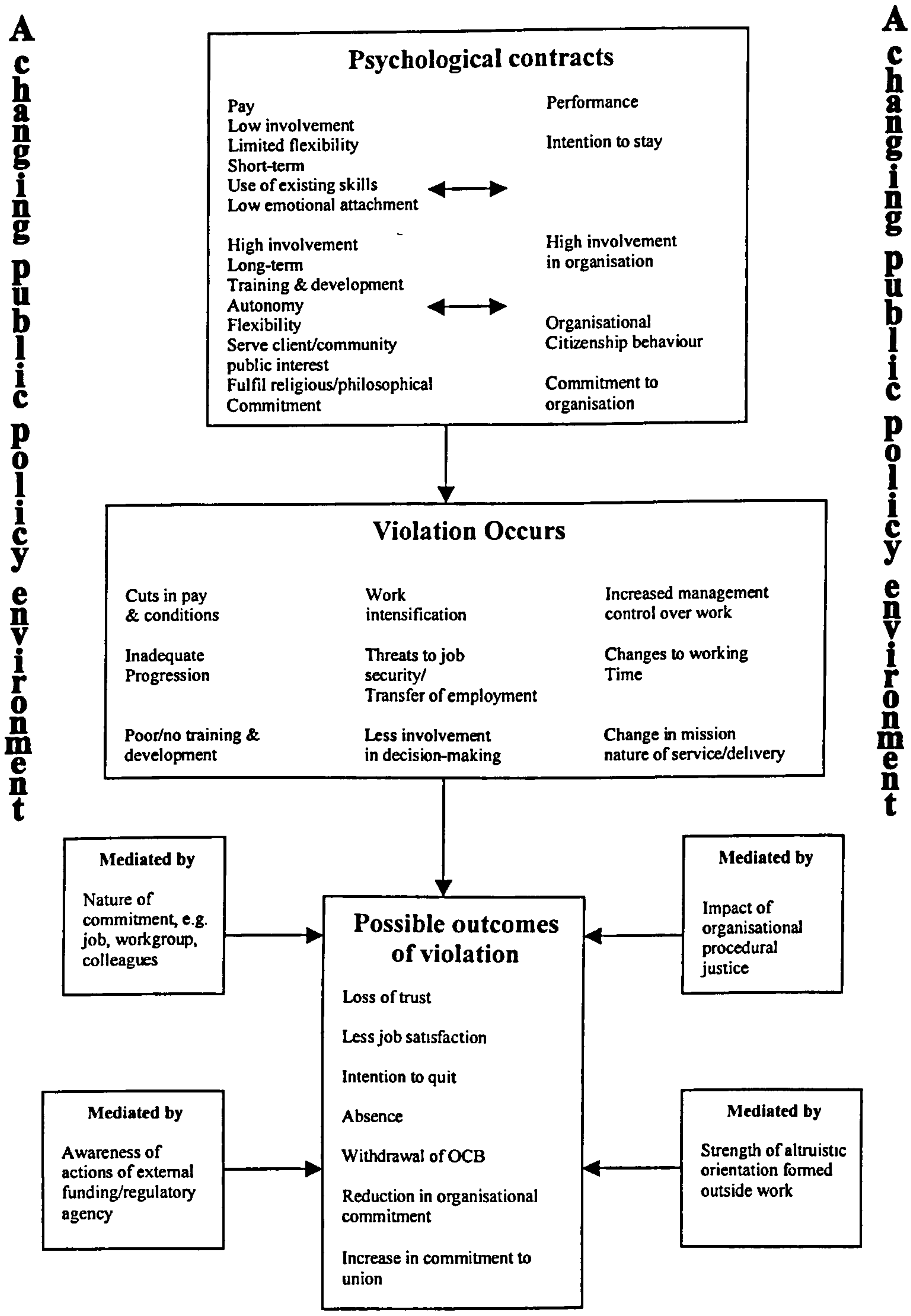
At this juncture, the aforementioned research themes outlined earlier in the chapter are now refined into the following research questions:

What is the basis of people's psychological contracts in voluntary sector organizations?

What are the causes, nature and incidence of violations to people's psychological contracts in voluntary organizations?

What impact do these violations have on people's commitment to the organization and the exercise of organizational citizenship behaviour?

Figure 2.1: A framework for analysing the psychological contract in the voluntary sector



CHAPTER 5: METHODOLOGY

INTRODUCTION

The purpose of this chapter is to outline the methodology employed during the fieldwork that was undertaken in this thesis. This is divided into five substantive sections. The first outlines the epistemological position of the research design. This begins with an outline of the opposing perspectives of positivism and relativism. It then goes on to argue that the critical realist perspective presents a more appropriate perspective from which the design of this research project should be influenced. Once this has been established, the next two sections of the chapter go on to outline the two phases of primary data collection undertaken, which are directly influenced by this critical realist approach. The next section gives attention to how the data was analyzed, followed by a final section that raises some limitations to the research design.

Positivism and relativism: a problematic dichotomy in the field of social research

The choice of method when undertaking social science research is not just an issue of selecting from neutral devices on the basis of technical adequacy, but is also an ontological one, i.e. a theoretical consideration as to what exists (Fleetwood, 2004). This choice has traditionally centered around an ongoing debate between two broad epistemological perspectives – positivism and relativism. Together, these perspectives came to denote widely divergent epistemological assumptions about the nature and purposes of social science research and what should pass as warrantable knowledge about the social world. The choice of particular methods would therefore mean accepting either perspective and their views about social reality and how it should be studied. (Bryman, 1989). As a consequence, at this juncture, it is useful to briefly outline the core elements of the debate.

The first of these perspectives, positivism, has been identified as the dominant epistemological orientation in the discipline of management research. Despite, a number

of different approaches that can be identified as positivism, it has a common set of characteristics that can be drawn from these multiple versions (Bryman, 1989). Its key epistemological position rests on the assertion that knowledge about the world rests on the scientists' ability to gain objective empirical data about that social and natural reality, and that there is an external world that is cognitively accessible to the human mind through testing and isolating variables (Johnson and Duberley, 2002). The social world is seen as a closed system which is subject to general laws that operate independently of individual will and consciousness. In doing so, positivism postulates a unification of both natural and social science.

As a consequence of these claims, positivism embraces the empiricist methodologies of the natural sciences – a kind of methodological monism – that seeks to make propositions and claims to the 'truth' clear and unambiguous (Bryman, 1989; Ackroyd, 2004). In this way, only phenomenon that are observable and amenable to the senses can be warranted as knowledge. Overall, there is a preference for quantitative research, and objectivity is equated to quantification. Human behavior is seen as measurable through experimentation or can be encoded in a questionnaire for survey research. This generally involves the replication of data collection techniques and attention to issues such as sampling, and the standardization of measurement (Silverman, 1985; Bryman 1989; Johnson and Duberley, 2000).

In the search for 'the truth', positivists are preoccupied by concepts such as causality, validity, generalizability and replication. Internal validity is seen as being concerned with the extent to which the presumed cause really has an impact on the presumed effect, i.e. ruling out of other alternative explanations (Bryman, 1989). Generalizability concerns the ability of the researcher to confirm that the results of a study can be generalized beyond the confines of the research location: and /or to a wider population of which a sample is representative. Therefore, great efforts are made to draw samples that are fully representative of the population studied. In doing so, such generalizability, again, draws the researcher much closer to constructing 'laws' similar to the natural scientist. The focus on replication is also important as a further test of generalizability, in particular the

means of checking the extent to which findings are applicable to other situations (Bryman, 1989).

Furthermore, in terms of the conduct of social science, these claims of scientific, value free and objective empiricism, assumes the observer (researcher) can stand back and observe the world objectively, i.e. a subject – object dualism where observations about the external social (object) world made by a passive knower (subject) are separate and independent of the processes of observation (Johnson and Duberley 2000). Indeed, positivism is seen to be concerned with a need to purge the scientist of values that would impair his objectivity (Bryman, 1989).

As a consequence of the above, any subjective elements within scientific inquiry are considered to be mediating variables which explain any unexpected variance, or they are ignored because they cannot be verified (Johnson and Duberley, 2000). Such a perspective, therefore, rules out the possibility of including metaphysical notions of ‘feelings’ or ‘subjective experience’ in social science research. Thus, herein lies one of the main criticisms of the positivist perspective, i.e. that it neglects the value of the intangibility of human subjectivity as a legitimate focus for social science research, (Williams and May, 1996).

In particular, Laing (1967) called for human action to be the focus of social science, with the aim to make it intelligible and to understand its internal logic. Central to this process is the concept of *verstehen*. That is, the interpretative understanding of the meaning a set of actions has to an actor through some form of contact with how they experience their experience (Williams and May, 1996). In other words, a key critique of positivism stems from the argument that social science research cannot be understood by excluding the subjective basis of understanding. Without an understanding of the purpose and intentions, human activity cannot be adequately understood (Ackroyd, 2004).

At its most extreme, this rejection of positivism assumes what Thompson (2004) calls an ‘extreme social constructivism’ (pp.55). This perspective has its links to the

phenomenological and post-structuralist perspectives on social science that has influenced Critical Management Studies and incorporates a change in how the social scientist engages with, and knowledge of, reality. Influenced by Kuhn (1970) it argues that science is not wholly rational and objective, but determined by ideologies and power. As a consequence, these extreme interpretivist perspectives reject the notion that science can locate a body of privileged knowledge that reveals 'the truth' about the world. Rather it claims that generalizations made in social science are far harder to predict than in the natural sciences because of the multitude of variables that must be measured. In its place, it introduces a *relativist* approach to science, which challenges the continuity between the natural and social sciences (Ackroyd, 2004: Thompson, 2004: Williams and May: 1996).

Knowledge is therefore seen as a product of social construction, and so this perspective adopts an anti-empiricist position that argues that all knowledge is indeterminate and that there are only narratives based upon particular points of view. In other words, in direct contrast to positivism, there is no single discoverable 'truth' or meaning, only numerous different interpretations, and all that can be done is to show the construction of each perspective. What we take to be knowledge is constructed in and through language. The implication is that any consensus built around these narratives is not tolerated given it would serve to silence alternative possible voices. Therefore, instead of one 'truth' there are many realities to be discovered (Thompson, 2004: Ackroyd, 2004).

This perspective has a number of specific practical implications for research. In particular, they reject positivism's scientific methodology, and demand an *inductive* approach to gathering data. The approach, despite some accusations that it is privileging certain methods as its own, is therefore dominated by qualitative methods such as ethnographic fieldwork, interviews, participant observation. Ethnography can be favoured given the researcher is immersed in the subject's world, and provides thick descriptions of not only actor's actions, but their intentions, motivations, meanings, contexts, situations and circumstances, and also is seen to be able to embrace a variety of settings and perspectives. In addition, by implication this epistemological position rejects positivism's notion of the role of the researcher as a neutral observer producing objective

and valid knowledge. Instead, from a post-modern perspective researchers specifically detail their involvement, with researchers acknowledging their role in the construction of their findings, and rationally reflect on their own assumptions (Johnson and Duberley, 2000).

At this juncture, it is worth noting that not all interpretivist/qualitative approaches to organizational research are defined by the extreme deconstructivism associated with the relativist/post-modernist perspective that eschews the use of theory in research. For example, Grounded Theory (Glaser and Strauss, 1967) is set firmly within the inductive perspective and is associated with the qualitative approach, but seeks to generate theory which is embedded in data. Theory, therefore, is deferred until a relatively late stage in the research process and emerges from data and is inductively grounded (Bryman, 1988: Miles and Huberman, 1994). In a similar vein, Action Research begins with a notion of 'drawing out theory' (Eden and Huxham, 2002, 258) and deferring consideration of its role until later in the research process. Eden and Huxham note that this:

requires the researcher to have a commitment to the temporary suppression of pre-understandings (pp. 258).

This also involves a great deal of reflection by the researcher of their own pre-understanding and biases so that they do not constrain the emergence of alternative and valid concepts and knowledge (Eden and Huxham, 2002). However, there are problems associated with these frameworks, the most obvious of which are the doubts regarding whether research can be undertaken in a theory neutral way (Bryman, 1988).

More fundamentally, the more extreme relativist perspective has been subject to some significant criticisms. For example, in a critique of Critical Management Studies Thompson (2004) points towards the unsustainability of rejecting the possibility of science uncovering any real physical laws. As Thompson, argues:

Given that nobody would leave the house, let alone get on an aeroplane or submit themselves to surgery if science had not discovered truths bounded by the laws of probability, constructionists and deconstructionists are lying to the world or themselves (Thompson, 2004, pp. 57).

Moreover, this over-reliance among post-modernists on empirical work based purely on the analysis of text and discourses is seen to wrongly discount viable approaches to explore the social world, such as those of a quantitative nature (Thompson, 2004). In addition, it can be argued that such a position is inappropriate for this project. In particular, to reduce changes in the voluntary sector workplace to actors' social construction, and individual narratives ignores, for example, the influence of real structures and mechanisms of change outlined in the two literature chapters. In particular, external institutional pressures on organizations and the structured antagonism between capital and labour as a major structural determinate of changes in the employment relationship.

Critical Realism: a viable strategy for undertaking research in the voluntary sector?

From out of this debate, despite each of the above perspective's claims to have access to 'the truth' it is argued here that because of the aforementioned limitations to these opposing positions they are found wanting. As a consequence, many commentators have turned to what is seen to be a more holistic approach as to what is warrantable knowledge in the social science that synthesizes the aforementioned divergent epistemological positions – critical realism (Sayer, 1992; Ackroyd and Fleetwood, 2000). As Sayer (2000) puts it:

Critical realism seeks to avoid both scientism and 'science envy' on the one hand and radical rejections of science on the other. (pp. 3).

Critical realism, influenced by the work of Roy Bhaskar (1975) is based on several key foundations. On the one hand it rejects the failure of positivism to recognize the

openness, contingency and variable character of social change. Critical realism possesses an interpretive dimension that recognizes that social phenomenon have meaning and cannot be simply measured or counted. As Ackroyd states

‘the social world is an interpreted world, and that relationships between people, institutions and structures are produced by people that is, they are socially constructed’ (Ackroyd, 2004, pp. 146).

At the same time, it rejects elements of postmodernist thinking that assumes a lack of certainty, regularity and a rejection of reliable knowledge claims. In particular, critical realism argues that social phenomena exist independently of the construction of individual people and groups and that these structures and mechanisms, whether visible or not to individuals, have independent effects on behavior that cannot be explained by reference to discursive qualities or linguism. That is, despite the best intentions of actors in a social system, the extra dimension of the political/economic system in which people are located in constrains their actions and choices (Ackroyd, 2004).

Critical realism therefore possesses what Sayer calls a ‘double hermeneutic’, i.e. meanings are related to material circumstances and practical contexts in which communication takes place, but also accepts the material commitments and settings of communicative interaction and the presence of a non-discursive material dimension to social life. Social reality is therefore only partly dependent on text and actors’ understandings, things can happen to people regardless of their understandings (Sayer, 2000).

Critical realism also contains a different view on causation. In particular, unlike positivism, its focus is not on the regular succession of events, prediction and explanation leading to the finding of social laws. Rather explanation depends on identifying causal mechanisms and how they work, discovering if they have been activated and under what conditions (Sayer, 2000). The implications of this are that social structures and mechanisms with causal powers can produce different outcomes. Therefore, regularities

and patterns that do occur are temporary and dependent on contingent conditions. ‘Truth’ is therefore not absolute, rather critical realists recognize the value of epistemic gain (Sayer, 2004).

Critical realism: The implications for research design

As a consequence of the above, critical realism embraces a wide range of methodologies, but also implies that the particular choice of methodology should depend on the nature of the object of study and what is appropriate for the particular task. Here, Sayer (1992) makes the distinction between *extensive* and *intensive* research design, where each approach is not simply a question of breadth over depth, but rather research designs that seek to ask different sorts of question, implying different techniques and methods. These are outlined in Figure 1, which is taken from Sayer (1992).

In Figure 1, the left hand column outlines intensive forms of research, where questions are focused on causal processes in particular or limited numbers of cases. In the right hand column, extensive research is concerned with finding common properties and general patterns in general populations. The latter favours quantitative methods, while the former qualitative such as participant observation and/or interactive interviews. However, it does not rule out for example cases where the both types of research design can be complimentary. For example, intensive case studies can include survey methods, and similarly studies overwhelmingly quantitative do not rule out using interpretive methods (Sayer, 1992).

Figure1: Intensive and extensive research: a summary

	INTENSIVE	EXTENSIVE
Research Question	How does a process work in particular cases or small number of cases? What produces a certain change? What did agents actually do?	What are the regularities, common patterns, distinguishing periods of a population? How widely are certain characteristics or processes distributed or represented?
Relations	Substantial relations of connection	Formal relations of similarity
Types of groups studied	Causal groups	Taxonomic groups
Types of account produced	Causal explanation of the	Descriptive ‘representative’

	production of certain objects or events, though not necessarily representative ones	generalizations lacking in explanatory penetration.
Typical methods	Study of individual agents in their causal contexts, interactive interviews, ethnography, Qualitative analysis.	Large-scale survey of population or representative sample, formal questionnaires, standardized interviews. Statistical analysis.
Limitations	Actual concrete patterns and contingent relations are unlikely to be unrepresentative; 'average' or generalizable. Necessary relations discovered will exist wherever their relata are present, e.g. causal powers are generalizable to other contexts as they are necessary features of these objects.	Although representative of a whole population, they are unlikely to be generalizable to other populations at different times and places. Problem of ecological fallacy in making inferences about individuals. Limited explanatory power.
Appropriate tests	Corroboration	Replication

Source: Sayer (1992) *Method in Social Science: A Realist Approach*, 2nd ed, pp.243.

For the purposes of this thesis, a predominantly intensive research design was adopted, but with some extensive elements. The rationale for the predominantly intensive approach was related to the core themes of this thesis, i.e. following Sayer's (2004) guide the research was not, overwhelmingly, concerned with extensive issues of distribution, frequency or regularity within its core themes. For example, in Phase 1 of the project, which explores the relationship between state funding bodies and voluntary sector organizations, as will be shown, there are extensive elements to the research concerned with distribution of patterns of funding and HR policies. At the same time, this line of investigation is largely concerned with supplementing the primary focus of the study which was overwhelmingly concerned changes to HR in voluntary organizations and the causal explanations behind them, both institutional and cost-based. Similarly, in Phase 2 the research themes were predominantly concerned with how? and why? questions. For example, how and why are worker orientations and behaviors in the sector affected by changes emanating from the quasi-market. With this in mind, the following now presents an outline of the research process undertaken in each of the phases of field work.

PHASE 1: EXPLORING THE NATURE AND DYNAMICS OF THE PURCHASER – PROVIDER RELATIONSHIP AND ITS INFLUENCE ON VOLUNTARY SECTOR EMPLOYMENT RELATIONS

In undertaking the first phase of the fieldwork a number of factors had to be considered when designing the research program.

Undertaking a literature review to construct a conceptual framework

The first of these factors was the refinement of the themes that it was felt warranted investigation into specific research questions that were informed by theory, and developed through literature searches. This process was undertaken through a series of stages, beginning with the identification of the desire to explore the implications of the state – voluntary sector relationship on the employment relationship in non-profit organizations. The first stage of this process was to explore a variety of sources from the public sector management and voluntary sector literature to uncover the evolution of the purchaser – provider relationship between voluntary organizations in the context of the development quasi-markets in the UK, which is outlined in Chapter 2. Three themes emerged from this review. The first related to the influence of the state's regulatory regime on HR policies; the second was the cost pressures from the state on terms and conditions of employment; and the third was the potential for voluntary organizations to resist these pressures.

Following on from this, there was a need to construct a conceptual framework that was able to evaluate these issues. An exploration of various strands of literature from the open systems perspective revealed how institutional theory could provide a framework to evaluate various pressures from the state on voluntary organizations to comply with regulations in the area of HR. This was primarily because this theoretical perspective recognized the close links between the two sides of the relationship and the need for the voluntary sector to gain legitimacy in eyes of funders through becoming isomorphic with its external environment.

However, it was felt that this framework was inadequate in understanding all changes to the employment relationship in voluntary organizations. In particular there was a need to evaluate the response by management in the voluntary sector to various cost pressures from the quasi-market, which could account for the rationale and means by which policies to undermine employer terms and conditions of employment were introduced. In doing so, and in line with studies that have been used in the social services/welfare sectors, a scrutiny of changes to the labour process was adopted to trace to exert management's policies to exert downward pressure on terms and conditions in this sector.

At the same time, the framework had to be developed further to account for management practices that diverged from the predictions of institutional and labour process theories. Labour process theory already accounted for some of these issues due to its recognition of management's need to generate consent among the workforce and respond to internal resistance. However, aspects of the literature pertaining to the strategic choice perspective and inter-organization relations was also incorporated to account for the exercise of agency by management as a consequence of a number of advantages and strengths voluntary organizations possessed in their external relationships funders. As a consequence of the above, three broad research questions formed the focus of the first part of the fieldwork. These were:

What is the influence of isomorphic pressures from various state regulatory and funding bodies on the HR policies and practices of employers in the voluntary sector?

What is the impact on the voluntary sector terms and conditions of employment and the labour process from the cost based pressures from state regulatory and funding bodies?

What are the internal and external factors that can lead to employers exercising autonomy and agency and prevent trends towards isomorphism and the undermining terms and conditions of employment in the voluntary sector?

Defining the Voluntary Sector

Another issue that needed to be addressed before embarking on the fieldwork for Phase 1 was the selection of appropriate organizations within the voluntary sector to participate. The first related to defining what is meant by the voluntary sector. In doing so, the 'Narrow' definition of the voluntary sector was favoured (Kendall & Knapp, 1996). The narrow definition covers a vast amount of organizations. For example, in England alone it includes 97,500 registered charities, between 10,000 – 50,000 other voluntary bodies, and 2,600 housing associations (NCVO, 1996). The diversity of the sector's activities and structure is illustrated below in an outline of the various industries and functions involved in voluntary sector activity. It must also be said that within these industry headings there are numerous sub-categories.

INDUSTRIES:

Social Care

Accommodation &

Housing

Education & Training

Health

Religious Activities

Promotion of Business

Environment and animals

General purposes

FUNCTIONS:

Finance & resourcing (grantmakers)

Provision of buildings and facilities

Provision of services

Advocacy, information & research

Representation (umbrella & intermediaries)

Given this diversity, care had to be taken when selecting organizations for research purposes. Institutional theory was again utilized as it offered a way of narrowing the type of organization to approach through the notion of the 'institutional field'. An institutional field is where various kinds of rules and resources become shared by groups of organizations that participate in related activities. Such fields develop through a process of structuration whereby common forms of social action produce the rules and resources that constitute that field. Organizations within that field develop common understandings

and practices that form the rules and resources that define the field, which are then shared (DiMaggio and Powell, 1983; Phillips, Lawrence and Hardy, 2000).

The institutional field that is the focus of this study is that part of the voluntary sector that is governed by the 'contract culture' and its rules and resources: specifically, the operation of the 1990 Community Care Act, 'Best Value' and further regulation introduced through the creation of the Care Commission and Scottish Social Services Council, and Disclosure Regulations. Therefore, those voluntary organizations responsible for the delivery of social service, health provision and housing within the quasi-markets that have developed within this field form the focus of investigation. This excludes large charities that are engaged in activities such as overseas development, conservation and those devoted to the protection of domestic animals, including many organizations that are household names such as the RSPCA and RNLI.

Other considerations included the function of organizations. This can be problematic given that many voluntary organizations are multi-functional and take on a range of direct care, advocacy and research roles. Therefore, in deciding which organizations to approach thought had to be given to their primary function, and whether it fits with the aims of the investigation. As a consequence, it was decided that, given the study's focus, those organizations whose primary function was the delivery of social services would be the most suitable. At the same time, this did not rule out those voluntary organizations that undertake other functions in addition to providing services, for example advocacy and campaigning etc. This was because it was felt it would be interesting to see how these other functions fare in terms of mission and priorities if their organization becomes increasingly dependent on state funding.

Size and income

The size of organization (in terms of income) was also relevant in terms of undertaking an investigation into the impact of the 'contract culture' on paid employment in the sector for several reasons. For example, the majority of employees in the sector are situated in the larger organizations, i.e. 96% of the very largest charities benefit from paid

employment. In addition, 85% of all full-time equivalent workers are employed by the largest 8.6 per cent of charities (NCVO, 1996: Passey, et al 2000). Moreover, paid employment is more likely to be found in organizations with incomes of over £100,000 per annum. The link between size of income and paid employment is fortunate given that these same large organizations are more likely to benefit from the receipt of government contracts than smaller ones (Passey, et al, 2000). Therefore any approach for participation in the project was made to those organizations with incomes over this threshold.

Furthermore, in selecting social services and health as a focus for this study, the thesis selected fields of activity that are some of the largest in terms of paid employment in the sector. Organizations undertaking social services have been recorded as by far the biggest employers in the sector with 146,000 employees, housing is second with 74,000, while health is the fourth largest at 43,000 (Kendell and Knapp, 1996).

At this juncture, it is also pertinent to raise the point that this study is to be narrowed even further through its fieldwork being limited to voluntary organizations in Scotland. It is felt this does not in any way undermine or limit the applicability of this research given strong similarities with the wider UK voluntary sector. In total, there are around 50,000 voluntary organizations with income resources of £2billion, employing 107,000 people, and accounting for approximately 5% of the Scottish workforce. At the same time, there is a higher emphasis on personal service occupations such as social service activities. In particular, it has been found that those voluntary organizations in the social care sector within Scotland have experienced considerable growth, with an increasing number of service contracts being awarded by local government. In employment terms, the workforce is concentrated to a large extent in organizations that are in the higher income brackets, and the growth of employment experienced since 1996 has also been in areas of the social economy. Moreover, those organizations dealing with social exclusion account for the largest proportion of the sector's workforce at 38% (approximately 40,000) Jas, Wilding, Wainwright, Passey, A and Hems, 2002: SCVO, 2004b). The Scottish workforce also mirrors the profile of the general UK care workforce by having far higher

proportions of females employed at around three quarters (Jas *et al*, 2002: SCVO, 2004b).

Choice of main data collection methods – Phase 1

In keeping with the intensive nature of the research design, the approach adopted in this part of the thesis was qualitative. The value of such an approach was its ability to reveal complexity through thick description and vivid examples. Moreover, and in keeping with the critical realist approach, these descriptions are seen as offering the potential for assessing causality in organizational affairs (Miles and Huberman, 1994: Easterby-Smith, Thorpe and Lowe, 1991).

In choosing particular methodological tools, the researcher considered the advantages of employing participative observation. For example, in Phase 1 of the fieldwork, it would have been beneficial to perhaps shadow HR and other operational managers as they went about their everyday business and perhaps even sat in on some negotiations with local authorities. Given the reported ability of participant observation to reveal the unfolding of events over time, and the gaining of more in-depth insights regarding the meaning of and emotions behind situations through picking up on chance remarks and the impact of unanticipated events, which can be pursued in interviews this approach was seriously considered (Bryman, 1989: Saunders, Lewis and Thornhill, 1997). However, quite apart from the well reported problems of researcher bias, issues with data recording, it was the time, resource and access issues which largely made the use of this approach to exploring the issues outlined in this thesis impossible.

As a consequence, in the main, the semi-structured interview was adopted as the primary data gathering tool throughout Phase 1. This provided the researcher with several advantages. The first was its inherent flexibility. For although it is not as flexible as the unstructured approach, it gives the interviewer sufficient leeway to include follow-up questions to pursue particular leads or seek clarification of complex issues. The second was that it fitted with the nature of the study, i.e. one that, arguably, had fairly clear

objectives and conceptual focus, and it has been reported that semi-structured interviews are more suited to such qualitative studies (Bryman, 1989; Saunders, Lewis and Thornhill, 1997). Moreover, these semi-structured interviews did at times utilize the critical incident method. The advantage of this approach was that in the absence of intensive observation they allowed the researcher in to develop a more in-depth understanding of the sequencing and significance of specific events to individuals (Byman and Bell, 2003).

Moreover, to avoid being accused of an over-emphasis on interview material, the researcher collected as much organizational material as possible that was available directly from interview respondents and organizational websites, thus leading to a 'triangulation' of source material in order to offset the weaknesses of relying on one specific data collection technique (Denzin, 1989; Easterby-Smith, *et al*, 1991). Specifically, prior to interviews with HR respondents, they were sent a short questionnaire requesting information covering workforce information such as overall employee numbers, the gender profile of the workforce, numbers of employees employed on atypical contracts, union recognition and membership; absence and turnover figures; proportion of expenditure devoted to employment costs; sources of income; outline of the largest source of income; the proportion of income provided by statutory sources; and the contribution of statutory income sources towards covering employment costs. Moreover, during the interview these individuals were approached to provide organizational mission statements, outline of activities and HR policies. Similarly, in addition to the interview data from local authority contacts, respondents were asked to provide copies of their Care Plans and lists of the range of contracted organizations (private and voluntary) providing services to their area.

A Profile of Participating Voluntary Sector Organizations

For Phase 1 of this research, twenty-four organizations agreed to participate. The main source of contacts was through the HR Voluntary Sector Forum of which the author had been a member for two years (14 cases). The HR Forum comprises of a group of

Personnel/HR specialists from within forty mainly large voluntary organizations located in Scotland. They were deemed suitable to approach because they occupied the institutional field outlined in an earlier section. The researcher has spent three years attending and addressing regular meetings of this body, and gained useful insights into the operations and salient HR issues affecting the sector.

The other ten sources were drawn from the Charities Aid Foundation (CAF's) Top 500 fundraising Charities. This outlines the income, expenditure and sources of income of the top 500 income earners in the sector (CAF, 2000). Within the latest dataset there are approximately 140 voluntary organizations that rely to varying degrees on some form of government income to pursue their activities, and also their primary functions fit within the areas of social care, health and housing. These provided a useful focus for contacts beyond the HR voluntary sector forum. A more detailed outline of these respondents is given below

Geographic spread of services

All of the organizations had operations in Scotland. The majority of organizations (eighteen) were exclusively based in Scotland, while the remainder (six) were UK-wide voluntary organizations. Eleven of the Scottish-based organizations can be seen to have operational units/provide services to many of the thirty-two Scottish local authorities and/or health authorities. The remaining seven Scottish-based organizations provided services to perhaps only one or two local authorities, or in the case of two of these respondents one single public sector funding body such as a health authority, or a public housing authority. The majority of respondents claimed to offer a range of services across a multitude of sites, with thirteen respondents claiming to have over twenty-five operational units across the country, and two organizations claiming to have up to eighty such units.

Beneficiaries of services

In terms of the type of services provided by these respondents the majority of organizations (eleven) cited people with disabilities/special needs as their beneficiaries.

This is followed by organizations citing children and young people as their sole beneficiaries (4 cases), while three respondents cited the elderly/old people. The remaining respondents (six) offered services to young people and adults with disabilities/special needs.

Income sources

Table 1.1 below outlines the pattern of funding sources among respondents, and shows that state sources are the most common form of income generation. It can be seen that by far the most common source of funding are local authorities, with 92% of respondents receiving funds from some form of contract, and 67% citing that they received some form of grant aid from local government. Central government also appears to be a common source of income with 67% of respondents indicating that they receive money from central government grants. The most common non-governmental source of funding is legacies at 59% of respondents, followed by 54% receiving funding from the National Lottery.

EU Grants	36
EU Contracts	18
Local Authority Grants	67
Local Authority Contracts	92
Central government grants	67
Central Government contracts	29
National lottery	55
Investments	50
Rent	36
Charity shops	44
Covenants	50
Legacies	59
Other	8

Employment

It was difficult to obtain precise figures for employment in Scotland from two of the UK-wide voluntary organizations, but from the remainder it was estimated that these organizations were responsible for the employment of approximately 13,500 staff (roughly equating to one third of the social care workforce in Scotland). The smallest organization employed sixty-eight people, the largest over two thousand. Table 1.2 below outlines the profile of organizations according to workforce size. It can be seen that most respondents employ between 200 to 1000 staff, with only four organizations going beyond 1000. In line with estimates of national workforce figures, it was also found that the majority of organizations had a male-female division of approximately two-thirds women employed in their workforces.

Greater than 50 less than 100	1
100 – 199 employees	4
200-500 employees	6
Over 500 – to 1000	7
Over 1000	4

Selection of voluntary sector interview respondents

In selecting interview respondents for the first phase of fieldwork, the author took advantage of his membership of the aforementioned HR Voluntary Sector Forum and targeted personnel/HR professionals. A similar approach was adopted with those organizations that had participated but were not part of the HR Forum. In total, twenty-one HR/Personnel respondents were interviewed, with the remaining three being senior operational managers who had HR issues as part of their remit. At the same time, in order to get a closer insight into the nature of the voluntary sector relationship with funding bodies, interviews were conducted in twelve participating organizations with a

representative(s) of management (non-HR) who was responsible for negotiating for funding/contracts with funding bodies.

A profile of participating local authorities and supplementary interviews

In line with the argument that a complete fuller understanding of complex inter-organizational relationships are only understood when analysis is undertaken from both sides of the contract/relationship (Marchington and Vincent, 2004), this part of the research design also included interviews with representatives of funding bodies.

Although many of the participating organizations had a variety of funding sources from the state sector, the focus of this thesis's insights into the perspective of public funding bodies was solely from the local authority perspective, given that all respondents relied to lesser or greater extent on income from this source. Representatives from seven of the thirty-two Scottish local authorities participated in this study. The profile of these organizations attempted to reflect, to a certain extent, variety of 'care markets' across the country. Therefore, one was a large urban conurbation in the 'central belt'; another two were formerly part of a larger authority, which had been broken up in the local government reorganization of the 1990s and now covered largely suburban areas; two were a mixture of rural and urban areas; another was a purely rural authority; while the final one was an urban local authority some distance from the 'central belt' of Scotland. In terms of the type of respondent selected for interviews, individuals who were responsible for negotiating contracts with voluntary organizations were approached. As a consequence, interviews were conducted with people who were Contracting Officers, Heads of Services and Heads of Social Services (fourteen respondents in all). It was also the case that in all but two cases, each of the participating voluntary organizations had a contractual relationship with at least one of the seven local authorities.

To gain further insights into the operation of the care market in Scotland, further supplementary interviews were conducted with other stakeholders. These included representatives from (Confederation of Scottish Local Authorities) COSLA, the Scottish Executive, a regional official from the Care Council, the trade unions Amicus and

Unison, the Scottish Council for Voluntary Organizations and Community Care Providers Scotland (CCPS). Copies of these interview schedules are provided in Appendix 2.

Interview themes – voluntary sector respondents

As previously mentioned, in Phase 1 of the research contact with voluntary sector respondents began with an interview with the senior HR/Personnel manager. This was followed, where available, with interviews with key management personnel responsible for negotiating funding with local authorities. In this way, and in keeping with the critical realist perspective, the aim was to gain the perspectives of key organizational actors in the HR arena, and those responsible for building wider external relations of voluntary organizations and how they interpreted changes to their broader external climate and its impact on HR policies. At the same time, and as will be shown below, this was in the context of efforts to evaluate the impact of real social structures and mechanisms on these organizations.

Respondents were given some guidance prior to the interview in relation to the broad themes that would be covered. In keeping with the intensive research design the focus of each interview was to explore the relationship between each organization and its funders and the impact on HR. A full copy of the interview is included as Appendix 1 so the following outlines only the broad range of themes that were discussed. The HR interviews began with a series of general contextual questions regarding the organization's client base, mission and values and current state of the business. The interview then focused on specific HR themes. In particular, respondents were asked to highlight and discuss the impact of the most influential piece of employment legislation over the last 3 – 5 years on their organization. In a slight departure from the intensive research design, respondents were then asked to highlight significant changes to aspects of HR and employee relations over the same period, including pay and conditions, employee representation, training and development, recruitment and selection, discipline and grievance, absence management, human resource planning, employee flexibility and

health and safety. However, the intention was not to simply find patterns and regularities in HR policies, but to use follow up questions to understand why these patterns and regularities occurred in the context of the institutional and cost-based pressures outlined in Chapters 1 and 2. For example, respondents were asked about their perceptions regarding the impact or otherwise of policy initiatives such as Best Value, the Care Commission etc on these HR policies.

A further exploration of the impact of external pressures was gained through using critical incident technique. In particular, respondents were asked to reveal particular incidences when the adoption of a specific HR technique, or changes to terms and conditions were crucial to the gaining or retention of a contract. The aim of using this approach was to gain increased understanding of the prominence of HR factors in deciding the award of contracts, but also gain insights into the possibly coercive nature of some state – voluntary sector relationships.

Further, in order to account for the impact of other institutional pressures questions were asked in relation to other isomorphic influences on respondents' HR policies (mimetic and normative), i.e. the degree to which they benchmarked with other organizations in their particular area of social care, and the influence of bodies like the HR forum network, Community Care Providers Scotland (CCPS), local CIPD branches and various umbrella groups covering housing associations and hospices.

The final set of questions was designed to gain some exploratory insights into the impact of institutional and cost based pressures on employee orientations in the sector. Specifically, these questions focused on the degree to which respondents perceived there to be high levels of positive orientations to work among employees in their organizations that were based on altruism and a desire to care. In addition, respondents were then asked to discuss the extent to which they felt the relationship between the organization and its local authority funders had impacted detrimentally or positively on those orientations in recent years.

The interviews with managers responsible for negotiating contracts to a degree followed much of the same structure. However, there were differences in emphasis within these interviews. For example, there was an exploration of the role of these respondents in the negotiating process with local authorities, and the actual stages of applying for or renewing a contract. In HR terms, the focus was not on specific changes to broad areas of policy, rather concern was to gain direct experiences through the aforementioned Critical Incident approach of how far HR matters were crucial to the success of winning a contract and the coercive nature of some state and voluntary sector relationship. Finally, a greater emphasis was also placed on their perceptions of the relative strengths and weaknesses of their organization when entering contract negotiations with funders.

Interview themes– local authorities

In relation to the interviews with local authority representatives, the emphasis was to begin with an exploration of the range of services they contracted out to external providers, and the proportion of work given to voluntary organizations, as well as the factors that influenced the specific allocation of contracts to the sector. This was followed by an exploration of interviewee's perspectives on recent policy developments such as Best Value and the Care Commission. Interviews then turned specifically to the degree to which employment issues were a consideration when determining the suitability of prospective external service providers in the awarding of contracts. Included in this interview was also an investigation into the degree to which local authorities awarded inflationary uplifts to the sector and external the factors that influenced this.

PHASE 2: EXPLORING CHANGES TO EMPLOYEE ORIENTATIONS AND BEHAVIOUR IN THE VOLUNTARY SECTOR

Development of research questions through literature search

Phase 2 of the project was concerned with exploring the degree to which the purchaser – provider relationship between local authorities and voluntary sector impacted on work orientations of employees. Again, before undertaking this analysis a refinement of the

basic themes into operational research questions had to be undertaken. Again, several literature searches were undertaken to aid this process, which are outlined in Chapter 4. However, there now follows an overview of this process and a reiteration of the broad research questions informing the second phase of fieldwork.

The first of these literature searches involved an exploration of the existing literature – UK and international - on issues relating to employee orientations to work in the voluntary sector. This revealed how there was a growing, but limited stock of knowledge from a UK perspective regarding why people joined voluntary organizations, their work experience whilst employed in the sector and their commitment and reasons for leaving. This led to further elaboration of specific research themes that would constitute the main focus of the second phase of the study.

Again, to explore these issues in full, the research themes needed to be refined into specific research questions informed by a conceptual framework. As a consequence a literature review was undertaken exploring the applicability of the psychological contract to evaluating the research themes. Whilst the psychological contract was largely seen as an appropriate framework on which to account for part of the issues around people's willingness to accept employment in the voluntary sector, and subsequent reasons for discontent through utilizing the concept of violation, it was found wanting in several respects. As a result, further exploration was undertaken of the literature around worker orientations, the labour process framework and organizational citizenship behavior. This led to the refinement of psychological contract framework, and from this the following research questions emerged.

What is the basis of people's psychological contracts in voluntary sector organizations?

What are the causes, nature and incidence of violations to people's psychological contracts in voluntary organizations?

What impact do these violations have on people's commitment to the organization and the exercise of organizational citizenship behaviour?

In order to answer these questions a case study approach was adopted.

The identification of an appropriate data collection strategy: the rationale for adopting the Case Study approach

The justification for adopting the case study method was largely due to the fact that it was seen as being in keeping with the intensive research design of this thesis. This was specifically because, directly and indirectly commentators (Yin, 1994: Miles and Huberman, 1994) have seen the case study approach as complementary to the intensive research design outlined in the critical realist perspective. In particular they are seen to favour 'how?' and 'why' questions (Leonard – Barton, 1990). Moreover, they are seen as more appropriate in uncovering causality in complex social phenomena, such as that identified in this project (Sayer, 1992). This is because advocates of the method utilize a the triangulation of multiple sources of data, including interviews with actors at various levels, organizational policy documents and background organizational statistical information, such as workforce trends, turnover, absence etc. (Kitay and Callus, 1998). Further, and again in keeping with the critical realist perspective and the aims of this project, there is the reported advantage of the case study in allowing the researcher to explore the relationship between a unit and its wider environment in considerable detail (Yin, 1994).

However, there are well-quoted limitations to case study research. In particular, case study findings can be seen as idiosyncratic since evidence presented is derived from one or two organizations (Yin, 1994: Bryman, 1989a). In response, it is argued here that the purpose of this thesis is not to infer the findings to a particular population. Rather, like other case studies, e.g. Burgelman (1985) cited in Bryman, 1988) to provide an understanding of areas of organizational contexts that are not well documented. In this case, it is to provide a more in-depth understanding of the relatively under researched

area of changes to employee orientations in the voluntary sector, that are a consequence of the pressures from the quasi-market.

Moreover, given that there is more than one case study under scrutiny in this thesis some of these concerns with generalizability can be addressed. In particular, it is argued that the use of more than one unit/case study can lead to its own replication logic, and confirm the rigor and robustness of the results (Bryman, 1988: Yin, 1994, Miles and Huberman, 1994). Further, in keeping with the critical realist perspective, multiple cases can deepen understanding and explanation, in particular it presents a way of finding out over a period of time under what sets of structural conditions the impact of events, or a hypothesis is minimized or maximized (Glaser and Strauss, 1970: Harrison and Easton, 2004). For example, where specific anticipated features do not emerge across cases, this will allow analysis across organizations to draw out important themes regarding environmental and internal factors that determine their likely appearance (Bryman, 1989: Miles and Huberman, 1994).

Rationale for main data collection methods

Again, in Phase 2 in order to gain an even closer insight into the nature of providing care in front line services, participant observation was seen as potentially beneficial. However, the same cost and time limitations outlined in Phase 1 of the field work were an issue for Phase 2, so this proved impossible. That is not to say that some valuable observations were not possible during the numerous site visits undertaken during this period of fieldwork. For example, visits to projects revealed the nature and quality of sleepover quarters available to employees. In addition, the researcher was able to discern the specific environment in which employees provided care, i.e. the extent to which they operated within geographic areas characterized by relative affluence or deprivation.

However, the main source of data collection was, again, the semi-structured interview. This was seen to be beneficial for several reasons. Firstly, given Phase 2 involved multiple-case study research, which generally requires some structure to ensure cross-

case comparability, the semi-structured interview with its similar wording of questions facilitated this (Saunders, Lewis and Thornhill, 1997; Bryman and Bell, 2003).

Secondly, a semi-structured, qualitative approach was seen to possess the key advantage of providing further insights into one of the focal points of this thesis's conceptual framework (outlined in Chapter 3). In particular, it has been argued that there is a relative dearth of qualitative studies exploring aspects of employee psychological contracts from formation through to violation, with Herriot, Manning and Kidd (1997) being one of the few exceptions to this rule. Indeed, academics (Morrison and Robinson, 1994; Herriot, Manning and Kidd, 1997) exploring the nature of and violations to the psychological contract have called for the use of more qualitative techniques including in-depth interviews to assess the actual feelings behind the psychological contract. In particular, it has been stated that conceptions such as violation are seen as an

‘emotional and multifaceted concept, traditional survey methods and quantitative analyses may not be able to adequately capture’ (Morrison and Robinson, 1997, pp.250).

Moreover, the qualitative approach means that the contents of the psychological contract and subsequent violations are elicited from actors, rather than imposed through various rating scales by researchers, which has been the common approach (Herriot, et al, 1997).

Finally, again to avoid being accused of being over-reliant on one source of data, and in keeping with the case study design (Yin, 1994), further information was collected from each case study, including updates on workforce data that were revealed two years previously. Moreover, where available, the researcher also obtained copies of annual reports, financial statements and HR policies and practices.

Rationale for selecting case studies

The selection of three case study organizations for the second stage of the empirical work was to some degree influenced by practical issues of access. At the same time, selection was based on a number of factors relating to some aspect or aspects that were illustrative of the care organizations revealed in Phase 1 of the field-work. Specifically, the aim was to conduct research in organizations that, as far as possible, were illustrative of:

- Variety in sources of funding, i.e. the degree to which case organizations were reliant on one or a multitude of financial resources.
- Workforce factors such as size of enterprise, union recognition and membership.
- Client base, i.e. childrens' services, mental health and learning difficulties, physical disabilities and ex-offenders.
- Geographic location and spread of services.

In doing so, the overall aim of the selection was to reflect as far as possible within a limited study the variety of relationships and degrees of resource dependency in the quasi market. Table 1.3 categorizes the original twenty-four voluntary organizations from Phase 1 of the project on the basis of income dependency from state funding. As can be seen, among the twenty-four there are varying degrees of dependency on state bodies for the funding of care activities, which have been placed in three broad bands. It can be seen that seven of the twenty-four were solely dependent on state income for their care activities; eleven of the twenty-four are dependent from between 80- 100% on state funding and the remaining six had between 50% to 80% of their incomes from state funding. It is also worth noting that four of those that were funded entirely by the state outlined how local authorities were the exclusive source of state funding. In choosing the three case study organizations for this project, it was decided to draw an organization from each of these categories of dependency.

Table 1.3: Degrees of resource dependency on state agencies	
100% state funding	7
Between 80% - 100%	11
Between 50% - 80%	6

Brief profile of case study organizations

Starlight

Starlight is a medium-sized voluntary organization with approximately 175 employees. It provides services to a range of users in a narrow geographic area of central Scotland. Starlight was chosen from the category of organizations highlighted previously in Table 1.3 that were entirely dependent on local authority grants and contracts for their income. Starlight provides services to a wide range of clients from those with mental health problems, learning difficulties, young offenders and old people. Management reported that the organization still retained a recognition agreement with a trade union. The workforce is two-thirds female. Interviews were held in five projects, two supported accommodation for those requiring high intensity care, three outreach services (two of which were funded through Supporting People) with relatively low intensity care needs.

Galaxy

Galaxy employed approximately 650 staff (two-thirds of whom are female) across approximately eighty units across Scotland. It provided services for the majority of Scottish local authorities, as well as providing some services for the Scottish Executive and local health authorities. The majority of staff are employed in its projects providing direct care (450). It has a variety of statutory and non-statutory sources of income, but local authority funding represents the largest single source. Galaxy was among those organizations outlined in Table 1.3 with an income dependency of between 50% - 80% on state sources. It has a strict policy of not contributing any of its non-statutory resources to the funding of contracted projects. Its service user group was predominantly

those suffering from mental health problems. It has a recognition agreement with ACTSS. Interviews were conducted with respondents from six projects, two of which were Supported Accommodation, with clients with high intensity care needs, the remainder were outreach services (two funded through Supporting People) and providing low intensity care.

Universal

Universal is part of a UK-wide voluntary sector organization providing services to children and young adults. It has approximately nine hundred staff in Scotland, two thirds of which are female. Universal has a variety of sources of statutory and non-statutory sources of income, as well as voluntary contributions from the general public. When taking on a contract from a local authority or other statutory partner it has a policy of providing up to 20% of funding itself drawn from voluntary income. It therefore is drawn from the category of organizations outlined in Table 1.3 whose income dependency on the state was between 80% to 100%.

At the time of the second phase of fieldwork, the status of the trade union was subject to some change, as the organization had just agreed to enter into a recognition agreement with the union. Interviews were conducted within five projects, three providing outreach services (one funded through Supporting People) and two supported accommodation units, one which was high dependency, while the remainder low intensity.

Identifying the unit of analysis

In selecting subjects for case study research, some attention had to be given to what was to be the unit of analysis. The focus, or unit of analysis, was on predominantly the core activity of care services among three voluntary organizations. Given the semi-structured interview was the favoured approach in gathering data in this thesis it was impractical to conduct interviews with every employee in each organization. Moreover, the provision of care services in each organization was a complex web of different funding mechanisms and levels of care. However, within the confines of the resources of this project and

limitations of access allowed within the case study organizations, there was an effort to interview respondents from as wide a range of types of service provision as possible.

Specifically, in each case study interviews were held, in the main, with respondents who worked within units that were responsible for delivering low, medium and high levels of support to service users. In addition, efforts were made to include employees in each case study who had been exposed to newer policy developments in the market. It was not possible for respondents to be included who had been subject to Best Value reviews, because they were comparatively rare and time was short. However, in each case study we were able to secure interviews with employees who were responsible for working in services that were funded through Supporting People. The following represents a short profile of each of the case study organizations: a fuller outline of activities, income, employee relations culture is outlined in the individual case study chapters.

The only slight deviation from this approach was undertaken within Galaxy. Here employees from a training unit for those with mental health problems were included. This was partly because the researcher had to accept what he was given once interviews were scheduled in the organization's head quarters. At the same time, it was felt that this did not significantly compromise the aims of the thesis largely because the three individuals were employed in circumstances that were extremely insecure because of the dynamics of external funding arrangements.

Rationale for selecting interview respondents within case studies

Selection of interview respondents was to some extent dependent on senior management, and subject to operational limitations, although there was some input by the researcher. For example, in Galaxy the HR respondent arranged a series of interviews with respondents at the organization's headquarters. The researcher was aware of the dangers inherent in this form of selection, including the danger of management bias. However, once a degree of rapport was built with organizational representatives of Galaxy, the researcher was able to go out and visit particular projects and undertake further

interviews, with a far greater degree of input with regard to the choice of respondent. Similarly, at Starlight, the majority of interviews were organized through senior management, but were also intermixed with visits to particular workplaces, where additional interviews could be gained. Access to Universal was slightly different in that the researcher was given a list of the organization's projects and invited to write to individual project managers. Here, an initial interview with the manager would be undertaken, followed by negotiations over access to front-line staff and subsequent interviews.

The criteria for the selection of interview respondents in case study organizations was largely on the basis of focusing on those directly associated with delivering or supporting the delivery of care services in each case study. This involved interviewing respondents predominantly at Support Worker/Support Assistant grades (equivalent to Project Worker in Universal), Project Managers, Administrative Assistants (based at the project). At the same time, the work orientations and work experience of at least one senior manager within each case study organization was also gained. This was gained through supplementary questions with one of the senior management representatives, i.e. either the senior operational, HR or Finance Manager. Further, an opportunity was provided in Galaxy to interview a respondent who was responsible for working in the advocacy and campaigning arm of the organization, which was taken up. Moreover, care was taken to account for the gender balance of the workforce (figures outlined in the table), along with part-time workers. Therefore, the proportion of women to men interviewed was roughly two thirds to a third respectively in accordance with the gender profile of each organization. The exact breakdown of respondents is provided in Table 1.4

Table 1.4: Profile of Case study respondents			
	Starlight	Galaxy	Universal
Senior Manager	1	1	1
Project Managers & Deputes	3	5	4
Training officers	-	2	-
Support/Project Worker & Support Assistants	12	11	11
Administrative Assistants	1	1	1
Female participants	11	15	11
Part-timers	3	3	2

Interview questions

Senior Managers

For the senior management respondents within the case study organizations, the purpose of the interviews was to try and introduce a degree of longitudinal analysis in the findings. For largely practical, i.e. time and access reasons, a second interview was only possible with the three HR respondents, where interviews were undertaken approximately two years apart over the course of the field work. Full copies of the second interview schedule are provided in Appendix 2. The focus of the first part of these interviews was to gain updates in relation to particularly significant developments in HR and the organization's competitiveness and relations with local authorities that were revealed in the previous interview.

However, in order to explore the reciprocal nature of the psychological contract in each case study organization, HR respondents were also asked to outline what they looked for in suitable candidates during the recruitment process from employees joining the organization at various levels, i.e. project manager, Support Assistant etc, and what the organization promised them in return in terms of their employment package. In addition, these managers were asked to recall, using critical incident technique, examples of when they felt the organization had intentionally or unintentionally violated or reneged on any

of these promises made to various grades of employees, the employee (and or their representative's response to these violations), and the actions, if any, the organization had made to alleviate the impact of these incidents.

The interviews with the other senior managers were concerned largely with getting insights into the wider operational environment of each organization. In particular, this focused on the level of competition, success or otherwise in gaining contracts and reasons for this, the impact of specific policies and funding streams such as Disclosure, SVQ accreditation, Best Value, Supporting People etc, and an appraisal of their organization's relative strengths and weaknesses in the care market. Finally, in two of the organizations – Galaxy and Universal – interviews were undertaken with a trade union representative to gain insights into management – union relations and bargaining issues.

Project manager and non-management interviews

In order to gain information on the core concerns of this project, the same semi-structured interview schedule was applied to those from line management downwards, and is provided in Appendix 2. The schedule investigated a series of themes that began with an exploration of family background, qualifications previous employment history, compared with current occupation, trade union membership. The next section sought to explore the specific make-up of respondents' psychological contracts by gaining insights into what specific promises made by their employer with regard to their terms and conditions of employment specifically attracted them to take up work for their specific organization. This was then followed by a series of questions that sought to investigate specific incidents of violation of employees' psychological contracts. Again, in order to gain an insight into the strength of feeling behind violation, critical incident technique was employed in other studies. In doing so, the study has built in responses from both parties in relation to the issue of violation in a similar vein to that used by Herriot, *et al* (1997). This study argued that the benefits of eliciting both perspectives were to avoid attributional bias, i.e. respondents attributing good outcomes to themselves and bad outcomes to others.

In addition, in order to assess the degree to which changes in the work – effort bargain could lead to violation. Employees completed a short self-completion questionnaire, which used a five point scale ranging from significantly decreased to significantly increased, which attempted to gauge changes in individual's jobs in areas such as the volume and pace of work, level of supervision, level of work related stress, clashes with work – life balance and enjoyment in the job etc.. Once this was completed, the researcher went through these responses with the interviewee and invited them to comment on particular aspects, as well as opening the discussion up further to any comments the respondent themselves wanted to make regarding these reported changes to their jobs.

The next areas were to gain insights into the degree to which these violations to psychological contracts had on employees' orientations to work. The main focus of these questions was to explore the degree to which employees exhibited organizational citizenship behavior and included questions relating working extra hours on an unpaid basis, working through breaks, coming to work sick or curtailing holidays/time off, undertaking responsibilities that went beyond contract, taking 'duvet days', refusing to undertake extra responsibilities and intentions to quit.

ANALYSIS OF DATA

All of the interviews undertaken in the two phases of the fieldwork were taped and fully transcribed. The researcher was aware of the perceived dangers in relying on taped interviews, such as the respondent focusing on the recorder; inhibiting the responses of some interviewees; technical problems and the time required to transcribe. At the same time, it was felt that the advantages of using a tape recorder, i.e. ability of an interviewer to concentrate on questioning and listening; accurate, unbiased records; and the use of direct quotes for writing up purposes, outweighed the disadvantages (Easterby-Smith, 2002). However, to try and overcome these problems, permission was asked of each respondent to use the tape recorder, along with a rationale for its use and a further guarantee of confidentiality (Healey and Rawlinson, 1994).

The analysis of each set of data from Phase 1 and Phase 2 of the research was influenced by the general analytical procedure favoured by Miles and Huberman (1994). This began with the referencing of interviews, observations and documents recorded on summary sheets. The subsequent process of coding the data involved several steps. Given that prior to the fieldwork there had been considerable work undertaken to develop conceptual frameworks that would capture the research questions that were central to each phase of this thesis, a 'start-list' of codes was created during Phases 1 and 2. These codes would be applied to a given set of data, i.e. a sentence or paragraph that was related to a given research question.

At the same time this process of coding was subject to revision. Certainly, there were codes, concepts, and phenomena in the data that were divided up into too many segments when the original master codes were constructed. To aid this process of analysis, and again influenced by Miles and Huberman's (1994) approach 'marginal remarks' pp.67 were frequently used to highlight, clarify, reflect on, and question various pieces of data. In addition, revisits to sites and discussions with senior managers, and several line managers to discuss preliminary impressions/findings from the data were undertaken. At the same time, while the researcher was confident that this process of coding and recoding was sufficiently robust to stand the analysis of the conceptual frameworks employed in the literature sections of this thesis, this process of coding, recoding, discussion and reflection was, to a degree, called to a halt by time and budget constraints.

LIMITATIONS OF RESEARCH METHOD

To begin, there is a need for some reflexive acknowledgements of the researcher's own cultural and idiosyncratic 'baggage' and its contribution to the construction of knowledge (Bryman and Bell, 2003). In particular, the researcher's own value biases stemming from being a white male working in the labour movement for five years prior to coming into an academic career, and his continuing research and teaching interests in the trade union movement.

Moreover, there needs to be a degree of reflexivity in relation to the implications of particular methods adopted, which bring with it several limitations to the findings outlined in the forthcoming analysis. The first is the extent to which the findings will be applicable to the whole of the social care, sub-sector of the UK voluntary sector. The organizations are confined mainly to relatively large voluntary sector employers, which can be accused of ignoring the implications of pressures from the quasi-market on the many smaller organizations who rely on government funding. The focus on Scotland may also not give as full a picture of the impact of market forces across the rest of the UK, given that policies such as CCT and Best Value have been implemented either in an ad-hoc, watered down or delayed fashion since local government reorganization in Scotland in the 1990s.

Moreover, unfortunately, it was not possible to gain access into a non-union case study. Universal was selected for, among other things, its non-union status and indeed during the first part of the field work in 2002 it did not recognize a union, nor showed any significant desire to do so. However, on gaining access to Universal for Phase 2, a union recognition deal had just been signed with Unison. The researcher did consider approaching another organization for the purposes of exploring a non-union environment, but given time constraints and the fact that Universal fulfilled what were considered other essential criteria such as its location in the field of children's services, its funding base and degree of autonomy it was decided to go ahead with the case. The issue of the impact of trade union presence will be returned to in the concluding section.

The exclusion of survey instruments from the case study design, also does not negate the use of such techniques (Yin, 1994; Ackroyd, 2004) could bring to exploring the breadth of certain behaviors and attitudes outlined in the forthcoming findings, such as, for example, the extent to which the whole of the workforce exhibit strong altruistic values, the incidence of organizational citizenship behavior, etc. However, there was neither the time nor resources for the researcher to undertake such an analysis. At the same time, the researcher once again reiterates that the use of qualitative data was more appropriate for the aims of this project in that it gives the thesis a greater insight into how things happen,

how they are related, rather than measuring trends or relationships between specific variables (Eisenhardt, 1989). In the light of the above, the next four chapters outline the results from the fieldwork of this project.

CHAPTER 6: PHASE 1 OF FIELDWORK

A RACE TO THE BOTTOM? AN ANALYSIS OF VOLUNTARY SECTOR EMPLOYMENT RELATIONS IN THE QUASI-MARKET

INTRODUCTION

The purpose of this chapter is to present data findings from the first part of the field work of this thesis exploring the nature of state influence on HR and employee relations in the voluntary sector through an analysis of primarily qualitative information gained from twenty-four participating voluntary sector respondents, as well as participants from seven local authorities, other regulatory bodies and trade unions. The content of the chapter is presented in four substantive sections. Using an institutional analysis, Section 1 presents data that outlines how various institutions of the state at the meta and macro level exert isomorphic pressure and control to shape HR policies and procedures and specific approaches to delivering care in the voluntary sector characterized by the independent living and the person centred agendas.

In focusing on changes to the labour process among participating organizations, Section 2 outlines the impact of the various cost and competitive based pressures emanating from the state on terms and conditions in the sector. It begins with an evaluation of the competitive environment facing voluntary organizations. This is followed by an outline of how various state bodies influence internal management policies with regard to pay, the organization of working time, skills, aspects of work intensification and job security. In doing so, this section also highlights the particular influence of policy tools such as Best Value, and Supporting People. Moreover, although limited to management perceptions, this section provides some insights into the impact of these pressures on employee behavior and morale. Throughout these two sections the analysis will also pinpoint circumstances where voluntary organizations, and/or the workforce itself, exhibits examples of resistance to state pressure.

Section 3 then explores the circumstances under which voluntary organizations are able, or not, as the case may be, to exert a degree of independence in their relationship with the

state and its ability to control the content of HR policies and interfere with the labour process, and therefore prevent some of the intrusive and detrimental examples of interference in the internal employment relationship within organizations outlined in the previous two sections. In addition, in line with the critical realist approach to this thesis it will draw out the causal factors that influence the above pattern of changes in HR and general terms and conditions of employment. Section 4 then provides an overall summary of main findings from this chapter.

SECTION 1: ISOMORPHIC PRESSURE ON VOLUNTARY SECTOR HR POLICIES

Meta-environmental pressures

Using the institutional framework outlined in Chapter 3, at the meta-level respondents reported several isomorphic pressures that were shaping their HR policies. To begin, some positive developments arose from the establishment of the Care Commission and the SSSC through the imposition of a greater degree of regulation and uniformity in aspects of HR policy. Respondents reported increased pressure from these regulatory bodies to conform to basic standards in areas such as recruitment and selection, training and development, induction etc. Concerns relating to recruitment were a direct result of the enhanced Criminal Disclosure Regulations, which imposed stricter regulation regarding the employment of new recruits with criminal records.

The level of monitoring from these bodies was highlighted by the respondent from the Care Commission who stated how they were looking for providers to be able to demonstrate that they were operating adequate recruitment procedures for those caring for vulnerable people, through checking whether organizations are abiding by the Code of Practice on Disclosure, taking references and holding interviews. Voluntary organizations stated how these requirements were increasingly forcing managers within their organizations to follow 'good practice' in recruitment.

At the same time, the area that received most scrutiny by the Care Commission was unsurprisingly progress among voluntary sector organizations to accredit support grade

workers to SVQ 2 standards. Almost universally, these requirements to standardize qualifications among the workforce were seen as crucial in organizations' future ability to operate in the care market. This was confirmed by the representative from the Care Commission who reported that there would be some recognition of the practical difficulties organizations may have in meeting these standards, as well as recognizing good practice and high quality of care from staff who were not yet qualified, but he added:

We will be commenting on the extent to which they (employers in the care field) will be meeting that kind of target and we assume that we will find a correlation between the presence of trained staff and the quality of care.

In response to these developments organizations were moving towards a degree of uniformity in terms of their training infrastructure in anticipation of having to satisfy the regulation and inspection function of the Care Commission. This led to almost all respondents adopting development plans for management and non-management employees, as well as some of the larger ones appointing internal SVQ assessors. Indeed, several organizations had become assessment centers for SVQ level 2, and were also moving towards developing career paths for those employees wanting to progress from SVQ 3. At the same time, all employers were also moving towards attempting to meet the qualified managers' scheme in response to demands from SSSC.

Despite these positive developments there were concerns within voluntary organizations regarding these isomorphic pressures. The first related to the additional regulatory and bureaucratic pressure on their operations. As one provider put it:

'The SSSC is now in existence, and the Scottish Commission for the Regulation of Care, and both are leading us down a more regulatory path and a more demanding path. So certainly as well as human resource policies that pertain to all people in employment, there are regulations that pertain to the sector and this area of activity in social care, which is leading to all voluntary organizations having to

spend more time looking at standards and spending more time demonstrating competence in training... so its making life more demanding and time consuming (Operations Manager).'

The second concern related to voluntary organizations' ability to meet the relevant targets regarding workforce accreditation. One respondent indicated his organization was having problems prioritizing the requirements of the Care Commission regarding qualifications for basic support workers in comparison to the SSSC's standards for managers. Another respondent also indicated that it was sometimes difficult to get longer serving staff to agree to become qualified: a finding that was found in six other organizations.

The third, and most common concern raised by respondents related to the problems in funding the accreditation of the workforce, with many suggesting that the sector was expected to largely absorb the cost with little support from central or local government: a view echoed by local authority respondents participating in this study who admitted to an inability to provide financial support to fund increases in salaries for those employees in the voluntary sector who had successfully completed SVQ qualifications.

This lack of funding contributed to problems with employee turnover in what was perceived to be an extremely competitive labour market. Seventeen organizations were able to provide details of turnover figures, which ranged from 7% to 30%, with the most common rate being around 20%, but in some individual units it was as high as 47%. The risk for care providers from this lack of funding was the poaching of trained staff by competing agencies with offers of higher salaries. This had serious implications in terms of wasted time and resources for respondents given that some providers indicated that training could take up to eighteen months. One respondent indicated the frustration this can cause by stating:

We are heavily focused on development and SVQ qualifications. We are happy to do this, but cannot afford to pay them the rates they will get elsewhere. So we are

going to be a training organization for other organizations with a different resourcing strategy. That is a big concern. (Personnel Manager).

In some organizations high turnover among newly recruited employees at Support Worker meant further concerns among respondents that they would not be able to meet SVQ targets.

Macro level influences on HR policies

The framework adopted in Chapter 3 also predicted that voluntary sector HR policies would be also subject to isomorphism from macro level institutions such as local authorities. One of the main drivers of this isomorphism appeared to be the accreditation process under 'Approved Provider Lists' (APLs). These were used to scrutinize various aspects of voluntary sector activity including HR policies and applied to situations where organizations applied for open tenders, which were advertised in various publications or for more specialist contracts where a few voluntary organizations were approached by councils to compete for specific pieces of work. It was also the case that voluntary organizations had to periodically reapply for APL status to retain access to such business.

During this process of scrutiny, it was clear that some HR policies had greater priority for local authorities than others, with discipline, whistle blowing, recruitment, equal opportunities and the training and development of staff at the forefront. In terms of the standards expected from voluntary organizations, one local authority respondent indicated that they 'would at least be looking for whatever our own code of practice or policy says on a particular HR issue'. A Contracts Manager from another local authority also stated how they looked carefully for consistency and best practice in areas such as training and supervision to ensure quality of care.

The impetus behind enhanced scrutiny

Voluntary sector and local authority respondents revealed how the status of council APL lists appeared to have been given a renewed impetus in recent years. As well as checking for compliance in new legislative requirements (whistle blowing and recruitment),

reasons for this renewed impetus were related to attempts by local authorities to expand the local care market in their area, with APL lists being used as a way for purchasers to gain familiarity with new voluntary sector providers. Another key reason appeared to be the influence of Best Value reviews in some local authorities, where APL requirements appeared to be 'coming back with a vengeance' with 'expectations substantially increased' as part of funders' attempts to ensure clear standards among their providers.

Here there was a suggestion that 'non-commercial considerations' were beginning to appear in decisions relating to the awarding of APL status. In particular, there were requirements in the HR area relating to basic legal requirements and signs of 'good practice' in HR provision. Voluntary organizations had to provide evidence of competence in a range of specific HR policies and procedures, such as discipline and grievance, health and safety, equal opportunities, training, absenteeism, recruitment, whistle blowing, bullying and harassment, the content of staff handbooks, supervision, absence and turnover. One voluntary sector respondent summed up the increasing importance councils were attaching to these lists by stating:

They have started to call it 'vetting' now quite explicitly. So if you want to work in a local authority area 'you need to prove to us that you are bonafida and ok and that your staff are recruited in a certain way and you have various policies in place'.

A representative from a local authority stated that the APL process was a basic quality check that 'encouraged' voluntary organizations to have HR policies that were written down. He stated:

We have to have some standard to adhere to because some of the providers that didn't get through the process and even ones that eventually did, took a long time to get through because of a lack of written policy, its very worrying when they can't produce basic written material like that (Contract Support in Social Work Services).

Indeed, some voluntary organizations suggested that this type of quality check under APL was part of a wider expectancy by local authorities for voluntary organizations to have taken on policies, procedures and even the values of the business world and appear more 'business-like' in the care market. One respondent from a voluntary organization stated:

I think the voluntary sector has changed in a way. We have to operate our business as a business. If we did not, then we would not be able to facilitate the type of work we do. Yes, we are a charity, and yes we are in the voluntary sector and not for profit, but we have to manage ourselves in a business like fashion... We have to ensure that policies and procedures are appropriate for the business world. The local authority in some respects will see you as a business as I don't think they would wish to contract with somebody who had a poor record of disciplining staff or had a poor record of staff training (Development Manager, voluntary organization).

Another HR respondent added:

We have had to become much more business orientated. If you are involved in tendering, you have to acquire that knowledge. Voluntary organizations didn't have that knowledge. Now you are suddenly being told to apply to a tender process, and you need to build in these skills. An organization like ours now has to be as aware of business processes as any high street business.

Therefore, the accreditation and maintenance of APL status, in some cases as part of the Best Value procedures, could be seen to have a significant impact on the continued stability and viability of voluntary sector providers, and represented a major administrative exercise.

Problems with accreditation processes

There were problems attached to the above processes of accreditation from various regulatory bodies at both the meta and macro level. These are outlined below

Inconsistency in scrutiny

The first problem occurring mainly at the macro level, related to evidence of inconsistency in the level of scrutiny to which APL submissions were submitted by local authorities. For example, some of the larger urban local authorities were seen as stricter, but in other areas APL accreditation was described as ‘a paper exercise’ or that HR policies were not as big a priority in comparison with other operational factors. In addition, several other providers indicated that the degree of scrutiny by local authorities also depended on how quickly they needed services up and running. Inconsistency was again illustrated by examining some of the relevant APL documents. One, supplied by a large urban authority, was so onerous that one voluntary organization respondent claimed to have spent three weeks completing it. On the other hand a respondent who was part of a commissioning team in a smaller authority claimed to have no official APL documentation, because ‘its all in my brain you see’.

A duplication of effort

The second issue relevant to meta and macro levels was related to the duplication of many requirements. At the macro level, all voluntary sector respondents reported how different local authorities could demand specific variations in HR and other policies before APL status was achieved. Therefore, despite many of the APL processes having the same broad requirements, each local care market appeared to also have its own specific isomorphic pressures to adapt to. From the perspective of the voluntary organizations these variations in APL requirements were perceived to be completely ad-hoc and discretionary on the part of the councils, which also meant a great deal of time was spent attempting to meet the, at times, quite complex requirements. This tension was further exacerbated by the HR requirements of the Care Commission which respondents

felt duplicated those from local authorities: leading to many respondents questioning the need for APL lists if they satisfied the requirements of the Care Commission.

Interference in HR policies

The third problem highlighted the coercive nature of the state – voluntary sector relationship, and concerned regulatory and funding bodies bringing what was seen as unwarranted interference in employee relations policy, which, in turn, were tied up with threats to withdraw funding or recognition to voluntary organizations. For example, at the macro level, there was evidence from five voluntary sector respondents suggesting that non-compliance with HR and other requirements led to threats of withdrawal of business by local authorities. For example, a personnel manager from a large UK-wide voluntary organization described the relationship with registration authorities in the following terms:

Its ad-hoc and very authoritarian. Its about ‘what we want, don’t care about the rest, don’t care if you have to jump through hoops to deliver it. That is what we want, because if you don’t do what we want then we will deregister you.

A Personnel Manager from the Scottish region of another UK-wide voluntary organization who was asked if her organization had ever refused a request by a council to amend or adopt a policy, she stated:

I don’t think we have ever said no, I don’t think we could ever say no, because we wouldn’t get on the providers list.

In addition, two other respondents reported how particular authorities had recently threatened to prevent their organizations getting contracts if specific council requirements around their organizations’ recruitment policies were not met. One respondent from these organizations reported how the debate with council representatives had come down to ‘an exchange of legal letters’.

Interference in HR practice

There was also evidence of interference from both meta and macro level regulatory and funding bodies in areas of HR practice such as discipline and recruitment. To retain legitimacy in competitive care markets, evidence suggests that in some cases management is foregoing, or sharing, responsibility in this key area of control over its workforce with external agencies. As mentioned in Chapters 2 and 3 these developments can have serious implications regarding the independence of voluntary organizations as employers, and the position of employees in the sector with regard to which organization actually constituted his/her employer.

The first example of this occurs at the meta level where a union representative expressed concern regarding the emerging role played by the Care Commission in disciplinary cases. Here, it was reported how a manager, accused of bullying and harassment, was investigated by her employer (a participant in this study). The employer's investigation decided there was no case to be answered. In response, officials from the Care Commission launched an investigation, and argued the contrary. This resulted in, among other things, the Care Commission refusing to accredit the employee under the Qualified Managers scheme at SVQ 4. As a consequence, the employee was no longer able to work in the unit and was eventually dismissed by her employer. At the time of writing, the employee had refused a settlement from her employer, and was pursuing the case through an employment tribunal.

At the macro level, the same union official also noted how local authorities were prompting investigations into employee conduct within voluntary sector providers. One particular case related to claims for traveling expenses among voluntary sector staff. The official reported that, at the time of the interview, he was in the process of trying to resolve the issue given that it could lead to disciplinary proceedings against several of his members. He also indicated how he had been involved in cases where local authorities had stated 'we are unhappy about that person working here' with the result that the employer then has to move them to another area of activity.

In addition, there were four cases reported among the voluntary sector respondents, of similar encounters with unwanted pressure from local authorities regarding disciplinary cases. For example, a Personnel Director reported how a registration and inspection team from a local authority launched its own investigation into an internal disciplinary case in her voluntary organization, and as a consequence argued that the individual concerned should be dismissed, or the organization would lose its funding. The individual was eventually dismissed, and the case went to an employment tribunal, which found in the employee's favour. As a consequence, the voluntary organization had to absorb the subsequent costs. Another HR respondent faced similar pressures, but managed to persuade the local authority to relent, but again there was evidence of attempted coercion, she stated:

That was difficult, because we didn't want to upset them, but at the same time we were the employer and we had to exercise our own judgment. It was a tense time, and we were also up for renegotiating the contract, so it all happened at the wrong time. We did get it, but I actually think for a shorter term, which may or may not have had to do with the disciplinary issue, but at one point we were worried we might not even get it at all.

In response none of the local authority respondents participating in this study indicated that they had forced a voluntary organization to dismiss an employee, but they expected to be consulted and kept up to date if the conduct of a member(s) staff was under investigation. Some would also monitor more closely practice and supervisory arrangements in a project after a disciplinary case had occurred. In addition, several local (two cases) authority respondents from the seven noted that although they would never recommend outright dismissal of a member of staff in a voluntary organization, they would insist that in certain circumstances employees were removed from the particular service. Yet, as several voluntary sector respondents have pointed out, if alternative work cannot be found for these employees in this situation, then this results in dismissal, and if that decision is unfair then they take the consequences.

Micro Influences and Alternative Isomorphic Pressures on HR policy and Points of Resistance

Despite the above, it cannot be said that voluntary organizations relied solely on the state with regard to the make-up of its HR policies, nor was it completely passive in its response to such coercive institutional pressures. There was evidence of alternative isomorphic influences, and points of resistance.

Evidence of normative and mimetic isomorphic pressures

As predicted in Chapter 3 other sources of isomorphism represented alternative influences in shaping HR policies. For example, the HR network that the author was a member of, and many participating voluntary organizations had joined, formed an increasingly strong set of professional ties and influences in addition to the CIPD and other links. Attendance by the researcher at network meetings over a period of 2/3 years, and regular scrutiny of the e-mails between organizations from this HR forum revealed how participants sought advice and compared organizational approaches on a variety of HR issues, some of which were the result of state pressure to conform, while others were more related to a general desire to exchange ideas regarding best practice in HR.

There also appeared to be normative and mimetic isomorphic pressures operating at a sub-sector level. For example, a respondent from a housing association reported how organizations were apparently beginning to exchange information and practice regarding HR, using their presence in the social housing sector as a common denominator. In addition, five of the participating voluntary organizations from this study revealed that they had formed a group of HR/Personnel managers who regularly met and swapped detailed advice and guidance relating to a range of HR policies and procedures. These respondents revealed how the motives for this were based on the fact that they saw themselves as similar in terms of size, geographic spread and client group (adults with learning difficulties) and that it was therefore rational for them to benchmark and exchange ideas on the best way to approach HR issues. They also revealed how these developments were leading to a degree of uniformity/isomorphism in their approach to

HR. Finally, another respondent from a hospice revealed how she had joined an informal group of personnel people in the hospice sector in order to exchange practice.

Points of resistance

Again, to avoid an overly deterministic summary of the purchaser and provider relationship at local level, it is also useful to illustrate incidents where voluntary organizations were able to resist the type of a coercive pressure that local authorities could apply. In accordance with institutional theory, there were several examples of 'loose coupling', where in reality some policies that were evidenced as competence in APL or tenders were merely 'pieces of paper' with little operational relevance. One example of this from a respondent was a request by a purchaser to include in an APL submission, details of his organization's policy on health and safety cover if relevant managers went on holiday.

There were other more explicit forms of resistance to governmental pressure. All respondents were asked to recall an incident where they were able to resist pressure from local authorities to adopt or change a policy, and still retain a contract. Several organizations revealed incidents of this sort. The first related to a 'faith based' provider, where the Personnel Director revealed how one local authority had attempted to persuade the organization to extend its equal opportunities policies to include sexuality/sexual orientation. This was seen as competing against the values of the organization and was therefore resisted. The respondent stated that this was possible because the requirements of the council were not governed by statute, but expressed concern over the organization's position if this area of equal opportunities became subject to legislative change.

The second example was from a respondent in a housing association who revealed how her organization, in combination with several others in the social housing sector successfully refused to comply with a request from a regulatory body regarding the approach to managing absence. The reasons why these organizations were able to resist efforts by purchasers to change policies or adopt new ones will be looked at in detail in a

later section, but it is worth noting here that the respondent felt that the success of this lobbying in the housing sector was in no small part due to the fact that voluntary bodies had campaigned in unison, rather than as isolated agencies.

There was also evidence that voluntary organizations were able to resist interference from regulatory and funding bodies with regard to HR practice. One respondent indicated how they faced interference in their internal disciplinary processes, and took account of any recommendation by a funding or regulatory body seriously, but stated that it wouldn't be followed rigidly, because 'its our bum that is on the line if we go to tribunal'. Moreover, the same respondents indicated such interference would be minimized because incidents of this nature caused great distress to employees and were damaging for morale.

Similar, evidence of voluntary sector resistance came from another respondent who applied for a tender. In this case, the respondent revealed how when scrutinizing the draft contract/service level agreement, management in this organization discovered clauses that meant the council would in effect line manage the voluntary sector staff. He stated:

We were so taken aback by what was proposed. It wasn't as explicit as saying 'we will line manage your staff' but all the systems meant they would have been the line management, and we basically said we weren't tendering.

The Impact Of The Person-Centred Care And Independent Living Agendas

Meta and macro level Influences

Over a period of years, a combination of meta and macro environmental influences were driving changes to the way in which care was delivered in organizations. At the meta level in Scotland the policy of independent living had, in recent years, received impetus via recommendations from the *Framework for Mental Health Services in Scotland*, which led to the closure of several large, long-stay hospitals for people with learning disabilities and mental health problems, and the subsequent movement of these people into the

community. This in turn has been funded by means of a large scale *resource transfer* from health boards to local authorities in order to fund the cost of community-based care services.

These moves were given further impetus through UK policy initiatives such as Best Value and Supporting People. The changes to the housing benefit system under Supporting People were leading local authorities and voluntary agencies to 'follow the money' in terms of where care was delivered. As one local authority respondent stated:

The thrust of it is that the Department of Work and Pensions has developed this Transitional Housing Benefit that enhances the support element of housing so that vulnerable people can be sustained in a tenancy...the effect of it is to create significant new amounts of money going into lower level home care and home support. There are loads of opportunities for voluntary organizations (Head of Social Services, Local Authority).

At the same time, this policy has to be seen in the context of its relationship with the Best Value agenda. For example, scrutiny of local authority care plans illustrated how through its link with 'Supporting People' initiatives the drive for greater staff flexibility was encouraged as part of Best Value reviews. Thus, one review of home care services for the elderly within a local authority stated how one of the strategic issues raised by the process was the need to:

shift the service towards providing an increased level of personal and extended personal care with more flexibility in the times of service provision over a 24 hour period.

A local authority respondent stated:

We've been trying to move people on from the hostel situation into more independent living, and to actually move them forward in their lives. We've got

people living independently in their own homes, or maybe four or five people together, but they actually live in individual flats. We try to commission the service that's most appropriate to the needs of the individual. (Local authority Learning Disabilities Specialist).

Local authority respondents also claimed that they were active in encouraging and financing this move towards person-centred care among voluntary organizations. For example, the Head of Social Work Resources in one authority stated:

We have worked with voluntary organizations to develop those services. Since local government reorganization we have not opened a registered home, we took the view that we are not going to build any more institutions, and what we did was we picked a number of voluntary organizations who we were working with in these fields and who were knowledgeable regarding learning disabilities and supported living and encouraged them to set up.. and we actually agreed with each of them what the core costs would be.

The impact on voluntary sector behaviour

The adoption of the person-centred and independent living approaches to care were therefore a crucial element in voluntary organizations achieving legitimacy in the eyes of funding bodies. As a consequence, all respondents stated that these principles were becoming, an integral part of their organizational approach to managing the needs of clients, and formed a central part of funding applications. For example one respondent responsible for developing new business with local authorities in her organization stated:

Local authorities would expect to see something in the tender about PCP. They want to see person centred planning as a feature. If you don't say it twenty times in the tender presentation you know you haven't passed. When you are driving to the presentation you look in your mirror and say PCP at least twenty times, and then you are doing good (Business Manager).

In addition, a Personnel Manager from another organization noted how in the previous eighteen months:

The main type of service that we have been tendering for recently is ‘supported living’ packages. This is because the local authorities have moved that way, that is supported living. We have more or less had to go that way.

Similarly, a Funding Resources Manager outlined how his organization no longer opened up large registered care homes, but was establishing tenancies in smaller units, or in single person residences. The implications of the approach in terms of the nature of the service delivered, is best illustrated by some quotes from voluntary sector and council respondents. For example:

People’s aspirations themselves is clearly to live in their own homes as long as its possible and safe to do so and not to be living in hospitals or care homes for the rest of their lives. Therefore, we have to develop round the clock services (Director of Social Work, Local Authority).

And

The service is always run to the needs of the service user..I think it is about this independence and choice for service users (Personnel Manager)

Therefore, in terms of the types of activities run for service users it could mean as another voluntary sector respondent stated ‘five people on a Saturday night wanting to do five different activities, and we will provide that’ (Business Manager). It was also stressed by respondents that the nature of care was not static and that people’s needs could change very quickly once they have left a hospital setting, and that the individualized package of care, including the funding and staffing, would have to be reassessed accordingly.

In response to these demands, management in participating voluntary organizations were reshaping their shift patterns to ensure staff worked as flexible as possible. Not all

respondents had achieved the levels of flexibility in working time they felt matched all client needs, but many reported that they enthusiastically embraced the rationale and objectives behind this client-led agenda.

As a consequence, respondents revealed how staff could be part of a rota that provided twenty-four hour care, throughout the week, or at key points during the day, in an individual's home. Employees could also be expected to stay on the client's premises either on 'sleep over' or 'waking night duty'. One organization introducing a twenty-four hour live in service, had employees sharing twelve-hour shifts and living on the premises with their families and the client. The Personnel Manager in this organization was anticipating a large increase in the forms of employment contract issued by this organization in order to respond to the notion of person centred care. Another organization was establishing a special cohort of staff responsible for responding to unexpected calls for assistance during the evening or work that involved unsocial hours, while another organization was experimenting with an annualized hours system.

In turn, respondents also reported how the above agenda had widespread implications regarding the emotional input staff had to put into their work, beyond basic care. This would include organizing leisure activities, building links with the community, working in isolation with the client, taking them on holidays, or any other aspect of the client's lives. This involved enhanced expectations on staff regarding the nature of their emotional contribution to work. One union official described the impact of this on employees' relationship with clients in the following terms:

Yes, you take them to the pictures, make their dinner, teach them how to knit and do the jigsaws with them, go to the swimming baths and the library.

Similarly, a business manager from a voluntary organization revealed how during selection procedures candidates were asked about their leisure activities, so that they could be matched to particular clients. This included preliminary visits by prospective staff to meet with clients and their families to ascertain whether there was a suitable

match of employee to client needs. The same respondent also illustrated the expectations on staff with regard to the level of emotion work by citing an example of a client who enjoyed sitting in Jacuzzis in swimming pools and added:

Staff have to feel comfortable going with her, not to sit away, but actually enjoy going to the Jacuzzi with her, and that is what we are trying to get from staff, you know that they are bringing that to the table. So its not just about have you got your SVQ.

Points of resistance

The data revealed few, if any, significant points or examples where management in voluntary sector organizations rejected the independent living/PCP approach to care in the face of local authority pressure. However, in accordance with the theoretical framework outlined in Chapter 3 where organizations are complicit in constructing their institutional fields, it was the case that several of the respondents from the voluntary sector reported that their utilization of this approach to care had little to do with pressure from state agencies. Instead, they argued that their organizations were leaders and sources of mimetic isomorphism in this field before this approach generally took hold in the UK. The origins of their conversion to this approach came from studying the independent living movement within North America.

Summary

The above analysis has partially revealed the nature of state influence on the voluntary sector employment relationship through the identification of coercive isomorphic pressures from the meta and macro levels that shape the type of HR policies voluntary organizations introduce, as well as influencing their approaches to care. Moreover, despite relatively positive findings, it reveals the coercive nature of this relationship can mean that organs of the state can interfere in key areas of HR practice so challenging the independence of voluntary organizations as employers, and in the eyes of employees, blurring the identity as to which organization constitutes the employer.

Yet, as outlined in Chapter 3, the above data provides only a partial picture relating to the influence of the state on the voluntary sector employment relationship. There is still a need to explore the influence of such normative and cost based pressures on issues such as working time, pay and conditions and patterns of work intensification etc, in the context of internal power relations within voluntary organizations. The next section will explore these issues in more depth.

SECTION 2: THE IMPACT OF EXTERNAL COST PRESSURES ON THE VOLUNTARY SECTOR LABOUR PROCESS

This section outlines how various cost pressures impact on key areas of working conditions in the voluntary sector. It will be recalled that Chapter 3 anticipated efforts by state funders to influence various aspects of management's policies directed pay, working time, trends in work intensification, skills and job security. Therefore, before analyzing particular trends in the areas of pay and the organization of work, it is useful to provide an insight into the environmental context of these trends, i.e. the nature of the external 'quasi-market' faced by voluntary organizations. These insights are drawn from voluntary sector and local authority respondents.

The climate of state - voluntary sector relations

In order to explore the competitive environmental context faced by the voluntary sector, it remains useful to retain the meta and macro level framework of analysis. Overall, taking into account comments from both sides of the purchaser – provider relationship, it was clear that, while quality in care and employment issues were considerations in awarding contracts, the care market was still overwhelmingly characterized by matters of cost. This was a consequence of cost pressures that emanated from the 'New Public Management' agenda over the last 10-15 years, and such pressure manifested at both the meta and macro levels.

For example, at the meta level, respondents in both voluntary organizations admitted that their negotiations in many instances reflected resource and policy decisions made elsewhere. Local authority respondents, for instance, indicated that central government had devoted more money to care in recent years, but that they expected this to go on the delivery of more care services and ‘not just to bump up wages for existing care services that they have got’. As one respondent put it:

Every element that comes from the Scottish Executive they are wanting increased volume and increased activity that forces you to actually budget manage in a way which is spreading the same amount of money across more services (Contracts Manager, local authority).

Partly as a consequence of this, local authorities were subjected, in recent years, to demands from central government to fund any increases in pay for their own workforce through ‘efficiency savings’. In turn, local authority participants appeared to then pass this budgetary reality to voluntary sector providers by encouraging a similar round of efficiency savings. One local authority respondent stated:

There is an issue about pay that is fundamental to the whole sector. For local authorities they have been meeting increased pay awards from efficiency savings for the past ten years. So therefore what you will find is some authorities are just passing on the same conditions that we are working under to provide social care within a local authority....we can no longer sustain the level of payments pre-1996 and they (voluntary organizations) need to take hits also.

Another, respondent stated how negotiations with voluntary organizations were characterized by the following:

I would be honest with organizations and say well look you’ll get a rise in budget, but you’ll feel the weather, you’ll feel the draft as I feel the draft, but it will be an equal one (Commissioning Officer, Local authority).

Indeed, local authority respondents reported that they were not unsympathetic to the notion of providing extra financial assistance to the sector but their ability to do so was limited. As a result, several local authority respondents, and some voluntary sector providers indicated that the parties to negotiations were coming from different and fundamentally irreconcilable perspectives of what is an acceptable standard of care, and desirable working conditions. Specifically, local authorities wanted provision to be at a minimum level to reflect the reality of central government expenditure targets, while voluntary organizations in many cases desired a level of care that far surpassed the expectations of funders.

At the same time, it was apparent that the drive for cost savings on the voluntary sector also emanated specifically from macro level forces. In particular, other respondents in the voluntary sector did complain that when Central Government through the Scottish Executive did allocate extra funding to the sector, e.g. for the funding of the SVQ qualifications, very little came to the third sector because local authorities 'swallowed it up' to fund the accreditation of their own care workforce.

This raises several issues regarding the nature of the relationship between voluntary organizations and local authorities. On the one hand local authorities exercise power through being a major funder of the sector. On the other, it can be argued that it is also a major competitor of the sector, if not always for contracts, then for workers in an extremely tight labour market. As such a competitor it could be argued that it is in the interests of local authorities to prioritize the terms and conditions of its own workforce before that of the voluntary sector. This is especially the case given some of the attractions the voluntary sector may have as an employer. For example, management respondents in the voluntary organizations reported how the sector was particularly attractive to hard pressed staff from local authorities. As a consequence, many new entrants had reportedly entered employment in their organizations from local authorities, particularly in social worker and management positions. Respondents indicated how they felt that these new entrants perceived that the voluntary sector represented a significantly

more positive working environment compared to local authorities, because of the opportunity to 'get things done', rather than be preoccupied by the intense bureaucracy that reportedly characterizes public sector posts .

The impact of new policy initiatives

The tension between cost and quality, whether ultimately from meta or macro sources, was also apparent in respondents' evaluations of the impact of some of the newer policy developments. For example, in relation to Best Value, some respondents from voluntary organizations (HR and non-HR) felt that despite the rhetoric of 'quality of care' and customer and client consultation emanating from services contracted out under Best Value reviews, the primary consideration of local authority negotiators was cost. One non-HR respondent primarily dependent on one local authority for funding was quite vitriolic in his assessment of the impact of Best Value on negotiations by stating:

It's still basically around cost first and quality second. At best you can say it was tokenistic. The entire basis of contract negotiation has been funding. It was dressed up in a conversation of a Best Value review then the contract will be based on the findings of that review. But there are no questions, research or evidence of quality of support of the organization or quality of outcomes. It is purely about how much it costs to run the service. Cost is the determining factor with all our negotiations.

Despite this individual's limited experience of the attitudes of local authorities, several respondents that had units located throughout Scotland confirmed his experience. For example, an Assistant Director stated:

I think often with a local authority, when it does a Best Value review it doesn't look at the quality side of things, its Best Value for the public pound in essence and how far can you make this pound go further.

Despite this, other respondents that also had direct experience of negotiations did feel that there was variation between local authorities regarding how far they considered purely cost matters in their Best Value reviews. These respondents highlighted how Best Value in some local authorities had led to greater transparency with regard to how far the issues of cost and quality contributed to successful bids. As a consequence, these same respondents suggested that local authorities appeared to have a maximum price they would pay, but also a minimum under which they would not go because of concerns over quality of care.

Local authority respondents all pointed out that the awarding of contracts, whether under a Best Value review or not, was not just about awarding it to the lowest bidder. Several also spoke about their increasing ability through Best Value to bring ‘non-commercial considerations’ into the deliberations of awarding contracts. However, there were indications that cost remained a significant variable in decisions to contract out, or remain with in house provision. One respondent spoke of Best Value being very ‘accountancy led’ which led to a focus on the savings that could be made by utilizing external agencies. This had obvious implications for employment issues in voluntary organizations, where under Best Value the cost effectiveness aspects remained influential in awarding contracts. As one local authority respondent put it:

It is a difficult balance because you obviously want to make sure that providers keep their staff as much as possible and if they don't pay them enough then they'll move on, but on the other hand they can't pay them too much or they will over price themselves and they will be too expensive for the tender process (Contracts Support Officer, Local authority).

Within this context, it is now useful to explore the impact of this environment on working conditions in the voluntary sector. It will be recalled from Chapter 3 that scrutiny of the work – effort bargain through exploring changes to pay structures and the labour process was an appropriate focus on which to explore the influence of the state on terms and conditions of employment in the voluntary sector, because it would be at this level that

management under pressure from state agencies would be most able to gain cost savings. As a consequence, the following provides an overview of measures by management to alter pay scales, intensify work, alter/dilute skills and undermine employment security. To varying degrees, this was clearly the case across voluntary sector respondents, and is now summarized.

Trends in pay and other terms and conditions

General trends

It was clear from the interviews with voluntary sector respondents that external public policy and specific expenditure decisions by funding bodies were having a significant impact on levels of pay and other terms and conditions of employment in the voluntary sector. This is most clearly illustrated through the fact that only eleven of the twenty-four respondents used local authority or NHS pay scales and terms and conditions as a basis for reward. Among those who had moved away from the public sector comparison, management reported that they had done so in response to successive years of cuts in funding from local authorities as a condition of securing contracts in a competitive market.

The most common method authorities used to exercise such pressure was usually indirect and was in the shape of a refusal, through the use of opt-out clauses in contracts, to award annual increases in line with inflation for staff budgets on existing contracts. The extent of these pressures on employment costs again varied between local authorities. For example, of those participating in this study, only two local authorities admitted to not paying inflationary increases over the last two years. Yet, voluntary organizations claimed that the practice among local authorities was quite widespread across the thirty-two unitary authorities in Scotland, and that negotiations were an annual battle in certain parts of the country. In addition, even where local authorities paid inflationary increases, purchasers and providers indicated that negotiations would focus on other aspects of the staff budget such as holidays, pension entitlements, management fees and training. As a

result many of the voluntary sector respondents reported they had made cuts to these aspects of their reward package.

This variation in mirroring terms and conditions with the public sector was confirmed by local authority respondents. For example, one representative from a large urban local authority when discussing its desire for its voluntary sector providers to move away from public sector comparability noted:

We are actually past that stage now. I think that was the case where in a lot of the buildings based projects that the voluntary sector ran for adults they had certain conditions of service for staff which was based on local authority scales and it took them a while to get out of that mode and think about more flexibility of staff, employing sessional staff on different rates.

At the same time, several other local authority respondents were keen to promote such change, but found that it was not without its difficulties. In particular, it was seen to be problematic for older voluntary organizations still linked to local authority terms and conditions. In response these authorities, again rather than directly dictating new terms and conditions to voluntary organizations, encouraged these organizations to begin restructuring their reward packages through an expansion of the local care market. A respondent from one of these councils noted that its purchasing teams were encouraging the entrance of new, recently constituted voluntary sector or private sector providers that 'were in a position to negotiate conditions of service and rates of pay based on what the market demanded'. At the same time, it was using this expansion of the market to encourage the more established providers to restructure their own working hours and terms and conditions. The impact of these local authority policies was having a profound impact on levels of pay and working conditions within these organizations, with employers having to resort to a variety of approaches to offset the tightening funding regime. One organization introduced a pay freeze, cuts to 'sleepover' allowances, and an increase in the working week.

Impact of Best Value and Supporting People

The previous section outlined a difficult financial environment in which Best Value reviews were, in some cases, being dictated by cost considerations. This section reviews the impact of that climate on pay and conditions. For example, a non HR respondent from a voluntary organization who had gone through such a review commented:

The council see us as paying our staff too much. The councils feel we should pay our staff scab wages. Very low rates of pay for direct care workers. So us going to say that we have good terms and conditions, and good money allocated to training doesn't actually help us in our negotiations.

This emphasis on cost and pushing down levels of pay was also apparent when Best Value reviews were linked with low intensity services and support through the introduction of the 'Supporting People' agenda. Scrutiny of participating local authority care plans revealed the continued efforts to achieve a balance between the contradictory demands of cost versus quality when the two policies combined. For example, one plan stated:

'Supporting People will be included in the Best Value regime to ensure that all housing support services offer high quality, cost effective service that meets people's needs'.

Another stated:

Best Value systems guide the development and monitoring of services under the Supporting People programme. Best Value is intended to help authorities balance cost and quality...It promotes fair employment practice.

Yet, evidence from the interviews suggested that where there were incidences of Best Value driving the THB/Supporting People agenda, the emphasis remained on cost, leading to some local authorities exerting familiar pressure on voluntary organizations to

move away from local authority terms and conditions. This was reportedly manifesting itself through authorities pressurizing voluntary organizations to push down employment costs by lowering wages, or as one council respondent put it: ‘as well as it being about care, it is also about cost.’ Another organization was introducing different terms and conditions for staff employed through Supporting People packages, compared to those employed under their more traditional services: suggesting the creation of a two tier workforce. This was reportedly leading to significant tensions between various staff groups, but was seen as unavoidable because all of the organization’s new business was coming through the Supporting People agenda.

There were also mixed responses regarding the benefits of local authorities awarding three-year funding agreements through Best Value reviews of services. The degree to which authorities used three-year deals reportedly varied, but where they had done so, some respondents reported positive benefits in terms of the relative financial stability that they provided them with. However, there was no consistency across authorities and other comments cast doubt on the benefits of acquiring longer-term funding. For example, a Personnel respondent from an organization involved in children’s services revealed that such was the complexity of the organization’s funding, that there still was an annual round of negotiations, and in some cases, where one three year funding package began, another one would finish and start a new round of negotiations. Another respondent again from a children’s voluntary organization that had services across the UK reported that in some Best Value contracts introduced in England, the three year funding was largely fixed, with little scope to provide increases in staffing costs, or other areas of the budget such as property leases or utility charges: the result being that the third year of funding represented a cut in resources.

Impact on employee behavior and morale

Preliminary insights into the impact of this continual erosion of pay and terms and conditions on worker behavior, were gained from management interviews. At one level,

some respondents reported that many employees accepted protracted negotiations with local authorities, leading to delays in pay awards as 'part of the territory' in care. At the same time, the majority of respondents felt the erosion of pay was blamed for tensions among staff. For example, several respondents reported how some employees protested about the disparity between the levels of reward they received in return for the behavioral norms and attitudes they were supposed to exhibit with clients in response to management expectations. For example, a respondent from a children's voluntary organization cited the case of members of staff caring for young people with behavioral problems. She stated:

The process of caring for a difficult teenager means that you have to try and like the person and forget the problem. Two or three of these members of staff stated 'I am not paid to like these people.' And our response was 'actually you are'.

There were more general concerns regarding the impact of cuts in pay levels and other terms and conditions on worker morale. Again, it was noticeable how one respondent particularly focused on the impact of the newer care packages as a culprit in causing discontent among staff. In addition, this discontent was not restricted to newer members of staff. A respondent from a hospice revealed how there had been significant unrest among nursing staff in recent years because their pay had fallen behind that of the NHS. In response, the organization was restructuring its nursing pay so that these employees received salaries more in line with public sector workers. Yet, there were doubts as to how long this could be sustained given that this was proving to be a substantial drain on its reserves.

Levels of pay were also linked directly to turnover problems and the competitive labour market. Those organizations that conducted exit interviews with quitters noted that these individuals unfavourably compared their organization and the sector with employers such as Tesco, Ikea and local bus operators. Employees were reportedly saying that they received better pay, shorter hours, safer working conditions and less intensive work than

the sector could offer. Indeed, respondents made further links to this poor image of working conditions in the sector with continued recruitment problems.

Evidence of voluntary sector autonomy over pay and conditions

Despite the above, interviews revealed how not all voluntary organizations operated from a position of continuous weakness during negotiations with local authorities. For example, not all of the above respondents that had moved away from determining pay via local authority pay and conditions were implementing pay cuts. Again, labour market pressures appear to imply strong contradictory pressures on terms and conditions than that exerted by purchasers. For example, in response to recruitment problems, two large, Scotland-wide voluntary organizations were moving towards introducing regional pay, and it was anticipated this would actually increase pay for certain salaried post, especially for management positions.

Among those organizations that were still linking their pay and other rewards to local authority scales, management in only one was thinking of abandoning them in the future, while the remainder reported that while they still faced the annual pressures of negotiations with local authorities, which in many cases substantially delayed pay increases, they were able to remain on parity with local authority conditions. The reasons for this are discussed in a later section.

Impact on working time

As suggested in Chapter 3 the aforementioned changes to working time cannot be evaluated solely from an institutional perspective, i.e. management motivations to introduce changes in working time are not confined to pressures to appear legitimate in a climate that encouraged the principles of independent living. In particular, it was also clear that moves to manipulate working time were part of management concerns to reduce budgets in the face of cost pressures from the state. For example, it will be recalled that in the previous section relating to the impact of the person-centred/independent living agenda, one respondent had introduced a 24-hour live in service. It was noticeable that this package of care was in response to dual pressures from

the funding body. In particular, the personnel manager stated that the package was designed to be seen to be innovative in the eyes of local authorities with regard to the flexibility it gave to clients, but also that it 'showed local funders that we are being creative and accommodating with the financial aspects as well'.

More significantly, although not specifically dictated by local authority funders, the vast majority of voluntary sector respondents were getting around continuing cost pressures associated with the need to deliver twenty-four hour services by eroding the distinction between social and unsocial hours through the use of 'sleepovers', 'on call payments' and relief staff. The practice of on call payments meant an employee could be on call during an evening, with the subsequent restrictions on social and other activities, and be paid a nominal fee. Sleepovers were widely used because many voluntary sector respondents required staff to be on the premises during the night to cover 24-hour services. This practice was used to save on the costs of providing such care because they involved the payment of an 'allowance' rather than a full wage for nightshift workers with additional unsocial hours payments.

Several union representatives had serious concerns regarding this practice not only based on its cost saving nature, but in relation to Working Time regulations. In particular, they reported that for employees on sleepover, it was the norm for sleep to be interrupted for several hours to attend to client needs. In addition, if the employee had a disrupted sleep they would still be expected to pick up the following day shift. This practice would go on for several days before an employee was allowed day and night off. These tensions with working time legislation raised a great deal of concern among union respondents regarding the widespread use of this practice, and the implications for the availability of compensatory rest breaks for employees under the Working Time Directive, with one stating:

What these organizations have is people on sleepover during the night, they wake up and do a day's work. So where do they get their own leisure time, because when they do the day's work, they will do another sleepover...its widespread,

widespread, it's the norm, its not the exception. That is the way the whole industry is run. The whole care sector in Scotland is run on the basis of sleepovers and you get nothing - £12.00 or something. To me it's a coach and horse through the Working Time Directive and its going to come to a head.

In response, voluntary organizations felt they had little choice but to pursue the practice given the type of twenty-four hour cover required under their agreements with funding bodies, and the lack of resources to pay the premium for full night shift workers. Indeed, the HR Forum which the author was a member of regularly placed the legal status of sleepovers as an item on the agenda of meeting over a three year period, and expressed considerable concern during these events that changes to the law may make this practice untenable.

Evidence of employee consent and resistance

With regard to the staff reaction to these trends, it was clear and in accordance with the theoretical framework outlined in Chapter 3, that the changes to working time were reportedly achieved with the active cooperation and enthusiasm of a proportion of staff, with management respondents indicating that there was a pool of people in the labour market that were prepared to work unsocial hours, either for reasons of convenience or because of a dedication to the role of being a carer and commitment to the values of the organization: suggesting a degree of management through consent. For example, one Personnel Manager in an organization that provided care for both adults and young people with learning disabilities stated:

There may be the odd time when someone wants to go to the cinema and their hours of work finish half way through the film, so what do we do. I have to say we have had people saying it's not a big issue.

Moreover, respondents also testified to the phenomenon of presenteeism within their workplaces, and individuals working extra hours on a voluntary basis, while receiving no additional pay.

At the same time, these developments led to concerns regarding employee rights. For example, one of the union officials interviewed in this study in commenting on this drive for greater flexibility stated:

Care is much more focused on the individual and meeting the needs of individuals on a very personal basis. But the issues about the role of staff in that are not new, but they are intensifying. We have had a lot of employers saying to us the first and only priority is the client group. There is a mutuality in this that we very clearly respect and that is why these organizations exist. We in turn expect that those people who provide the service will get an equal respect...some organizations don't see that at all.

A local authority respondent summed the implications of PCP on working time in the following terms:

Staff are having to be extraordinarily flexible, I would say almost bordering on the ridiculous and exploitative, because that is what caring for people requires and how else do you do it.

As a consequence, and as aspects of the Labour Process literature would predict, there was other evidence to suggest unwillingness among employees to meet the demands of such 'client led' services. For example, a respondent from one organization facing such difficulties noted that in recent years it has been unable to cover services through its traditional reliance on the goodwill of staff, so had to formalize and regulate its shift system more rigidly and introduce sleepovers'. For other voluntary sector organizations it was clearly a difficult transformation process, because of the existence of established shift patterns and contracts of employment. A respondent from a voluntary organization who was a Director of Service delivery noted:

We are having to look at totally different terms and conditions for the hours of support and flexible working hours. Neither of which in the group homes we have to think about. The traditional rotas work for us, but don't really work for the people we are supporting...our rotas are quite inflexible.

Where management in the sector were unable to exert the required control over working time, perhaps due to staff resistance to change, there was evidence of management relinquishing some control to the funding body, which led to external control over the voluntary organization's labour process being more direct. For example, there were cases where several local authorities directly intervened by writing clauses in contracts to encourage greater flexibility because of staff resistance to change. One of these respondents noted:

What we anticipate is employing staff to provide a service, and if that means staff have got to be flexible by working hours that suit the client then so be it. We have had circumstances with a voluntary organization where it was being run for the benefit of the staff not for the benefit of people living there. In other words, there were people living there needing support between 6.00pm in the evening and 10.00pm at night and the staff were there between 9.00pm and 4.00pm. So we had to write specific clauses in saying, you will provide this service flexibly and you will be there between 6.00pm and 10.00pm at night (Learning disabilities specialist, local authority).

However, even these measures were not sufficient to fully reach the levels of flexibility demanded by local authorities and voluntary sector managers. It will be recalled that in Chapter 3 it was highlighted that debates within labour process theory gave account of how individuals were active agents in the construction of the employment relationship, and that this could be achieved through decisions around joining and leaving organizations. Certainly, one barrier to introducing the desired flexibility among staff for some voluntary organizations appeared to be an inability to find people to undertake these roles due to, again, labour market factors. The majority of voluntary organizations

in this study revealed that they were having problems recruiting staff, especially at the level of Care worker/assistant, where there were reportedly acute shortages of people prepared to work the unsocial hours that came with employment in the sector. These problems with recruitment and retention also made the matching of client needs with appropriate members of staff difficult. Respondents spoke of particular clients not having all of their leisure needs met, because there was no one that shared their particular interests, or employees would not undertake it with sufficient enthusiasm.

Moreover, analysis of turnover problems within organizations revealed how quit rates were reportedly more common among those employees in direct care roles, who left employment in the sector before the end of six months service. This was proving to be problematic for many organizations as it had detrimental consequences for the provision of continuity of care for clients that was seen as desirable from the perspective of the organization itself, the funding body and the clients' families. The result was that some organizations had to turn to sessional workers to respond to turnover problems. This, in itself, was problematic, given that some of the local authority representatives used the issue of continuity of care to monitor the continued suitability of organizations to provide services. In response, some organizations revealed that on occasion when posts were not being filled, rather than recruit sessional staff, extra burden could be placed on existing employees, with the subsequent risks of overwork, stress and absence.

It was also the case that there were signs that employee resistance was emerging through contradictions in the institutional environment. This was apparent through the gradual emergence of significant tensions between the introduction of new employment rights that focused on a 'family friendly' agenda and the demands of independent living. A number of voluntary sector respondents indicated that they were increasingly facing demands for opportunities for 'family friendly' working hours from staff. Employers from the sector were keen to be seen to respond positively to such requests to promote a reputation as being 'family friendly' employers as a recruitment tool, but at the same time this was leading to operational difficulties. One Personnel respondent stated:

It is actually quite worrying all the legislation that is coming in that we must consider people's request to work flexibly. Because not many people have requested it, but if we had many people requesting, if a lot of them do, then we would have real problems meeting service user need.

Impact on work intensification

The influence of state funding bodies on patterns of work intensification within the voluntary sector can be broken down into several areas, the impact on manning levels, changes to job demarcations involving work intensification and routinization, and the intensification of management work.

Impact on manning levels

To begin, respondents reported indirect intensification of work brought about by continual calls for cost and efficiency savings brought about by the 'contract culture'. Six providers indicated that on certain projects a continuing failure by local authorities to provide increases linked to inflation to meet staff costs meant that in order to secure necessary savings on employment costs they no longer immediately replaced departing staff. This was seen to be successful in financial terms, but led to huge strains for the staff that remained which in several cases was, again, leading to high absenteeism, and consequently greater strain on remaining staff covering absence.

In addition, the dynamics of PCP and independent living agendas were influential. In particular, there were incidences of work intensification brought about as a direct result of local authorities reassessing client needs. This could occur after a particular service had gone through a Best Value review. Such reassessments in many cases passed through without controversy between purchaser and providers, but in several cases the resulting cuts in staff – client ratios led to problems. In particular, where client need did not significantly change, the result was that the work of remaining employees was intensified. At the same time, these providers felt that the issue of cost was the key factor in such decisions within local authorities.

Job demarcations and skills

Work intensification was also evident through management efforts to blur the boundaries between various grades of employees. Again, this pressure on the labour process from local authorities emerged through direct and indirect means. For example, the 'extra flexibility' demanded by local authorities under the Supporting People agenda was leading to Support Workers taking on additional domestic duties, or assisting clients in these roles as part of providing support in the home. This contrasted with Support Workers within the organization's larger, traditional homes that employed domestics to fulfill these functions.

In some organizations, there was also controversy surrounding the intensification of work for the lowest level workers, i.e. Support Assistants through alterations in the skill mix of teams/projects. In some organizations, the latter were traditionally responsible for addressing the more complex needs of clients such as helping them build relationships in the community. The former, in contrast, were traditionally responsible for more low level, practical support such as dressing, hygiene, feeding and going to bed. However, several respondents reported that experience in operating these grades led to the two roles becoming blurred, with the Support Assistants taking on aspects of the Support Worker role: resulting in fewer of the Support Workers being recruited, which in turn diluted the skill mix of the team and saved money. Respondents reported that local authorities directly encouraged the increasing use of Support Assistants in project teams. Indeed, in one case, local authority representatives were reportedly dismayed when a voluntary organization refused to introduce this grade of staff in any of their contracts, especially as other providers were continuing to do so.

This intensification work for the Support Assistant grade was confirmed by one of the union representatives, who reported that the practice was widespread. He stated:

If you shift the balance of the team, you are saving thousands...they just change their (Support Assistant) job description to what they see as the peripheral duties of the Support Worker..now a lot of the Support Assistants are doing more hands

on care work and the Support Workers are just doing the organizing of five or six people into a shift and into a rota and organizing work programmes and where they are going to take them. Then you have got a senior who runs it all, and you don't need so many managers either.

This process had several other consequences, which were characterized by routinization and grade dilution, and further detrimental implications for the quality of care. The same union official described how this occurred as the Support Worker became more involved in supervisory duties, while delegating the 'hands on' roles to Assistants. The former, instead of designing and being directly involved in implementing three activities a week for clients was now:

Ensuring that there was someone with the client twenty-hours a day, that there are three activities a week, doesn't matter what they are. Ensuring everyone is doing what they should be doing and the paper work is up to date to prove it. So their priorities are changing to be managerial, organizational and routine, rather than these caring professionals that they used to be. The care worker will say to the two assistants 'the two of you will take her out and bring her back in such and such a time', and they just go and do it. Now whether they go and do it in a manner that is making it fun and educational is another matter, because they are on just £5.00 an hour and they will just do what they do from a. to b. in a set time. So you get the dilution of the care team, which dilutes quality of care, but they are forced into it, because the competition is killing them. If they don't do that they are not going to win contracts and everyone gets made redundant.

In contrast, another respondent revealed how sustained pressure on budgets from local authorities could also have the opposite impact on Support Assistant roles. At the time of interviewing one organization was about to embark on a review of job categories. Part of this review was to assess whether the lowest levels of staff should be restricted to very unskilled, menial tasks such as 'wiping bums and noses' so that the organization could 'get away with paying them a lot less.'

The intensification of management work

Another level at which work intensification occurred because of funding shortages, and which local authorities exerted direct pressure was in the area of management.

Management fees were one of the key areas of negotiation between local authorities and voluntary organizations in contract deliberations. Most organizations faced such pressure, but for six organizations this was an area where savings had to be made and work intensified. For example, one respondent who was senior operations manager in an adult mental health organization admitted that the funding situation enforced by certain local authorities who participated in this study meant that specific projects were funded only on property and staffing costs and that he had to line manage those projects, with detrimental implications for issues such as staff supervision and appraisal, as well as his own workload.

The area of management fees was an issue many respondents hoped Best Value would transform negotiations with local authorities. Voluntary sector respondents felt that local authorities regularly made unfair comparisons with regard to management costs of their own internal provision and that of external providers. Best Value was supposed to lead to greater transparency with regard to such costs, with the result that local authorities would not be able to hide internal management costs, thus leveling the playing field, but, at the time of interviews, this did not seem to be emerging.

Impact on employee behavior and worker morale

Management respondents reported that the intensification of workloads caused by reduced funding and staff shortages was the most common cause of tension and discontent among staff. As a consequence, there were numerous implications regarding employee behavior, morale and well being. For example, a respondent from a large organization that provided services to disabled adults and young people reported how cuts in funding in established services was leading to job restructuring for employees with long service records. The respondent claimed that the result was a degree of unrest and reports of increases in long-term, stress-related absences linked to unfamiliarity with

new job roles. The respondent also reported similar problems in newer projects, where recent funding decisions had led to reductions in staffing.

Finally, the aforementioned routinization of the Support Worker role, and the subsequent intensification of work for Support Assistants is not without its impact on worker morale. For example, for Support Workers it may be the case that the routinization of their previously proactive and creative role in organizing and accompanying clients on activities is undermining the ability of these workers to display the kind of empathy with clients many may feel formed a key reason to join their organizations, with subsequent detrimental impacts to their morale.

Impact on Job security

To begin it must be acknowledged that the majority of participating voluntary sector respondents in this study reported that they were experiencing a general growth in employment opportunities in their sector due to the expansion of activities from the myriad of programmes in the care field in recent years. At the same time, funding decisions by local authorities also led to fears regarding job security within some voluntary organizations. For example, the decisions by several local authorities participating in this study had led to closures of services and redundancies in one voluntary sector participant, while another organization was reported to be on the brink of enforcing job cuts in some of its units. The manager stated:

‘there are no measures that we can take short of redundancies or reductions in service, unless we get bailed out with additional funds’.

Another organization in the housing sector reported that funding shortfalls were about to create ‘an Armageddon type situation’ in certain services. Two other organizations also admitted to running quite serious deficits in their efforts to maintain terms and conditions, and questioned how long this situation could go on.

There was also deep insecurity in some organizations because of delays in funding decisions. The same respondent reporting actual redundancies also indicated how funding decisions in another local authority participating in this study were reportedly always made at the last minute, and as a result employees were faced with a significant degree of uncertainty regarding their future employment. Another respondent reported having to regularly issue precautionary redundancy notices to staff, because of annual uncertainty regarding the availability of funding.

It is also worth noting that the widespread diffusion of the independent living agenda appeared to make it more difficult for some voluntary organizations to resist cost pressures. It will be recalled from a previous section how some of the voluntary sector respondents were innovators in this approach and that this had served them well in terms of helping them carve out a niche in the care market, which assisted them in securing work from local authorities, despite being relatively expensive. Yet, the irony for two of these organizations from the widespread adoption of independent living was that most, if not all, of their competitors were laying claim to this approach as a central feature of their operations. As a consequence, it was more difficult for them to be seen as unique, and had to begin to compete on other aspects of providing care, such as cost: the alternative being a loss of contracts and threats to employees' job security.

The response of local authority respondents to job insecurity in the sector was mixed. One respondent indicated that he felt little sympathy for voluntary organizations if services had to close due to shortfalls in the public funding they received, because that was the nature of the market they were operating in. In contrast, others did have some sympathy and offered secondments to other council projects to avoid lay-offs or job losses that were either permanent or the result of temporary changes in client needs. In addition, local authority respondents did indicate that they were willing to enter into further emergency talks if a voluntary organization got into serious difficulties and jobs were threatened.

Again, there is some debate regarding the impact of Best Value on this issue, in particular whether it is intensifying insecurity by increasing competition in the care market.

Respondents from three of the local authorities indicated how voluntary organizations had, in the past, been seen as the 'acceptable face of privatisation' and given contracts 'as a matter of course' because they were perceived to share the same values as local authorities in terms of the delivery of care, and would not compromise too much on quality. Yet with the advent of Best Value these respondents suggested that they could now look more seriously at private sector bids because they would have to adhere to issues around quality of service as well as cost. This was leading to a 'leveling of the playing field'. As one senior local authority official put it:

Before, the idea of outsourcing was so horrible to us in one sense, that usually the voluntary sector was seen as not as bad, so you might as well use the sector as a preference. I don't think that is there now, so the voluntary sector would be seen in contractual terms as no different from an outside, private contractor.

Some caution is required before claiming that intensifying competition under Best Value is leading or could lead to increased job insecurity in the sector. Respondents reported that the private sector had always been a competitor in the market, but that such competition as there was from these organizations was in the less intensive, and less specialized contracts. Moreover, the extent to which Best Value impacts on job security in the future was thought to largely depend on how successful organizations are in utilizing principles such as 'added value' into their competitive bids.

Work insecurity

Finally, decisions also led to concerns among voluntary sector respondents about the type of employment insecurity that is characterized by threats to employee health and safety. This type of insecurity was strongly in evidence and could not be wholly separated from the issue of work intensification, caused by the aforementioned leanness in teams due to funding decisions.

In some organizations this 'leaness' around staffing levels was leading to fears of a greater risk of violence towards staff. An example of this came from a Personnel Director in an organization dealing with adults and children with learning difficulties, who reported such an incident on a visit to a unit. The local authority had reportedly insisted on a ratio of three staff to ten clients, which was opposed by management in the voluntary organization. During the visit, the respondent saw several clients display violent behavior. Two members of staff escorted the clients from the building to a nearby open area, on the premises, half a kilometer away to calm them down. The respondent stated:

'imagine the fear of the staff – alone and isolated with two volatile individuals. Then imagine how the remaining staff member felt having to cope with the remaining eight clients who were getting bored because of inactivity'.

The respondent attributed the dangers faced by these members of staff directly on local authority funding of staff ratios, which did not build in the prospect of requiring emergency cover. Similarly, another respondent spoke of employees working with clients with very challenging behavior. Guidance to staff stressed the need to maintain eye contact when communicating with these individuals. However, given that employees were overworked and stressed because of staff shortages, there were incidences of lapses in concentration, where the employee would not retain eye contact when speaking to a client, and according to this respondent 'that is when you get slapped'.

Summary

The above data shows how a focus on changes to the labour process within voluntary organizations reveals how external pressures from the state were leading to direct and indirect influences directed at cheapening the cost of labour. This occurs through eroding comparability with public sector pay and conditions, the manipulation of working time, work intensification; and, for some, threats to job insecurity. Further, some of these

trends are seemingly exacerbated, or certainly not alleviated, by contemporary policy developments such as Best Value and Supporting People.

At the same time, as with the findings in Section 1, there is some evidence of resistance to downward pressure on employment costs through a continuing reliance on comparability with some aspects of the public sector approach to pay and conditions. In the light of these findings, the next section will explore the various strengths and weaknesses possessed by voluntary organizations in order to highlight why certain respondents are able to exercise such strategic choices, while others are not.

SECTION 3: INSULATING VOLUNTARY SECTOR EMPLOYEE RELATIONS FROM STATE CONTROL – THE EXERCISE OF STRATEGIC CHOICE

Interview data revealed several sources of voluntary sector strength, which accounted for the ability of certain organizations to resist isomorphic and cost based pressures from regulatory and funding bodies and exercise agency. These were associated with a number of causal factors that have been alluded to in Chapters 2 & 3, and are inter-related.

Specifically, the size and geographic spread of services, type of product/service provided and degree of competition, labour- management relations and the degree of resource dependence. The next sections provide an overview of how these factors influence state – voluntary sector relationships and HR outcomes.

Product market/type of service and degree of competition

All voluntary sector respondents stated that their expertise in aspects of providing care was crucial in the award of contracts by local authorities. In addition, it became clear that there were several ways in which some voluntary organizations were able to deploy the internal resources of expertise and innovation in the delivery of care to exercise strategic choice. For example, there were cases where voluntary sector respondents found themselves in market conditions of, if not monopoly supply, then part of a few select potential providers. Providers outlined how, in bidding for certain contracts, they would be part of a small group of organizations drawn from a local authority APL list that had a

specific expertise in a particular area of care. As a consequence, they cited incidents where their organization, alone, would be approached to take on specific contracts. For example, several organizations in childcare and adult services revealed how they had established reputations in dealing with only the most challenging/difficult cases that other organizations had refused to take on. As one provider of adult services put it:

We have no national competitor. At local level there may be local services that also provide for our clients, and indeed local authorities may have services. We are seen as being a specialist provider, with a good track record and a national one. We are good at what we can do and we can demonstrate it, and we work very closely with local authorities. With very few exceptions, there have never been any issues with our credibility.

The ability to use the type of service provided as a bargaining counter also could be a function of the size of organizations. The larger, nationally based voluntary organizations were more likely to be able to resist the kinds of coercive pressure to reduce terms and conditions of employment outlined above. Moreover, their ability to develop services on a national level was very much interlinked to their reputation and perceived level of expertise.

As a result of the above, voluntary organizations appeared to have developed several types of approach in the purchaser provider relationship that allowed them to exercise a degree of autonomy and resistance in the face of local authority pressure. These approaches will be defined as *soft* and *hard* respectively. Interviews revealed respondents utilized each of these approaches depending on the relationship with the funder. Moreover, although there were only half a dozen respondents that were able to deploy a combination of each of these approaches effectively, other more vulnerable voluntary organizations utilized aspects of them with varying degrees of success.

The *soft* approach appeared to occur where voluntary sector providers and local authorities recognized a degree of mutuality and interdependence. For example, a number

of voluntary sector respondents appeared to have such a reputation and status with certain local authorities that they were on the 'inside track' as far as the allocation of funding was concerned. This appeared to be backed up with an increasing degree of professionalism in terms of the marketing of their organizations, with several actively attempting to promote and align their services with purchasers when new streams of funding came on line. This status was also reportedly supported by close, inter-personal relationships between local authority decision-makers and senior management in these voluntary organizations. Moreover, the same organizations appear also to be influential with regard to national policy and practice, which, in turn is supported with extensive lobbying and research facilities aimed at influencing both national and local government. Within these circumstances, respondents indicated how there was a greater acceptance by both sides of a degree of interdependence. Indeed, there were perceived to be examples of real 'partnership arrangements', especially with smaller local authorities. Respondents further indicated that under these circumstances, negotiations over pay were less difficult compared to purely competitive situations.

The *hard* approach involved some voluntary organizations exerting influence through working together with similar organizations. For example, one local authority respondent in an area some distance from Scotland's 'central belt' noted how providers in her area, one of which participated in this study, were perceived as very powerful. These providers had been combining together to confront the local authority in relation to a number of issues, including terms and conditions of employment and payments for SVQ qualifications. The local authority respondent described these developments as 'quite a thorny issue'. In quite an angry outburst she commented:

Yes, they are quite a powerful body. They call themselves '*the Forum*'. Have you met the Forum? It's a joy!

This exercise of bargaining power by voluntary organizations did not go un-noticed among other local authority respondents, with one commenting:

When they get the message that they are the only provider that is being asked to provide a particular type of service...they are smart enough to know that they have got them over a barrel and they have dictated, and that is where a big provider can have the upper hand, because they have got hospital closures and deadlines to meet. Sometimes a council has no choice (Commissioning officer, local authority).

This, again, illustrates the inter-linking between causal factors, in this case sources of influence such as the scarcity services and geography combine to create conditions where providers can work together as a counter to the power of the purchaser.

The context of management – labour relations

It was also clear from the data that organizations exercising strategic choice did so as a consequence of wanting to protect the terms and conditions of employment for staff. In acknowledging this motivation behind management actions, it can be seen how managerial choices can be shaped by management – labour relations. At this juncture, it is useful to explore the relative influence of collective and individual management – labour relations.

It will be recalled that in Chapter 3 it was highlighted that the existence of organized unions could be a barrier to continuing efforts by management to undermine terms and conditions of employment in the face of government pressure. Certainly, on the one hand, there were signs of increasing union interest, presence and influence in the sector. For example, at national level in Scotland the main unions organizing the sector – Unison, Amicus and the white collar section of the TGWU (ACTTS) and the GMB – have helped form a Partnership Forum through the STUC and SCVO. The purpose being to encourage the growth of ‘partnership working’ and collective agreements between voluntary organizations and the union movement based on ‘shared goals and a shared culture’. At an organizational level, over the period of two years of data collection there were promising developments with three unions signing new recognition deals with seven organizations that participated in this study. Further, the previous section did highlight

findings from this study that found how established voluntary organizations were finding it problematic to transform their terms and conditions to suit the demands of funders, because of the link with public sector collective bargaining arrangements. Arguably, this may be due to resistance from trade unions. Moreover, individual organizations pointed out resistance from unions to changes that affected their members' terms and conditions pension rights, and data outlined in the previous section revealed a willingness to challenge the widespread practice of sleepovers among union officials.

However, on the other hand, it was found that the impact of unions with regard to protecting pay and working conditions in the sector was patchy. Analysis of interview and other data of those organizations that recognized a union, shows how only five (less than half) retained the link with local authority pay and conditions. Indeed, several employers that participated in this study spoke of unions having very little constructive input into some of the controversial decisions regarding cuts to terms and conditions. As a consequence, a lobbyist for the sector believed that part of the attraction of contracting with outside providers such as voluntary organizations was that they were not 'bound by very powerful agreements, with very powerful trade unions'. She added:

Voluntary organizations by and large don't have large numbers of staff unionized. Some voluntary organizations have union recognition, but the bargaining power of staff is not as strong as it is with local authorities. So generally speaking, although voluntary organizations want to keep up with SJC and want to pay parity with local authorities, they can't actually do it, because local authorities are very aware that they don't have budgetary agreements with trade unions and can therefore bid them down.

Several local authorities participating in this study confirmed this. In particular, it was felt that even where older voluntary organizations found it difficult to move away from terms and conditions that were similar to local authority scales, it was easier to achieve the desired degree of workforce flexibility and cuts in wage costs compared to public sector workers. One local authority respondent stated:

We do have more difficulty than they do probably because of the size of the workforce and well established relationships with trade unions, where its much harder to shift some of those issues, whereas some of the voluntary organizations can be much more flexible...they can get flexibility and get people to work round the clock and without going through huge, elaborate, cumbersome re-negotiation arrangements over terms and conditions that we have to take in councils at times (Director of Social Work).

This weakness in collective bargaining was evident even where unions had a presence, with only one voluntary sector respondent that recognized a union reporting union membership above 50% of their workforce. Indeed, union officials pointed out their own poor bargaining position. For example, a Unison official reported:

We have had arguments with voluntary sector employers when they have come to us and said 'we cannot afford to pay the NJC pay rates in the way that we have had.' We have had arguments that this is a breach of contract and we will go to a tribunal. At the end of the day, yes we probably could, but all you would end up with is a bankrupt organization and people being out of work. We would probably settle most times (Union official, Unison).

The reasons for union weakness in the sector were, according to union officials, multifaceted and involved issues around the continued lack of priority given to organizing the voluntary sector within the three main unions; a desire to protect terms and conditions of public sector workers who made up the bulk of membership outside the commercial sector; the nature of care work itself, with employees dispersed across wide geographical areas; difficulties in organizing shop stewards; lack of awareness among the workforce with regard to what a union could do for them; and employer hostility. This is not to completely dismiss union influence, but examples of relatively successful resistance to changes to terms and conditions perhaps points towards strength at the local bargaining unit level.

In the light of this, in searching for some estimate of the impact of employment relationship on the exercise of autonomy, it remains pertinent then to look to individual management – labour relations. Evidence throughout the preceding sections in this chapter have pinpointed serious labour market problems affecting both recruitment and retention in the context of management having to meet government demands regarding accrediting the workforce, flexibility, cuts in pay and conditions and work intensification. This was evident even among those organizations most adept at exercising autonomy. As a consequence, these organizations can be seen to be trying to balance the contradiction of needing to exert control and authority in competitive conditions, while maintaining reasonable levels of pay and other terms and conditions in the context of individual management – labour relations. In particular, problems centred around difficulties in recruiting and retaining motivated and co-operative workers in an extremely tight labour market.

The Degree of Resource Dependence

A key factor that influenced the ability of voluntary organizations was the level of resource/funding dependence on purchasers. Analysis of levels of income dependence by participating voluntary organizations reveal how local authority contracts or grants represent the largest source of funding for activities devoted to care for all voluntary sector respondents. In addition, in relation to employment, of those respondents that were able to provide figures (14) all reported that paid employment represented over sixty per cent of total expenditure, with the majority of organizations citing seventy per cent, or more. Significantly, of these organizations ten stated that the state's contribution to these employment costs was over seventy per cent of the organization's total staff budget. In such circumstances, the ability of voluntary organizations, even those with alternative sources of income, appeared to be severely constrained. At the same time, some of the organizations revealed specific strategies to lessen this impact. These are outlined below.

Developing a multi-customer base

In line with aspects of the inter-organizational relations literature there was evidence of voluntary organizations constructing a 'multicustomer base', i.e. they built up funding sources across many of the thirty-two Scottish, local authorities, rather than relying on one or two. Therefore, although these organizations had high levels of income dependence on local authority contracts, it was not from one or two. As a consequence, larger nationally based organizations were able to utilize financial surpluses built up from favourable contracts in parts of the country to make up for shortfalls in other services and therefore avoid any detrimental impact on pay. In addition, these respondents reported that the stability gained from large scale service provision gave these providers the ability to turn down or close services if they felt their standards of care or terms and conditions of employment were being compromised. For example, two voluntary sector respondents in this study had closed services in protest at successive cuts in funding by local authorities. In addition, several other voluntary organizations reported how they would threaten to withdraw a service if the local authority negotiators persisted in attempting to push employment costs down.

In doing so, these organizations had surmised that this would be a successful strategy given that the local authority did not have the capacity to pick up the services itself, and there were no alternative voluntary or private sector organizations to take them over: again illustrating the inter-play with other causal factors such as the level of competition. In addition, several voluntary organizations were training their managers to be more assertive in negotiations with local authorities, with one reporting how managers were instructed to threaten the withdrawal of services, even when the organization had no intention of doing so: the aim being to get the local authority negotiators to 'blink first': this latter point suggesting influence from organizational, 'boundary spanning' agents.

Similarly, again with echoes within the literature, several organizations were terminating or refusing to be part of purchasers 'strategic sourcing programmes'. Several respondents spoke of beginning to refuse to apply for new contracts even if there was expectancy from the local authority that they did so. Again, this was a deliberate strategy based on a desire to send signals to funders that the organization had independence and would refuse

to take on business where they had concerns of quality of care and employment issues, with one head of services stating:

‘I want local authorities to get the message that its harder. You do not just snap your fingers and we will jump..we don’t need the business.’

A key factor in underpinning this ability was the fact that voluntary sector providers had built up significant resources from other contracts.

Voluntary Finance and capital

As well as developing multi-customer bases, a more controversial resource to the sector, that appeared to give voluntary organizations a degree of influence in their relationship with local authorities, was the use of their own voluntary income as a contribution to particular care packages. This income could be sourced from several areas of voluntary sector activity. The first would be from the reserves that particular organizations held, the second would be from other fundraising activities, and the third would be the provision of some capital project such as a purpose-built, or renovated building.

It was the case that five respondents from the sector saw advantages in this. Four of these were drawn from organizations that specialized in providing services for children and young adults, while the remaining organization provided services to vulnerable adults as well as young people. Respondents from these organizations were of the view that the ability to bring some type of resources to negotiations with local authorities had several advantages. First, they believed that if their bid in competitive tenders was higher than others, their willingness to part fund the care package would offset the extra cost. Secondly, they believed that it gave them a better chance of a voice in decisions about the shape of the specific service package. Thirdly, they felt it also gave them some freedom of maneuver regarding issues such as pay and conditions. One of these respondents described how each contract with a local authority would have a 10% contribution from the organization to services, while another contributed 25%. Another organization reported how because they were able to provide a specialist, purpose built center for

young adults with learning difficulties, that they had local authorities from across Scotland queuing to place clients. Again, each of these cases reportedly added to a sense of ‘mutuality’ and interdependence in the relationship.

The ability of these organizations to raise this extra capital was, in some, but not in all cases, also inter-linked with another of these causal factors – i.e. the type of services that were being delivered. In particular, respondents caring for children and young adults were more successful at raising extra finance compared to organizations that were in the field of adult care. Respondents from local authorities and the voluntary sector suggested that this was because other funding bodies and the general public were more susceptible to support causes in the field of children and young people than in services for vulnerable adults. Moreover, it was also suggested that the funding from the Scottish Executive was more favourable for children’s services.

This apparent disparity in resources between provision to vulnerable adults and children was most vividly highlighted within the aforementioned organization that provided services for both types of client. Interviews were conducted with the heads of both children’s and adult services. The head of children’s service noted how while his services were expanding and he was able to sustain his commitment to local authority terms and conditions or better, his colleague was struggling to do so, because of uneven funding regimes. This was causing tension within the organization, because it was committed to paying SJC scales for staff in both divisions.

Constraints on the Exercise of Strategic Choice in the Voluntary Sector – the reality of resource dependency

Despite the data in the previous section, it was clear that a voluntary organization’s ability to resist local authority interference in employment issues remained fundamentally constrained by the reality of resource dependence in the purchaser and provider relationship.

This is usefully illustrated through raising some of the caveats to the previous section's outline of the benefits of 'partnership' in a purchaser – provider relationship built around voluntary organizations bringing outside resources to the negotiating table. The rhetoric of 'partnership' was used during interviews by both sides to describe their relationship, yet even where such circumstances reportedly existed there appeared to be an imbalance of power. For example, the strongest advocate of contributing some internal resources to projects was a large children's voluntary organization that provided up to 25% funding for all its projects. Yet, the respondent revealed in the interview that all this contribution gave the organization was a 'junior partnership', and that local authorities were still dominant.

Another HR respondent indicated that it had positive relationships with local authorities throughout the year in relation to the delivery of services, but when it came to negotiating increases, the situation turned to one of conflict. In addition, a HR respondent pointed out how authorities use the rhetoric of partnership, but on financial issues that have a direct impact on employment costs, such as distributing extra funds for SVQ qualifications provided by the Scottish Executive, there was perceived to very little input. She stated:

We are the ones that provide all these services and they (local authorities) did not pass on any of the additional training money...if we were an equal partner at the table when we are negotiating these things then it would be fine, but we aren't its all tied up with economic power, money, power. So we are not an equal partner.

A local authority confirmed this by stating:

The bottom line is that it's an uneven partnership. The negotiation is uneven. When we are holding the budgets and where we are the purchasing authority, its an uneven partnership and that is difficult for them to grasp.

Other respondents from the voluntary sector doubted whether ‘partnership’ was indeed an appropriate term to use in the relationship between purchasers and providers, as one put it:

I certainly don't think we are partners, because you certainly can't be equal if the person who has all the money makes all the decisions. This partnership thing everybody keeps talking about is just a load of toss. I think that we are agents, as in ‘you will do this for us won't you’, and we have the choice to turn it down, and I think that it is as good as it gets (Business Manager, voluntary organization).

Moreover, there was also an element of coercion in voluntary organizations making contributions from internal resources. Not all organizations drawing on their financial reserves to support projects were doing so willingly. HR and non-HR respondents from these organizations reported a reluctance to draw on their reserves because they felt that, in effect, they were subsidizing public services with internal income that was not specifically earmarked for care. Yet, these same respondents felt they had very little choice if they wished to remain in the care market or indeed pay decent pay and conditions. In addition, several of these voluntary sector respondents noted how this was becoming a serious drain on their reserves, where they were reaching their financial limits, and even going into deficit.

Attitudes among local authority respondents shed further light on the coercive aspect of this relationship, as there was little sympathy with the above complaints. Indeed, the use of additional capital was seen in some cases as a prerequisite of gaining contracts. Almost all of the local authority respondents noted that part of the reason why they approached the voluntary sector to take on contracts, was because they had access to additional finance and capital buildings. It was also argued that voluntary organizations could not fulfill their own internal missions and objectives in the provision of care without local authority financial assistance, so a degree of *dictate* and use of internal resources was perceived to be the price to be paid. During one interview when the author put it to a

Head of Social Work that there was some discontent among voluntary organizations because they were drawing on their own funds to subsidize employment costs, he stated:

Good, that is what charitable and voluntary organizations are about!..If they think there is a solution where local authorities are going to say ‘oh yes we want every voluntary organization in the country to have massive reserves and we will be happy to empty our coffers into their’s so that they all sit with it’ is a bit unrealistic.

Finally, evidence further suggests that another causal factor - size can determine how far this uneven, resource dependence relationship can lead to coercion. One local authority respondent who had ‘close ties’ with several small voluntary organizations not participating in this study revealed how he kept a ‘close eye on the level of surpluses and reserves voluntary organizations held’. If he felt that these were becoming too high, he would ‘advise them to spend them, until they reached an acceptable level’ and give them advice on what areas this expenditure should be directed.

SUMMARY

The purpose of this chapter was to explore the nature of the state – voluntary sector relationship and evaluate its impact on HR policies and procedures, terms and conditions of employment and work organization. The results portray a complex pattern of relationships with, to some degree, diverse outcomes on voluntary sector employment policy. The causal factors shaping these diverse outcomes include the institutional environment, which influenced the development of a series of positive outcomes in HR policies, practices and procedures that will lead to some obvious beneficial effects on recruitment and training of the voluntary sector workforce, and subsequently on the nature and quality of care services, and arguably employee relations through the spread of best practice in discipline and grievance etc..

At the same time, these largely positive outcomes emanating from institutional/isomorphic state pressures are accompanied by some other less desirable state influences that include a degree of coercive behavior in relation to the internal conduct of HR policies such as discipline and recruitment. As a consequence, such pressures not only threaten the independence of voluntary organizations as employers, but also place those employees subjected to external interference in personal disciplinary or recruitment decisions at substantial disadvantage, with limited evidence of effective union representation to voice their concerns.

A focus on changes to pay and the labour process in participating voluntary organizations revealed a number of direct and indirect influences from the state that undermined pay and working conditions in the sector. Data revealed a number of voluntary organizations moving away from comparability with local authority terms and conditions of employment, continuation of work during unsocial hours without full night work payments, various manifestations of work intensification and incidents of employment insecurity. The evidence regarding skills was mixed, with reports of a continued need for a high level of emotional input into care work, along with the increase in work characterized by the more mundane domestic tasks. However, there was also some evidence that organizations were moving towards changes to the skill mix, illustrated by cases of the dilution of skills in some projects.

At the same time, these pressures were variable in their impact, with evidence that some voluntary organizations were able to fend off the more detrimental implications of this environment. The ability to exercise a degree of autonomy was based on a number of inter-related causal factors, these included the level of resource dependency between organizations, where factors such as the degree to which organizations were reliant on a few or many funders were important. It was also the case that the type of services organizations provided was influential with reputations for expertise in services and the level of competition, linked to monopoly provider status giving providers more bargaining power. Moreover, labour – management relations to some degree resulting from trade union resistance, and, crucially, a need to maintain competitive terms and

conditions of employment to recruit and retain staff in a tight labour market could influence these issues. Finally, the influence of these factors could also be linked to the presence of others such as the size and location of organizations.

It is in the light of these findings that the following three chapters now explore employee orientations and commitment in this environment. Arguably, the variability in relations between purchasers and providers, and HR/employee relations outcomes will lead to different experiences for employees in the voluntary sector workplace. It is with this in mind that the second phase of the fieldwork moves to report data from three case studies selected to reflect such variability.

Chapter 7: Case Study 1 - Starlight

Introduction

This chapter reveals findings from the first of the three case studies in this thesis - Starlight. The analysis is divided into five substantive sections. The first begins with a brief introduction to the case study in terms of its size, structure, service provision, funding base and location. This is followed by an exploration of Starlight's wider environmental context, particularly focusing on its response to the institutional and cost-based pressures highlighted in Chapter 3.

The next three sections reveal the results of employee interviews around three core themes. In accordance with the theoretical framework outlined in Chapter 4, Section two explores the range of respondents' psychological contracts that can be found within the voluntary sector and Starlight in particular. Section three then explores the extent and causes of violation in employees' psychological contracts.

Section four then outlines the impact of such violations on employee orientations to work with a particular emphasis on organizational citizenship behaviour, i.e. working overtime without pay, working through breaks, taking on additional responsibilities, sickness absence, and employee intentions to quit. Throughout these two sections, there will be insights into the degree to which the effects of violations in the psychological contract on organizational citizenship behaviour (OCB) can be mitigated by factors such as the nature of employee orientation to work, whether it be organization, job or workgroup; specific management interventions through organizational justice procedures; an appreciation by employees of the influence of external factors on the voluntary sector; and the strength of employees' altruistic orientations. Section five concludes with a summary of the results. Overall, this analysis will reveal how Starlight operates very much at the sharp end of the quasi-market, leading to changes to reward strategies, work intensification and a high degree of discontent among sections of the workforce.

Introduction to Starlight

Starlight is charitable subsidiary located within a long established Housing Association. In recent years, a strategic decision was made by management in the Housing Association to become part of a larger UK-wide group of organizations in the social housing sector, and as a consequence Starlight also joined. In comparison to the other case studies, Starlight is relatively small, with approximately 175 employees, of which 74% are female, and 71% are full-time. In addition, because of its relatively flat structure, just over ten per cent of employees were in management roles. The workforce is spread across fourteen different sites – the central headquarters, and thirteen individual projects. The majority of care staff were in the Support Assistant category, but each project also contained an administrator, several Support Workers/Senior Support Worker and a Project Manager.

Within these projects, employees looked after the needs of a wide variety of service users with challenging behaviour including those with learning difficulties, mental health problems, the elderly with dementia and vulnerable young people (often ex-offenders with substance abuse problems). Indeed, many of the service users had dual diagnosis (i.e. a combination of the above types of challenging behaviour). Starlight provides services in a mixture of supported accommodation or ‘satellite services’ to the community within and around a specific urban conurbation in Scotland. Within this area, the cost of living has dramatically increased due to significant rises in house prices.

ENVIRONMENTAL CONTEXT

Institutional/isomorphic pressures and Starlight’s response

Management in Starlight claimed that the various pressures to adopt the person-centred/independent living approach to care outlined in Chapter 2 represented nothing new to their approach to service provision. Indeed, it was claimed that Starlight was a pioneer of these principles in the UK. At the same time, management interviews acknowledged the influence of other institutional/isomorphic pressures in shaping its

HR policies and broader activities, e.g. through complex APL requirements by Starlight's four main funding bodies.

Over the two years of the study, the two most influential isomorphic pressures were reportedly from the Care Commission and the introduction of Disclosure legislation. These were largely seen by management as positive developments within the social care profession, but not without problems. For example, the HR Manager reported how the process of Disclosure was bureaucratic and subject to delays, but added that it was a 'good thing' due to it providing information on potential employees unavailable under previous legislation.

In relation to achievement of the Care Commission's SVQ targets, representatives of senior management indicated that at the time of the first interviews the organization was not particularly well placed to meet the oncoming requirements. As a consequence, from around 2002 the HR Manager set about developing project managers into internal assessors and creating links with several local colleges and a training company. From the time of the second series of interviews with management, it was reported that Starlight was 'well on target' to meet the required SVQ standards, but some projects were reportedly taking to the task better than others.

This variety with regard to meeting SVQ targets was attributed to several factors, including reluctance among some staff, other operational priorities, and employee turnover. The latter was linked to the poaching of Starlight's qualified staff by other care providers. In response, management at Starlight had introduced a punitive £500.00 fee charged to employees who left within a year of achieving SVQ accreditation. The impact of this measure was seen to be significant, with the HR manager reporting a large fall in accredited SVQ staff leaving within one year of qualifying.

Finally, at the time of the second set of interviews in 2004, senior management were considering a major restructuring of the company. This would involve Starlight breaking away from the original, parent housing association and becoming an independent subsidiary within the wider UK organization. These deliberations were a

direct consequence of isomorphic pressure from funders. As the Director of Community Care stated:

The days when I first became involved with housing associations, housing and care were very much integrated with the work that they did...a lot of purchasers of services are now looking for that separation between landlords and the support you provide, which will not now be one and the same thing. There has to be that separation.

External financial and cost based pressures and Starlight's response

The impact of the cost based external pressures, had significantly detrimental consequences for Starlight. From 1997, Starlight no longer followed local authority terms and conditions as a result of not receiving cost of living increases from its main funding bodies for several consecutive years. From that period, any pay increase was based on what the organization could afford in negotiations with the recognized union (ACTSS). In addition, despite coming off these scales Starlight continued to lose contracts, with local authorities claiming its tenders were too expensive, especially in relation to salary costs.

This period of financial difficulty culminated in 2001 with 'a painful reconfiguration of the care company' (HR Manager), which had a direct detrimental impact on employee terms and conditions. The first involved a reduction in the annual leave entitlement so that, as well as reducing benefits for new starters, a proportion of existing staff lost the equivalent of seven days holidays. Accompanying this change was a revamp of job descriptions, which arguably represented an intensification of the work effort through the insertion into employment contracts of what the HR Manager described as "an expansion of the classic line of 'any other duties'".

The other aspect to these changes involved efforts by management to make significant alterations to salary structures. Management's justification for this process was two-fold. The first involved some effort to introduce greater equity and fairness in salary structures in the light of perceived disparities in pay due to the move away from local authority scales. The second and primary motive was to make savings on salaries in

order to stabilize the organization as a response to continuing financial crisis. Management in Starlight created set salaries for all grades of staff, with no increments for length of service or the acquisition of skills (e.g. SVQ accreditation). A significant impact of this change was that a minority of long-serving staff whose salaries were at the top end of the abandoned SJC scale had their pay cut, in some instances by approximately several thousand pounds a year. Unsurprisingly, during this period, staff morale was reportedly low and employee turnover increased to over forty per cent. At the same time, in management circles it was felt that these moves had made Starlight much more 'business like', as the Business Manager reported:

The company are now saying this is a business. It means the company has taken a different step. We are not a charity we are a business.

The second round of interviews in 2004 revealed a continued emphasis on cost as the major determinant in the award of Starlight's contracts. Best Value reviews of services were rare, but where they occurred, the emphasis reportedly remained on cost. Similarly, although the organization had reportedly benefited from extra funding through Supporting People, the degree to which negotiations had focused on quality of care had varied between the four main funders. Indeed, there was some concern, that funding from Supporting People funding would follow reported trends in England, which had recently experienced cuts in funding and services.

As a consequence, interviews with the business manager responsible for negotiating contracts indicated that Starlight had little margin to cut staff costs any further. She stated:

We have stopped wasting money. That is what we have done. We have slimmed down our structure and downed other areas of work. We cannot do it anymore...because we are already at the minimum margin I am prepared to go before we put people at risk.

At the time of the interviews in 2004, a continued climate of financial uncertainty meant salaries remained a key element in controlling costs and remaining competitive. The largest proportion of Starlight's annual income for 2003/04 of £3.9m came from

four local authorities: indicating a significant degree of dependence on a few funding sources. Expenditure for the same period was just over £3.6m, of which staff costs represented approximately 75%. The organization was on a more even financial footing by the time of the second interviews, but its public statements remained cautious arguably reflecting its continued vulnerability in the care market. For example, the Financial Statement for 2004 revealed how the aim now was to create a financial environment that ensured small surpluses of 5% a year to achieve:

Enough reserves to cover 3 months running costs in case of any serious business crisis so enabling it to make staff redundant should that eventuality occur (Starlight Financial Statement, 2004).

The Industrial Relations Climate

Within this context, there were acknowledged problems for the exercise of employee voice within Starlight. The organization recognized the white-collar division of the TGWU (ACTSS) for some time, and stated that, on paper, it continued to do so in 2004. However, the reconfiguration of salaries in 2001/02 marked a watershed in union-management relations. Support for the union, measured in terms of density, reportedly rose to over fifty per cent during the reconfiguration. In response to management's plans to restructure salaries, the union called a ballot for industrial action short of a strike. Unfortunately for the union, a number of employees reportedly did not receive ballot papers. As a consequence, the ballot revealed a slight majority in favour of industrial action, but on a reportedly low turnout. Given this result, the union did not recommend that industrial action be pursued.

Management in Starlight were also prepared to confront the union's response to the reconfiguration head on. For example, in relation to the missing ballot papers, the HR manager reported how several employees brought this to his attention and he stated how:

Obviously, we kept them in our pocket in case it was a successful ballot to turn around and go 'a ha'.

Indeed, interviews (e.g. with Director of Community care and HR Manager) revealed a general poor opinion of the union among senior management with respondents arguing that it provided inadequate representation of their members' interests during this difficult time, and further argued that non-union employee representatives on the consultancy committee established to discuss the changes were more vocal and effective than the senior shop steward. Indeed, the HR manager described the senior official as a

'seventies style shop steward who used to work in those Ford plants that were known for strikes. He learnt his industrial relations there and hasn't changed.'

As a consequence of these developments, by the time of the second round of interviews there was clear evidence of a declining union presence in Starlight, with density slipping to twenty-five percent. There was also currently no shop stewards on site, with reports that the last lay official had given up through lack of support. This left employees in Starlight with the local branch secretary as the only link with the union. Moreover, with regard to the union's influence over pay and conditions, the HR manager stated:

We consult, sometimes we negotiate. There is usually not a huge amount about what they can argue about.

The Director of Community Care went further by stating:

That relationship has kind of disappeared over the last couple of years...I don't really feel the union's presence.

At the same time, it was recognised by management that there were virtually no formal processes under which employees could air their collective concerns to management. It was also potentially significant that Starlight continued to experience problems with retention, with turnover standing at thirty per cent during the period of the 2004 interviews, with particular projects experiencing rates of fifty per cent or more.

Summary

Starlight faces continual isomorphic and cost-based pressures from its external environment. In response, it continues to attempt to meet the requirements of the Care Commission in relation to SVQ requirements and has had to dramatically reconfigure its salary structures to ensure the survival of the organization. Formal employee voice mechanisms are virtually non-existent as the union had suffered a major defeat in its efforts to prevent the changes to pay and conditions. It is within this context, that the remainder of the analysis explores employee orientations to working in Starlight beginning with an exploration of people's psychological contracts; their work experiences within Starlight, with a particular emphasis on violations in the psychological contract; and how this has effected their orientations to work, with a specific focus on OCB.

PSYCHOLOGICAL CONTRACTS IN STARLIGHT

In line with the conceptual framework outlined in Chapter 4, an exploration of the nature of employees' psychological contracts within Starlight, revealed a number of trends. Firstly, it was the case that only one or two respondents outlined purely transactional or relational contracts. For example, a purely transactional contract was illustrated by an Administrative Assistant who felt that Starlight promised her a convenient pattern of working time to match her domestic responsibilities. She stated:

It was because I only come five minutes up the road and the kids are just up at the school, just along the road. The hours suited, and it wasn't any travelling costs, and that was basically it. I didn't set out to come to a community care project.

In contrast, the majority of respondents' revealed much more combinational psychological contracts. For example, some employees indicated psychological contracts containing strong elements of what this study has called the VSE, linked with relational aspects. These employees appeared to identify strongly with the values and mission of the organization while anticipating that Starlight would offer them a career path from Support Assistant or Support Worker through to Project Manager.

There was also considerable attraction among some staff to the promise by Starlight to be able to gain accreditation under the SVQ system.

Several other employees indicated that they had psychological contracts that embraced transactional aspects and those of the VSE. For example, interviews revealed that having care as a vocation did not necessarily mean complete loyalty to Starlight. A number of these employees indicated how they were attracted to the values of the voluntary sector generally, and that employment in Starlight offered a stepping-stone into a career in the sector. In particular, these employees felt that working with Starlight's service users would provide them with significant experience to compete for work and develop their careers in the wider labour market for care.

In addition, a number of employees admitted that they had limited alternatives, because of few qualifications and experience, but also indicated that their choice was also influenced by Starlight's promises of offering them 'more than a job', through the opportunity to work with people. Similarly, some employees revealed previous health problems and admitted that the voluntary sector offered them their only opportunity for full-time paid employment.

Some respondents placed pay high up on their reasons for joining the sector, but again this was in the context of these same employees possessing a strong VSE. In other words, respondents indicated that salaries were competitive in the context of their chosen vocation/career in care. For example, those who had worked for Starlight for some time, and had gone through the reconfiguration, reported that when they first joined the organization, salaries were seen as relatively competitive. In addition, some newer employees on Support Worker grade indicated how they were attracted by Starlight's promise of pay that was not at the bottom of the market rate. Even for some Support Assistants who had limited experience or were previously employed with temporary agencies, salaries were initially seen as attractive.

It was clear from this data that a common denominator across these varied contracts appeared to be the presence of values associated with the VSE. This is reinforced by examining previous employment experiences among respondents, with the majority stating that their last employer was in the voluntary sector. Moreover, many of those

who had qualifications indicated how their highest level of qualification was care related. The most influential aspects of the VSE forming employees' psychological contracts within Starlight were the promises by the organization to provide employees with an environment in which they could deliver services to a particular client group or the ability to pursue the principles of independent living and the person centred approach for service users. For example, one Support Assistant revealed:

Here its independent living and if they want to do something they can...so if they want to get drunk, you can only advise them not to. And to me that is the way it should be. Working in a home I found it more emotionally harder. So that is a big plus for a project like this, its independent living.

In attempting to unpick the basis of this desire to pursue aspects of the VSE among respondents, it was clear that prior orientations formed outside the workplace were influential. For example, some respondents cited their parent's political values as an influence. As mentioned previously, several other respondents reported how personal health problems led to them choosing employment in the sector. One male respondent stated:

Why did I end up in care? Because I had a nervous breakdown and had mental health problems myself over the years. I guess I saw it as a way of helping myself as well as other people I had something in common with. I had an understanding of it.

Prior orientations formed outside the workplace were also important to some of those who previously worked in the private sector. This could include the influence of volunteering activities or family illness. For example, a former lighting technician revealed how observing his father's experience of receiving care after the onset of Alzheimer's disease was influential in his decision to join Starlight. He stated:

I just saw the home helps coming in or people from social work taking him away to the day centre and then coming back with a smile on his face and having a good day. I thought the carer coming in and taking my dad out must

be good job satisfaction for your work if they smile, you know you have done your job.

With regard to the degree of reciprocity between management and employees over the content of the above psychological contracts, on the one hand, there appeared to be a degree of congruence of views regarding reciprocal obligations between the parties. For example, the HR manager revealed how the values and attitudes of employees below management level were more important than experience. In particular, he spoke of the need to recruit people whose ‘hearts and minds were in the right place’ who would exhibit loyalty to the organization and service user needs. Moreover, the HR manager noted how, in return, the promise of training and development through SVQs to the workforce formed a significant part of the organization’s obligations to employees. At the same time due to the aforementioned reconfiguration, the same manager revealed how the organization’s previous promise to offer terms and conditions at the top end of the market was no longer feasible. In the light of the above, the next section explores the incidence of violation of psychological contracts within Starlight.

VIOLATIONS TO EMPLOYEES’ PSYCHOLOGICAL CONTRACT IN STARLIGHT

This section will outline the reported incidences of violation along the transactional, relational and VSE scale outlined in Chapter 4. Moreover, in the light of observations regarding the limitations of the psychological contract framework in identifying sources of violation stemming from changes to the work-effort bargain, the section, in utilizing a labour process perspective, will also identify the incidence of work intensification, etc. and evaluate its impact as a possible source of violation. In doing so, it is worth acknowledging that the sources of these violations are not sealed within the aforementioned labels. The analysis will show how specific violations to relational, transactional or VSE factors are influenced by changes in the work – effort bargain. Further, there will also be commentary on the extent to which management are aware of these violations taking place, and the types of intervention they introduce to ameliorate them.

Violations to transactional aspects of the psychological contract

Pay and conditions

It was clear from interviews with respondents that the aforementioned reconfiguration of pay and conditions had led to perceptions of violation at several levels. To begin, it was clear that long-serving staff who had experienced the reconfiguration felt strongly with regard to its impact, with one employee speaking of ‘underlying resentment’ against management at Starlight, aggravated by what they felt was poor consultation at the time of the changes. These employees were particularly aggrieved because they had joined the organization believing it offered ‘a decent living wage’ that was competitive with the public sector, when alternatives were limited.

There was also some indication of the transitional nature of the psychological contract among respondents. For example, another long-serving female employee, a Project Manager, outlined how prior to the reconfiguration pay was not an issue that influenced her orientation to work or her attitudes to Starlight, but now stated:

It’s an issue for me now really. I mean it is a big issue, it is not good enough. I lost some of my salary, it was taken off me.

At the same time, the issue of salaries was of growing significance among staff that did not have as long a length of service. Several employees indicated that when they first joined, they felt salary levels appeared reasonable, especially for those relatively inexperienced and given it was not at the bottom of the local authority scale. However, the lack of progression through increments within their grade beyond a cost of living rise has gradually become a source of frustration and discontent. As one female put it:

I think its quite hard for staff to be stuck on a level on a pay scale and that is where you stay and you could have been there for five years, slogging your guts out and somebody can come in new and be on exactly the same level you are on.

Another added:

I think *Starlight* are quite naïve. You know people want to move up in a scale. Its about recognition. If I start a job and somebody is on more than me then that is acceptable, if they have more experience than I have. Also there are no opportunities for overtime in my job either. There is no flexibility that side at all to get a few extra pennies for your mortgage, which would be nice (Support Worker, female).

Indeed, the above employee was actively considering taking on a second job to supplement her income in order to pay her basic costs of living. The pay issue was particularly felt at Support Assistant level where some employees expressed a considerable degree of frustration regarding their level of pay in comparison to the disposable income of those they provided services for. One female Support Assistant stated:

Pay is very, very poor. We are frequently talking to service users who are getting more money than us once the benefits are added up. Some of them are getting a higher amount of disposable income. I mean I do realize that a lot of people have problems, but where is the justice in this?

The lack of progression through an incremental scale between Support Assistant and Support Worker also led to significant perceptions of inequity and unfairness among the former. Rightly or wrongly, there was a significant groundswell of opinion among Support Assistants that the gap in pay between themselves and Support Workers was unjustified, especially as they gained more experience in post, and in many cases undertook responsibilities of Support Workers in cases of absence and holidays. Perceptions of inequity with regard to pay scales were also present among other grades. For example, some Project Managers felt aggrieved that there was a single payment for their grade despite the fact that different projects had service users with widely differing needs and varying degrees of challenging behaviour and variations in the number of staff they had to manage.

In terms of management's response to these issues it can be said that there was awareness of the above problems, but a limited response. At the time of the interviews management at Starlight was in the process of focusing on improving the salary of Support Assistants by an extra £500 a year on top of a 3.5% cost of living pay rise. The organization was also committed to improve Project Managers pay in response to extra responsibilities they had taken on since the reconfiguration. It was also currently undergoing a review of job descriptions, with a view to make the distinction between Support Assistant and Worker roles more transparent.

However, management admitted the limitations of this approach as these changes were in the context of continuing financial difficulties, with the Director of Community Care arguing 'we cannot just conjure this money out of thin air'. Moreover, management exhibited an uncompromising attitude to those longer serving staff who continued to feel aggrieved at their treatment during the financial reconfiguration. The above Director stated:

They need to let it go...you know there is a lot that has happened in the intervening time...there was a privileged few who were getting more than others. Now that hurts, but the vast majority of people that, that happened to have moved on, but there are still a notable few in the organization who still carry that, but I can't afford to get bogged down.

Violations from changes to the work – effort bargain

Management's efforts to cover increasingly lean (in terms of staffing) services/projects generally focused on an intensification of work. As a consequence, the majority of employees both management and non-management, had experienced increases in the volume and pace of work, the degree of responsibility, as well as in performance expectations from management. Not all employees viewed these developments in a negative light, and indeed some of these changes were attributed to promotion and the extra responsibility given to those with more experience. However, a majority did indicate that they had felt overworked in recent years, and particularly because of ongoing staff shortages. Within this context of intensified work, the data

revealed several other sources of violation to employees' transactional psychological contracts, which are outlined below.

Disparities between effort and reward within twenty-four hour services

A significant source of violation appeared to stem from employees experiencing what can only be described as shocks to the system through management's efforts to cover the demands of twenty four hour services on a tight budget. This was linked to a degree of dissatisfaction with the level of reward received for putting in such effort. For example, several employees reported violation when they felt management had taken advantage of their goodwill to cover overstretched shifts. In particular, there were a number of reported incidents of relatively inexperienced employees having to double up on their shifts with little notice, recognition or support from management during unsocial hours.

More formally, management in Starlight used sleepovers and on-call rotas to avoid the costs of large numbers of waking night shift workers. Responsibility for undertaking sleepovers was usually left to Support Assistants, and represented a significant challenge in that they would usually be required to do it once they had completed their backshift at 10.00pm. Moreover, once the sleepover finished, they were expected to then pick up their morning shift. Support Assistants were paid a flat rate of around £27.00 per sleepover, and if sleep was interrupted and they were awake for over an hour, they received double time. It was clear that a proportion of respondents were quite happy and willing to work these 'unsocial' hours, with one or two suggesting it was a useful supplement to their income.

However, for others, the practice of sleepovers was a source of violation not solely because of unsocial hours, but also the level of fatigue and exhaustion they caused in return for poor rewards. For example, an employee with less than a year's service had experienced one sleepover and stressed that he would do everything to avoid doing another. One particular stark example came from another Support Assistant who, at the time of the interview, had just completed such a pattern of shifts, and she described the experience of sleepover in the following terms.

You have caught me at the end of a very long shift. As you notice my eye is getting a nervous twitch (she laughs). The sleepover room has no locks on the door because its also where service users need access to the corridor between the room and the kitchen for storage. So you have people coming in for a cigarette or to pick things up. So there are privacy issues there. The room itself is not very impressive. Also even if you are not sort of awake, you will dream about service users because there are flats on either side and in one of the flats next to you the television is on constantly, and the service user might be singing and chanting and making noise. I would not volunteer for them. Some people might but not me, you can be woken up at any time. The pay is poor and you are very exhausted at the end. I had worked shifts before, but it's a whole new way of being tired, a totally different way of being exhausted because you cannot switch off, and you are constantly alert.

This sense of violation was not helped by perceptions among some respondents that they were not fully informed regarding the full implications of these shift patterns.

Work – life balance issues

An important aspect of transactional psychological contracts is the extent to which work fits in with the practicality of family responsibilities. In many cases violations around work – life balance issues were, again, in the context of management's efforts to intensify work in the face of continuing cost pressures. Moreover, although not exclusively confined to women respondents, these pressures were most keenly felt among female participants in the study. For example, Project Managers revealed tensions with female Support Assistants who had children. One manager cited 'on going exchanges of views' as to whether those with childcare responsibilities should work more 'unsociable' shifts. Such tensions were not limited to those in direct care roles. For example, an Administrative Assistant cited violation regarding compulsory attendance at regular meetings at Starlight's HQ, which clashed with her morning school run.

In one project, the manager revealed how a lack of funding to provide cover, made it extremely difficult to construct a meaningful shift rota in the context of perennial staff shortages. The manager specifically blamed Supporting People funding for this

dilemma, because, in her experience, it was very lean in terms of staffing with 'little room for manoeuvre'. Therefore, there was no scope to buy in agency workers, so where staff shortages occurred these were covered by existing employees. A female employee when describing her working hours stated:

I never start earlier than nine and the hours can vary up until 10.00pm at night. I worked yesterday from nine in the morning until ten at night, because they needed a back up. We are meant to do a thirty six hour week, but in reality it doesn't work like that. We don't have shifts. We hear from day to day what we have. I am absolutely disgusted. I have just been trying to arrange to see a mortgage adviser and they say 'well when are you free next' and I say 'I don't know, I can't tell you', because you don't know what your hours are going to be the following week. You go away for your holidays and you come back and have no idea what shift you are coming back on. I expected to do shifts, and had done in previous places, but they had always been worked out four weeks in advance and were negotiable.

This employee's disillusion with employment in Starlight was aggravated by the fact that she had recently been diagnosed with ME, and her Consultant informed her that the lack of routine in her working life was seriously impeding her chances of recovery.

A male Support Worker reported violation as a consequence of problems in visiting sick parents. He outlined how he found it extremely difficult to get time off during public holidays to visit relatives, because he had to cover extra shifts. He also reported how the stipulation to work every other weekend made regular visits to relatives extremely difficult. His dissatisfaction was aggravated because he felt Starlight had not made it clear during recruitment or induction that these clashes between work and home life would be an established part of his working life.

Those responsible for being 'on call' during evenings revealed violations stemming from work – life balance issues. On-call was the regular responsibility of employees from Support Worker upwards, who were paid 7.5% on their normal salary when undertaking this duty. Some employees did not find this problematic and welcomed

the extra income. However, for others it caused tensions with domestic life. For example, a female Support Worker who was required to go on call for a whole week, every tenth week described it as:

A nightmare, an absolute nightmare. You can't drink any alcohol. I can't go out. Its such a hassle and its in my job description.

Another female employee added:

When I am on call its problematic, with a child in the house. I am on call for a week at a time, so the phone can waken up the baby. So last night I had four hours sleep at the most and came into work really shattered. It causes tension for my partner as well when I am on call, who can't relax either.

The response of Starlight to these issues was mixed. With regard to staff shortages, respondents reported ongoing recruitment drives to fill the gaps, but these came with the caveat that retention of new employees remained problematic. There was a recognition of work – life balance issues, but little sign of an organizational wide effort to resolve them, with much of the tension left to Project Managers to deal with.

Health and safety concerns

Although rarely given explicit reference within the psychological contract literature a safe and healthy working environment can be seen to be part of employees' transactional contracts, given that it touches on basic issues of security within the employment relationship. Within this environment of intensified work there was evidence of violations to employees' psychological contracts regarding their health and safety, with other half of respondents pointing out incidents of actual or threatened violence through verbal and physical abuse. As was suggested in the review of findings in Chapter 5, these fears could be directly linked to the general pace and intensity associated with working in Starlight. A number of employees suggested that receiving verbal and physical abuse was 'part of the territory'. Employees revealed how although the organization provided risk assessments that they were aware of, they could easily forget to follow particular protocols because of fatigue during long shifts. One female employee commented:

Because we are so stretched, I have been in situations where I wouldn't normally put myself in. I work with vulnerable people and at times they can be intoxicated with alcohol and drugs which makes them sort of anxious or with poor mental health. So we are kind of rushing about and not really thinking about it in terms of risk assessment properly. And I would come out later and think 'well that wasn't particularly safe' and normally I wouldn't do that. There is not the time to think about what I am doing or where I am.

In another incident, a Project Manager revealed how she had recently been assaulted by a service user because a subordinate had forgotten to follow the risk assessment protocol, and the manager had to 'get in the middle' of the ensuing struggle.

On paper, the organization appeared to provide adequate support for health and safety through a lone working policy, risk assessments, the provision of mobile phones and the logging in and out of employees working in outreach services in the community. Yet, management in Starlight admitted to struggling to allow all of its employees to attend training on challenging behaviour, with many employees revealing they had not received it, or had only done so after an incident. Further, many respondents felt extremely vulnerable travelling and working on their own with clients in areas that were characterized by deprivation and high levels of crime with just a mobile phone for protection. Moreover, several employees complained that the general financial position of the company meant that they had to provide their own mobile phones in case of emergencies. This revealed some concerns and tensions among staff regarding the whole approach to lone working in such areas.

In response, management at Starlight admitted that they had recently experienced two reportable incidents and had visits from the HSE, but regarded the issue as common within a 'few hotspots'. At the same time, they argued that although they take the issue of health and safety very seriously

'there is no magic wand that you wave and lone working doesn't exist anymore' (Director of Community Care)

In addition, the HR Manager reflected that lone working was not only due to financial problems but linked to Starlight's values. He stated:

One of the shop stewards used to say you must double up on a shift. That can't happen because a. it is institutionalizing the service user and b. we just don't have the money for that.

Organizational discipline and employment security

Violations were identified among respondents relating to management exercising its disciplinary function within this intensified environment, and the impact this had on their perceptions of job security. For example, one Support Assistant revealed an ongoing anxiety and discontent related to a fear of being disciplined for giving out the wrong medication to service users. Yet she claimed that such errors were a direct result of the pressure and fatigue at work, and that the organization could be unforgiving of mistakes.

They put you in charge of the meds and you could be pulled up for making a mistake twice and under that pressure you tend to lie. I was under such pressure. I have got to get it right all the time. That is one of the things I would take up with a union. These are the kind of things I would take up if I lost my job. It wasn't deliberate it was just a mistake.

Her dissatisfaction was further amplified by her contact with public sector health visitors and qualified medical staff who displayed a much more tolerant attitude to minor infringements of practice than management in Starlight.

The intense pressure and its consequences was felt at higher levels in the organization. One of the Project Managers interviewed had recently been disciplined for failure to monitor various aspects of performance in her project. She claimed that this occurred within the context of not having any support from other staff because Senior Support Workers were either on long-term sick or had left. Moreover, an interview was also conducted with an individual who held a community development post. It transpired that he had recently been demoted from a Project Manager's post as a consequence of

being disciplined, but, again, the contribution from an intense workload to his problems as manager were clear. He stated:

For a period of a year or so most of my front line decisions was basically crisis management with a lack of staff due to sickness and a lot of staff being disillusioned with regard to what *Starlight* was doing for them. The turnover in twenty four hour projects is also very high. I was stepping in at very short notice to cover sleepovers, which caused chaos to my domestic set up. It was also a project for people with basically high needs. The project was just drifting along and being almost ignored. I was not in a position where I was coping terribly well, and it was seen that I had to move and take up this position. I was moved out of a highly stressful situation, and I think somewhere along the line that should have been picked up.

The disciplining of managers was seen by senior management in *Starlight* as a reflection of its focus on quality in care, and that performance issues had to be addressed at any level. At the same time, the organization offered the aforementioned in-post manager support through the appointment of additional members of staff at senior Support Worker level to help with her workload. However, each of these respondents had a clear sense of violation centred around perceptions of injustice regarding their positions given the lack of support and supervision within an increasingly intense working environment. This was aggravated by each of them expressing a degree of vulnerability regarding their future job security.

Violations to relational aspects of the psychological contract

Although not as prevalent, violations also occurred to relational aspects of the psychological contract. In particular, this appeared to revolve around SVQ training and the opportunities for career progression. Particular sources of violation linked to SVQs were related to frustrations regarding the timing and lack of access to such opportunities. However, again, concerns about the lack of financial incentives were an issue, with several employees expressing continuing discontent over the lack of rewards in terms of even token salary increases for those achieving accreditation.

Management recognized the issue of SVQ accreditation had caused some tensions in recent years. The HR Manager reported how in the past there had been a failure to deliver SVQ training for some staff and provide further career progression (for example, from SVQ 2 to SVQ3). As a consequence, this had reportedly contributed to Starlight's turnover problems. In response, in the next few years, the organization was attempting to move on from 'crunching numbers' to meet targets, to attempting in the next few years to bridge the gap to SVQ 3, and possibly assist the progression of Support Assistants to Support Worker level. This move by management could be crucial given interviews with some respondents indicated a degree of scepticism regarding their prospects of progressing beyond Support Assistant grade.

Violations to the voluntary sector ethos

Chapter 4 suggested that employees in the voluntary sector could potentially experience violation to their psychological contracts if they felt their values were compromised during employment. Some respondents revealed incidents of such violation where the organization did not appear to be delivering on principles such as independent living. For example, a Support Assistant revealed considerable discomfort regarding how Senior Support Workers occasionally imposed conditions on service users' social activity. The respondent felt this was a denial of choice for service users and against the principles of the project, and why he chose employment within it. There were also several examples of violation linked to a lack of voice in decisions regarding the nature of service delivery. One Project Manager in particular revealed how she felt left 'out of the loop' regarding decisions about the future nature of care of some of the service users in her project.

However, the most common source of violation to the VSE occurred in the context of Starlight's wider financial and labour market environment. Several employees revealed how staff shortages seriously challenged Starlight's objective of independent living for service users and therefore their own values. In particular, where such staff shortages occurred, management would instruct Support Assistants to focus on basic housekeeping tasks, to the detriment of social activities or emotional support, subsequently leading to an element of diluting the skills of the Support Assistant role. A respondent noted how:

We are just not doing the job we thought we were supposed to do. We are just cleaners, and it is part of our duties, but we are going into places where somebody is trying to talk to you and you are cleaning away and they know you are ignoring them. You are trying not to, but there are spot checks being done by supervisors, and you have to get that cleaning done or they will come down on you.

Employees revealed this inability to deliver what they felt were quality services that focused on independent living was a particular problem during 'unsocial' hours, such as weekends, where another respondent revealed how service users were 'just fed and watered'.

Where staff shortages led to the hiring of agency staff, this led to tensions and incidents of violation. One female Support Assistant, described how a combination of staff shortages and sickness left in charge of a night shift with two agency staff who could not speak English she stated:

They couldn't understand me and I couldn't understand them, and I just felt I was doing everything. I was angry at the end of the shift that I was put in that position. Angry that people were paying for a service and not getting it at all, and that has happened quite a lot.

There were also concerns over the use of agency staff and their impact on the quality of care delivered. One employee reported incidents where service users who were incontinent were having their personal dignity compromised because agency staff lacked general induction, training and supervision around these issues. This perception was also experienced at more senior levels with a female, Senior Support Worker expressing deep concerns about having to compromise on the quality of care when employing agency workers, by stating:

Probably the worse times will be when we have a lot of agency and you bring in people who are not providing the same level of service as permanent staff. Because again they don't have the same commitment to the job with moving

from one place to another and a lot of them are just in it for the money, and not thinking about the service.

Multiple violations

Finally, in this section, it is worth highlighting the experience of many respondents here to multiple violations of their psychological contracts. Individual respondents could suffer breaches along the whole spectrum of violations outlined in this section. Indeed, many experienced recurring violations. It was also the case that employees with relatively short lengths of service, e.g. less than a year, could experience multiple violations. For example, one female employee had rapidly become seriously aggrieved at the salary level and the disparity between her reward and that of Support Workers. She had also suffered several assaults, and experienced serious difficulties in meeting the intense demands of sleepovers. For other employees, the accumulation of various violations had been a slower process. For example, a Project Manager revealed how, after a period of steady progression along salary scales, she experienced a significant pay cut and that this had been followed up by a rapid intensification of her workload, which had led to a great deal of personal work-related anxiety.

STILL GOING THE 'EXTRA MILE' FOR STARLIGHT: THE IMPACT OF VIOLATIONS ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR

In the light of the above, this section explores the extent to which employees exhibit various aspects of OCB. This focuses on whether employees voluntarily work extra hours on an unpaid basis, work through breaks, maintain good attendance, take on extra responsibilities and their intentions to quit.

Working extra hours

The majority of respondents revealed that they worked over their contracted hours, on a regular basis. In many cases, the reasons for this were in response to specific service user needs, ranging from taking extra time briefing other staff during 'handovers' if individual service users were causing concern; providing additional emotional support for service users; and spending time at the end of the day writing up notes or socializing with service users. Many of these respondents indicated that this behaviour

was given on a voluntary basis and that they didn't experience any pressure from management to do so. There were also incidents when employees would come in to assist the team. For example, a part-time administrative assistant revealed how she would work over on a regular basis to assist colleagues with the paperwork for their SVQ accreditations.

At the same time, some caveats need to be raised in interpreting these findings. Starlight operated a time off in lieu (TOIL) system, and attitudes towards taking TOIL were quite revealing regarding the extent of employees' OCB. Some indicated that at times they would freely forego TOIL if the projects were particularly stretched. However, others revealed that they would claim their TOIL in all circumstances. One long-serving male Support Worker, who had experienced the reconfiguration, revealed:

If I ever do extra hours, I claim them back. I never do it for nothing. I would never do extra hours if I wasn't going to get something back. Its because of Starlight, I don't think they are worth it really.

Similarly, another revealed how the lack of overtime for any additional work, meant that he would always take such time back in TOIL.

Moreover, there was some indication of management coercing staff to work over their contracted hours. For example, a female employee reported how on several occasions she felt pressured into working extra to discuss particular service users with her manager. Other interviews revealed how the opportunity to take TOIL was not always available. For example, a Project Manager and the aforementioned demoted manager indicated that such was the pressure of work at their level, that they did not have the opportunity to take TOIL.

Missing or curtailing breaks

The majority of employees revealed how they missed or curtailed lunch breaks on a regular basis. Again, some employees indicated that they did not find this a particular problem, especially if it was part of some social event with service users. However, interviews revealed that for many respondents this situation was unsatisfactory and a

reflection of a lack of facilities to take time away from work, but more significantly management exploiting the goodwill of the workforce, rather than a reflection of OCB. In three of the projects that were visited, employees pointed out how their contracts of employment stipulated that they were entitled to take an unpaid lunch break of up to one hour. Yet the reality was that because the projects had to be open for twenty-four hours, it was difficult for employees to take a break because service users required attention. An illustration of the dissatisfaction this caused is outlined below by a female respondent:

We hardly get a lunch break and we don't get paid for it. We get this hour, but we work through it. We can't leave the project, we just can't because it's the service users and they are there. On a backshift when you are working until ten it is just completely mobbed and you get no break at all. Sometimes you can get a cup of coffee when you are doing your notes, and can have a wee sit for twenty minutes or so, but you definitely don't get your hours break...You really crave that one hour when you can just go out and there are no phones and no buzzers and you can't do it (Support Assistant).

Moreover, when asked for management's response to ongoing complaints from staff, she stated:

They don't understand at all. It think its because staff have been doing it for years. They don't see any reason to change it. We are not getting paid, but they know we are not going to ignore service users. We are not going to have a sit down strike.

Another added:

You do feel obliged because you are providing a service, but ay that is a big bug bear with me. I often think if I wanted to bugger off at half six, would I be able to (Male Support Assistant)?

Finally, this discontent was not limited to Support Assistants, similar concerns were voiced at Support Worker and Project Manager levels, employees working in outreach

services also outlining how many of their breaks were taken 'on the move' between appointments.

Maintaining good attendance

The majority of respondents revealed incidents when they had in the past come into work when they were sick, e.g. with colds and flu. Some of the reasons for this were linked to, again, wanting to maintain standards of care. For example, one employee came in while suffering from a cold because her absence meant there would be no members of staff to provide personal and intimate care to women service users in the project. Her comments revealed a strong connection with the needs of service users, she stated:

There is no in between in this job. You either love it or hate. Its almost like an extension of your family. You can't just think of yourself you just accept it has to be done. There was no guarantees that the agency could have sent a female that morning.

Similarly, a male Support Assistant indicated how recently, despite suffering the effects of 'a dodgy kebab' his attachment to service users and their needs led him to attend work, he stated:

Normally I feel that if I can walk it I will work it. It's a feeling about the service users. Its more than a job, and its not for *Starlight* its for the service users.

Others quite readily cancelled holidays to cover staff sickness in order to ensure that the organization did not have to rely on agency workers too much, or to provide support for colleagues in what were anticipated to be difficult situations. In addition, other employees pointed towards a general work ethic formed outside this particular workplace, perhaps from childhood, where they generally attended work when they had what they saw were minor ailments. These employees revealed how these decisions were personal and believed they felt very little pressure from management to behave in this way. Indeed, unsurprisingly some of them had, on occasion, been

sent home by management in cases of ill health where it was felt the well-being of service users would be under threat.

At the same time, there was some evidence of direct and indirect pressure by the organization that encouraged such 'presenteeism'. For example, one Project Manager revealed how she felt it would be unlikely that she would be able to take all but a few days of her annual leave because of a combination of her intense workload and responsibility and staff shortages. Another employee revealed how he had experienced several incidents when he had to cancel a day off and felt resentful because of that. Moreover, in the cases of absence some employees revealed how new starts were particularly reluctant to take absence. This was due to the absence policy's stipulation that entitlement to sick pay only came in after thirteen weeks of service in the probationary period. If the employee was sick during that thirteen week period, then the countdown period to sick entitlement after thirteen weeks would start again.

At the other extreme, the vast majority of respondents stated that they did not generally take 'duvet days'/'sickies'. However, some felt that other staff were not averse to doing so, especially given that Starlight's sick payments after thirteen weeks were not dissimilar to those in the public sector. Older workers also pointed to the tendency of younger members of staff to take a day off sick after particular 'heavy nights' socializing.

Moreover, it was the case that other respondent's attitudes were changing. For example, an employee felt aggrieved at what she saw as being unfairly penalized for admitting she had taken a day off to care for her sick child. Starlight paid employees sick pay sick if they rang ill claiming personal ill-health. However, if they admitted they were looking after family members, then they were asked to take the time off as either annual or unpaid leave. During her interview this particular employee freely admitted that she would consider phoning in sick if she experienced problems with childcare again.

Working beyond contract

Incidents regarding a refusal to go beyond contract by taking on responsibility of higher grades were limited. This was largely because many Support Assistants who

were given Support Worker tasks generally did so because of their concern for service users or saw it as part of their own career/personal development. However, one incident revealed how it was perhaps difficult for employees to resist such requests from management. A group of Support Assistants within a project felt aggrieved at being asked to undertake tasks usually the responsibility of Support Workers in outreach services. One Support Assistant revealed how:

We didn't think it was right and we all stuck together and said 'it was not our job' and 'why should we do their work?'

The last shop steward was eventually brought in represent them, and informed staff that the way the 'any other duties' clause in their employment contracts was phrased made it very difficult for them to refuse to undertake this work. The staff group relented despite receiving no extra payment or TOIL. Indeed, the only concession the union was able to get from management was a stipulation that staff would not have to 'pooper scoop' when taking service users' dogs for walks.

Intentions to quit

Respondents were asked to reveal their future intentions to remain employed in the organization. Of some concern for management at Starlight was the finding that just over half of employees stated that they would accept, or consider accepting, employment in another organization if they received an offer in the next twelve months. In terms of identifying the reasons why people were choosing to look for alternatives or would consider a position elsewhere, it was clear that those that had suffered multiple violations to their psychological contracts were likely to consider leaving. Moreover, there were several examples where an employee was considering leaving because of a lack of career progression. Yet, those that had suffered violations to the transactional aspects of their psychological contracts were those most likely to want to leave.

For example, one member of staff felt if he were offered a similar job in a more convenient location felt that he would accept it. Furthermore, some employees revealed how they intended to leave the sector altogether. One of these had a clear preference for a more commercial environment given her psychological contract was

predominantly transactional in nature. However, several others with more mixed psychological contracts which included elements of the VSE, revealed how a combination of violations to their psychological contract meant they would actively consider leaving the voluntary sector altogether, with one stating:

When I get an application form in from the sector, I kind of think I can read through the lines now. I would consider the public sector.

The issue of pay appeared to be the dominant motive behind intentions to quit. This desire was present among those who had gone through the reconfiguration and also included newer members of staff who were struggling to manage on current salaries. Moreover, there appeared to be limited impact from the ameliorating factors outlined in Chapter 4, which could possibly prevent these people from eventually leaving. For example, a female Project Manager, who was one of the few that had an insight into the financial climate that Starlight operated in stated:

You can't hold *Starlight* as a whole just responsible because of the way that public spending has been allocated. The way funds are allocated have a direct bearing on what you can actually pay your staff and the kind of service you can actually offer. I understand the dilemma... if that is the funding they have set, then you have to put up with it, but I mean I do have a mortgage to pay. For me its very much about practical things. I like working in the voluntary sector but I mean I am not foolish. I am not going to bankrupt myself that is what is making me go.

Moreover, the punitive actions of management, through charging £500.00 for those acquiring SVQ were not entirely effective, with one Support Worker indicating that if an opportunity arose whereby she was offered similar work, but for better pay and she did not feel as though she had to take a second job to make ends meet, then she would move and pay the fee. One female Senior Support Worker added:

There is no incentive for them to stay. If Starlight want to keep their staff once they have spent money to train them, they are going to have to do something drastic about salaries and that is about Support Assistants.

The one ameliorating factor outlined in Chapter 4 that perhaps made employees pause before looking for, or accepting, alternative work, was a combination of their commitment to their particular job, project or work group/team. This type of attitude was common among respondents, and revealed a lot about the kind of commitment that existed among employees within Starlight. It was clear, and in line with some of the other findings in this report, that in many cases, employees' commitment and orientation was primarily to their project/unit and related to their desire to help the client group, and to a certain extent other colleagues. For example, in the latter case, because of close ties formed during periods of acute staff shortages or violent incidents.

More significantly, respondents' revealed how attachment to a particular group of service users provided them with a dilemma regarding their future within Starlight. The majority of respondents reported that they still enjoyed their job and experienced increasing levels of job satisfaction. The source of such satisfaction primarily came through interaction with service users and providing for their needs. Particular areas of satisfaction came from the ability to develop independent living through organizing social activities, or giving emotional support, or even coaching individuals to be more independent in their own homes through assisting them in basic domestic tasks.

This led to a continuing strong orientation to the immediate work team/project, as one female employee put it:

That is *Starlight* to me. The people I am working with every day. I don't feel any loyalty to other projects because I have never been there and don't know the people. I will do my part for the people here to help them out in whatever way I can.

Similarly, a female House Keeper stated:

My commitment has increased, but I don't think its head office. Its this office, my work team and the service users.

Another male respondent illustrated how commitment could be more job focused by stating:

Its more than work, you know you come in and do care about the service users. You bond with people.

For others they made a clear distinction regarding how they felt about the values of the team as opposed to the overall organization. One female Support Assistant stated:

For Starlight as an organization, I would say that my commitment has probably gone down quite substantially in terms of how they are rewarding me, but in terms of the project's values and what they are trying to do. I would agree with them.

Yet even these orientations could come under strain as transactional aspects to employees' psychological contracts became more significant as they struggled to live on existing salaries. The comment below was typical of many of those who found themselves in a dilemma of wanting to remain employed in Starlight, but at the same time struggled to make ends meet.

I really love working here, but I feel totally under paid. I have applied for other jobs sort of hoping I don't get an interview. But I have to live and I think that given the service we offer they could pay us a decent salary. I have service users asking me whether I will leave, which is very emotionally draining. You feel guilty just thinking about that. I am hoping I will go up the next rung as a Support Worker by Christmas. If not, then it's a pay thing and I will look for other work (Female Support Assistant).

Another employee seriously considering leaving added:

You can love your job, but when it starts affecting your personal life in terms of not affording things or whatever...it's a lot about money and recognition. I think my job is quite skilled, but it isn't recognized (Female Support Worker).

Attitudes towards the union

Finally, in this section and in relation to the impact of violations on union commitment, a short analysis was undertaken of respondents' attitudes to union presence. Overall, three quarters of respondents were not union members. In addition, there appeared limited grounds for optimism in terms of future growth. This was based on a number of factors. Those speaking favourably with regard to the union and who were members stated that their continuing commitment to ACTSS was based on the protection they could gain in cases of individual employment rights, but few placed any faith in the unions ability to deal effectively with collective issues such as pay.

There was also a group of employees who possessed wholly negative attitudes relating to unions. For example, several respondents felt that the potential for disruption of services from industrial action was a reason for not joining the union. One of these, a Project Manager, revealed how she felt a degree of contradiction in her role and becoming a union member, because of the potential of disruption to services. Moreover, several existing members expressed considerable dissatisfaction with the performance of the union during the pay reconfiguration and its ongoing failure to provide adequate representation around issues such as working unsocial hours and health and safety. Indeed, several respondents expressed a preference for Unison as a recognized union as they felt that it had a better grip of issues in the voluntary sector. For the remainder, it was clear that the union had failed to connect with their concerns in the workplace, with little evidence of any concerted effort to recruit members. Several of these respondents argued that they had no need to join the union even in cases of individual representation, such as grievance and discipline, because they felt they could be more effective in representing themselves.

Summary

Starlight was potentially the most vulnerable of the three case studies. This vulnerability is largely because of the interplay of the aforementioned causal factors raised in Chapter 6. For example, its strong reliance on local authority funding, the limited geographic spread of its services, and its inability to cover extra costs related to employment from alternative sources of income, along with inadequate collective

bargaining structures. As a consequence, Starlight has undergone significant and often painful restructuring. At the same time, it appears to have recruited a workforce that largely share its values regarding independent living and meeting the needs of service users. However, these same members of staff have experienced violations to their psychological contracts that embrace the aforementioned transactional, relational and VSE aspects, with the former being of the greatest significance. Further, many of these have been in the context of the aforementioned causal pressures, especially specific changes to the work – effort bargain.

On the surface, many staff exhibit OCB through working over on a voluntary basis, curtailing breaks and maintaining high levels of attendance at work. Yet closer scrutiny of their employment experience suggests that not all displays of OCB come voluntarily, with many examples of employees undertaking such actions under management's duress. Furthermore, over half have indicated that given the opportunity they would seek employment elsewhere in the forthcoming year. The reasons for these decisions can be seen to be overwhelmingly related to issues around pay, as well as some concerns regarding the intensity of work and violations to the VSE. At the same time, with the possible exception of a commitment to particular job, projects, service users and work colleagues, the impact of mediating factors on violations to employees' psychological contracts appear extremely limited in their impact. Moreover, given the incidence of violations in the VSE, it is unlikely management can rely solely on employee goodwill to projects and service users to keep employees on-board given the fragility of service quality in the face of underlying cost pressures. This suggests that Starlight will continue to exist in a vicious circle of having their efforts to retain valuable staff possessing the type of values they desire constrained by an external environment that places cost above quality in the employment relationship and service provision.

Chapter 8: Case Study 2 - Galaxy

Introduction

The following chapter represents a review of the findings from the second case study in this thesis – Galaxy. The analysis of findings is divided into five substantive sections. The first provides an introduction to the case study in terms of its size, structure, service provision, funding base and location. This is followed by an exploration of Galaxy's wider environmental context, particularly focusing on its response to the institutional and cost-based pressures highlighted in Chapter 3. As previously mentioned this reveals how Galaxy operates a much wider geographical spread of services, and has not had the financial difficulties experienced by Starlight. At the same time, this section also reveals how Galaxy has had to consider, and indeed make significant, and sometimes difficult, changes to its operations in response to these institutional and financial pressures in the sector.

The next three sections reveal the results of employee interviews around three core themes that explore the range of respondents' psychological contracts that can be found within Galaxy; the extent and causes of violation in employees' psychological contracts; and the impact of such violations on employee orientations to work with a particular emphasis on organizational citizenship behaviour (OCB), i.e. working overtime without pay, working through breaks, taking on additional responsibilities, sickness absence, and employee intentions to quit, and some insight into union commitment. Overall, the results reveal how although Galaxy is operating from a position of relative strength in the care market, the pressure from funding bodies is beginning to question the organization's long-standing commitment to provide terms and conditions to employees that are on a parity with the public sector. In turn, this is beginning to lead to tensions with parts of the workforce.

Introduction to Galaxy

Galaxy operates services for the majority of local authorities in Scotland. Its main group of service users have mental health problems, although in recent years purchasers have been requiring Galaxy to take on contracts involving clients with more complex needs, usually dual diagnosis (including those with drug and alcohol problems, and the homeless). Galaxy's latest

financial statement reveals funding from local authorities standing at just over fifty per cent and was the largest contributor to its income, from which it attempted to generate surpluses. Other sources of income came from the Scottish Executive, various central government departments, the European Social Fund (ESF) and other fund raising activities. Galaxy's activities were not limited to purely social care provision (accounting for fifty-five per cent of its expenditure), as it was also involved in providing training and development for clients and had a policy and campaigning directorate.

Galaxy had a strict policy of not funding/subsidizing statutory services through other sources of income, and insisted on 'full-cost recovery' when entering negotiations over contracts with local authorities. Management respondents also indicated how Galaxy would not tender for contracts regarded as too cheap and/or would compromise the organization's own standards of care. The organization's links to central government were also not purely based on funding, as its Policy and Campaigning Directorate maintained a dialogue with various statutory agencies with regard to policy developments in mental health.

Periodic contact with Galaxy from 1999 revealed steady employment growth, with staff numbers increasing from approximately 400 to just over 600 by 2004. The period 2002 – 2004 witnessed the most rapid increase in employee numbers from 450 to 600. The majority of staff (approximately 400) were employed in direct care roles associated with supported accommodation and providing services in clients' own homes. Care staff were usually broken down into teams of Support Workers, Depute Managers and Project Managers.

ENVIRONMENTAL CONTEXT

Institutional/isomorphic pressures and Galaxy's response

Galaxy faced the same isomorphic pressures common to voluntary sector respondents outlined in Chapter 5. For example, it had experienced pressure from local authorities through APL requirements and the Care Commission to introduce basic standards regarding HR policies and procedures in areas such as discipline, grievance etc.. Yet, according to management respondents, the most influential isomorphic pressures came from the Care Commission's SVQ standards and care regulations, and the new Criminal Disclosure Regulations. In relation to the former, management respondents described Galaxy as 'fairly well organized', with the

establishment of an SVQ management group that established the organization as an SVQ accredited centre, with internal assessors and verifiers in post to ensure the required standards were being met. Galaxy was also working with an external body to ensure that all its project managers were working toward the Qualified Managers Award (QMA). Overall, managers reported how SVQ accreditation was having a positive impact on practice within Galaxy's projects.

However, the process was not without problems, in particular the Head of Services revealed how some managers and Deputies were refusing to take on the responsibility of Assessors because it was perceived to be an intensification of their workload. In response, management were considering including this responsibility in the employment contracts of new managers, while continuing to try and persuade established managers to accept these responsibilities.

The Disclosure regulations were similarly viewed in a positive light, but again could be problematic. Problems were associated with the time taken up by the disclosure process, leading to severe pressure on Galaxy when establishing new services or introducing new staff into existing ones, especially when some local authorities did not allow the employment of 'conditional starts'. As a consequence, it was reported that some new recruits would often go to another organization/job, or refuse to resign from their current job. Unsurprisingly, this led to increased pressure on existing staff asked to cover vacant posts until the Disclosure process was complete.

Another problematic area related to disclosure was increasing external interference in the internal recruitment processes of Galaxy. The HR Director and Head of Services revealed pressure from local authorities to access disclosure checks of existing and new staff. Management in Galaxy felt that this was an unnecessary invasion of employees' privacy, and also questioned the independence and autonomy of their organization as the employer in the purchaser – provider relationship. This was seen as leading to 'some pretty tense ongoing negotiations' with some local authority partners. As the Head of Services reported:

We are a service provider who has gone through the APL and achieved everything. We should be the employers. In actual fact we have had some councils putting into contracts that its basically they who should employ staff. Sometimes it can be that strict. That type of pressure is getting more intense.

Similarly, the HR Manager reported how some authorities wanted a right of veto over certain appointments or the continued employment of a long-serving member of staff. The following quote describes the coercive aspects of the relationship, he stated:

There is an ongoing debate at the moment with some councils who say that ‘we want the right of veto’ and we say now hang on ‘we are the employer’. So what do you do? Do you terminate someone’s contract for ‘some other substantial reason’ because these councils are saying ‘we are not going to provide that contract if you employ that person.

These concerns were echoed by the union representative who stated:

It can mean theoretically that individual members can be sacrificed in order to keep the contracts. In one particular area, the local authority wanted disciplinary action against a member of staff, and that person eventually resigned because of the pressure.

External financial and cost based pressures and Galaxy’s response

Although, the financial position of Galaxy was stronger than Starlight’s, it was still the case that its external environment could impact on its operations, and terms and conditions of employment. The HR Director reported how Galaxy largely maintained the link with local authority scales ‘through thick and thin’ for the majority of its staff, and followed subsequent annual cost of living increments. These pay awards were generally awarded some time after the agreed settlement date, reportedly because of problems negotiating rises with local authorities.

However, interviews with senior management revealed how pressures from the labour market and quasi-market were beginning to force deviations from local authority scales. For example, competitive pressures in the labour market had led to Galaxy offering enhanced salaries for Project Managers to meet the extra costs of living in specific areas. In addition, management had undertaken a review of Support Worker salaries, which led to Galaxy adding a further increment at the top of its pay scale in order to remain competitive in the wider labour market. Moreover, a parallel review of senior management salaries, which included a benchmarking

exercise with other voluntary organizations led to the addition of two extra increments on their scale.

At the same time, competitive pressures from the quasi-market were beginning to exert downward pressure on pay and working conditions in Galaxy. For example, in 2001/2002 casual workers were removed from the Galaxy's register if they had not undertaken any work for the organization for two months. The HR manager reported how this was in order for Galaxy to avoid paying the costs associated with the rights of casual employees to holiday payments under recent legislation. More recently, Galaxy no longer offered new starts redundancy payments above the statutory minimum because of cost pressures. In addition, although not directly linked to domestic funding problems, another issue of concern was the employment security of staff in Galaxy's training programmes. These services were under threat because of uncertainty over the renewal of ESF funding. As a consequence, for a number of years employees in these services had been issued with annual precautionary redundancy notices until funding was secured.

Pressures from the market and various regulatory bodies were also creating tensions between management and union officials. For example, Galaxy had pursued a policy of not appointing Support Assistants because of what the HR Director described as 'the grey area of where does the Support Assistant role finish and the Support Worker start?' The rationale for this reluctance was unclear. The HR Director indicated that this stemmed from a principled attitude by management based on:

'making it quite clear that we weren't abusing people by employing them on a Support Assistant salary and doing a Support Worker's job'.

At the same time, it was apparent that this reluctance from management to recruit Support Assistants owed something to union pressure. The union representative revealed how when the possibility of changing this policy was brought up by management, ACTSS had:

dug their heels in on that one, because there was no clear cut differences, people were just seeing it as a way of employing people on less salary.

However, the HR Director revealed how continuing pressure from a number of local authorities was leading to ongoing discussions within management circles regarding the possibility of beginning to recruit people in some projects at a lower level on the Support Worker salary scale.

There were also management initiatives to increase flexibility among the workforce in response to demands from purchasers. For example, recently the contracts of new starts in Galaxy included a stipulation that they could be required at short notice and for an unspecified time to relocate their work station to another project to cover for staff shortages. In addition, in several projects Galaxy was facing pressure from external funding bodies to persuade existing employees to work beyond their normal 9.00am till 5.00pm hours. This was meeting considerable resistance from the staff concerned, and was subject to ongoing negotiations with the trade union.

Management were also trying to cut 'unsocial' hours payments for front line staff. This was reportedly in the context of Care Commission recommendations that Galaxy increase the numbers of staff employed during 'unsocial' periods such as weekends and bank holidays in order to provide better services. This was accompanied by management's proposal to remove 'unsocial' hour payments for some bank holidays in return for two additional day's annual leave. Therefore, as well as meeting changing client needs, the erosion of distinctions between social and unsocial hours, would allow management in Galaxy to control costs in the face of external pressures to use more staff during these times. This was met with resistance from the union given that it would affect the bulk of its membership who were employed in Support Worker positions. At the time of the interviews, management had withdrawn the proposal in the face of union pressure.

It was also evident from management within Galaxy that other recent national policy developments were potentially exacerbating this challenging financial environment. For example, the Head of Services reported how with certain local authorities Best Value reviews of services involved a significant emphasis on cost, rather than, as had been hoped, an effort to focus on the quality of services. At the same time, she revealed how Galaxy found the funding for Supporting People 'very, very, tight' leaving little flexibility regarding employment costs. This was beginning to have implications for covering costs from sickness absence.

Moreover, she reported how continuing management deliberations regarding the introduction of Support Assistants or employing Support Workers at a lower grade was influenced by the financial consequences of Supporting People. Further, she reported how these pressures would be intensified given the organization was anticipating cuts in Supporting People budgets in the forthcoming financial year.

A further consequence of these anticipated cuts arose at the end of the field work, and echoed experiences of organizations in Chapter 5 regarding pressure on management costs. This involved a restructuring of management responsibilities by Galaxy. Up to this point, each project had a manager, supported by a Depute. However, the restructuring meant that Project Managers were given responsibility for two projects, while their Deputes were given overall operational responsibility for a single project. In return, for this intensification of effort, management received an additional increment on the salary scale. The rationale for these changes was reportedly related to fears that changes to funding would mean single projects could not support the costs of a Project Manager.

The industrial relations climate

Within this context, interviews revealed an industrial relations climate typically characterized by a degree of conflict and co-operation between management and unions. Management and union representatives met regularly through a Joint Negotiating Committee to discuss broad issues such as changes to terms and conditions. The union also had a representative on the committee that dealt with SVQ accreditation issues. Union organization was quite healthy with a dozen shop stewards, among them some newly elected officials. Density stood at thirty per cent and was reportedly rising, with the union experiencing a thirty per cent increase in its membership over the previous year. The senior official at Galaxy reported no personal problems in getting time off to deal with union matters. Galaxy also allowed the union access to induction events for new employees.

At the same time, the aforementioned financial climate was leading to some tensions between the two parties. In particular, the increase in union membership was directly attributed to disaffection among employees regarding management proposals to cut unsocial hours payments. In addition, the senior union official expressed surprise that:

In the past six months or so when there has been a wee bit more militancy around than previously, when the union has dug its heels on things, then management has been negative towards the union in a way that I have not experienced. For example, the head of HR wants to put out an information sheet to people talking about these extra holidays implying that it's the union's fault that people haven't got an extra two days.

Management was also reported as continuing to refuse to distribute union leaflets to new starts, or provide employees with a list of possible union contacts in discipline and grievance cases. In addition, some shop stewards reported problems getting time off to attend JNCs. Moreover, the proposals around pay scales and holidays had emanated from a recently established Remuneration Committee, which the union appeared to have little influence over.

At the same time, the same official indicated that the organization remained 'pretty supportive' of the union's presence, with any real barriers to union growth attributed to problems associated with the geographical dispersal of the workforce, rather than deliberate management obstruction. It was also reported how recent increases in discipline and grievance cases had raised concerns on both sides, and led to informal discussions that were leading to a more formal joint approach to investigating and resolving the causes of these trends. In addition, there was recognition on the union side that certain things were beyond the control of management, such as decisions to dismiss or relocate employees due to pressure from local authorities. Indeed, when the official was asked what protection the union was able to offer its members in such circumstances he stated – 'Not a lot, apart from support through the disciplinary process'.

Overall, the union official reported:

My general feeling is that within Galaxy management sometimes get things wrong, but I don't see it as being badness its more not getting their act together.

In return, management respondents reported 'reasonably positive relations' with the union.

Summary

Galaxy faces a series of isomorphic and cost based pressures from its external environment. In combination, these pressures are challenging the organization's continual commitment to reward its staff through local authority scales and refusal to introduce the Support Assistant grade into its services. There are also ongoing financial pressures on services that are affecting the job security of groups of employees. Union – management relations are generally described as positive, but this environment is beginning to lead to an increase in tension between the two sides. It is within this context, that the remainder of the analysis explores outcomes from the employee interviews undertaken within Galaxy.

THE NATURE OF PSYCHOLOGICAL CONTRACTS IN GALAXY

There were few examples of respondents in Galaxy outlining psychological contracts that were exclusively transactional or relational in character. Respondents normally indicated that their decision to join Galaxy was combinational and stretched across the transactional, relational and VSE spectrum outlined in Chapter 4. Indeed, half of respondents could cite as influential in choosing employment in Galaxy, a selection of promises that fitted into each of the transactional, relational and VSE categories. At the same time, the most common set of factors underpinning the responses of all employees was a recognition that employment in Galaxy promised them an opportunity to fulfil some desire to 'do good' in line with what this thesis has called the VSE. The nature of these orientations to work in Galaxy is now explored.

The influence of the voluntary sector ethos on psychological contracts in Galaxy

When asked to outline what particular promises/obligations made by the employer influenced their decision to accept employment in Galaxy the most popular categories chosen by respondents were related to the VSE. In particular 'The ability to do something of value to the community' (fifteen responses) the promise of working in an environment of 'less bureaucracy' and that 'The mission of the organization was in line with my values and faith' (eleven respondents each) were particularly prominent. Indeed, when asked to list the three most important promises that attracted them to work within Galaxy, those associated with the VSE received the most responses.

Interviews revealed orientations formed outside the current workplace were a significant influence on respondents desire to fulfil aspects of the VSE. In several cases respondents spoke of personal or close family experience of mental illness being a deciding factor. For

example, a Depute Manager with two years service had prior to joining Galaxy begun a career as a research scientist. She stated:

I'd always kind of wanted to put something back, to kind of help people I suppose. I got disillusioned with the science so it was a kind of natural progression really to go and try my hand at this...The client group is very important to me. I have a lot of personal family experience with people having mental health problems. That is why I kind of chose mental health in the first place. I have really strong thoughts on it and feelings about stigma and people being disadvantaged because of mental health problems.

Others, despite previously working outside of the sector, formed their orientation to working in care through volunteer work, whilst undertaking other careers. For example, prior to joining Galaxy, a female, Asian Support Worker who had worked in academia revealed had established services for women with mental health problems within her community. A male Support Worker had, in the past, combined his role as a taxi driver with some voluntary work for vulnerable adults. Another example came from a Project Manager who had previously been a furniture salesman. Upon the death of a close relative, he revealed how he reappraised his life and began to do voluntary work before moving to Galaxy. These orientations were not limited to those in direct caring roles. Those in the training also function revealed prior orientations. For example, the head of the training unit felt that his own political views and activism made employment in Galaxy a natural choice as he perceived that his values matched those of the organization.

Another group of respondents found the voluntary sector a better environment than public sector or privatized organizations. For example, the senior management respondent revealed how, after years of working in the public sector, he was not comfortable in a privatized setting and chose the voluntary sector because of its values toward public and community service. Others indicated the opportunity to work in an environment that encouraged innovation and was less bureaucratic than public sector social services departments was influential. In particular, several employees at Support Worker grade revealed how they had experienced disillusionment and frustration over the lack of influence they had over the quality of care provided by the public sector, and contrasted this with their experience in Galaxy. One male respondent stated:

I influence things without the constraints that I would have in either a local or national government department. I am a lot freer to influence things than when you have to follow a party line.

Transactional elements to psychological contracts in Galaxy

Transactional elements of respondents' psychological contracts were the second most popular factor in decisions to join Galaxy. For example, several respondents revealed how they had strong orientations to the aims of Galaxy, but admitted to having little alternative sources of employment. This was due to events in their life such as prolonged periods of unemployment, or their own mental health problems. As one male respondent in a fairly influential post in Galaxy put it:

I'm not sure that I had any alternatives to employment here. I'd been in and out of psychiatric hospitals for ten years. I had a history of mental health problems, no current work experience, no current working references, and as such, it is difficult however skilled you are, to get an employer to employ you.

At the same time, those with transactional elements to their psychological contracts did exhibit choices and were attracted by particular promises made by Galaxy. Specifically, some female employees felt Galaxy provided them with the necessary flexibility to enable them match their childcare responsibilities and go out to work. For example, an administrative assistant revealed how she had always worked in a non-profit environment, and had a strong set of values regarding working for the good of the community, but added that the main reason why she chose her current post was that the location and working time fitted in with her child's school hours. Similar, practical considerations were evident among female respondents at Support Worker level, and with one Project Manager.

In addition, the pay and conditions that Galaxy offered were themselves influential. Support Workers generally acknowledged that the pay offered by Galaxy was towards the top end of the 'going rate' for the voluntary sector. As one female respondent revealed:

First of all I was looking for a job. The first thing I saw was the money. That was good.

This acknowledgement of the importance of pay included respondents at line management level. One such male respondent had clearly chosen the opportunity to pursue elements associated with the VSE, but also spoke favourably with regard to Galaxy's terms and conditions in the following way:

The terms and conditions are extremely reasonable. I think the annual leave that we get and so forth are particularly attractive. So those are the kinds of things that are important to me.

Relational aspects to the psychological contract

Although fewer people identified relational aspects to their psychological contracts as one of the three most important promises that attracted them to Galaxy, this did not necessarily diminish their significance for certain employees. Indeed, for those that had achieved higher status, i.e. Deputy, Project Managers and above the influence of these factors was apparent. The senior management respondent described how, as well as identifying with the aims of Galaxy he was attracted by the promises of career development. As a consequence, his steady progression from being a manager who was part of a Directorate to heading his own Directorate, with a seat on the Executive board and the ability to influence strategy was a key factor behind his continued commitment to the organization. Similarly, a male Project Manager revealed how:

What is important for me is that I have progressed through Galaxy quite rapidly. I think my professional advancement would be a major contributing force for being with this organization.

A Deputy revealed how in comparison to other providers in the sector, Galaxy's reputation concerning staff training and career development were crucial in her decision to accept her current role. In particular, the respondent revealed how she had entered Galaxy with limited experience in care, but had been rapidly promoted to Deputy and was currently working towards gaining qualifications.

Moreover, relational orientations to work were not solely limited to management grades. Several Support Workers described how they felt that their priorities changed as they gained

more experience in care: illustrating the changing nature of the psychological contract. One female Support Worker revealed how:

After a year, once you're settled in your job and then you start thinking about is there any progression or career advancement opportunities.

Management perceptions of psychological contracts within Galaxy

Certainly, there was evidence of reciprocity between Galaxy and its employees around the psychological contract. For example, the strong orientation to the values and cause of Galaxy apparent among most respondents formed a central part of the organization's expectations on its employees. This was illustrated by the HR Director in explaining what Galaxy looks for when recruiting Support Workers:

Its about establishing people's values. Do they espouse or demonstrate that they have the same values as the organization in terms of integrity honesty and recovery.

In return, the HR Director outlined how employees would be rewarded with decent terms and conditions, including reasonable pay, pension, holidays and sick leave, working hours and the opportunity for SVQ training and career development.

For management grades the exchange relationship was similar. The HR Director explained how Project Managers would be expected to have awareness and/or personal experience of mental health issues, who had managed people in some capacity. In return, they would gain qualifications and get the opportunity to be employed on good terms and conditions and manage different projects with varying degrees of complexity to develop their careers. Having outlined the nature of psychological contracts within Galaxy, the next section will explore the degree to which respondents have experienced violations, and the causes behind these phenomena and the extent to which management attempts to ameliorate these feelings.

VIOLATIONS TO THE PSYCHOLOGICAL CONTRACT IN GALAXY

There were clear examples of violations to respondents' psychological contracts across the transactional, relational and VSE spectrum within Galaxy. It was also apparent from the

interviews that a number of employees had experienced multiple violations, which touched on all three aspects of the psychological contracts. However, for the purposes of this analysis, the nature of violations to respondents' psychological contracts will be explored along the spectrum in turn.

Violations to Transactional Aspects of the Psychological Contract

Pay and conditions

An analysis of employee responses to management proposals regarding pay and conditions in Galaxy revealed several examples of violations to employee's psychological contracts. The first of these examples related to the ongoing dispute regarding changes to holiday entitlement, and unsocial hour's payments, with several employees at Support Worker level indicating clear violations to their psychological contracts. These feelings of violation were reportedly aggravated by perceptions among these individuals that management had been awarding itself considerably higher salary increases than the rest of the workforce; discontent over delays to annual cost of living increases; and a perception among Support Workers that proposals regarding unsocial hours payments would disproportionately affect those with the hardest jobs, i.e. those working in units where clients had high and complex support needs, where more employees would be expected to work during bank holidays. Within this context, one female Support Worker in such a unit illustrated the strength of feeling regarding this issue:

I am raging, absolutely raging. We don't get much out of it as it is. If that goes through then we are going to lose our extra payments. I feel really pissed off. Really, really undervalued as a member of staff that things like that are starting to happen. Because our terms and conditions aren't great as it is, and I think its absolutely shocking of them to be looking to claw more off us when we are so low paid anyway. They have given themselves a massive pay rise last year. I think its pretty shocking.

Other sources of violation concerning pay were related to proposals to re-grade Support Workers and/or introduce Support Assistants. There were clear perceptions of inequity and unfairness among several Support Workers regarding the implications of these changes. For example, one male respondent stated:

They were talking about bringing in assistants that were going to start on a lower rate again. Oh, I was so unhappy. I would have been in the unfortunate position but somebody maybe working with me would have been doing the same job as me but maybe getting two thousand pounds a year lower.

In terms of Galaxy's awareness and response to these concerns, senior management were aware that these issues were the subjects of ongoing friction with parts of the workforce. At the same time, it was clear that payments for unsocial hours and the re-grading of Support Worker staff would remain on management's agenda.

Violations resulting from changes to the work – effort bargain

The issue of work intensification appeared to produce more widespread feelings of violation among respondents, with the majority reporting an intensified workload in recent years. In particular, both management and non-management, had experienced increases in the volume and pace of work, the degree of responsibility, as well as in performance expectations from management. Not all employees viewed these developments in a negative light, and some of these changes were attributed to promotion and the extra responsibility given to those with more experience. However, almost three quarters indicated that they had felt overworked in recent years, and particularly because of ongoing staff shortages, while just under half reported that they had experienced a degree of work-related stress and anxiety. Within this context of intensified work, the data revealed several specific sources of violation attributable to the intensified environment, which are outlined below.

Disparities between effort and reward within twenty-four hour services

Stress and anxiety from workload pressures was evident at all levels of staff responsible for service delivery, and led to exasperation among normally loyal committed individuals. For example, a line manager who described herself as a 'workaholic' who 'normally responded well to stress, pressure and challenge' revealed how the pressure of managing two projects, with the help of only one Depute, combined with funding and staff shortages, the burden of covering sleepovers and combining these roles with that of an internal assessor for the SVQ programme led to a personal crisis and a sense of burn out. She stated:

When it came to it, I said 'stop', I'm not doing anymore. I want somebody to do something now...I've never known the workforce to be so depleted and short of staff. I've been short, but not that short, and it's the first time I took it to my line manager and said 'I am not doing it, because it is not working'. You are getting burnt out staff. You are getting staff who are motivated getting burnt out, covering for those people who aren't coming to their jobs because they are frightened or they are not equipped enough because they have had no training.

Further violations occurred around the practice of sleepovers and on-call responsibilities. Sleepovers were intense in nature and occurred at the end of a 'back shift', at 10.00pm, with the employee also expected to pick up the following morning's shift. Employees could also be responsible for undertaking up to four or five sleepovers a month. Moreover, in visiting various projects across Galaxy, it was noticeable that the quality of sleeping quarters did vary from being quite comfortable to being somewhat far from salubrious. Some respondents exhibited a degree of consent, by revealing how they did not mind doing sleepovers, and actually welcomed the extra money. Others indicated that it represented a good opportunity to catch up on paperwork. Yet, for several respondents the experience was quite different. One female worker outlined how in her project:

You're supposed to go off shift, but this project in particular is quite a heavy project because this building is high support so a lot of times you're up during the night with a client and still you have to come back on shift at half eight. We do eight shifts as well, so it can be really, really tiring. You might get a week where you'll do two sleepovers.

When questioned further about the level of reward (£21.00) for such responsibility, her sense of violation was clear:

Its an allowance, and a very low allowance at that. I think its terrible, absolutely shocking. Its one of the things that I was quite shocked about when I took the job. Its one of the things they don't really go into at the interview. They don't tell you you're doing eight day shifts and you don't know that's what the rate is for sleepover.

Another admitted to having to double-up on sleepovers because of staff shortages, which had the effect of working for almost forty-eight hours. As a consequence, the respondent reported how:

It feels with this job, its your whole life. It rules your whole life.

Work-life balance issues

As well as exhaustion and dissatisfaction with sleepover allowances, the intensity of work involved in covering sleepovers was reportedly leading to some clashes with respondents' work-life balance. The above respondent reported examples of female colleagues with young families in her team quitting because of the tensions between covering sleepovers and their home lives. These pressures could be exacerbated by on-call responsibilities, which followed sleepovers and were also the task of Support Workers. One female respondent revealed the tensions this involved even when on-call simply meant taking calls and giving advice:

You go on call and you get a tenner for that. For giving up a night I suppose when you can't drink, you can't go to certain places, you can't go to the gym or whatever because you have to have your phone with you at all times. That annoys me because it's a bit restrictive as to what you can do.

For others the demands of on-call meant that some staff had to go out during the evening and deal with incidents. This led to several sources of violation. The first and most common, which impacted on Support Workers, Deputes and Project Managers was the tensions this created between employees and their partners, especially during call outs in the early hours of the morning. The second, related to the rewards employees received in return for experiencing such tensions (£9.00, with TOIL), with several employees complaining how they would prefer extra overtime payments. The third related to concerns regarding the risk employees experienced from undertaking such responsibilities. Specifically, several employees reported how the location of their projects meant that when they responded to call outs they frequently had to travel and work alone (with only a mobile phone) in deprived areas that were noted for drug use and violence, so compromising their health and safety.

In relation to the health and safety issues raised in this section, employees outlined how they were provided with mobile phones in case of emergency. Employees are also required to be logged in and out during these call outs. However, this did not necessarily alleviate any anxiety relating to health and safety issues. Employees were at a loss to suggest what else Galaxy could do to help them, and admitted that they tried to keep such calls to a minimum.

In response to these concerns relating to intensification of work and its implications for work – life balance issues, management at Galaxy had introduced the use of Bank Staff to cover units that were particularly stretched because of staff shortages. Galaxy also complied with the statutory requirements regarding family-friendly policies. Yet, the extent to which these policy responses relieved the pressure on employees was debatable. For example, senior and line management reported how the shortage of staff within the general labour market for care was so acute that it was difficult to get Bank Staff to cover shifts and relieve the pressure on over-stretched workers.

In addition, some respondents, especially women, appeared to experience variations in relation to how accommodating Galaxy was with family-friendly issues, with a number of respondents reporting problems with balancing their domestic and work responsibilities. For example, one female member of staff in a high dependency unit, who at the time of interviewing was working full-time and expecting her first child revealed she was far from certain about whether she would be allowed to return on a part-time basis, despite wishing to do so. Work – life balance tensions were not confined to Support Workers. A female Project Manager revealed work – life balance tensions for those women wanting to pursue a full-time management post and bring up children, by stating:

I find it quite difficult working Monday to Friday and having a small child at home and I just found there were times when I wouldn't get away at half four from work if I was at head office at a meeting...I felt my whole life was just rushing about too much and I also felt as if my daughter was growing up too quick and the only time I had with her was weekends because she is in her bed by the time we get home. I wouldn't want to be a stay at home mum completely, but it is just trying to get a balance with it all.

At the same time, others reported favourably of management's willingness to accommodate childcare responsibilities with working hours. For example, one male Support Worker who had recently adopted two children was, after requesting a change from management, moving from full to part-time employment. Another female Support Worker reported how it was relatively easy to move to a part-time contract once her first child arrived. The causes of this inconsistency were not all apparent, but some line managers reported how many of the decisions regarding work – life balance were left to them, and as a consequence some doubted whether Galaxy could guarantee any consistency of treatment for staff with childcare concerns and working hours, because of operational pressures. There was also a suggestion that such pressures could be more intense in high dependency units.

Threats to Job security

The majority of respondents in this study felt secure in their employment with Galaxy. Yet, some respondents had concerns stemming from uncertainties in funding renewal, which was having significant implications for the psychological contracts of these employees. This was particularly the case in relation to those employed in the training function of Galaxy. As mentioned previously, these projects were subject to annual reappraisals of funding from the ESF and local health authorities. In response, management in Galaxy had until recently resorted to issuing annual precautionary redundancy notices to employees in these units.

The impact of this on employee morale was obvious from interviews with respondents. For example, a male line manager, who himself had been subject to three such notices, in outlining what the impact was on employee attitudes and performance explained:

Nothing happens for three months, basically nothing happens. 'why should it' is the reply. Now how do you motivate somebody who thinks they are leaving in three months time?

A male IT instructor added:

We close down Christmas and New Year, knowing when you come back you might not have a job to come back to because they still haven't had word that we have

funding. So they are bringing us back for them to say ‘ there is no money, you will just have to leave. It does absolutely nothing for my morale.

Management’s response to this issue was an ongoing effort to persuade a number of health authorities to make the resourcing of these units part of core funding. At the time of the fieldwork, these negotiations had not been successful, but subject to ongoing dialogue.

There also appeared to be the prospect of violations to the psychological contracts among some line managers. This was particularly related to the implications of the aforementioned restructuring of management grades in anticipation funding cuts. Several line managers/Deputes expressed concerns regarding their future roles as a result of these changes, i.e. they revealed specific anxieties regarding whether they would experience a significant and unwanted change to their job roles as a consequence of funding changes. During a formal interview with one Depute she expressed her anxiety in the following way:

It’s always with the management changes and things like that. Its always in the back of my head ‘how is it going to affect my role?’ not that I feel I would lose my job, its more about what I am going to be expected to do now, or am I going to be expected to move or what extra responsibilities am I expected to take on and things. That kind of security as opposed to losing my job.

Moreover, several weeks later during a second visit to this manager, informal discussions revealed how her anxiety had significantly increased to the point where she was considering ‘all her options’. Furthermore, one Support Worker in the unit expressed some anxiety regarding the implications of these changes for her own future employment security.

Violations to Relational Aspects of the Psychological Contract

There were examples of violations to the relational aspects of employee’s psychological contracts. These were again partly related to the problem of an intense working environment colliding with an individual’s ability to take advantage of training and career development opportunities. Several Support Workers outlined how they had been particularly attracted to employment in Galaxy because of its reputation for training, but that this had failed to materialize. An otherwise content and committed individual reported how:

That is one thing that could be better. I just think more specific training would benefit me with dealing with different aspects of mental illness. I know it's the circumstances they are in, we have been busy most of the time.

The extent to which problems with access to training were widespread was not absolutely clear, but the senior union official did report discontent among certain sections of staff regarding SVQ accreditation. He appeared to suggest that Galaxy's priority was, not unnaturally, to meet Care Commission standards and as a result quotas were applied to specific projects regarding which members of staff were allowed access to SVQ accreditation, reportedly leading to a degree of unrest among other staff. This was unsurprising not simply because of the lack of training opportunities, but also because those who were eventually accredited were given an extra increment.

Violations to the VSE

There were a number of clear examples of violations among those elements to respondents' psychological contracts that have been categorized under the heading of the VSE. In particular, there were concerns that the organization was succumbing to external pressure from funding bodies to compromise on quality of care, and/or move from its original mission and values. The first of these examples came from respondents involved in the Training Directorate. Several revealed how they felt there was too much of an emphasis on providing training to clients that led to specific outcomes such as access to further/higher education or even employment training. For several of these respondents this was moving away from the traditional aims of the unit. As one male IT instructor claimed argued:

Its kind of get them in, get them trained, and get the out of the door. They're obviously looking for value for money for the pundit, and that's probably changed the kind of emphasis from just learning for the sake of learning. Making people feel good about themselves or raising self-confidence, just through the fact that they've learnt something. There's this idea that they've got to learn and get out into the big, bad world, which perhaps detracts from the enjoyment of the job or what I see my role should be.

The second example was related to the impact of Supporting People funding. A number of respondents who worked in projects that were funded to deliver services in the home through Supporting People expressed considerable frustration. In particular, it was highlighted how because these services were paid through an hourly rate, and the care plan was so specific, i.e. cooking, cleaning, shopping, dealing with benefit issues, it left little scope for Support Workers to deliver the kind of emotional support some clients wanted. Moreover, these problems were not divorced from the nature of funding as it reportedly led to quite 'lean' staffing levels and provided for little or no cover when staff went off on sick or holiday. In addition, this had implications for the labour process given that as well as compromising the quality of care, the consequences of this lean environment included a dilution of skills of the Support Worker role, which many objected to. Respondents reported how management's priority within this funding context was to deliver basic care, rather than be specifically concerned with quality. A female Deputy Manager stated:

It quite severely restricts the service that we can provide, and also the kind of contract that the service is. The service is very prescriptive, its about providing really quite practical support to people, like going shopping, cleaning and that kind of thing. It doesn't leave much room for manoeuvre for clients who don't actually want that kind of support. That's been passed down to us from Supporting People. That's what they will fund us for and sometimes its not very pleasant because you end up refusing to provide support because its not the kind that we'll get funded for. So sometimes its quite uncomfortable.

However, some employees who felt so strongly with regard to what these changes were doing to their roles and the quality of care, had begun to circumvent these restrictions by for example,

'putting a duster in their hands' while more sophisticated emotional support is supplied to the client and 'putting it down as cleaning' (female Support Worker).

Beyond Supporting People projects other examples of violation to the VSE included a number of staff who were disenchanted because cuts to funding were limiting the degree to which other aspects of independent living for clients could be encouraged. In particular, for several employees consistent cuts to holiday budgets by local authorities were a source of deep

frustration. Other sources of violation were linked to a much broader concern with the direction of Galaxy's values and mission. In particular, several respondents felt that the move away from being a provider of services purely for those with mental health problems, to incorporate issues relating alcohol and drug consumption was a dilution of Galaxy's original values. One female Support Worker stated:

Rather than focusing on mental health, there's going to be a focus on loads of things, rather than the original mission of the organization and that, which is in line with my own values. Its going to be a 'jack of all trades'. Dealing with too much and maybe losing its focus.

In the light of the above, the next section further explores employee orientations in Galaxy, with specific reference to the degree the workforce 'goes the extra mile' for the organization and exhibit organizational citizenship behaviour.

IMPACT ON EMPLOYEE ORIENTATIONS AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR

Working additional hours unpaid and taking breaks

Respondents were asked the degree to which they worked additional hours over and above those stipulated in their contract on an unpaid basis. The extent to which this occurred appeared to vary according to an individual's status in the organization. As a rule, Support Workers were not encouraged to work additional hours by management. According to management, the reason for this was that if employees claimed time back in TOIL, then operational pressures would mean they would be unable to give them the time back.

The practice of working extra hours appeared to be much more common among Deputes and Project Managers, with several revealing how their personal commitment to their work meant they willingly undertook extra workloads. For example, a female Project Manager who did extra, unpaid work during supervision of client holidays stated:

Although at the end of the day its just your job, I think that in this kind of work you need to give a wee bit more. Its not something that come half past four you can say that's me I'm away because you're involved in people's lives and that.

Another respondent who worked in the campaigning Directorate explained this phenomenon of working unpaid as part of the culture of Galaxy and the voluntary sector. He stated:

There is still a kind of culture of expectation in the voluntary sector where you will go the extra mile. Voluntary sector employees will say 'people should only work their contracted hours and if they work above their hours they should take TOIL'. But quite often they'd be surprised if people took all the TOIL and it works two ways. From an employee's perspective its 'we'll go that extra mile' and work over our contracted hours with no pay and not claiming it back because we want to do something of value. Employees are too willing to go that extra mile and employers will say 'no, you shouldn't but are quite happy that you do. Its unwritten – they'll say the right things, we'll have the right things and you're entitled to do the right things, but we're not going to pull you up for doing too much.

However, there were suggestions that not all of the additional hours worked by managers was voluntary. One Depute Manager revealed how even if she wanted to claim some time back through TOIL, the practicalities involved with staff shortages and other operational pressures made this impossible. It was also noticeable that the one manager who refused to work over and had recently begun to claim TOIL was the aforementioned individual who expressed quite significant violation and burnout because of her intense workload. She outlined the reasons for her behaviour as follows:

I keep a note of my TOIL and I take my toil. I need to take it, because I'm working so much, I need to build the time off. Lately I have been working extra, but I'm taking it back. I'm entitled to it and you are lucky I am not asking time and a half for it. I don't take work home with me never, and I think my taking the TOIL is my way of saying 'this is a temporary arrangement I am not prepared to work all these extra hours.

For non-management employees, it was the case that some respondents ruled out working extra hours on a voluntary basis in any event because of childcare responsibilities. Further

insights into the long hours culture in Galaxy were revealed in relation to the working of extra shifts due to employee absence. Despite, employees receiving pay for these extra responsibilities, there was some evidence to suggest a degree of unwanted pressure from management to cover these shifts. This was described by one female Support Worker in the following way:

It depends on how much in the s--- they are. I remember not so long ago where with one of the other members of staff they were saying something like 'I wonder if you could do this shift?', and I could tell that this person didn't want to do it. I knew they had plans, but you feel that pressure. Its like emotional blackmail. You know that the clients are going to be left with no one. They said to her 'have a wee think about it, I'll give you five minutes'. I remember thinking that is quite out of order, it should be pure choice.

There was also evidence of the majority of respondents being unable to take an uninterrupted lunch break with only around a third reporting they could do so. Further, there appeared little evidence that the curtailing of lunch breaks was undertaken voluntarily. Rather, it appeared that respondents were working through their breaks because of workload pressures and/or there were no suitable premises in which to take an uninterrupted lunch. As one female Deputy Manager explained:

I don't really have a lunch hour. I tend to eat at my desk. Its part of the nature of what we do because there's staff around all the time and maybe phones going all the time or residents wanting seen or wanting to speak to you, so you just end up working through. We try and ensure with the housing support that they get a break because they have a strict timetable. With Supported Accommodation its slightly more difficult because they are based in their office and residents will phone and things like that.

In terms of how respondents felt about this, many appeared resigned to the lack of a break, but, at the same time, did not give their time willingly. A female Support Worker stated:

You are trying to maybe eat some lunch, but the phones are still going constantly. That really bugs me big time. I think its so important because of the kind of job we

do. It is a really, really stressful job. We work long, unsociable hours and I think for everybody it is really important even if its only half an hour that you are able to take yourself away from it just to recharge your batteries.

Holidays and Sick leave

The other aspects of 'presenteeism' were also evident among respondents. The curtailing of holidays by respondents was rare, and usually took the form of an employee cancelling a TOIL day. A more common phenomenon was employees attending work, while feeling unwell. Two-thirds of respondents admitted that they had done so, compared to only two admitting that they had taken unauthorized absence - 'a sickie'. The reasons for coming to work while sick were generally related to a desire to 'not let the service or their colleagues down'. Only three respondents felt pressure from colleagues/management to attend work while feeling unwell. One was a service manager who reported a degree of 'emotional blackmail' from her staff to attend and deal with their SVQ documentation. In addition, several Support Workers reported how they would often be pressured to come in while feeling unwell by their managers because of sickness among other members of staff.

Taking on extra responsibilities

Another measure of the degree to which respondents were prepared to go the extra mile for Galaxy was through their willingness or otherwise to undertake responsibilities that lay outside their contractual obligations. Overall, only three employees had refused to undertake such responsibilities. The first related to a respondent from the training department who was approached by management to undertake training of clients with learning difficulties. Here, the employee argued that he was unqualified to undertake such work, and felt that his acquiescence to the request would be 'the thin end of the wedge' and he had to make a stand. Another employee refused a specific request to do some outreach work that was not part of her normal role, mainly on the grounds of health and safety.

Overall, where employees were asked to undertake such extra responsibilities they generally willingly acquiesced, especially those at line management and Depute level who saw these requests as a development opportunity. At the same time, some caution needs to be raised when interpreting these responses as several other respondents indicated that management generally

made such requests difficult to refuse because in the last resort they usually couched them in terms of the employee's obligation under the 'any other duties' clause in their employment contracts.

Intentions to quit and the impact of mitigating factors

Galaxy's employee turnover was reportedly around 11% at the time of the fieldwork. The HR Director felt that this, although not ideal, compared favourably with other organizations in care. It was also noticeable that only five respondents revealed definite intentions to quit employment with Galaxy over the next twelve months. These individuals also revealed how their commitment to the goals of Galaxy had declined in recent years, and that they had experienced significant violations to their psychological contracts. Moreover, the source of their violation (s) stemmed from the transactional aspects of their psychological contracts. For example, one employee who had experienced multiple violations concerning the proposals for cutting holiday pay, work intensification, unsocial hours and health and safety issues revealed that she would move to another job in care, but 'think twice before considering the voluntary sector'. Another of these employees was from the training division, who had experienced several years of receiving redundancy notices. This male respondent revealed how:

You know with the funding situation, your kind of feeling of self worth, that you know at the end of a couple of months, I could be out of the door with my P.45 in my pocket. I think that kind of feeling does certainly decrease your motivation and commitment.

The third was the Project Manager who had experienced significant work intensification and burnout. She revealed how she would, if offered, leave the sector to undertake a slightly different career in the area of training. Another revealed the dilemma some individuals may face in the sector. This Support Worker reported how she enjoyed her work with Galaxy and identified with its values, but felt the intensity of work, and relatively poor rewards from sleepovers etc led to her believing that she felt compelled to leave in the near future.

However, the majority of respondents revealed quite high levels of commitment towards Galaxy and an intention to stay, with almost half of respondents reporting that their commitment to the goals and objectives of Galaxy had actually increased in recent years. The

motivations for such increases revealed how it was based on the development of a strong link between their own and the organization's values. Moreover, such orientations were not limited to managerial grades. The following represent quotes from two female Support Workers whose orientations to the organization were very strong and summed up in the following way.

Now I know more about Galaxy, how it works, what its goals, aims and objectives are, and how it's the same kind of values I have inside of me I feel I've got more commitment.

And:

That's the best part about Galaxy, its values and aims and objectives. They are in my heart and it would be very hard for me to leave it.

Similarly, a Depute Manager added

I am committed to their goals and the things that they're doing and the contracts they've won. So obviously Galaxy is going in the right direction.

Further, analysis of the nature of respondents' organizational commitment also revealed how commitment among employees was multi-dimensional, i.e. not only to Galaxy as an employer, but individuals also expressed strong orientations to their immediate work group and team, as well as the clients. This is not to say that these respondents did not suffer aspects of violation to their psychological contracts, or have experience of involuntarily working through breaks, unpaid additional hours etc., but many of them appeared to accept this as part of the nature of working in care, and felt that on balance Galaxy was a good employer that also allowed them to fulfil some of their altruistic goals.

In addition, several respondents at Depute and Project Manager level indicated the influence of militating factors that may ameliorate the impact of violations. For example, one felt that Galaxy could not be blamed for the sometimes-difficult conditions that distort employment conditions and quality of care, and that funding bodies bore the brunt of responsibility. As one Depute put it:

The frustrations are there about having to make compromises and the constraints we have, and I think there is a kind of limit to how much you can compromise. But I feel that Galaxy feels that as well. I get incredibly frustrated at times, but I do feel that is more about funding and things rather than Galaxy as an organization. So sometimes difficult decisions have to be made, and as long as you're providing the best that you can provide I'm comfortable with that. I know its not ideal, but as long as its as good as it could be.

Yet of concern to Galaxy, was how interviews revealed the potential for further violation of psychological contracts among Support Workers if the organization introduced measures to cut unsocial hours payments. Arguably, this could cause considerable problems with turnover or withdrawal of goodwill in the future. Indeed, among the line managers interviewed, although some would have benefited from the aforementioned proposed changes to holidays, there was a sense of relief that the proposals had not gone through. One male line manager stated:

In my particular position, the changes would have benefited me, but for others I think there was a great sense of disappointment because they would have lost some enhanced payments. I had to say no. I think as a manager and experiencing working through conditions of service with people I would have to say no.

Other potential areas of violation, again concerning transactional aspects of the psychological contract, related to work – life balance tensions. For example, several women expressed anxiety over management's drive for flexibility in hours through changing contracts for new members of staff, and trying to impose new working hours on existing employees in other projects. These individuals indicated that an increase in these tensions would lead to decisions to quit. In addition, arguably, the tensions outlined earlier concerning the compromises many employees feel are being made around quality of care delivered to clients and the subsequent dilution of their roles may have its limits and become a further source of violation that increases intentions to quit.

Attitudes to unions

In analyzing the impact of violations to psychological contracts and subsequent attitudes to trade unions, some points are worth raising. Firstly, there was a modicum of hostility to the union among several respondents, who reported this was based past experience of industrial

action in health and social services in the public sector, and doubts about their effectiveness. Secondly, another group of employees admitted that they had never thought about joining, nor ever been approached by the union. However, there was some indication of positive movements in attitudes. The reasons behind these feelings related to the union's role in ensuring management backed down from introducing changes to unsocial hours payments. Responses in some interviews revealed that individuals clearly gave the union credit for preventing these proposals from coming into effect, leading to some quite positive assessments of union effectiveness. Only, a third of respondents were union members, but it was clear that others were keen to join. One Support Worker who was a member stated:

It's a hard job (union representation) what with everything else, but I think on that particular issue they did put a good case for the staff especially females who have to get baby sitters and things to do the extra shifts and pay more money. It was good what they did.

The challenge for the union remained to maintain this position in the face of pressure from management and external funding.

SUMMARY

From the beginning of the fieldwork for this project, Galaxy appeared to be in a relatively strong position within the voluntary sector. Again, the interplay of causal factors outlined in Chapter 6 are significant in determining this. For example, it is a 'provider of choice' in the field of mental health care services, which has experienced a reasonable level of growth both geographically and in terms of income, securing new contracts, some of which were outside its traditional core competencies. In employment terms, analysis of employee and management interviews revealed the existence of a degree of mutuality and reciprocity between Galaxy's employment package and the multi-dimensional psychological contracts of employees. The majority of respondents wanted to remain in employment in Galaxy, with evidence of employees willingly 'going the extra mile' for the organization through willingly undertaking some of the harder aspects of providing twenty four hour care through sleepovers etc. and/or tolerating interrupted lunch breaks, working additional hours voluntarily, and even coming to work when sick.

However, analysis over the period of the fieldwork reveals some tensions emerging. For example, there was a perception of unfairness regarding the level of pay awards given to managers following a benchmarking exercise. Running parallel to this were developments in the quasi-market that were causing downward pressures on other conditions of employment. Direct pressure from the Care Commission was demanding greater flexibility from Galaxy's staff in terms of working hours. The financial implications of this enhanced flexibility from the quasi-market were felt indirectly, i.e. management in Galaxy received no direct pressure to cut unsocial hours payments by funders, but introduced proposals to do so as a consequence of financial implications of moving workers to deliver care during unsocial hours. Again, showing contradictions from the external environment caused by the interplay between causal factors such as the labour market and the institutional environment on pay and conditions.

More direct cost pressures from local authorities had been experienced via efforts to dilute care teams through introducing Support Assistants to projects for the first time. This was an ongoing issue within Galaxy, which appeared to be culminating in a reduction in starting salaries for Support Workers. There were also job and employment security concerns for various grades of staff, because of directly attributable to funding uncertainties from various statutory bodies. To a degree, these pressures have, thus far, been more keenly felt in particular projects and among specific groups of workers, who, in turn, have expressed violation to their psychological contracts and, in some cases, an intention to quit. Arguably, the influence of another of the aforementioned causal factors – collective labour –management relations – has contributed to the organization being able to avoid such pressure. Unfortunately for Galaxy these pressures on employment costs and working conditions appear to be exacerbated by the implementation of recent policy developments and funding streams such as Best Value Reviews and Supporting People. In response, management have revealed, arguably more out of necessity than desire, a continuing determination to pursue some of the above changes to pay and working conditions.

Overall, these findings perhaps reveal that pressures from the quasi-market are unrelenting and compromise the ability of even relatively strong voluntary organizations to maintain full independence of mission and the maintenance of a competitive employment package similar to the public sector. As a consequence, employees face a future of continual pressure on their working conditions. This is further complicated by quite contradictory pressures from the labour market. The ability of the union to continue to resist the worse of these changes is uncertain. If management is able to overcome union resistance to these measures, the

consequences for the continuation of the relatively high levels of goodwill among the majority of the workforce could be serious. Resistance to management proposals could manifest into more individual forms of resistance such as deterioration in the propensity of employees to exhibit organizational citizenship behaviour and a higher likelihood of individuals wanting to quit, or taking sickness absence, therefore undermining the obvious continuing climate of goodwill.

Finally, some indication of a changing climate within Galaxy, and one that may exacerbate the above tensions, became apparent at the end of the fieldwork. During the final visit to provide the HR Director with an overview of the findings, the respondent revealed he was leaving the organization. One of his principal reasons for doing so was the reported change in how senior management was viewing HR. He reported how a new appointment to the post of Director of Care Services had led to him perceiving that HR issues were beginning to be marginalized when key decisions about the renewal or gaining of contracts were being made. It was suggested that the new Director perceived HR to be a background administrative support function, perhaps suggesting a harder less HR focused climate was beginning to emerge within Galaxy.

Chapter 9: Case Study 3 - Universal

Introduction

The purpose of this chapter is to provide an overview of the findings from the third case study organization from this second phase of the fieldwork – Universal. Section 1 begins by exploring the recent history of the organization in terms of its mission, relationship with funding bodies, the impact of various external institutional/isomorphic and cost based pressures on its HR policies and employee relations environment. This will be followed by an outline of the findings from the employee interviews undertaken within this case study organization that explore the nature of psychological contracts within Universal, the nature and causes of violations to those contracts and the impact these have on employee commitment and organizational citizenship behaviour. What this analysis will reveal is that despite operating in recent years from a relatively strong position in the area of children's services, Universal is facing a rapidly changing environment, largely driven by local authority funding partners, which potentially could challenge the high degree of goodwill present amongst its workforce.

Introduction to Universal

Universal is part of a wider UK voluntary organization specializing in the provision of children's services, employing 900 staff in Scotland: two-thirds of which were female. Universal has several divisions covering a range of activities - care, administration, fundraising and retail. The focus of the research was on its care operations in Scotland. Universal offered a wide range of care services to children and young people ranging from fostering, crèche facilities, support for the homeless, children with behavioural problems and or have been excluded from schools, care for those with physical and learning disabilities and young offenders.

As a result, Universal possessed a much greater diversity in its workforce compared to the other case study organizations. For example, it employed people at Project Worker (Support Worker equivalent) level to run certain outreach services into the

community, Housing Officers, Social Workers, Teachers as well as those employed in administrative grades located in individual projects.

The majority of its funding for these services was reportedly from local authorities. At the same time, interviews undertaken in 2002 revealed how Universal had been operating a policy of not undertaking work in partnership with the statutory sector unless it could contribute at least twenty per cent of a project's income from its own resources. According to the Personnel Director, the rationale behind this policy of what management called 'partnership funding' was to provide Universal with some degree of autonomy and input into how services should be run, and it was generally felt that a financial contribution would give the organization a voice at the table.

In addition, during this period management respondents reported how many of the projects funded in conjunction with local authority funding partners had not been subject to competition. Rather, Universal was normally approached by local authorities to submit a funding proposal for particular pieces of work, and then enter into subsequent discussions/negotiations regarding the final allocation of funding.

The basis of this position was based on several inter-related factors. According to management, the first was Universal's reputation at local and national government levels for providing innovation and quality in a range of children's services. This was further sustained by Universal's ongoing dialogue at local and national government level in terms of the future policy developments relating to children's services in Scotland and the UK in general. The second related to a range of ongoing personal contacts between the organization's senior management representatives and those responsible for allocating external funding. In other words, Universal appeared to be on the 'inside track' when it came to specific funding packages, and in a number of cases felt able to turn down work if management felt that the specifications of particular projects compromised the organization's quality standards. The third factor appeared to be related to the relative lack of competitive tendering undertaken by local authorities in recent years in relation to children's services compared with other community services such as provision for vulnerable adults.

Universal's fund raising department also ensured that sufficient funds from voluntary income were available to provide, in some cases, matched funding for partnership projects where needed. This also allowed the organization to establish projects completely independent of any state funding or involvement. Financially, therefore, Universal appeared secure, with turnover during 2003/2004 reportedly at £19m, with a steady expansion of services and projects. This was assisted, according to the Director of Care services, by a significant increase in funding devoted to children's services since the election of the Labour government in 1997. Attention was particularly drawn to the newer funding streams that came with changes to young offenders programmes etc. The interviews also revealed that despite problems associated with falls in the value of the stock market, the organization operated on a comfortable level of reserves (thirteen months).

At the same time, over the conduct of interviews there appeared to be some significant changes to the dynamics of Universal's external environment, which potentially could have far reaching implications for service provision, relations with local funders and internal HR issues within the organization. These are now addressed below.

ENVIRONMENTAL CONTEXT

Institutional/isomorphic pressures and Universal's response

Universal was still subject to many of the isomorphic pressures that impacted on the other case study organizations from the second phase of the fieldwork. Certainly, regulation from the Care Commission and SSSC was seen as a significant influence on the organization's activities. This included the requirement to have their workforce at Project Worker level accredited under the SVQ system and have all project managers put through the Qualified Managers' Award. Other influences from the Care Commission and the SSSC included the need to be seen to be complying with specific requirements around ensuring the registration of people as social workers, undertaking Disclosure checks and ensuring HR policies, particularly the requirements pertaining to discipline and grievance, comply with regulatory standards.

Management's perception of these requirements was generally positive. The Personnel Department had established a series of targets to meet SVQ standards within the required time frame, and Universal was an SVQ assessment centre. In terms of the requirements around HR policies, the Personnel respondent reported how the organization's learning and development unit was rolling out a programme of training to the projects relating to the implications of disciplinary policies.

The only difficulties relating to SVQ accreditation occurred when applying them to specific projects. For example, it was reported that the standards took longer to apply in projects that served particular communities populated by ethnic minorities, reportedly largely because of language difficulties with community based staff. There was also a degree of frustration expressed by all of the senior management respondents from the amount of duplication relating to producing HR policies for the Care Commission and those required by local authorities under APL procedures, but these frustrations were minimal.

Certainly, management at Universal reported no wide scale interference by local authority funding partners in relation to the internal management of projects, e.g. around discipline and dismissal. Local authority representatives were invited to sit on specific selection panels for senior project posts, but their voice was only one of several heard during this process. This lack of interference in such processes was, according to management, attributed to the size of Universal and its relative autonomy compared to other organizations. At the same time, this claim was slightly contradicted by the union official who was interviewed, he claimed how he had experienced in his own project unwanted external interference in the management of staff and the direction of the unit from local authority funders.

External financial and cost based pressures and Universal's response

In rewarding its staff, Universal followed local authority pay and conditions, and this was seen to have served the organization well in terms of recruiting and retaining staff in the past, especially in areas where it has been in direct competition with local authorities. The Finance Director reported how the continuing high levels of voluntary

income and reserves contributed to the organization's ability to maintain this position. However, this commitment to local authority terms and conditions came with the caveat that this would only be so as long as it was affordable, and was subject to review by the organization's senior management. For example, at the time of the second phase of fieldwork senior management announced that it had accepted the first two years of a three year deal agreed by local authorities, but felt that, as yet, it could not guarantee agreeing to the final year pay rise of 2.75% or the retail price index.

There had also been some changes to terms and conditions over the two years of the research. For example, there had been cuts to employee's car user allowances. More significantly, reportedly in response to wider economic and political shifts and subsequent falls in the value of the stock market, management in Universal indicated how it had been forced to introduce changes to the organization's occupational pension scheme. As a consequence, employees were given a choice to maintain their current contributions, but receive lower entitlements than was previously promised; pay the same contributions and retire at a later date; or pay higher contributions and retire at the same time with the original benefits. The implications of this change are raised and discussed in later sections.

In addition to these changes there appeared to be a series of contradictory pressures from the quasi-market that were potentially undermining the continued commitment to paying local authority terms and conditions. The first related to the local authority response to wider labour market pressures in the field of social care, particularly the recruitment crisis in areas such as social work. Here, local authorities were reportedly introducing 'market supplements' as part of their recruitment practices which included salaries above the usual starting grade, and, in some cases, promises to pay off student loans. The Director of Children's services reported how Universal could not match these offers, but added how senior management had recently given HR and specific projects extra discretion and flexibility to introduce supplements in certain posts, or offer starting salaries that were above the normal rate. The respondent reported how the organization was managing to continue to recruit, but competition was intensifying, and the future was uncertain in relation to the make up of reward packages offered for specific roles.

The second set of pressures potentially exerted a downward trajectory on salary scales. The first of these reported by all senior management respondents related to the emergence and intensification over the previous two years of competition in children's services. The Finance Director reported that, although some authorities still approached them to undertake work, others were increasingly beginning to put services out to tender, which represented a big culture change in the field and resembled more closely the dynamics that were familiar to the market for adult services. It was also clear that Best Value reviews, although still rare, were one of the factors beginning to drive this competitive environment. Unfortunately, the emphasis of these reviews was reportedly again on cost issues rather than quality.

Moreover, it was reported that in this environment of greater competition Universal was not as well equipped as some of its competitors in that it did not have dedicated personnel to respond to various calls for tenders from local authorities. As a consequence the Finance Director reported how recently out of a dozen or so bids the organization had only been successful in two. The feedback from local authorities in terms of the reasons for these failures was instructive. On the one hand, Universal's bids were seen as not as 'slick' as some of their competitors, but also more expensive: leading to the Personnel Manager questioning how long it would take this intensification of competition to lead to question marks being raised internally and externally over continued links with local authority scales.

There were also pressures beginning to emerge from Supporting People funding on terms and conditions. In particular, the Personnel Manager reported how the tightness of funding under this initiative meant there was very little scope for the payment of sickness benefits. Supporting People funding reportedly paid projects in return for the delivery of certain specific outputs over a number of hours, and if these outcomes were not provided due to staff absence, then the money was not paid. As a consequence, the funding of sick pay for these members of staff comes out of the organization's wider staff budget.

In response, the Personnel Manager began to question how long this position could be sustained and reported increasing anxieties among senior management over occurrences of sickness within these projects. The respondent reported how in the

medium term, Universal would have to continue to pay sick pay in order to recruit people to undertake this work, but could not guarantee the organization in future years could provide other aspects of the full local authority reward package to employees recruited to fulfil these duties.

Another issue relating to Supporting People related to the skill mix among employees. In particular, the Director of Care Services reported how in some local authority areas there were efforts to provide services that were not staffed by the usual proportion of qualified employees (i.e. those with a social work qualification). Instead, some projects appeared to be over-reliant on unqualified Project Workers as a consequence of funding difficulties in particular geographic areas: suggesting an element of skills dilution in some projects. Overall, senior managers within Universal were looking nervously at developments in England and Wales where pressures on employment costs from cuts in Supporting People, and the closure of services resulting from Best Value reviews were becoming quite common. The fear being that such pressures would intensify in Scotland and lead to similar developments.

Beyond problems from particular funding streams, managers also raised concerns about the broader trends emerging from a greater reliance on local government funding, and Universal's capacity to resist pressure on terms and conditions and retain its general autonomy and independence. The Finance Director reported a significant increase in Universal's dependence on local authority funding of projects to the point where it now represented approximately 80% of the organization's income, with an increase in the number of projects that were fully funded by local authorities.

This brought with it a mix of advantages and disadvantages. The advantage being that with the introduction of the Treasury's principal of 'full-cost recovery' in relations between the voluntary sector and government, Universal was able to build into its bids what it felt were realistic estimates of management costs. However, there were also concerns regarding the degree to which in general terms these newer packages would undermine the organization's independence and capacity to resist pressure on employment costs. In particular, the Director of Care reported how in some cases where projects had 100% local authority funding, Universal had very little voice.

Moreover, doubts were beginning to emerge regarding the benefits of Universal's strategy of making financial contributions to 'partnership projects' and how much real voice it gave the organization in the purchaser – provider relationship. For example, in 2002 the Personnel Manager outlined how despite the financial contribution from Universal to specific projects, some local authorities didn't fully recognize this and operated on the principal of:

'its our initiative, and you are just there to do the work'.

The Finance Director who had some responsibility for overseeing many of the project negotiations shared this perspective. When interviewed in 2004 and asked to comment on the value of this ongoing approach to partnership for Universal, he stated:

There is a marginal benefit in that we can say that if there is an element of the service that isn't doing precisely what the local authority wants us to do then we can say 'that is our bit of funding. But to be honest that is a bit of a marginal argument...on the whole the voluntary funds we put in aren't appreciated as much as the pound value of them.

Finally, the same director also indicated how the links between Universal and agents from local authorities had diminished in recent years as a consequence of the replacement/turnover of key individuals in Social Services departments. According to this respondent, Universal had not been sufficiently rapid enough to foster links with the new appointees of local authority departments, which was reportedly undermining the organization's position on the 'inside track' of funding streams.

Industrial relations climate

At the time of Phase 2 of the field work Universal was undergoing significant changes to its industrial relations environment. During the first phase of fieldwork in 2002, Universal did not recognize a union, although representatives from Unison were often called in to represent members in disciplinary and grievance matters. Union representatives were also allowed to speak to senior directors of Universal twice a year. However, at the time of the second phase of fieldwork this situation had

significantly changed. Specifically, a series of pressures had led to management in Universal signing a 'Partnership Agreement' with Unison.

The reasons behind this move appeared to be two-fold. The first appeared to be in response to institutional pressures. In particular, the HR respondent reported how the employee relations section of the organization's UK HR headquarters indicated that Universal had to respond to the European Directive on Consultation and Information and establish a formal mechanism for communicating with staff. The second reason involved pressure from the few union representatives within Universal who were uncomfortable with the informal presence Unison had within the organization, and were campaigning for formal recognition. At first, it was suggested that a non-union consultative body be established, but this initiative reportedly had little support among staff. The organization therefore balloted staff on whether they wanted a non-union representative body or trade union recognition, and the result was that the latter option was favoured.

As a consequence, a single-union partnership agreement was signed between Universal and Unison. The contents of the agreement made a clear distinction between matters to be negotiated and those that were subject to consultation. In the former case, management and unions were able to negotiate over changes to policies on discipline, grievance, redundancy, quality issues, the introduction of new technology, redundancies, flexible working and maternity. Issues that were subject to consultation were related to pay, holidays, careers and job profiles. At the time of the signing of the agreement, the HR respondent reported how this situation could change in relation to pay if Universal moved away from basing their reward on local authority scales. The agreement also established UK Joint Board to meet twice a year, with similar regional bodies, including one in Scotland, meeting three times a year. There was also a facilities agreement, which allowed for union representatives to address new starts during induction and management allowed Unison access to the internal website to recruit, and use of its internal mail.

In terms of the prospects for union growth within Universal, early signs were mixed. Union membership was traditionally below ten per cent and only strong in the care directorate. However, since recognition was signed membership across the UK has

doubled to over nine hundred (over ten per cent). The union respondent was encouraged by this growth. Moreover, he reported that the recognition deal gave him and the other stewards the support from the union in terms of education and facilities that was not possible before.

The official also claimed there were issues from which the union could build further support. Included in these was a reported degree of discontent because of a perceived lack of status and pay awarded to administrative staff within projects. One of the implications of this being that administrative staff could be recruited on poorer terms and conditions, such as holidays compared to Project Workers. The union official reported how recent years had seen an increase in the degree of responsibility these members of staff had in terms of helping Project Managers with budgeting. As a consequence, the union was intending to campaign for a re-grading exercise for these employees. The official also reported concerns over inconsistencies over issues such as health and safety and tensions between management's efforts to encourage flexible working and family friendly policies.

At the same time, on the negative side, union and management representatives reported ongoing problems recruiting shop stewards. As a consequence, in Scotland, management and unions had been unable to run the first of the Joint Forums. Moreover, the union respondent reported how the existing shop stewards were involved in a steep learning curve to cope with the new demands of the recognition agreement, and that a great deal more professionalism was needed. He also believed that although on the whole most management representatives were positive about the implications of the recognition deal (confirmed by the other management respondents) there were members of management who had extremely negative views about the union recognition deal: one of whom reportedly had a seat on the Joint Forum.

Moreover, the official felt that Universal's traditional culture was not favourable to union membership, and people generally didn't join for fear of 'making waves'. In addition, large sections of the workforce within Universal, i.e. its funding and retail outlets had little tradition of union membership, and therefore represented a problematic arena in which Unison could organize.

Summary

In the past Universal has enjoyed a relatively comfortable position in the care market being on the inside track of funding streams of children's services in the community, supported by high levels of voluntary income. In doing so, Universal has been able to retain the link with local authority terms and conditions to reward its staff. However, Universal appears to now face a changing environment with a reported increase in competition in its services, exacerbated by Best Value and Supporting People initiatives, question marks emerging over their organization's traditional relationship with local authorities, and an emerging union voice influencing management decision-making. It is within the above context that the next sections explore the orientations of workers within Universal.

THE NATURE OF PSYCHOLOGICAL CONTRACTS WITHIN UNIVERSAL

As with the previous two case studies, analysis of psychological contracts within Universal revealed how these were multi-dimensional in nature. In particular, respondents could possess a strong sense of values and commitment to Universal, but also be attracted to its pay and conditions package, have practical reasons, or opportunities for training. Indeed, as with previous case studies some respondents outlined all three areas along the transactional, relational and VSE spectrum.

In unpicking the precise nature of these three broad categories of orientations, transactional aspects such as the competitive pay and conditions were popular, but also in other cases related to matters of geographic convenience. In the former case, several social workers revealed how the option to maintain their local authority pensions and remain on the local authority salary scales provided an attractive incentive. In the latter case, several respondents reported how Universal provided a convenient geographical location which matched their family responsibilities.

Indeed, one respondent recruited from the private finance sector as an administrator reported how she had not specifically wanted to work in the sector, and initially saw her role as 'just another job'. This individual had taken redundancy and was seeking a

new direction, but not necessarily in the voluntary sector, but Universal was recommended by a friend.

There were also quite a large number of employees (12) who revealed that initial impressions were influenced by management from Universal promising future career development in their chosen field, with a Housing Support Worker claiming the organization was:

Always open to any suggestions you have to progress your career.

Another added how she was attracted by:

The range of training and development opportunities such as external training, in house courses or secondments.

However, as with the previous two case studies the majority of respondents consistently indicated that the above factors were also accompanied by an underlying orientation to work in Universal based on what this study has called the VSE. The nature of these orientations is now explored.

The influence of the voluntary sector ethos on psychological contracts in Galaxy

A majority of respondents were attracted to Universal because they felt it offered them a chance to fulfil their vocation without the burden of heavy bureaucracy (11 respondents). This was linked with perceptions among these respondents that work in Universal was seen to be preferential to that of their previous experience in local authorities, particularly the promise of being able to deliver tangible services and outcomes to young people more effectively. One respondent who was originally seconded to Universal from a local authority revealed how she felt children's services work within the statutory sector was much more reactive, as opposed to being proactive in her current post. A sentiment that was shared by a Social Worker who revealed how in contrast to her previous employment in a local authority she felt that:

Although there is a reasonable amount of crisis work you do have time to do planned intervention. You're not forever having to phone up and cancel people due to emergencies and stuff like that. So you feel you are doing more proper social work.

A manager also revealed there was not the focus on resource issues in Universal compared to the situation within the local authority. The implications of this were that there was a greater focus on quality of care. He stated how when employed in a local authority:

I felt that the stress of the job had increased, and no matter how hard I worked, and I did, I grafted each day, there were always more tasks to be done at the end of the day than there were at the beginning. It was always about the tasks that were not done rather than the tasks that were done, and the ethos within the local authority had changed. Here at Universal young people are at the centre of what we do, compared to everything being very much resource driven.

Other elements of the VSE that were popular were identification with Universal's values (10 respondents). For example, a Project Worker who helped run a crèche for children with special needs stated:

It's in my heart, I really enjoy what I do, I get peace of mind.

Another Project Worker similarly stated:

Because its not a business and whatever we do is making a big difference in the life of the disadvantaged and that's specifically what I wanted to do. I never wanted to go into employment where I just earn money. My work is benefiting a lot of people. So that's the biggest reason for me to be in this job and I agree with Universal's values.

For most, these strong orientations were formed through prior orientations to work formed outside of Universal. All but one or two had their highest level of qualification

in the area of social care/social work, and had qualified prior to joining Universal. For others, Universal's roots in the protestant Church also formed a strong attraction, because it matched their religious values and beliefs. One female line manager revealed how joining Universal was:

An opportunity to apply my faith to the community. The opportunity to bring the two together.

A male Project Manager reported how he was previously part of the clergy and admitted that the values of Universal were in a very broad sense similar to that of his own faith.

Others who did not profess to share the organization's traditional faith-based values revealed how their prior orientations were largely formed through a tradition of volunteer activity in a range of community/voluntary organizations in the area of children's services, and therefore saw work in Universal as an opportunity to carry this on (8 respondents). One senior female Social Worker noted:

I did lots of voluntary work, lots of work with young people in home situations with learning disabilities or mental health problems and stuff. So that naturally led me to do the work here.

Moreover, orientations associated with what has been termed the VSE formed the largest proportion of choices identified by respondents as the most important reason for choosing employment within Galaxy.

The transitional nature of the psychological contract was illustrated by the aforementioned individual who had chosen employment in Universal on the recommendation of a friend. It is interesting to highlight the change in attitudes that had occurred since this individual began employment in the organization, highlighting the transformational nature of the psychological contract. Experience with working with young people excluded from mainstream schools appeared to give a completely different perspective on work. She stated:

I wasn't really looking for work in non-profit organizations. I was just really looking for something that I could do that was like administration and secretarial. That's why I came here originally, but definitely when you actually get into a place like this, once you actually realize what Universal do and the different projects that they have, and stuff like that and especially when you meet the boys, it really makes a huge difference.

Management perceptions of psychological contracts within Galaxy

In terms of the degree of reciprocity between management and employees regarding their psychological contracts, there appeared to be a strong desire on behalf of the former for employees to possess the very values that are outlined above. At the same time, this was with the proviso regarding the nature of the work in children's services, which in a lot of cases required very specialist and qualified staff. In this way, Universal maintained clear distinctions between qualified (Social Workers) and unqualified staff (Project Workers), and the subsequent responsibilities and rewards of those employed in these posts. In addition, management in Universal recognized the reality of recruitment in children's services, i.e. that many of their essential staff, such as Social Workers and Teachers, would be unlikely to leave local authority posts if they didn't 'offer competitive salaries and a generous pensions scheme' (HR Manager).

VIOLATIONS TO PSYCHOLOGICAL CONTRACTS WITHIN UNIVERSAL

As in the preceding case studies, there was evidence from the interviews that some employees suffered multiple violations to their psychological contracts across the transactional, relational and VSE spectrum. However, again, for ease of exposition these three sources of violation are dealt with in-depth separately.

Transactional violations

Pay and conditions

General dissatisfaction with pay was rare among front line service workers, with only one or two respondents expressing violation over pay levels. At the same time, a respondent did confirm the claims of the union representative relating to discontent

among administrative grades within Universal. This respondent claimed she had been given responsibility for administering two projects due to absence and organizational restructuring. Her sense of violation touched on a number of issues, which included lack of training and access to other benefits, but more specifically pay and other terms and conditions. Included in this was some frustration concerning the fact that her manager had been given an immediate increment for overseeing an additional project, but she had to fight for nine months to get an equivalent rise. She stated:

I think there is discrimination between the lower grade workers and higher grade workers in terms of pay, holidays and recognition. It's at the discretion of whoever is employing them – the manager. I really like working for Universal as an organization...,but what it does do is make me fight that bit harder to point it out. It isn't fair and people should be rewarded fairly for what they do.

Another source of violation was related to the changes in pension entitlement outlined in the earlier section. This produced mixed feelings among respondents, the majority of whom, although feeling frustrated, appeared resigned to a cut in entitlements etc., and blamed it on external forces (e.g. changes in the stock market) that were beyond the control of the organization. Indeed, some even shared the views of the union representative that Universal and generally handled the communication and consultation process over the changes quite well. One female respondent stated:

I don't know what they could have done not to do this. They must have tried. I'm glad Universal made us aware of this issue. It's not just happening with Universal, it's a global thing. Because Universal was speaking with us all of the time, and they just didn't decide that's a good thing.

However, others felt deeply aggrieved by the changes. For example, one Project Manager complained about previously being persuaded to transfer his former local authority pension into the Universal scheme, and had subsequently significantly lost out. He stated:

When I joined, I transferred all my local authority pension over and they then said 'why did you do that?', you know. This is from the people in charge of the pension. I saw it was an option and assumed that because it was an option it was an ok one. So don't tell me I'm an idiot now. So I was cheesed off about that. They could have handled that better I think.

In addition, an administrator expressed a degree of anger relating to having to continue to pay into something which may decline in value even further. A female Social Worker summed up the feelings of this group of employees by stating:

Who wants to work longer? Its two extra years that probably I'd rather not be working.

In terms of management's awareness and reaction to these issues, the response was mixed. The HR Director recognized that the changes to pension contributions had been difficult, but unavoidable. Furthermore, the organization was committed to not going back to the old contributions scale even if the situation in the pension fund improved, so there was no chance of a reversal of this policy.

Management respondents at the time of the interviews did not acknowledge the issue of administrative grades and their pay. Rather senior management respondents indicated another potential area of tension over pay and conditions. This related to the recognition and status of so called 'qualified' and 'unqualified' staff. Qualified in this sense related to whether or not individuals possessed a social work qualification. Here, the HR respondent and Director of Children's Services outlined how certain appointees who did not possess a specific social work qualification, despite having wide experience, expertise as well as other post-graduate qualifications were employed and rewarded at a lower grade on the salary scales. This reportedly caused ongoing tensions, especially when the availability to acquire the necessary qualifications was not available in the organization. However, the only acknowledgement of this tension in the employee interviews was through a manager in charge of a project which required someone who was fluent in Indian dialects. She claimed that due to the exceptional nature of her skills, she was given the opportunity

and financial support to up-skill to a social work qualification, but acknowledged that she had been lucky to secure such support in Universal.

Violations resulting from intensification of the work – effort bargain

There were some concerns raised regarding the intensity of work within Universal. Three quarters of respondents indicated how the volume of work had increased in recent years, and the same proportion reported an increase in responsibility. In addition, two-thirds reported an increase in the pace work. Again, some staff did not see this increase in work as a particular problem, but just less than three quarters of respondents revealed they had experienced periods of work-related stress and anxiety. This intensification of work manifested itself in a number of ways, and among all grades of staff interviewed. Moreover, the link with external funding arrangements was apparent.

For example, external budgetary cuts and subsequent organizational restructuring meant that two of the project managers interviewed had aspects of their workload doubled in response to taking on the management responsibilities in other projects, because new budgets could not support a manager for each unit. In return, these respondents, after reportedly some debate with senior management representatives, received an additional increment on the salary scale. However, the stress and fatigue this caused for one of these respondents, and the sense of violation and burnout was significant. This respondent reported how her workload was considerably increased, with little support from the senior managers. She stated:

From managing one service when I started, I now manage three, and the demands from on high seem to be more... You're just expected to do more and more and more. We were re-graded at one point, but it gets to the point that you can't actually do the job because it's just too big. You can't do it properly...there's no feeling that you're a person anymore. It's a bit like being a machine. It made me ill. I got manic in the end, not making sense, because that is what it does to you, you just go faster and faster and faster and faster.

Moreover, the impact of this intensification of management work was also felt at the level of administrator, with one respondent at this grade reporting a significant increase in her workload resulting from her manager taking on other responsibilities. However, the respondent found it much more difficult to persuade the organization to pay her an extra increment. In addition to these incidents, the intensification of work within Universal produced other sources of violation, which are outlined below.

Intensification and work – life balance

There were incidents of violation, which were connected with work – life balance issues when covering twenty four hour services. For example, a Social Worker revealed how her role involved visits to families during unsocial hours, which was beginning to cause tensions in relation to maintaining a relationship with her family. The most acute example of tensions around work – life balance issues related to a Project Manager. Here, the manager explained how over a period of years she had run her project on the basis of job-sharing to fit in with her domestic situation. After a period of three years her job-sharing partner resigned, and the organization could not find an alternative partner. The manager was left with the option of either returning full-time, or to be made redundant. The respondent claimed that Universal did not actively pursue the option of continuing to job share her post, and argued that senior management in the organization did not favour such flexible arrangements at her level because of the complexity and intensity of the work involved.

Other causes of violation linked to work intensification and work – life balance were centred around the organization's efforts to cover unsocial hours. Universal, like the other case study organizations used the practices of sleepovers and on-call as a way of avoiding the costs of waking night cover to ensure twenty-four hour services were adequately staffed. The practice of undertaking on-call responsibilities was causing problems for several Project Workers. These individuals resented many aspects of this role, especially the work – life balance issues and intensity of work that could be involved. For example a male Project Worker stated:

I feel ideally we wouldn't do on-call. I wouldn't do it anyway. You have to be no more than half an hour from the project. Two months ago we were out every night.

His female colleague added:

I was on call all this weekend, and I find that stint from Friday evening until Monday morning quite draining, because although I got only one or two phone calls you are aware that you've got to carry this phone around. You could be doing something and you might get interrupted or whatever, so you don't really feel as though the time is your own. You don't feel as though you're properly switched off. Its hard enough anyway in this line of work to finish and come home and have a sense of having left it, but when you've got the on-call phone with you, you don't really switch off during that period.

Indeed, one Project Manager revealed that because of staff shortages and maternity leave etc. that she had been on-call every weekend for two years, and even admitted to taking the phone with her on holiday. In terms of management's response to these issues, on-call would remain a part of the organization's approach to covering twenty-four hour services. It also appeared that any tensions around work – life balance issues were largely left for Project Managers to resolve. The HR Manager confirmed this who stated how decisions regarding family friendly issues and operational matters were:

Ultimately with the service manager who can say 'no' because it doesn't fit in with the business.

Health and safety concerns

As previously mentioned the issue of health and safety is one which is linked to the transactional aspect of the psychological contract given that it touches on basic security issues in the employment relationship. Moreover, it also links in with the general scarcity of resources and intensity of work within the sector, which is characterized by lone working. Overall, just over half of respondents reported an increase in the degree to which they felt anxious about their own personal health and safety at work. In addition, a number of these respondents expressed violation with regard to health and safety concerns. The first case related to incidents reported by three respondents across two projects, and reflected what the union representative

pointed out was a degree of inconsistency in the approach of Universal to lone working, in particular the issuing of mobile phones and the recording and logging of visits into client homes in the community. Here, one Social Worker pointed out how she had suffered quite a serious assault as a consequence of breaking up a fight when visiting a client. The worker pointed out how the project did not have any particular approach to recording visits beyond 'having initials chalked on the board'. It was also the case that she had received no guidance on how to handle violent situations and aggressive behaviour. She stated:

You're kind of expected to get on with it. You're basically putting yourself at risk any time you go into a house really. I mean with some you are not worried, but others where certainly you know the risks are potentially higher. It very much depends on your manager and how they view things.

In another project, and in a different vein to those concerns related to lone working, an employee expressed concerns regarding the safety of the office she worked in. In particular, the project's policy of allowing clients relatively free access into the building. She explained her discomfort with situation in the following terms:

It's the sort of boundary issues here. The way the office space is used. Sometimes we do have young people in maybe with alcohol problems who might have been drinking a lot during the day. Its been quite difficult to manage the office space. I don't feel that we should be overly authoritarian about it, but I feel its in everyone's interest – young people and the staff, and in the project's interest, if there were reasonable safe and secure boundaries there for everyone. I feel that they're a bit lacking and it may affect security sometimes. Its not particularly physical aggression, but it can be verbal.

In terms of Universal's reaction to these incidents, this varied. The first employee who was assaulted outlined how her experience was the catalyst for change in her project, which led to the introduction of a more rigorous system of logging in and out for those visiting clients. The second respondent who was disturbed by the openness of her office space to clients reported how training was made available to employees to deal with such behaviour. Indeed, the interview room was covered with posters and

flipcharts outlining prescribed responses to aggressive behaviour. Yet, the respondent treated these training schemes with some scepticism by stating:

We have training in things like therapeutic crisis intervention and these nice theoretical ways of handling things, but I am not sure how practically they equip you.

Moreover, this respondent's desire for more security was in direct contrast to her manager's view who felt that the project should be open to clients, and have as few boundaries between them and staff as possible.

In terms of senior management's response, there was some awareness that health and safety issues were of concern to some employees. The HR Manager stated that analysis of exit interviews showed how:

Every now and then people work in a service and they don't realize how really, really difficult the young people are and leave because they can't cope with the levels of abuse and aggression, so we are trying to make people more aware before they decide to join.

At the same time, the HR manager did report how she felt that one of the benefits from union recognition would be a closer working relationship over issues such as health and safety, a sentiment that was shared by the union official. Therefore, arguably some of these issues may, in the future, under the partnership agreement, come to the attention of joint union – management structures and be resolved.

Job insecurity

Around half of respondents reported an increase in their concerns relating to their security/tenure at work. In 2002, the HR Manager had reported how, in the past, threats to job security because of short-term funding had not led to huge numbers of employees wanting leave, even when they were in some cases issued with precautionary redundancy notices. However, during 2004 threats to the job security of some of the respondents in this study revealed very mixed results. Two of the projects that were included in the study in particular were subject to fears around job loss and

also anxiety over the threat of a significant and unwanted change to job roles as a consequence of funding changes. The latter of these two causes of anxiety are dealt with in the following section because they also relate to challenges and violations to what has been called the VSE. So in this section, the focus will be on the threat of redundancy and the impact on respondents' psychological contracts.

In each of these projects, respondents expressed anxiety with regard to changes in funding priorities from local authorities. The first of these projects was a 'partnership project' part funded by Universal and local authorities, the second were wholly funded by local authority. In the former case, the proportion of funding allocated by the local authority had reportedly increased in recent years. At the same time, despite reportedly receiving consistently positive reports and inspections regarding the value of their services, each of the projects were now subject to a fundamental reappraisal by local authority funders.

For example, the 'partnership project' was responsible for outreach services to children and their families in the community. At the time of the interviews it had approximately six months funding left, with a great deal of uncertainty regarding whether it would be renewed. The basis of this uncertainty, according to the Project Manager, was the local authority's desire to make changes to the case load within the project: changes that would effectively intensify the workload. The male manager stated:

That is the way it is with local authorities to some degree, something works well and they think they can replicate it for less money.

At the same time, the uncertainty over the direction of negotiations and the future of the project were causing the manager and others that were interviewed a significant amount of stress. This was related to a feeling of powerlessness in the face of negotiations regarding their job security occurring between the local authorities and senior management of Universal. The manager summed this up by stating:

The anxiety and stress are related to our position within the local authority and our partnership arrangements, whether we will exist as a team in doing what

we do or whether we will exist as a team doing something different, or whether we will exist as a team at all. When you are still unclear as to the funding arrangements two months after the funding was due to be in place, then that creates tension because people are anxious, the team are anxious about it.

The second project was also in a precarious position. The Project Manager revealed how the service had been in existence for about ten years, but year without of notice the local authority informed Universal that funding would not continue. This reportedly led to a mixture of feelings. The Project Manager herself was ambivalent arguing that her social work qualification would mean she could find an alternative post. However, an administrator was far more concerned about the likelihood of securing similar employment and was hopeful that the alternative service that the local authority was looking to fund would be secured by Universal, and she could retain her employment. Another originally seconded from a local authority, was experiencing deep anxiety regarding the possibility of having to return to the statutory sector.

In response, the HR Manager over the course of the two interviews between 2002 – 2004 revealed a number of projects that had undergone similar reappraisal, where employees had actually been issued with precautionary redundancy notices and that these incidents had been settled without people losing their jobs. However, as will be seen in the next section employee concerns around local authorities reappraising services did not solely relate to job security.

Violations to the VSE

There were several examples of employees experiencing violations to their VSE. In line with findings from the other case studies, it was the case that violations to individual psychological contracts were not sealed within the labels of transactional, relational and VSE, but were related. For example, the first of the VSE violations was connected to the developments outlined in the previous section. In particular, several respondents from the ‘partnership project’ were angry over the local authority’s efforts to change the nature of the service they provided. This is clearly linked to the

form of insecurity at work that encompasses unwanted changes to an individual's job content. At the same time, these proposed changes were not only impacting on job roles and the intensity of work, but also the values of some respondents. The comments from a Social Worker best illustrate the strength of feeling behind this issue. She stated:

All the team are probably in agreement with this that we feel we should work with less children in order to give a more intensive service, but the way things are going we are going to be working with more children, and I've got issues with that because I think then we become far too deskilled. Its outside expectations, rather than Universal. I get quite angry about that, and I would want them to protect the work that we do.

When responding to the ongoing negotiations on funding she added:

I think the funding issue is going to be resolved, but I'm not prepared to have worked this hard and to be told that's all very well but we need you to do this now and completely flatten all the good stuff we do. I would get very, very angry about that. I don't want funding at a price. If they want to fund us I want them to fund us because we are really good at what we do.

A slightly different cause for concern came from other respondents related to broader fears regarding with the direction of Universal. Several questioned what they saw as Universal's move to gain statutory funding without any strategic plan. These individuals questioned the degree to which Universal could retain its values when building a closer association with local authorities through a 'dash for growth'.

Senior management was aware of some of these issues. As previously mentioned debates were ongoing within these circles regarding the implications of funding from local authorities. As a consequence, Universal had placed a cap on growth of 5% per annum in the last financial year. According to the Finance Director this was a response to a common held perception that growth had accelerated at a rapid pace in recent years, but within a limited strategic framework, and without adequate

consideration regarding the implications of a closer financial relationship with the state.

Relational violations

Reported violations over relational issues were rare, with only three respondents indicating any dissatisfaction. In these cases, it was of interest that a direct link was, again, made with the intensification of work within individual projects and how this limited the respondents' ability to attend specific training. One respondent commented:

It takes time out of work that has to be agreed with your manager and your case load has to be managed while you are not there. I think there's always that element that if you're off doing a longer term course then your basic day to day job doesn't get picked up, and it puts stresses on your colleagues.

In addition, there were claims that access to training was limited because Universal didn't have adequate funding and had to prioritize certain areas of staff development to the detriment of others. For example, a social worker reported how her desire to receive some training to establish therapeutic work with vulnerable families was refused, and felt it was a consequence of Universal's need to develop training in areas that were more of a priority to funders.

In the light of the above, the next section explores the extent to which the violations to the psychological contracts of employees working within Universal have impacted on organizational citizenship behaviour in the context of management's efforts to ameliorate the effects of discontent.

IMPACT ON EMPLOYEE ORIENTATIONS AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR

There were strong indications of OCB being exhibited with all respondents reporting they willingly undertook responsibilities that went beyond their contracted responsibilities. However, as with the previous case studies, a closer exploration of the characteristics of 'presenteeism' reveals a less clearer picture.

Working additional hours unpaid and working through breaks

In response to the issue of working additional hours unpaid, the interviews revealed a mixed picture regarding the exercise of OCB. Just over half of respondents (nine) indicated that they freely undertook work over and above their contracted hours on an unpaid basis, without claiming TOIL. The basis for this behaviour was largely centred on a strong commitment to the values of Universal and its service users. Typical of the comments from these respondents was from a female Project Manager who stated:

I think it's because I love what I do. I do like my job and also when you work with children you don't care about hours. They need help and support and you have to be there. If you don't have that kind of commitment it would be a very difficult job to do.

A female Project Worker added:

Its not Universal saying 'this is your job and you have to fit it in regardless of how many hours you work'. It's not like that. It's a bit like when you are working with clients and you've got relationships with them and they're in crisis it's very difficult to turn your back on them.

However, while all employees expressed quite high levels of commitment to the client group, the remaining employees expressed slightly different views with regard to working over. For example, some felt that working over without claiming TOIL was not the kind of working pattern they wanted to pursue despite their strong orientation to services. They preferred to retain a work - life balance, and were also aware of the health implications of working excessive hours. As one female Support Worker reported:

I value my own time and space...I think if I just up and up my work hours without actually taking some of that time back my stress levels are also likely to increase.

A female Project Manager stated:

I try to organize my time so that I've a life. I don't believe in work being the most important thing in your life. I think it's important that you're committed to it but I don't think it should be the be all and end all.

Another female Project Worker added:

I think just because the job is so demanding and challenging and its hard enough to maintain a work – life balance, I have no burning desire to go and continually work beyond that.

At the same time, others suggested that this need to retain a sense of work – life balance was difficult because of a reported long hours culture, which was driven as much by the intensity of work as a desire to undertake extra responsibilities such as working over. One Project Manager reported how recently she had become 'quite disciplined' in taking TOIL in the face of what she felt was a long hours culture, but felt that her attitude was very much against the grain in Universal. She stated:

There are unspoken pressures to do work over if you've got deadlines and stuff, and you get people boasting about how many hours they work. It's the culture of the organization.

Around half of respondents reported that they regularly took a break for lunch. Of those that didn't, again, there was evidence that this was due to pressure of work. Indeed, interviews with several Project Workers revealed that the inability to take a lunch break was almost frowned upon by management. As a consequence, one female Project Worker commented:

It's really strange. I can nip to the shop and get myself a sandwich, come back here, but you eat your lunch in the office and if young people come in you still are dealing with them while you're eating your lunch. I don't fully understand it really. If I wanted to do something like spend half an hour to go to the bank then I'd need to check it through the manager. It's difficult to know how to

approach it because they can't stop you from having breaks, it's a legal obligation, but it's just a bit foggy.

Indeed, one of her colleagues reported how:

Managers have a big problem with us disappearing off every time we get sandwich.

Again, the Project Manager who argued that Universal had a long hours culture stated that she believed how this ignoring/discouraging the taking of lunch breaks was part of that phenomenon, and that senior managers would not address it.

Holidays and sick leave

Despite a reported absence rate of 9%, an analysis of respondents' attitudes to sickness reveals other dimensions of 'presenteeism' within Universal, with the majority interviewees (two-thirds) revealing that they had on occasion come into work when they were feeling unwell, i.e. with minor colds etc. In contrast, only one respondent admitted to taking sick leave while not feeling unwell. The reasons behind this behaviour were related partly to exhibiting OCB. For example, a Social Worker reported how her recent good attendance record was largely down to the commitment she felt to service users. Similarly, a Project Manager noted how she had attended a training session despite having a heavy cold. Her reason for this was as follows:

If I hadn't gone, we wouldn't get our money back. People pay you for children and it will be a sin to misuse it. That is why you do it. When you feel ill, you go on and make sure that everything you spend is not misused.

However, it was noticeable that this reluctance to take sick leave was also a response to the intense working environment, with many of these respondents resigned to the fact that absence would mean work would simply pile up, and some individuals argued that they would become more anxious sitting at home thinking about the volume of work they faced on their return. Further, one respondent, a Project Manager, had recently been coming into work while unwell because her attendance was being monitored by her manager. In addition, some other respondents didn't

specifically identify loyalty to the service as a reason for working over while feeling unwell. Rather, it was down to their traditional work ethic that had been with them from childhood.

Finally, in this section, the cancelling of holidays was rare, with only two respondents reporting doing this. Again, this was related to their desire to be responsive to clients' needs. In addition, several other responses admitted to coming into work for several hours at the end of their period of annual leave to catch up or reading e-mails at home. However, again the reasons for doing this were mixed. On the one hand, there were claims of loyalty to service provision, but on the other the same respondents stated that it was also an attempt to prevent too much work piling up on their return from leave.

Intentions to quit

The HR Manager reported that turnover within Universal was approximately 19%, but doubted the accuracy of the figures given they also included temporary staff coming to the end of contracts. Overall, analysis of employee intentions to quit produced some mixed results, with six respondents revealing they were looking for alternative work and a further two actively considering it. In terms of the reasons for quitting, again, transactional factors were significant. For example, a Project Worker revealed how her reasons for wanting to leave related to her experience of multiple violations relating to pay, health and safety and work – life balance. This led to a complete sense of disillusionment with Universal and the sector in general. She stated:

Well I have had the opportunity to go to university like everybody else and you get frustrated when you see people who you know go into industry and commerce, finance, etc, who are able to do things and are not saddled by debt or struggle financially like I do. Its even more frustrating when the much talked about rewards from working in the sector don't actually occur or not for a long time. It would be nice to have the many things to do that I want to do outside of work, but the pay is so poor. Its not Universal's fault it's what they get paid for by the council. Society doesn't care.

A Project Manager revealed how the intensity of work and perceptions of burnout in recent years, and the direction in which Universal was going in terms of its values had persuaded her to seek alternative employment. A Project Worker and Social Worker were actively seeking alternative employment due to job insecurity in one of the two projects vulnerable to funding changes. In addition, another Project Manager had decided to leave because of the unavailability of job share.

At the same time, reasons for quitting were not solely related to transactional factors. Among those that were considering leaving, it was noticeable that one of these was the Social Worker who reported a strong violation to her VSE because of the local authority's change in funding priorities, and its implications for the services she was responsible for.

This did not imply that the above individuals were totally disillusioned with Universal and its aims. They all appeared to retain a high degree of commitment, but this was largely focused on the project and client group, rather than Universal itself. As the Project Manager who had experienced an intensity of work explained when describing her morale stated:

Its zero at the moment, but like a lot of people, if I immerse myself in the services I get job satisfaction, but as far as the organization is concerned I would currently have to say zero satisfaction with working with Universal.

Indeed for those employees that were only considering leaving, as in the other case studies, they were to a degree holding back from actively looking for alternative work because of their commitment to their particular project.

On the positive side, the remaining employees revealed significant continuing commitment to Universal, as well as their projects, with reports of such orientations growing stronger in recent years. The factors contributing to this continuing commitment were an ongoing identification not only with the operational goals of their immediate project, but also a close affinity with the overall values of Universal. One male Project Worker described Universal as:

The kind of place where we try to be creative about a young person presenting a particular problem. That we'll try and come up with solutions that are meaningful for them, rather than saying no we can't do that. We try to be innovative rather than shutting the door in people's faces. Basically giving them the message that no problem is too difficult. That is the message they get from Universal.

A male former local authority employee similarly stated:

I've always had a very, very high commitment to work towards Universal's practices and policies. I was never aware of the council having a kind of up-front set of values, whereas Universal has, its much high up on the agenda, open and transparent.

Similarly, a Project Manager spoke of how the values of Universal were transparent and cascaded down to the projects with the help of senior management, and that the organization was serious about involving young people in the running of the projects. In addition, the administrator who revealed some discontent with her reward package argued that she would rather stay and fight for better terms and conditions than forfeit the job satisfaction she received within Universal.

In addition for some respondents, the impact of some of the transactional factors that may have caused violations appeared to have been ameliorated by management interventions. For example, in relation to the pension issue, as well as an acceptance that Universal could have done very little about it because of external factors, there was some appreciation that the consultation had been handled well.

Attitudes to the union

There was no real basis on which respondents could assess the effectiveness of the union given that they had only marginal involvement in some of the areas that had been subject to change and were potentially of collective interest to the workforce. Yet, on the whole, attitudes to the union recognition deal were generally positive, with a number of individuals actively considering joining, or they had already joined as a consequence of the recognition deal. Indeed, one respondent, revealed how she had

been given quite considerable support by the union during a difficult period in her employment in Universal. There were only two respondents who revealed wholly negative attitudes. One of these was a Project Manager who, again, revealed his previous dealings with unions in a local authority had tainted his perception of the value of union recognition.

Summary

Over the years, Universal has enjoyed a relatively secure position in the quasi-market. Again, this was down to the influence of specific causal factors. For example, Universal has benefited from the type of product market/service its operations are located in, - the children's services sector. This has been subject to a large increase in public funding, as well as growth in alternative sources of income. Therefore, its relationships with local authorities have characterized by financial security, close working relationships, but with a degree of autonomy. This autonomy has been built upon 'partnerships' with local authorities based on shared funding of joint ventures, and continued complete financial independence in some projects. Therefore, relations appeared to be characterized by interdependency, rather than dependency.

In terms of employee relations this financial security has allowed it to retain its link with local authority terms and conditions, thus maintaining its competitiveness in a tight labour market. Furthermore, it appears to have been able to recruit a workforce that largely shares and identifies with its values. At the same time, this has not made Universal completely immune from some of the problems experienced with worker morale highlighted in the other case studies. Employees have experienced cuts in some of their terms and conditions, including pension entitlement, work intensification, risks to health and safety and job insecurity. These problems emerged largely due to the rigors of the quasi-market, as well as broader economic conditions and changes to the stock market. These transactional factors, in turn, appeared to be the most likely influence on an employee's desire to quit.

In addition, there are a number of clouds on the horizon, which are linked to Universal's changing relationship with local authority funding partners. It was clear that the strong identification with Universal's values evident among respondents could be undermined by changes in the priorities of external funders. In one project in

particular, despite being a 'partnership' changes being proposed by local authorities were seriously challenging the continued loyalty of highly committed staff. This, in turn, gives support to senior management's concerns that Universal's policy of 'partnership' funding was not always guaranteeing an equal voice at the negotiating table with local authorities. It also highlights the dangers of further increased resource dependency with state funding partners.

Furthermore, another causal factor, i.e. increasing competition in the area of children's services and tighter funding streams (i.e. Best Value and Supporting People) have led to management beginning to question the sustainability of retaining the link with local authority scales. This is of some concern for although issues of pay were currently not a key source of discontent among the workforce, in the future if commitment by Universal to rewarding their staff via local authority scales was undermined then this could be problematic. This would especially be the case if the union was not in a position to resist such a change, and/or negotiate a competitive wage. In such circumstances, and in a continuing tight labour market with severe competition from local authorities and other voluntary organizations for staff, Universal could see an increase in more individual forms of resistance and discontent such as absenteeism and quitting leading to strains on services and the relatively large degree of loyalty and goodwill of remaining staff in the face of intensified work for diminishing financial and altruistic returns.

Chapter 10: Discussion and Conclusion

INTRODUCTION

The core aims of this thesis were to uncover the impact of the changing voluntary sector – state relationship on HR and employment relations policies and subsequent implications for worker orientations and commitment in voluntary organizations in the UK. This research was carried out in the context of a low level of knowledge regarding employment issues in the voluntary sector in the UK. Two phases of fieldwork were undertaken, which were informed by two separate conceptual frameworks. It is in the light of these frameworks and the subsequent research questions that the following chapter presents a discussion and conclusion to this thesis. This will begin by outlining a summary of the distinctive contribution of the thesis. This will be followed by a more in-depth review of this contribution by an analysis of the findings in the context of the core research questions and reflecting on how these findings confirm or detract from established literature, and indeed whether the conceptual frameworks were sufficiently robust to capture the complexity inherent in the state – voluntary sector relationship and subsequent changes to HR and employee relations policies, worker orientations and commitment. It will then present a section relating to the implications of these findings for the management of human resources in the voluntary sector, especially employee commitment in the context of the existing contract culture. Finally, there will be a section that reflects on some future areas of research in the light of the results and limitations of this thesis.

THE DISTINCTIVE CONTRIBUTION OF THE THESIS

In summarizing the distinctive contribution of this thesis to existing knowledge, the following points are emphasized. Drawing on a unique combination of theoretical resources, the first phase of the fieldwork provides the most systematic analysis in the UK literature of the state voluntary sector relationship and its impact on HR policies, practice and the organization of work. Specifically, the institutional, labour process and inter-organizational relationship literatures are utilized to add greater depth to our understanding of the different dimensions of the voluntary sector state relationship, and its impact on employment.

The institutional analysis moved our understanding of the impact of coercive isomorphic pressure on HR policies in the voluntary sector. In particular, while it confirms an integration of many of the values from state sponsored benchmarks pertaining to HR policies and the delivery of care within the sector as a consequence of intensifying coercive isomorphic pressure, the thesis also reveals complexity and contradiction between these influences from different levels of the state. This suggests tensions in the state's agenda for the sector that are played out in the employment arena, which are met either by elements of resistance and/or efforts to resolve such contradictions from within voluntary organizations.

A scrutiny of changes to the voluntary sector labour process revealed an influence on working conditions in the sector beyond a steady erosion of pay comparability with the public sector. In particular, it revealed how local authority pressure on the sector can impact on the intensity of work, working time and skill mixes, and so threaten the independence over the labour process voluntary organizations have as employers. Moreover, this pressure on the labour process from state bodies is exerted in a variety of direct and indirect means.

The utilization of the inter-organizational relationship literature expanded our knowledge by providing further insights into the dynamics behind state – voluntary sector relations in the employment sphere. In particular, it revealed how a variety of inter-organizational relations and causal factors interlink to help shape different outcomes in the employment relationship in the voluntary sector. In doing so, this aspect of the study further deepens our understanding of the sector by reporting how employment outcomes in the sector are not simply passive responses to state influence, and why this occurs.

Phase 2 of the thesis also provided a number of distinctive inter-related contributions to existing knowledge. The first is that it moves the literature forward in relation to the nature of the employment relationship in the voluntary sector. In particular, while acknowledging the centrality of strong values among the workforce in determining people's orientations, the thesis reveals how the employment relationship in the sector to varying degrees is shaped by factors familiar to other sectors, such as levels of

reward, practicality, provision of training etc: suggesting, perhaps, fewer differences in worker orientations between sectors than was assumed in earlier voluntary sector literature (see Paton and Cornforth, 1992).

Secondly, this phase of the findings provides the most thorough analysis in the UK of the link between the wider context of voluntary sector state relationships and its impact on levels of pay and changes to the labour process and how this can have direct implications to employee orientations in the sector. In particular, the responsibility of this wider context for violations in employees' transactional psychological contracts and subsequent decline in commitment.

Thirdly, in coming to this broader understanding of the employment relationship in the sector, the thesis also contributes to ongoing wider efforts to develop existing formulations to the psychological contract, in particular, the acknowledgement of the need to incorporate orientations to work outside of the relational – transactional spectrum that were formed outside the immediate workplace (see Taylor and Techleab, 2004), which – for the purposes of this thesis are labelled the VSE. Moreover, an acknowledgement of the existence of such value-based orientations helped the thesis contribute to broader efforts to widen existing formulations to the concept of violation of the psychological contract (see Thompson and Bunderson, 2003). In addition, linked to this is the greater depth of understanding the thesis provides relating to the outcomes from value-based violations to the psychological contract.

In addition, as with other studies (see Alatrasta and Arrowsmith, 2004) it recognizes how the foci of commitment among workers, i.e. to a specific project/team can override dissatisfaction with the wider organization and encourage people to stay. However, what this thesis adds is that this foci of commitment is itself fragile, in the sense that it can be overwhelmed by the unrelenting pressure from the quasi-market which further increases the possibility of violations to employees' transactional aspects to the psychological contract or their VSE.

The final contribution is that, although it was not the central focus of the thesis, many of the findings from this aspect of the study are gendered in that the pressures and

detrimental impacts on pay and conditions, income inequality, work effort, work-life balance and skills fall disproportionately on women. Moreover, it raises prospects for future research examining the specific gender dimensions to growing income inequality and the possible implications arising from the development of a division of skills in parts of the sector on the basis of an 'hour-glass' economy.

The next section provides a more detailed overview of these contributions in the context of existing literature.

REFLECTIONS ON THE OUTCOMES FROM PHASE 1 OF THE FIELDWORK

The literature outlined in Chapter 2 of this study, revealed that over the last twenty years the voluntary sector has enjoyed a significant increase in its profile, as a consequence of the growth of the contract culture under successive Labour and Conservative governments (Kendall, 2004). This has led to a significant increase in the sector's role in delivering social services, a rise in income from the public sector and rapid growth in its workforce (Wilding, et al 2004).

Yet arguably, in employee relations terms this increased profile has come with a price, specifically increased control by public sector regulatory and funding bodies over areas of HR policy, pay and the organization of work. To evaluate the influence of public funding and regulatory bodies fully, Chapter 3 constructed a research framework and questions influenced by institutional and labour process theories and aspects of the inter-organizational relations literature, to explore the nature of the developing relationship between the state and voluntary sector and its impact on HR and employee relations. Each of these theoretical perspectives was utilized to explore very different aspects of the purchaser –provider relationship, and its influence on employment. The following represents a discussion of the success of that framework in capturing the influence of the state on HR and employment relations policies.

What is the influence of isomorphic pressures from various state regulatory and funding bodies on the HR policies and practices of employers in the voluntary sector?

In utilizing DiMaggio and Powell's (1983) institutional mimetic, coercive and normative framework, the analysis in Chapter 6 outlined how the institutional environment of the quasi-market had considerable influence in shaping HR policy and practice in the voluntary sector. Moreover, it was clear that this was an intensifying area of activity with regard to the state's influence on the voluntary sector employment relationship. Specifically, it was found that the institutional environment produced a diverse and sometimes contradictory stream of regulatory and legislative pressures from a variety of statutory bodies on HR policies in the sector. This confirmed how similar to other studies, the voluntary sector is particularly susceptible to coercive state isomorphic control, especially when seeking to be seen to be legitimate in the eyes of state sponsors (Singh, et al 1986 and 1991; Osborne, 1998).

For example, at the meta-level, it was clear that the isomorphic pressures from the Care Commission, and Disclosure regulations were of particular significance, especially in the case of the former where the need to accredit a proportion of the workforce with SVQ 2 qualifications was most significant. This mirrors other studies in the sector that have found that the most influential piece of legislation on HR policies facing employers has been those from the Care Commission (IDS, 2005). At the same time, this study also highlighted how other areas of policy were significantly affected such as discipline, grievance and recruitment. Moreover, the study revealed some evidence of influences from the broad area of employment law specifically family friendly legislation and the European Directive on information and consultation.

At the macro-level isomorphic pressures from local authorities were also exerting influence over the content of HR policies such as discipline, grievance and recruitment. Voluntary organizations reported that they wanted to be seen to be giving greater attention to these HR policies as part of a general desire to appear to be more 'business-like' to potential local authority funders. This was as a consequence of greater competition in care markets, and the revamping of APL requirements under Government initiatives such as Best Value. Such findings regarding the influences on

changing HR policies are similar to recent exploratory studies in the sector investigating the causes behind the diffusion of policies familiar to models associated with the term human resource management (HRM) (Agenda Consulting, 2004: Palmer, 2003: Palmer and Ross, 2004).

Moreover, as argued in Chapter 2, normative pressures from central and local government agencies (see Leat and Ungerson, 1994) have significant implications beyond the content of HR policies and practice. For example, the 'independent living' and 'person centered planning' agendas involve approaches to delivering care that assumes twenty-four hour coverage. It was clear from the findings that as a consequence of these isomorphic pressures, organizations were including in funding bids specific details regarding how they were going to meet this agenda in order to achieve legitimacy in the care market.

These developments, despite fitting with DiMaggio and Powell's (1983) concept of coercive isomorphism, did have positive outcomes, because of the implications for workforce skills, the spread of best HR practice in the sector and the quality of care provision. However, the analysis was also able to highlight emerging tensions in the institutional environment of the voluntary sector. Certainly, it was the case that Oliver's (1991) observation held true that the institutional environment created by the state was often complex and competing. In particular, employers and union representatives reported emerging problems for management within organizations providing twenty-four hour care, which clashed with employee demands for a degree of work – life balance, especially in the light of an emerging awareness of recent family friendly legislation. In addition, this study also highlighted tensions surrounding how policies such as discipline, grievance, etc. were subject to slightly different requirements at the Meta and Macro levels of state influence leading to much frustration among providers regarding the amount of paperwork, monitoring and bureaucracy that was required in the modern care market.

Moreover, as raised in the framework in Chapter 3, and in a similar vein to insights from the recent literature exploring boundaryless organizations (See Marchington et al, 2005) the findings uncovered further tensions between purchasers and providers concerning the level of control by the former over the internal application of HR

policies and procedures in voluntary organizations. In particular, it was found that among provider organizations there was a vulnerability to influence by the purchaser or regulatory body (e.g. local authorities and the Care Commission) in the conduct and outcome of internal recruitment, discipline and grievance issues, undermining of the independence of the provider body as an employer. The findings also suggest an intensification of these pressures in the voluntary sector as the regulatory powers of new institutions such as the Care Commission have come on stream.

The use of an institutional analysis also provided the thesis with insights into how the voluntary sector is not simply a passive recipient of state coercive isomorphism, but can also resist such pressures to a degree through the use of what Meyer and Rowan (1977) called 'loose coupling'. This occurred where some of the demands by the purchaser were not subject to statute, or there were cases where several organizations came together and collectively resisted external pressure. Moreover, some larger voluntary organizations, despite the reported ineffectiveness of employee representation, were able to resist pressure relating to the internal application of recruitment or disciplinary practice of staff. In addition, it was clear that in some cases, voluntary organizations cited other institutional pressures (mimetic and normative), e.g. from the CIPD or other voluntary sector bodies/links as key influences on their HR policies that on occasion, reportedly surpassed the influence of state funding and regulatory bodies.

Arguably, some of the above points reflect the fault lines in New Labour's reform agenda and desire to build 'partnerships' with providers highlighted in an earlier chapter (see Newman, 2001). In particular, the emergence of tensions between purchasers and providers as the former empowers the latter, while at the same time seeking to maintain performance standards through greater monitoring and control of standards.

Finally, in this section, voluntary organizations themselves claimed that they were influential in advocating and developing programmes for change, such as the independent living agenda and person-centred planning. Indeed, several respondents claimed to be pioneers in this form of care provision before local authorities and other public bodies adopted it. This fits with other conceptualizations of institutional theory

(see Zucker, 1987) that argue how organizations are not merely passive actors within institutional fields, but are also agents that influence the social rules of such fields. In addition, this finding indicates inter-play with another of the aforementioned causal factors raised in the findings chapter, i.e. the product market/type of service provided by voluntary organizations. In particular, how certain voluntary organizations with scarce skills/areas of expertise can be highly influential in their field.

What is the impact on the voluntary sector terms and conditions of employment and labour process from the cost based pressures from state regulatory and funding bodies?

The second part of Chapter 6 explored the impact of cost pressures from the state on employment in the voluntary sector. Its focus was on pay structures and scrutiny of changes to aspects of the labour process, especially relating to changes to skill, insecurity and work intensification. When the work on this thesis began the author and several other contributors had highlighted a growing influence from public and regulatory bodies on pay and change to aspects of the labour process (Cunningham, 2000; Cunningham, 2001a; Knapp, *et al* 2001). Moreover, in a similar vein to this study work by Barnard *et al* (2004) has highlighted the different types of tools used by local authorities to exert control over the sector, and also raised similar findings relating to pressure from funders on the sector to part fund specific contracts from the internal resources of voluntary organizations. In combination, despite the rhetoric of partnership outlined in earlier chapters, these studies suggest how state – voluntary relationships appear to reflect the aforementioned tensions in New Labour's reform agenda that imply a continuation of the NPM agenda (Newman, 2001) that focuses on cost and value for money. At the same time, this part of the thesis has presented further depth to our understanding of this climate and its impact on employee relations. In particular, the results raise questions regarding the degree to which management in some voluntary organizations can exercise independent control as employers over pay and aspects of the labour process in the face of external influence from purchasers.

For example, in relation to pay, the pressure to cut the link with local authority scales was felt by all organizations, and over half had moved away from comparability. The

pressure to do so was normally indirect, i.e. representatives from purchasers did not appear to dictate that voluntary organizations abandon pay comparability rather it was a consequence of a steady tightening of fiscal conditions that meant that, if they could not draw from alternative resources, management in the sector would be left with no other choice: reflecting the importance of resource dependency in determining the degree of relative autonomy of organizations in determining their pay scales.

Other, although not as common, indirect pressures on terms and conditions in the sector would arise in the form of local authorities actively seeking to manipulate the market by introducing cheaper or more 'flexible' providers into the local community from the voluntary or private sectors. Such intensified competition would be designed to force existing providers to re-examine their pay scales in the light of the emergence of cheaper competitors.

Tensions were also emerging in organizations over the issue of working time. On the one hand, there was some evidence from employers in the sector that they were able to rely on a degree of co-operation with staff over working time as they reported a continued willingness among employees to cover more flexible shift patterns. However, on the other hand, it was also found that a degree of deterioration in employee goodwill around the issue of working time was emerging. As a result, in order to gain contracts management were resorting to drawing up more flexible employment contracts to prove to funders they can meet their requirements. Where internal efforts to encourage greater workforce flexibility were proving difficult, there was some evidence to suggest that, again, more direct intervention by purchasers occurred in the organization of internal shift patterns, with local authorities writing specific requirements into contracts regarding the type of shifts and working hours that should be in place.

In addition, in a similar vein to findings exploring the conduct of work in social care provision in the public sector (Beynon, *et al*, 2002), the findings revealed how respondents were working to cheapen the cost of labour that covered these twenty-four hour services. In the findings from this thesis, this process was usually undertaken through the widespread use of sleepovers and on-call responsibilities. Again, there was little evidence that local authorities directly instructed voluntary

organizations to pursue these practices, especially given that the legality of sleepovers and on-calls were coming under question through the Working Time Directive. Rather, voluntary organizations saw these practices as the only viable way in which they could cover these services for the funding they received.

Changes to skills were subject to a series of direct and indirect pressures by state bodies, and presented somewhat of a mixed picture. Findings revealed examples of dilution of skills as a consequence of pressure from funders. For example, funding pressures led to Support Assistants in several organizations being recruited on lower salaries with a much narrower range of responsibilities that were largely focused on mundane domestic chores, as managers responded to tightening financial pressures.

Of further relevance to this theme was the impact of work intensification within the sector, in particular, its links with skill dilution through the adjustment of skill mixes and subsequent grade dilution within certain projects. This involved voluntary organizations facing direct intervention from funding bodies to alter the balance between Support Assistants over Support Workers, in favour of the former. This involved an increase in responsibility and intensity of work for Support Assistants, but meant that these teams did not have as many experienced staff/qualified staff.

To a degree the examples above reflect concerns that have been raised regarding the dilution of skills at various levels of the occupational hierarchy in the broad social care arena (see Ungerson 2000; Humphrey, 2003), and how employees are becoming increasingly subjected to forms of work that are routine, monotonous and meaningless. Yet, in a similar vein to the trends in skill mixes occurring in other care occupations such as nursing (see for example Ackroyd and Bolton, 1999) it is unclear from the findings reported in this thesis whether there is a concerted effort by management across the sector to routinize social care work, even at Support Assistant level. For example, there was evidence of voluntary organizations continuing to require highly skilled individuals to provide care to vulnerable and volatile clients. More significantly whilst acknowledging the issues regarding the use of 'proxies' such as qualifications in defining skill (see Grugulis, Warhurst and Keep, 2004) and concerns regarding the degree to which vocational qualifications are sufficiently equipped to encourage knowledge and skills among the employees (Grugulis, 2003),

the introduction of accreditation of the workforce by the Care Commission and the Qualified Managers Award by the SSSC were the most obvious direct universal attempt to change skills within the sector, and arguably can be seen as a general effort to up-skill the workforce.

This leads the thesis to suggest that, as with other broader commentaries on changes to skills (Thompson and McHugh, 2001; Adler, 2004) there appears to be an ad-hoc diffusion of efforts to dilute skills in the voluntary sector. Explanations for this ad-hoc pattern can be arguably placed within the context of wider labour process debates highlighting how management in the face of competitive pressures remain compelled to introduce innovations, which can include dilution, but that this process is contested and is therefore contingent. In particular, such contingencies include the influence of labour management relations (Smith and Thompson, 1999).

Moreover, other studies around the skills debate lead to questions concerning whether the changes to skill in the sector are following the notion of an 'hourglass economy' (Nolan, 2001) or a polarization of skills (Gallie, 1996) at the top and bottom end of occupational hierarchies. Moreover, if such polarization is occurring, there are questions regarding the gender implications of these trends, as women are more likely to be located at the bottom end of the occupational ladder of the voluntary sector. These issues of contingency, the impact of labour management relations and the gender aspects of the skills debate will be returned to in the later section discussing the implications of the results from Phase 2 of the fieldwork.

In a similar vein to broader studies in industry (see Burchill, 2002) examples of work intensification were common among respondents (up to three-quarters) and took on a number of forms. This included direct local authority pressure on the level of funding given to management fees during negotiations that led to many voluntary sector respondents reporting managers sometimes 'doubling up' their workload. Best Value reviews were also thought in some cases to be culpable in intensifying work when they involved reassessing the care needs of specific clients. More indirect sources of intensification involved management being unable to replace staff that left or were on long-term absence due to funding restraints.

Work intensification was also clearly linked with and a clear causal factor behind more than one of the aspects of job insecurity highlighted in the results. Using Standing's (1999) typology of insecurity in the workplace, the study unveiled examples of job insecurity, working time insecurity, and insecurity founded on the working environment, where workers' safety is at risk. At the core of these forms of insecurity appeared to be the underlying issue of work intensification brought about by a difficult funding environment. For example, in relation to the latter, tight funding in some projects led to under-manning, followed by fatigue and exhaustion and errors being committed by staff when dealing with clients with challenging behaviour. As a consequence, there was an increased risk of staff experiencing violence from clients.

At this juncture, the research questions appear to have revealed three areas of increasing control by the state on the voluntary sector employment relationship. Specifically, these are HR policy, practice and the work – effort bargain. Yet, there was also evidence from the findings to suggest that the impact of the state was not wholly uncontested. The next section discusses what the findings revealed with regard to the basis for resistance among voluntary sector employers to state influence.

What are the internal and external factors that can lead to employers exercising autonomy and prevent trends towards isomorphism and the undermining of terms and conditions of employment in the voluntary sector?

The question from this aspect of phase one of the field work was designed to explore the circumstances under which voluntary organizations could exhibit agency in the face of pressure from state funding and regulatory bodies. Here, again, the discussion can utilize the notion of different levels of analysis in helping us explain variety in inter-organizational relationships as outlined by Marchington and Vincent (2004). For example, taking Marchington and Vincent's (2004) analysis at the organizational level, it was clear that the level of resource dependency between the two parties was a significant factor. Among voluntary sector organizations, those that were most vulnerable to the above pressures, were organizations that were small, and/or confined to a specific geographical location, and/or dependent on one or two sources of funding, experiencing intensified competition or lacked sources of funding from outside the public sector sphere. Moreover, the data suggested that where local

authorities could replace existing suppliers this lessened their dependency on particular voluntary organizations.

In contrast other respondents, to varying degrees, were able to resist the above pressures and exercise a degree of agency. Here the exercise of agency could occur in voluntary organizations where they emerged as monopoly suppliers in the market. In addition, voluntary organizations that built diverse customer bases and income streams to avoid over-reliance on a small number of funders were also generally able to retain a degree of autonomy.

The data was also able to provide some evidence of interpersonal relations from 'boundary spanning agents' to use Marchington and Vincent's phrase (2004) being influential in determining favourable outcomes for voluntary organizations. For example, voluntary organizations that were developing and sustaining strong personal links with public funding bodies argued that they found themselves on the 'inside track' of funding decisions and that such favourable relations helped to maintain public sector comparability on pay. Other voluntary sector respondents revealed how they were making efforts to ensure that their negotiators were adequately trained to gain maximum advantage in contract negotiations. It was noticeable how a lack of formal contacts could shape the nature and outcomes of vital decisions such as the negotiation of inflationary uplifts. These could be problematic were organizations reported difficulties in even identifying key agents in local authorities. A lack of dialogue in these instances led to perceptions of powerlessness among voluntary sector representatives.

Summary

Overall, then the research questions from the first stage of findings adds to our knowledge regarding the influence of the state on employment relations in the voluntary sector. Specifically, this highlighted three areas of intensifying control by government funding and regulatory bodies, i.e. over HR policy, HR practice and to the labour process. Further, throughout the reporting of the findings there have been new insights into the impact of contemporary policies such as Best Value and Supporting People. This aspect of the findings suggest that despite these policies being designed to seek a balance between the contradictory pressures of cost and

quality in the provision of care, and to some degree the employment relationship, it is the former that appears to remain the most influential aspect in contracting decisions made by funder

At the same time, purchaser – provider relations and therefore outcomes in the voluntary sector relationship were subject to variability. In keeping with the critical realist perspective of the thesis the analysis identified the underlying causes behind these variations. The first of these relates to the various institutional pressures outlined in the preceding chapters that shaped a significant amount of interaction in the field of HR between purchasers and providers in the quasi-market. The second identified the level of resource dependency between organizations. Inter-related to this second cause are the third and fourth causal factors, specifically the size and geographic spread of services operated by provider organizations. The fifth was the nature of service provision itself, i.e. the impact of organizations working in particular niches, and the level of competition they experience. The sixth causal factor suggests some influence from management – labour relations, both collective and individual.

The results from this part of the thesis therefore provide us with a more nuanced understanding of the state – voluntary sector relationship and how variability in that relationship, leads to different outcomes for the employment relationship in the voluntary sector. It reveals a relatively close relationship between the two parties, with the voluntary sector being the most junior and vulnerable of the ‘partners’. Yet the interplay of the aforementioned causal factors can ensure that the sector is not a passive actor in this relationship, and that it retains a degree of control over the nature of its employment policies. As will be seen from an overview of the second phase of findings, this variability has specific implications for the working lives of employees in the sector and their continued commitment to working within it.

REFLECTIONS ON THE OUTCOMES FROM PHASE 2 OF THE FIELDWORK

The second phase of the fieldwork involved exploring the impact of the above changes in employment conditions on employees’ orientations and commitment in the voluntary sector. Here a conceptual framework mainly drawn from the psychological

contract perspective, but which also drew from the orientations to work literature in order to capture the full range of people's reasons for choosing to work in the sector was used to inform research questions. This research was undertaken in three case study organizations that were chosen from the original twenty-four organizations in the first part of the fieldwork. As a consequence, and in keeping with the core aims of this thesis, the findings pertaining to employee interviews have to be viewed in relation to the context in which the three case study organizations operated under within the quasi-market. Therefore, this section first reviews that context which benefits from insights gained from both phases of the fieldwork, and then provides an overview of the findings from the employee interviews.

The impact of causal factors on management employment relations policies

Management policies associated with undermining pay, changes to skills, work intensification and insecurity in the workplace were present across the three case studies. However, there was variability regarding the application of these outcomes. This variability appeared to be down to the inter-play between the six causal factors outlined in the previous chapters. Below are some illustrations of the main areas where factors such as the institutional environment, resource dependency, competition and labour – management relations etc. shape employment policies in the three case studies.

It was clear that as with the wider study of twenty-four organizations, the institutional environment was having a significant role to play in shaping HR policies in the organizations, which had broadly similar impacts across each of the organizations, e.g. SVQ accreditation. Yet, there was some variability, with Galaxy appearing to experience pressure from institutional sources (The Care Commission) to increase the degree of temporal flexibility among its staff as a consequence of the new care standards. Galaxy, as with Universal and Starlight, operated sleepovers and on-call rotas for its staff, but these enhanced expectations required the organization to increase staff numbers during unsocial periods such as bank holidays. As a consequence, Galaxy had tried to introduce changes to unsocial hours payments.

There was also variability in resource dependency across the three case studies leading to differences in levels of vulnerability local authority pressures. Starlight was the case study that was most dependent on local authority funding and as a consequence of a number of years of financial pressure had to move away from pay comparability with the public sector. Galaxy and Universal, in contrast faced pressures on their wage bill from funders, but because of the interplay with other causal factors such as their size, geographic spread of services, and type of service provision, the dependency relationship with local authorities was to some extent mitigated. As a consequence, they largely retained pay comparability with the public sector.

Labour – management relations were also an influential causal factor behind differences in outcomes between the three case studies. From a collective perspective, there was a clear contrast in outcomes between Galaxy and Starlight. In the former, relatively robust collective bargaining was able to protect employee payments for unsocial hours, and prevent the dilution of care teams. Certainly, this case reflected to some degree a mutuality of influence in work between management and trade union representatives in voluntary organizations that is familiar in the wider labour process literature by Friedman (1977). In addition, in relation to the prevention of diluting skill mixes in specific projects in Galaxy, these findings arguably provide an example, albeit of a single case, of the contested nature of such efforts by management and the ability of workers to resist as argued by Smith and Thompson (1999).

Individual labour – management relations were also influential on pay and conditions in the three organizations. For example, the widespread recruitment and retention problems within Galaxy and Universal were leading to management increasing salaries at the top end of their scales, and even considering moving away from comparability for some grades if these pressures persisted. These outcomes in Galaxy and Universal are in contrast to Starlight, where relatively weak collective labour – management structures contributed to an inadequate response from the union regarding the restructuring that led to the move away from public sector pay comparability. In addition, because of its inability to compete on salaries, Starlight suffers from comparatively higher turnover figures, and the only response it could offer was the introduction of punitive measures such as fining employees who leave

the organization within a certain time period on completion of their SVQ qualification.

Yet, the influence of labour management relations was also dependent on the interplay with other causal factors. For example, in this case the degree of resource dependency between purchaser and provider, arguably, the effort by unions in Starlight to influence management's decisions over pay and conditions was never going to be successful when the status quo threatened the survival of the organization. Certainly, it is debatable whether the union in Galaxy could have resisted similar changes to terms and conditions of employment if, as in the case of Starlight, the alternative would have been financial ruin.

Finally, the impact of intensifying competition appeared to be influential. Starlight, for example, had suffered because most providers in the sector largely adopted its competitive niche in the market place, i.e. the provision of services characterized by person-centred care. As a consequence, the organization now had to compete on cost, which was proving extremely difficult. The other two case studies were experiencing competition and complained of being undercut, but were largely able to offset the ill effects of this by taking advantage of the multiplicity of different social relations in the care market with purchasers. At the same time, the intensification of competition made the external environment an unsettling place to operate in even for the stronger of the two case studies. For example, in Universal, management respondents reported how their position in the market was becoming more vulnerable as competing providers became more adept at providing services in the very areas Universal once pioneered.

In the context of the above, the next section reviews the outcomes of the three broad research questions from Phase 2 of the fieldwork.

What is the basis of people's psychological contracts in voluntary sector organizations?

In addressing the first of these three questions the conceptual framework that utilized the psychological contract and that of the orientations to work literature was successful in capturing the range and complexity of employee orientations to work in

the sector. Unsurprisingly, as with other investigations into the psychological contract (See Millward and Hopkins, 1998) employee psychological contracts were revealed to be multi-dimensional in nature covering transactional and relational factors, but also embracing orientations formed outside the workplace, which this project has labelled the VSE.

At the same time, the results revealed that in the vast majority of cases across the three case studies, the most common reason for choosing employment in the sector was the strong ethical and value based orientations to work associated with the VSE. These positive orientations associated with the VSE were largely formed outside the workplace and related to family or personal experience, volunteer activity or a tradition of working in public/community service. This is not to downgrade transactional or relational factors influencing some respondents' psychological contracts. Some individuals across the three case studies when prioritising their reasons for accepting employment would cite aspects of the VSE, but argued that their core reasons reflected more transactional or relational elements of their employment relationship.

The above findings generally echo recent studies in the UK that have found strong value based orientations to work among voluntary sector workers (Alatrasta and Arrowsmith, 2004; SCER, 2004), but slightly contradict the work of Ford, *et al* (1998) and to a degree studies from overseas (e.g. Mirvis and Hackett, 1983; Mirvis, 1992; Beyer and Nutzinger, 1996) that found increases in employees entering non-profit voluntary organizations who placed more emphasis on practical issues and instrumental reasons, where people joined the sector for 'just a job' or were forced to apply for fear of losing their benefits.

Explanations for these differences can perhaps be attributed to several factors. The first relates to the focus of this study, which has predominantly been on those employees who were responsible for delivering front line services, and wider explorations of the voluntary sector workforce may unveil greater complexity in orientations. The second factor perhaps relates to how management in the three organizations had invested a significant degree of effort in ensuring as many people as possible shared the values of the organization before they were recruited. Moreover,

the third factor suggests that given the contemporary labour market conditions in Scotland are characterized by low unemployment and continuing recruitment problems (see SCER, 2005), it is arguably less likely to be the case that people on unemployment benefit with no real desire to work in voluntary organizations are forced in large numbers to take jobs in the caring sector when there are other significant options to choose from.

What are the causes, nature and incidence of violations to people's psychological contracts in voluntary organizations?

In relation to the second question concerning violations to psychological contracts, the data revealed that they occurred across the entire relational, transactional and VSE spectrum outlined in this thesis. Yet, the most common cause for violation of respondents' psychological contracts related to transactional factors. These violations were directly linked to management policies that undermined pay and conditions, intensified work, increased forms of insecurity and diluted skills. At the same time, there were differences in emphasis relating to the reasons behind these violations to psychological contracts that were directly related to the variability of management policies, which in turn were effected by the inter-play of the aforementioned causal factors.

For example, employees in Starlight up to line management level were more likely to express a deep sense of discontent over pay than respondents in Galaxy and Universal. Employees in Starlight exhibited extreme dissatisfaction with recent restructuring of salaries resulting in pay cuts and the removal of incremental scales. In Galaxy, concerns over pay centred over recent management proposals to alter unsocial hours payments and perceived inequalities in pay rises, but were not as pronounced as employee discontent in Starlight. Similarly, in Universal, pay was an issue, but mainly only among administrative staff.

At the same time, there were similarities in the nature of violations across the case study organizations. A combination of tightening funding regimes and labour shortages revealed that across the three case studies work intensification was a common source of psychological contract violation. Indeed, all groups of respondents interviewed were vulnerable to some form of intensification of their work. It was also

interesting to note that the data from Universal and Galaxy suggested that the growth in Supporting People funding may be further exacerbating forms of intensification related to organizations struggling to cover absence.

Moreover, across the case studies the intensification of work was, in some cases, the underlying cause of violations to relational aspects of the psychological contracts. For example, an inability to undertake aspects of SVQ accreditation was in some cases attributed to pressures of work. Even those reporting violations over the VSE appeared to link their inability to fulfil aspects of their caring roles (especially the emotional ones) to the intense working pressures they were under. These findings relating to the intensification of work across the three case studies also revealed links to perceptions of stress and in some cases deteriorating health among workers, similar to trends with the general workforce highlighted in broader studies (see Wichert, 2002).

There were also common sources of violation related to the different aspects of insecurity in the workplace. For example, in Galaxy and Universal employees feared that they would be out of work because of the insecurity attached to the funding of their particular projects. In addition, to varying degrees, there appeared to be a greater emphasis on forms of job insecurity due to employees experiencing the threat of fundamental changes to their job content or even the risk of losing their job. Moreover, employees in each organization expressed concerns regarding insecurity due to risks to health and safety.

Employees were also vulnerable to experiencing violations caused by skills dilution. Moreover, the benefits of longitudinal analysis from two of the organizations revealed the impact of specific government policy initiatives on this phenomenon, particularly Supporting People. Here, there was some evidence from within Galaxy that indicated that contractual requirements under this particular funding stream explicitly demanded services that appeared to be largely fragmented and broken down into a series of mundane, domestic tasks. This is similar to other studies in inter-organizational relationships that have revealed how employment relations that are bound by strict contractual requirements have tightly specified work programmes that

exclude skill enhancement and generally lead to skill dilution (Grugulis and Vincent, 2005).

Overall, these findings, which highlight violations to psychological contract among sections of the voluntary sector workforce due to transactional factors are largely in line with the range of studies outlined in Chapter 4, where worker discontent in non-profit organizations in Western industrialized countries appeared to be emerging as a consequence of restructuring and financial retrenchment imposed by external public bodies on which they relied on for a significant part of their funding (see Mirvis and Hackett, 1983; Mirvis, 1992; Onyx and Maclean, 1996). However, arguably, what this thesis, and its comparative case study methodology additionally reveal is that while many voluntary organizations can be subject to the same pressures from the state, the impact of these pressures can be mitigated by other factors, which can subsequently lead to a degree of variability in the nature of the sources of psychological contract violation. The next section addresses the significance of this variability on employee behaviour.

What impact do these violations have on people's commitment to the organization and the exercise of organizational citizenship behaviour?

The purpose of this part of the analysis was to trace the impact of the various violations to employees' psychological contracts on commitment and OCB. Due to the relatively small numbers of employees interviewed the aim here is not to draw any generalizations regarding future large-scale rates of quitting from the voluntary sector workforce. Rather, in keeping with the intensive nature of the research design, the aim is to uncover and focus on issues that lead to employees turning to such drastic action as withdrawing OCB or deciding to quit.

The results revealed that where pay and living standards were undermined, or in some cases merely under threat by management policies, employees experienced violations to their psychological contracts. This, in turn, led to issues such as pay and conditions becoming more of a priority in employee concerns at work, illustrating the transitional nature of psychological contracts highlighted in the broader literature (see Rousseau, 1995). This transformation in attitudes was even the case where employees previously

held strong orientations, associated with the VSE or relational factors, and could even affect people at line management level.

In terms of the impact of these changes for the exercise of OCB, employees experiencing this form of violation generally withdrew forms of goodwill such as working overtime without pay and appeared to more likely display a desire to quit. Obviously, these negative feelings were stronger in Starlight, where the impact on pay was most pronounced, and where once again, the influence of causal factors such as resource dependency can be discerned. This connection between violations to the psychological contract and an undermining of employees' propensity to exhibit OCB largely follows the predictions of the framework outlined in Chapter 4 that was influenced by broader studies of the psychological contract by Robinson and Morrison (1995) and Robinson (1996). Moreover, the results also largely confirm Zimmeck's concerns (1998) that even the most committed individual working in the sector has a living to earn and continued pressure on pay would undermine loyalty. In addition, in terms of the implications of these findings for voluntary organizations, they suggest that although the existence of reciprocity between employees' values and that of their employer is effective in persuading the former to take employment in voluntary organizations, it has mixed results in terms of retaining staff when transactional factors such as pay emerge as the dominant factor in employees' psychological contracts after violations occur.

Galaxy and Universal were not completely immune to such changes in attitudes among their employees. In particular, specific projects appeared to be vulnerable to threats to job security, which caused considerable distress and disillusionment among respondents. In addition, changes in employee orientations and behaviour could occur where there were multiple violations, i.e. a general perception of being poorly paid linked with experiences of work intensification and work-life balance tensions and/or the experience of forms of insecurity at work. However, the relative autonomy of these organizations meant they did not experience such intensity of feelings from staff over pay levels, and therefore, there did not appear to be as great a desire to quit.

In terms of the impact of ameliorating factors on this issue of psychological contract violation there was some evidence to suggest foci of employee loyalty and

commitment could be significant in retaining employees. In particular, respondents' positive intentions to remain with their current employer in the face of violations to their psychological contracts were evident where commitment was focused on either the job or the immediate project/service users. In Starlight remaining commitment among employees was largely focused at these levels, while their feelings towards the wider organization indicated deep dissatisfaction. This largely confirms the exploratory single case study work within the sector by Alatrasta and Arrowsmith (2004) that found how similar feelings of loyalty to an employee's immediate workgroup could be influential in retention.

At the same time, findings from this thesis further expand our knowledge by revealing how this specific form of loyalty in the voluntary sector, on its own, could be quite fragile in terms of guaranteeing retention. Some respondents found themselves in the deep dilemma of being concerned about their own economic situation and having a responsibility to service users. However, many of them felt that continued financial hardship would eventually lead to them quitting. In addition this fragile loyalty could also be further undermined if the level of service the employee could provide through their current project deteriorated because of the intensity of work or changing priorities from external bodies.

There were also mixed results relating to the degree to which people's awareness of the external pressures on their employer from local authorities impacted on their desire to stay. The results of this thesis provided a slight divergence from research into the impact of such ameliorating factors on violations to the psychological contract undertaken by Sparrow (1996). In this study it was suggested that people's awareness of the external impacts made little difference to their intentions to quit (Sparrow, 1996). In this thesis, results suggested a mixed impact. For example, in Galaxy, it was only among some respondents, primarily line managers, that this factor was influential. However, at best, these individuals adopted a 'wait and see' approach, i.e. they showed an understanding of their employer's situation, but outlined that their tolerance of changes to service delivery or their pay would only go so far. In addition, in Universal, radical changes to pension entitlement were an area of significant controversy in management – employee relations, but arguably management in Universal's programme of consultation and information regarding the rationale

behind the changes that were linked to external factors beyond the control of the organization appeared to be accepted by sections of the workforce.

Arguably, management – labour relations also appeared to have some ameliorating effects on management policies and psychological contract violation. Specifically, in Galaxy, support for the union had increased as a consequence of its role in having controversial decisions regarding pay and conditions withdrawn. The data was not designed to provide full scrutiny of whether ‘dual commitment’ towards management and union existed among the workforce as a consequence of the rise in support for collective bargaining. However, a general impression from the interviews was that forms of organizational commitment, i.e. to the employer or work team/client remained high among some of those who showed appreciation of the union’s role. Ironically, then, these results suggest that collective management – labour relations in Galaxy may have indirectly helped management maintain morale.

The extent to which this can continue is open to doubt given the inter-play of other causal factors. Galaxy still had a dependency relationship with its funders, albeit not as strong as Starlight’s. At the same time, the longitudinal nature of this study uncovers how the cost pressures from these funders are unrelenting and exerting considerable pressure on management to dilute skill mixes and introduce changes to unsocial hours payments in Galaxy. Consequently, there is no guarantee that support for the union, and the possible indirect effects on worker morale would continue given that it may become harder for collective representation to defend terms and conditions in this pressurized environment. Indeed, other studies (see Thornley, *et al*, 2004) have illustrated how breaches to employees’ psychological contracts led to less union support when representative structures failed to protect terms and conditions. Moreover, as mentioned in Chapter 3, the issues facing union representation in employment situations where an external ‘non-employer’ can wield significant influence on terms and conditions of unionised workers, are all the more difficult and vulnerable to failure (Marchington *et al*, 2004: Marchington, Rubery and Fang Lee Cook 2004).

This brings the discussion back to the apparent unrelenting nature of the quasi-market revealed in this case study. Certainly, there were clouds on the horizon for Galaxy and

Starlight relating to their pay structures. For example, individual labour – management relations in the form of recruitment and retention problems produced countervailing forces to downward pressure on pay, especially for employees with the scarcest skills or those who resided in areas with high costs of living. Arguably, in terms of the outcomes of these contradictory forces for Galaxy and Universal and organizations like them it may be that a widening in income levels between the highest and lowest grades of staff. These trends perhaps reflect the prediction that as the purchaser – provider relationship develops, payment for caring will become increasingly variable in accordance with different care settings, geographical regions and local authorities (Leat and Ungerson, 1994). Unfortunately, this may cause tensions between grades of staff as those at the lower level see the tradition of less hierarchical structures and the lack of wide income disparities in the sector erode (see Paton and Cornforth, 1992 for summary).

Other forms of transactional psychological contract violation produced more mixed outcomes, and were also useful in highlighting the management of control, consent and resistance in the sector. For example, in general, expressions of commitment could continue to be strongly felt where employee income or security was not threatened. This does not mean that the roles of these workers were not difficult, but employees, mainly in Galaxy and Universal, expressed a multiple foci of commitment, i.e. to the job organization, workgroup etc, even in the face of work intensification and long, unsocial hours. In these circumstances, the phenomena of work intensification and unsocial hours for these employees appeared to be seen ‘as part of the job’.

In explaining employees’ acceptance of these conditions, arguably this aspect of the results perhaps suggests successful management efforts within the cases, especially Galaxy and Universal, to generate consent through the assimilation of workplace cultures and norms (Burawoy, 1979). Arguably, the characteristics of these cultures include strong organizational and team missions focusing on person centred care and independent living in the community, matched with some discretion given to employees as to how this is achieved in conjunction with managers and service users. Individuals within the case studies buy into these missions, which lead to a degree of self-discipline and willingness to work extra hours unpaid. In response, management

although formally discouraging such activities, arguably, informally encourage such 'presenteeism' by establishing such behaviour as the norm.

At the same time, there were limits to this type of positive behaviour among employees, especially where work intensification produced clashes with work – life balance and/or threatened health. In these circumstances employees revealed a sense of burnout and withdrawal of commitment and OCB. This applied across the case studies and could affect all grades of employees, including line managers. As a consequence, they would actively claim back TOIL, rather than commit to overtime and/or made a point of taking a full lunch break. In these cases there appeared to be a general desire to claim back some degree of work –life balance. Certainly, this issue of burnout causing negative impacts on worker commitment echoes other studies from North America highlighted in Chapter 4 that reveal how value driven cultures can take too much advantage of worker goodwill, and have a corrosive impact (See Jeavons, 1992; Mancelow, 2002).

Other explanations for continued commitment may be linked to a combination of employees' capacity to resist and the foci of their commitment on the job and or specific workplace. For example, in relation to incidents of skill dilution it was the case that some employees actively resisted the consequences of management's policies of skill dilution and work intensification. In the findings from this thesis, this was largely done by employees not fully committing to management targets focusing on the completion of simple domestic chores, but alternatively responding to client requests for more emotional interaction. Certainly, these findings are similar to other studies that have explored the implications of skill dilution and work intensification in other quasi-market settings. For example, studies undertaken in Canada's non-profit sector (Baines, 2004a, 2004b) and in the UK relating to the continued robustness of a strong public service ethos among workers operating in public private sector partnerships (see Hebson, et al, 2003), saw employees reacting to forms of work intensification and skill dilution by circumventing management's targets that clashed with their perceptions of service quality.

Yet, continued exhibitions of OCB and even examples of resistance to skill dilution also had their limitations. Across the three case studies, where there was a perception

among employees that intensification and skill dilution fully compromised their ability to deliver what they felt was an acceptable quality of care to clients, again, this would lead to a withdrawal of OCB and a likelihood that they would seek alternative work.

Management's response to withdrawals of goodwill and refusals to cooperate by employees revealed something more about the changing nature of voluntary organizations in this climate. In particular, where employees' commitment or self-discipline in the face of mounting workloads and deteriorating terms and conditions was not able to enthuse them into undertaking aspects of OCB, there were examples from each organization where management coercion was exercised to ensure behavioural compliance through, for example, changing contracts of employment and introducing stricter controls over absence. Another case in point was the ongoing tensions in various projects across the three case studies relating to the taking of lunch breaks. Here, management to a degree relied on 'good-will', but also a degree of coercion to ensure that staff missed their breaks in order to cover services. Again, the above echoes with other studies in similar settings that have revealed how when goodwill deteriorates in the non-profit setting, management introduce more formal mechanisms of control (Baines 2004a and 2004b; Hebson, *et al*, 2003).

Gender issues

It is clear that a number of issues are worth discussing around the theme of gender. The data revealed similarities with other studies with regard to how female orientations within the case studies were heterogeneous (confirming Hakim's findings, 1996 & 2000). In particular, there was evidence of a mixture of strong positive values associated with the VSE alongside others linked to issues such as pay and family commitments. However, in contrast to Hakim's research, where women's orientations are seen as a matter of choice, the findings from this thesis reveal how the existence of more practical considerations in women's orientations were a consequence of constraints from wider situations in their working and home lives. In particular, in many cases it appeared that women overwhelmingly had to balance strong orientations to work in the sector with their family/childcare commitments.

An analysis of the nature and impact of violations to the psychological contracts among female respondents also suggests that the consequences of violations outlined above may have a disproportionate impact on female employees. Some female employees stated that they had experienced a lot of support in terms of finding suitable working hours to match their childcare responsibilities, but there were other examples relating to the apparent inconsistency and informality across the three case study organizations relating to the implementation of family-friendly policies. These inconsistencies were primarily due to the clashes between the family friendly agenda and the need to satisfy the operational requirements associated with providing twenty-four hour services in the community. Each case study organization, therefore, revealed incidences where women disproportionately were the ones who had to manage the strain of working unsocial shift patterns, and return home to manage tensions with their partners and fulfil caring responsibilities. Moreover, other accounts from the data revealed that where these tensions came to breaking point it was women who sacrificed their role irrespective of how committed they felt about their job.

This evidence suggests that as with other studies, women who make the choice to go back to work have encountered difficulties in combining employment with their domestic activities (Benschop and Doorewaard, 1998). One of the causes of these problems appears to be that despite the voluntary sector having formal policies on the family-friendly agenda that sometimes surpass legislative requirements (see Agenda Consulting, 2004), as with other studies (See SCVO, 2001) there remain weaknesses and inconsistency in the application of these policies in the sector.

In addition, given women made up the bulk of those employed in the most vulnerable positions, i.e. Support Worker, Support Assistants, they would be more likely to suffer disproportionately from increasing disparities in income between grades and incidences of skill dilution. The latter point suggests that if there is a polarization of skills then women could suffer disproportionately. These concerns also further reflect commentaries in Chapter 4 regarding how care work in the social services sector (Leat and Ungerson, 1994; Ungerson, 2000), as with other occupations dominated by women (see Cockburn, 1983 and Pollert, 1981), is characterized by perceptions that this form work is somehow 'natural', to women, unskilled and as a consequence in danger of becoming under-valued, segregated and low paid.

Summary

It is clear from this phase of the study that the intensification of forms of control by the state over aspects of the employment relationship in the voluntary sector appears to varying degrees to be undermining employee commitment and loyalty within voluntary organizations. Pay, general living standards and job security appeared to be the issues that were most likely to cause significant violation and withdrawal of goodwill among the workforce, although issues of 'burnout' and stress, skill dilution along with a failure to meet employee expectations regarding service delivery could also be important. Moreover, evidence suggests that employees can be subject to numerous forms of these types violation.

At the same time, different organizations appear to have varying susceptibilities to the pressures that can cause these violations to employees' psychological contracts. This variation is caused by the inter-play of the causal factors drawn out of the first phase of the fieldwork. In addition, there is some evidence that specific management interventions built around the generation of consent and building a greater awareness of the pressures of the external environment among the workforce can help to maintain goodwill. This was especially the case within Galaxy and Universal.

Moreover, the partial longitudinal nature of the study suggests how the unrelenting pressures associated with the quasi-market may, in the long-run, threaten the pay and living standards for groups of employees in these organizations. They further reveal the continuing negative impact of newer policy developments such as Best Value and Supporting People. Arguably, if these conditions are repeated throughout the sector then it will see increasing numbers of employees exhibiting problems with morale and commitment, further undermining the reputation of the sector as an employer and exacerbating recruitment and retention problems and so threatening quality of care. It is in the light of these findings that the next section discusses the policy implications for voluntary organizations.

WIDER POLICY IMPLICATIONS FOR THE VOLUNTARY SECTOR

The above results lead us to consider some implications and future courses of action for voluntary sector providers in their relationship with local authority funders and the management of staff. Sustaining competitive levels of pay in comparison to public and private sector rivals is crucial to recruit and retain staff. However, in the current financial climate this is extremely difficult, and is made more so by the dilemma of being dependent on local authorities for funding, while at the same time being one of its competitors in the labour market. In such a climate the allocation of resources by purchasers will firstly reflect the internal priorities of the local statutory sector to the detriment of working conditions among voluntary providers.

In response, there are several options open to voluntary organizations in their attempts to remain competitive in the labour market and maintain staff commitment. One option may be to 'toughen up' boundary spanning agents within voluntary organizations responsible for negotiations so that they negotiate more effectively to ensure that full funding is made available. Another would be to threaten to pull out of services if the demands around costing are not met. However, the success of such a strategy would depend on how many alternative providers were available in the market for funders to turn to, and how many alternative sources of funding are available. In addition, it is arguable whether value-based organizations would want the possibly adverse publicity if such a threat were carried out.

Another option may be for voluntary organizations to act in tandem to pressure central and local government to adequately resource the sector. This implies a degree of cooperation that may lead to an embryonic form of employer co-operation over terms and conditions, where in conjunction with funders and possibly unions, national pay rates are set for the sector. Already, as outlined in Chapter 6, there exists a STUC/SCVO body that seeks to co-operate over workforce issues. Yet for employers co-operation over pay may prove difficult given they are in direct competition and to some degree actively undercut each other in the tendering process. However, there remain areas of common cause that could arguably build up to wider cooperation, e.g. campaigning for contracts with a longer duration than the three years allowed under Best Value.

The sector could also forge closer direct links with central government (in this case The Scottish Executive) to secure alternative income streams, and influence wider policy decisions. The Treasury sponsored initiative of 'full-cost recovery' (HM Treasury 2002), of which Scotland receives a share, could lessen the vulnerability of the sector to unanticipated costs within the lifetime of contracts. Yet, 'full-cost recovery' does not negate the competitive or cost saving elements of awarding contracts in the quasi-market. Further, there is a risk for the sector in becoming too reliant on central government sources for financial stability, given that they would probably be subject to as many vagaries and changes in priority as local income streams.

An alternative, open to probably only the larger resource rich providers and reflecting findings from this study would be for voluntary organizations to rely on a two-fold strategy where autonomy is achieved through a multiplicity of statutory income sources, (Kramer, 1990) and most controversially, from utilizing other sources of voluntary income. In such circumstances, the statutory - voluntary relationship could be more likely to be characterised by a degree of autonomy for the sector and would be weighted towards interdependence rather than dependence. Consequently, such a strategy by voluntary organizations would perhaps more likely to achieve a balance between client and employee interests, while securing cost effectiveness and value for money.

The price of failure to achieve some kind of balance in meeting the demands for cost versus quality in the quasi-market could be significant, especially for voluntary organizations in the position of Starlight. At best, these organizations will continue to struggle to cope with the dual, but contradictory forces of cost constraint on pay and conditions and labour market pressures. At worst, given that parts of the care market show a degree of duplication of activity among organizations, if cost pressures from the market continue and some organizations continue to lose contracts, then this could ultimately lead to threats to the continued survival of some providers.

FUTURE AREAS OF RESEARCH

Finally, as a consequence of the findings from this thesis, it is useful to consider some future areas of research. Partly, these areas are an extension of some of the points raised in the earlier Methodology chapter regarding the weaknesses of this study, but also it is the case that the findings from the thesis have raised further questions. To begin in relation to the state – voluntary sector relationship, there are several specific areas that are worth pursuing. Certainly, the findings would have benefited from the extra dimension provided from a closer insight into central government and its relationship with local authorities and the voluntary sector.

Moreover, given the geographical focus of this study there is also a need for comparative studies that cover the four nations of the United Kingdom, which tries to account for devolution and national differences in the implementation of policies associated with the quasi-market. Evidence from this thesis suggests intensifying competition in Scotland, yet anecdotes from respondents suggested that the market is much less developed than in England and Wales. As a consequence, working conditions may be even harsher in other areas of the UK. Such an analysis would also benefit from the inclusion of a political dimension to the questions surrounding the state – voluntary sector relationship and whether the political complexion at local authority level influences the degree to which the voluntary sector has favourable contractual relationships.

Thirdly, it would be useful to have a broader exploration of some of the insights gained from the study's focus on changes to the labour process. In particular, the extent to which the pattern of skill mixes in the sector are characterized by stability, dilution or up-skilling and the weighting behind the factors revealed as influencing trends in skill. This would include a more solid evaluation of the contribution of SVQ/NVQs to increasing skills and knowledge in the sector, as well as a broader analysis of the impact of newer policies such as Best Value and Supporting People.

In relation to moving on from Phase 2 of the research, there are a number of possible avenues of research. For example, it is the case that the findings of this study are limited mainly to those employed in direct caring roles in the sector. Other studies should perhaps include an analysis that is more representative of the orientations and causes of violations to psychological contracts among other grades of staff, including

those at the top of organizational hierarchies, those that work in the retail outlets of voluntary organizations, and those who campaign and fundraise. Another area relates to a finding that was consistent across the three case studies, i.e. the significant increase in workload and responsibility of individuals at project/line management level. In particular, it would be useful to explore the degree to which these individuals in the light of the multifarious nature of their roles were adequately trained and resourced to fulfil these roles. Moreover, the thesis has not been able to capture the work orientations and changes to working conditions experienced by increasing numbers of employees who have been transferred into the voluntary sector from public organizations. In addition, although this thesis has raised the issue of organizational problems associated with interference by external bodies in areas such as discipline, it has not been able to explore the impact of this regarding employees, both directly and indirectly effected by this phenomena. Also of great significance are the gender issues raised in this analysis, and the need for a study which is more representative of the proportion of female part-time, full-time and agency workers in order to gain a more in-depth gendered insight into the impact of skill dilution, and widening divisions in income in the voluntary sector.

Appendix 1: Interview Schedules from first phase of fieldwork

HR RESPONDENT INTERVIEW SCHEDULE

Organisational activity, funding and competition

1. Can you summarize what you see as your organisation's activities/ mission/values?

Competition and market status

2. What do you see as the key factors that give your organisation credibility as a service provider in the eyes of state funders?

3. Why do you feel these factors contribute to your credibility?

4. In your experience, is the tendering process for government contracts mainly:

a. Negotiated or b. Competitive (define)

5. Have you lost or won any new contracts with state funders in the last three years (why?)

Wider impact of state – voluntary sector relationship

6. I've read various articles which have argued that 'Best Value' is changing/has changed the relationship between state and voluntary sector, how true is this for your organisation?

7. In your opinion, has your organisation's relationship with state/funding bodies had any impact on your organisational mission/values in recent years? (If yes, please explain)

Contemporary developments in employment relations

8. During your time here as a manager can you recall an incident when your organisation has undergone significant change because of the introduction of employment legislation?

9. In the last three years, has your organisation introduced any significant changes to its employment relations policies?

USE FOLLOWING PROMPTS

Quality

Flexibility

Customer/client focus

Continuous improvement

Pay and Conditions

Performance Management

Training

Policies & Procedures (discipline, absence etc)

Employee involvement

Training and development

Influences on employee relations policies

10. What HR policies are you requested required to present/show as part of a tender for a contract for funding from a state source?

11. On balance, which has been the strongest influence on the content of your organisation's HR policies:

Your own professional education/continuing professional networks
Benchmarking exercises/comparisons with other organisations
The influence of state funding bodies

12. How do you account for this?

13. Which, if any, of your current HR policies do you feel contribute to your organisation's credibility as a service provider in the eyes of funding bodies?

14. Why do you think these policies contribute to your organisation's credibility?

15. During your time here as a manager, can you recall an incident when you adopted a specific performance management, quality or other HR policy because a state funding body made its adoption a condition (partly or wholly) of securing its funding?

16. Why do you feel this pressure was applied?

17. During your time here as a manager, can you recall an incident when a state funding body attempted to persuade your organisation to adopt a specific performance management, quality or other HR policy, partly or wholly as a condition of securing funding, but your organisation did not do so?

18. How do you account for the organisation's decision to not adopt these policies?

19. Did your organisation still secure the contract? – If yes, how do you account for this?

Impact of environmental influences

20. Which, if any, of the HR policies that were required by the state funder(s) have had a significant impact on your working methods and practices

21. Which if any, of the HR practices drawn from benchmarking exercises has had a significant impact on your working methods and practices?

22. Which, if any, of the HR policies that were required by the state funder(s) have had a significant impact on your working methods and practices?

23. Have the changes in HR policies that were outlined earlier made it more difficult to manage staff?

24. Does your relationship with state funding body make it any more difficult to manage staff?

25. I have read from various sources that people join the voluntary sector for reasons that are overwhelmingly to do with their commitment to the cause/work that they do, what are your views on this?

26. Some articles I have read recently suggest that overwork, stress, a tighter funding environment from the state are effecting the levels of commitment among staff in non-profit voluntary organisations, what are your views on this?

27. In your opinion, has there been a noticeable decline in loyalty and commitment among staff towards your organisation in recent years (if yes, why?)

ANYTHING ELSE TO ADD?

Background questions posted to participating voluntary organizations

Background about your organisation

1. How many operational units does your organisation have?

Your Organisation's funding

2. Does your organisation's have any of the following sources of funding (Please tick):

EU grants	National Lottery funding
EU Contracts	Investments
Local Authority grants	Rent
Local Authority contracts	Charity shops
Central government grants	Covenants
Central government contracts	Legacies
Other (please state)	

3. Which of the above is the largest source of funding for your organisation's activities?

4. What elements of your organisation's activities are funded directly by state bodies/agencies?

5. Which of your activities have the state as the main source of income?

Background HR Information

6. Approximately, how many employees:

- a. Work within this organisation?
- b. Are employed on part-time contracts?
- c. Are employed on temporary contracts?
- a. Are female?

7. In the last three years, has your organisation's workforce (please circle):

- a. Increased
- b. Decreased
- c. Stayed the same

8. In recent years, has your organisation '*contracted in*' employees previously employed in the public sector or some other organisation (Please circle)?

- a. Yes
- b. No

9. Do you recognise a union(s) for the purposes of collective bargaining?

- a. Yes
- b. No (Goto Q)

(If yes)

- a. Which union (s) do you recognise?
- b. How long has the agreement been in place?
- c. What issues are negotiated with the union?
- d. What issues are open to consultation with the union?
- e. Approximately how many of your workforce are union members?

10. Approximately, what proportion (%) of your expenditure is devoted to paid employment?

11. Approximately, what proportion (%) of your expenditure on paid employment is covered by income from state sources?

13. Does state funding contribute to:

- a. Meeting your employment costs right across the organisation,
- b. Just for specific projects/units?

NON-HR RESPONDENT WITH INSIGHT INTO NEGOTIATIONS WITH FUNDING BODIES

Organisational activity, funding and competition

1. What is your role in this organisation?
2. Can you summarize the tendering/negotiating process for local government contracts, and your role in it?

Competition and market status

3. What do you see as the key factors that give your organisation credibility as a service provider in the eyes of state funders?
4. Why do these factors contribute to your credibility?

Wider impact of state – voluntary sector relationship

5. In your opinion, has your organisation's relationship with state/funding bodies had any impact on your organisational mission/values in recent years? (If yes, please explain)

Influences on employee relations policies

6. Why do you think that your organization has been able to retain some of the link with NJC terms and conditions of employment? (What bargaining strength does it have?)

7. What is your perception with regard to the impact of the following on your organization:

Best Value?
SVQ standards?
Disclosure Scotland?
Supporting People packages?

8. Which, if any, of your current HR policies do you feel contribute to your organisation's credibility as a service provider in the eyes of funding bodies?

9. If so, why do you think these policies contribute to your organisation's credibility?

10. During your time here as a manager, can you recall an incident when your organisation adopted a specific performance management, quality or other HR policy because a state funding body made its adoption a condition (partly or wholly) of securing its funding?

11. Why do you feel this pressure is applied?

13. During your time here as a manager, can you recall an incident when a state funding body attempted to persuade your organisation to adopt a specific performance management, quality or other HR policy, partly or wholly as a condition of securing funding, but your organisation did not do so?

14. How do you account for the organisation's decision to not adopt these policies?

15. Did your organisation still secure the contract? – If yes, how do you account for this?

HAVE YOU ANYTHING ELSE TO ADD?

Thank you for your co-operation

QUESTIONS FOR REPRESENTATIVE OF FUNDING BODY

Organisational activity & contracting

1. What is your role in this organisation/department?
2. What range of services is your department/division responsible for purchasing from non statutory providers?
3. What range of services do you contract out to voluntary organisations?
4. Approximately, what proportion of your budget is contracted to voluntary organisations?

Nature of contractual relationships

5. In your experience in relation to deciding the award of contracts to voluntary organisations, are such decisions based on:
 - a. Purely competitive/market issues
 - b. The result of joint decisions re service provision with voluntary organisations
 - c. Planning and distributing responsibilities with little service provider feedback
 - d. Mixture of the above (Which of these is the most common?)
6. What factors determine the nature of the above decisions?
7. What do you see as the main factors/attributes that give voluntary organisations credibility as potential or actual providers of contracted services?
8. What are the relative advantages and disadvantages, if any, of choosing a voluntary compared to private sector provider of services?
9. I have read various articles that argue that 'Best Value' is changing/has changed the relationship between state and voluntary sector, in your experience how true is this?
10. What is your impression of the impact of the care commission?
11. What regulatory apparatus is your council putting in place as a substitute for registration and inspection?

Employee Relations issues

12. When deciding to award contracts to voluntary organisations, to what extent are the following employment issues a consideration in determining the suitability of prospective service providers?

Wages salary costs

Training and development

Recruitment and selection

Employee retention

Employee flexibility

Equal opportunity policy

Health and safety policy

Other (please state)

13. Which of these are the most crucial in determining the success of an application?

14. What other factors have more importance in relation to determining the suitability of prospective service providers, in comparison to employment issues?

15. Are there specific HR policies/procedures that your organisation judges to be essential to have in place before voluntary organisations are given funding?

16. Do you monitor the extent to which these initiatives are implemented once the contract is awarded? (If yes, how is this done?)

17. During your dealings with voluntary organisations, can you recall an incident where your organisation failed to persuade a voluntary organisation to adopt a specific performance management/quality or other HR policy?

18. How do you account for that failure?

19. Did the organisation still secure the contract? If yes, why?

20. Can you recall an incident when the council has had to intervene in an internal HR issue of a voluntary organisation because of problems with service delivery (probe for reasons, outcome, satisfactory result, reactions of voluntary partner?)

21. In negotiations for uplift,

a. Are these undertaken face-to-face with voluntary sector representatives?

b. What factors do you take into consideration when deciding the amount of uplift?

c. Do you expect any concessions in return for uplift?

ANYTHING ELSE TO ADD

Appendix 2: Interview schedules from second phase of fieldwork

INTERVIEW FOR EMPLOYEES

BIOGRAPHICAL DETAILS

Sex

Age

Length of service:

Part-time/Full-time

Current job title:

Temporary....

Permanent....

Is your job:

Manual

Non-manual

1. Would you describe your current job as:

Front line direct care role

Administrative/clerical

Middle/line Management

Senior Management

2. Highest level of qualification?

3. Are you a trade union member?

YOUR CURRENT JOB

4. Have you always worked in this organisation? (if yes go to question)

5. Can you tell me the nature of your previous job?

6. Why did you leave your last job?

7. Can you tell me something about the nature of your current job (prompt – what happens during a typical day)?

8. When do you start and finish each day?

YOUR CURRENT JOB – WHY YOU JOINED?

9. When choosing employment in this organisation, which, if any, of the following **positively** influenced your decision to join (take a few minutes looking at this list and choose as many as you like)?

USE A PROMPT CARD

a. Particular terms and conditions of employment

Reasonable level of pay
Good holidays
Occupational Pension Scheme
Length of contract

b. Practicality –e.g.
Geographical location,
No alternative employment options,
Matches domestic responsibilities

c. Career advancement/progression

d. Availability of training opportunities with the employer

e. Opportunities to learn and use new skills

f. The ability to participate in decisions that are focused on providing quality services to a specific client group.

g. Helping to deliver front line services in line with goals of your profession/vocation, and less bureaucracy

h. The ability to do something of value for the community/public good, rather than contribute to profits.

i. The mission of this organisation is in line with those of my values/faith.

j. Other (please state)

10. Which of the above were the three most important in helping you reach a decision in choosing employment in this organisation, and why?

- 1.
- 2.
- 3.

11. As an employee in this organisation, is there any time/incident that you can point to where your employer has not met any of these **three** most important aspects of your job?

Why do you believe this occurred?

Has the organisation done anything to make up for this?

Were you satisfied with these actions?

CHANGES TO YOUR JOB

13. In the last three years, has management introduced changes to when you start and finish work?

How do you account for this change?

14. In the last three years, has management introduced changes to your terms and conditions of employment, e.g. pay, holidays, pensions?

How do you account for this change?

15. The list of categories outlined in the table below relates to areas of potential change to your current job that may have occurred in the last three years. Using the 5 point scale outlined below please indicate (tick) the extent to which you have experienced any changes to these aspects of your job:

- 1 = Significant Decrease
- 2 = Slight Decrease
- 3 = Stayed the same
- 4 = Slight increase
- 5 = Significant Increase
- 6 = Not applicable/Never happened

Changes to job in the last three years	1	2	3	4	5	6
The volume of work I do						
The pace at which I am expected to work						
The number of hours I work						
Concerns regarding my job security						
The amount of responsibility I have						
Performance expectations regarding my role from management						
The amount of supervision over me and scrutiny of what I do						
The amount of time spent in clients' own homes						
The amount of time spent working on my own with clients						
The amount of time I work 'unsocial hours'						
Facilitating and/or involvement in recreational/social activities of clients						
The amount of training I have received						
Incidents where I change the way I work as a result of acting on client decisions						
The amount of responsibilities/tasks I undertake previously the responsibility of management/higher grade						
The level of satisfaction/enjoyment I get from my work						
The amount of support I get from my immediate manager						
Incidents where the type of care received by clients changes as a result of my professional judgement						
Incidents where I can think creatively about how to deliver client services						
Experience of tensions between work and childcare/other domestic responsibilities						
Number of incidents where I was anxious about my own personal safety at work						
Experience of periods of work-related stress/anxiety						
The amount of paperwork/bureaucracy I deal with						
Periods where I have felt over worked because of staff shortages						
Delegating aspects of my job to subordinates						

How do you account for these changes?

16. Which 2 –3 of these have had the most significant impact on your working life?

- 1.
- 2.
- 3.

GET THEM TO DESCRIBE HOW THE MOST SIGNIFICANT CHANGES HAVE IMPACTED ON THEIR WORKING LIFE?

16b. Which of these changes represents the most difficult change to your working life?

c. Most enjoyable?

THE OUTCOMES OF CHANGES TO EMPLOYMENT CONDITIONS

17. Over the last three years would you say that your commitment to the aims and goals of your employer has:

- Significantly increased
- Slightly increased
- Stayed the same
- Slightly decreased
- Significantly decreased

Please give reason for answer

18. Over the last three years would you say that your commitment to the aims and goals of your work group/team or professional colleagues has:

- Significantly increased
- Slightly increased
- Stayed the same
- Slightly decreased
- Significantly decreased

Please give reason for answer

19. Have you ever experienced a period(s) of employment in this organisation where you have worked voluntarily over your contracted hours on an unpaid basis? (if yes, why?)

20. Have you ever experienced a period(s) of employment in this organisation where you have worked through or had curtailed lunch hour or break? (if yes, why?)

21. As an employee of this organisation, can you recall an incident or incidents when either you or a colleague came into work voluntarily to fulfil your role, when you were feeling unwell or were supposed to be on holiday? (why?)

22. As an employee of this organisation, can you recall an incident or incidents when either you or a colleague took a period of unauthorised absence that was not due to illness, but you took it off as a sick day (if yes, why – if not why)?

23. As an employee of this organisation, can you recall an incident or incidents when either you or a colleague refused/avoided compliance with management requests that involved you undertaking duties that went beyond contracted responsibilities (if yes, why, if not why)?

24. As an employee in this organisation, can you recall an incident or incidents when either you or a colleague felt unable to provide the quality of service you feel you want to deliver to clients (Why?)

26. In the forthcoming year if you received an offer, would you accept alternative employment in:

a. Another voluntary organisation (why?)

b. Another care organisation (private – public) why?

c. Any other employer (why?)

27. Have you had a close colleague leave this organisation in the last five years, if so, what is your perception regarding the reasons for them leaving?

Have you got anything else to add?

INTERVIEW WITH MANAGERS

SECTION 1: CHANGES TO EMPLOYEE RELATIONS POLICIES SINCE LAST INTERVIEW

Section will contain specific questions updating information from previous interview

SECTION 2: RECRUITMENT IN YOUR ORGANISATION

1. When recruiting for staff below management level, which of the following form the basis of your organisation's promises/obligations to prospective employees?

a. Particular promises/obligations from employer relating to terms and conditions of employment

Level of pay

Holidays

Occupational Pension scheme

Length of contract

b. Practicality –e.g. hours of work can match domestic responsibilities

c. The opportunity for career progression

d. Availability of training opportunities

e. Opportunities to learn and use new skills

f. The ability through employment in this organisation to participate in decisions that are focused on providing quality services to a specific client group.

g. More involvement in front line service delivery in line with goals of my profession/vocation.

h. The ability to do something of value for the community/public good, rather than contribute to profits.

i. The mission of this organisation may be in line with people's values and faith.

j. Other (please state)

2. When recruiting employees at management level, which of the following form the basis of your organisation's promises/obligations to the prospective employee?

a. Particular promises/obligations from employer relating to terms and conditions of employment

Level of pay

Holidays

Occupational Pension scheme

Length of contract

b. Practicality –e.g. hours of work can match domestic responsibilities

c. The opportunity for career progression

d. Availability of training opportunities

e. Opportunities to learn and use new skills

f. The ability through employment in this organisation to participate in decisions that are focused on providing quality services to a specific client group.

g. More involvement in front line service delivery in line with goals of my profession/vocation.

h. The ability to do something of value for the community/public good, rather than contribute to profits.

i. The mission of this organisation may be in line with people's values and faith.

j. Other (please state)

3. As a manager in this organisation, can you recall an incident or incidents where one or a group/team of employees has accused your organisation of failing to meet any of the above promises/obligations?

4. Did your organisation do anything to respond to these employees?

5. As a manager in this organisation, can you recall an incident or incidents where your organisation has failed to meet any of the above promises/obligations for one or a group/team of employees?

6. Why did this happen?

7. Did your organisation do anything to respond to these employees?

8. As manager of this organisation, can you recall an incident or incidents when you or another management colleague were aware of/reported an employee(s) in this organisation who was regularly taking periods of unauthorised absence that was not due to illness, (if yes, why – if not why)?

How do you account for this behaviour among employees?

9. As a manager of this organisation, can you recall an incident or incidents when employees refused/avoided compliance with management requests that involved them undertaking duties that went beyond contracted responsibilities (if yes, why, if not why)?

How do you account for this behaviour among employees?

10. Have you ever come across employees who for an extended period of their employment in this organisation have worked voluntarily over their contracted hours on an unpaid basis? (if yes, why?)

How do you account for this behaviour among employees?

11. As a manager of this organisation, can you recall an incident or incidents when colleagues came into work voluntarily to fulfil their roles, when you know they were feeling unwell or were supposed to be on holiday? (why?)

How do you account for this behaviour among employees?

12. As an employee in this organisation, can you recall an incident or incidents when colleagues complained that they felt unable to provide the quality of service they felt they wanted to deliver to clients (Why?)

How do you account for this behaviour among employees?

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