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POLICY INTO PRACTICE:

A STUDY OF PUBLIC POLICY IMPLEMENTATION AND THE ROLE OF LEARNING

VOL. I

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THESIS SUMMARY

Policy into Practice:

A Study of Public Policy Implementation and the Role of Learning

Public policy becomes managerial practice through a process of implementation. There is an established literature within Implementation Studies which explains the variables and some of the processes involved in implementation, but less attention has been focused upon *how* public services managers convert new policy initiatives into practice.

The research proposes that managers and their organisations have to go through a process of learning in order to achieve the implementation of public policy. Data was collected over a five year period from four case studies of capital investment appraisal in the British National Health Service. Further data was collected from taped interviews of key actors within the case studies.

The findings suggest that managers do learn to implement policy and four factors are important in this learning process. These are; (i) the nature of bureaucratic responsibility; (ii) the motivation of actors towards learning; (iii) the passage of time which allows for the development of competence and (iv) the use of project team structures.

The research has demonstrated that the conversion of policy into practice occurs through the operationalisation of solutions to policy problems via job tasks. As such it suggests that in understanding how policy is implemented, technical learning is more important than cultural learning, in this context.

In conclusion, a "Model of Learned Implementation" is presented, together with a discussion of some of the implications of the research. These are the possible use of more pilot projects for new policy initiatives and the more systematic diffusion of knowledge about implementation solutions.

KEY WORDS: National Health Service, Capital Investment Appraisal, Public Policy Learning, QSR NUD.IST, Policy Implementation.

DEDICATION

This thesis is dedicated to my parents, Doreen and Kenneth Schofield.

Acknowledgements

LIST OF CONTENTS

VOL. II

Chapter Seven: Preface To Case Studies And Contextual Introduction To Field Research

Chapter Eight: Data Analysis And Results

LIST OF FIGURES AND TABLES

CHAPTER ONE

INTRODUCTION

1.1   Background

The foundations for this research about the implementation of public policy were laid
in my own working career. For the first ten years I was a health service manager, as
such I had operational responsibility for a hospital. I was also the operational
instrument for new policy initiatives communicated by central government. A great
deal of intellectual energy went into trying to bring about, at an operational level, the
government's wishes. At the same time there was nearly always bemusement that the
Department of Health could be so uninformed about the consequences of their policy
initiatives; surely if they knew what actually happened as a result of them the policy
design would be changed?

The second ten years of work have been spent studying and teaching public policy and
management. The mists of my earlier bemusement were lifted by the discovery of
Pressman and Wildavsky's book *Implementation* published in 1973. At last, I began
to understand that the processes I had been involved in as a manager were mostly
about implementing policy, about transferring strategies, or as Webb believed,
principles into action. Further reading answered some outstanding questions I had,
but also raised additional ones. In particular, both the literature and ongoing policy
initiatives throughout the 1990s in Britain assumed that operationalising such policy
was 'doable', in the sense of capable of being done. My practical experience as a
manager had often demonstrated that this was not the case. It was not the case

because people either lacked the skills, competencies or knowledge necessary to translate policy into action.

Furthermore, most policy communiqués lacked sufficient technical guidance or accompanying training packages to help the managers. All this resulted in brave attempts by managers to operationalise the policy, but often in what might be described as a substandard way.

The consequences of which produced two dilemmas. Firstly, it was unlikely that policy designers could anticipate the operational consequences of their initiatives because they are too far removed from operational management. Secondly, even if they could succeed in such anticipation, they may notice a lack of congruence between the policy ideal and the reality because of the lack of the aforementioned operational capability.

It is from this background that the research question for this work was formed. The research presented here seeks to answer the question "how do managers in the British public services implement new public policy initiatives? The research is located in the British National Health Service (NHS) as an example of a complex public service and one which demonstrates the interplay between strategy and operational management.

Furthermore, the NHS had also been the focus of a radical piece of new legislation, the 1990 NHS and Community Care Act. The new legislation provided an example of

not only policy innovation but a major strategic change of direction for a British public service, that of a move away from a state welfare model to one of a quasi-market model of planning and delivery. One particular aspect of the legislation was the introduction of a new form of Capital Investment Appraisal to reflect the move towards a quasi-market ideology.

The consequences of these aforementioned changes was such that the NHS presented a very fertile research area for a study of implementation. This was because after the 1990 Act the NHS inhabited a whole new political, cultural and managerial environment; hence managers were faced with more than just one more policy initiative to implement, they had to do so in a completely different milieu.

1.2   Context of the Research

The National Health Service in Britain has, since its introduction in 1948, been one of the cornerstones of both public service provision and the welfare state, embracing the principles of equity and universality of coverage and access. In 1990 one of the most radical pieces of public sector legislation in post war Britain was introduced, namely, the National Health Service and Community Care Act. The consequences of this legislation are being played out in contemporary Britain and are variously described as 'epochal' change and as an 'extraordinary episode in the history of health care' (Butler, 1992).

As a consequence of policy initiatives, managers of healthcare institutions have had to learn to become "business' managers, entrepreneurial contractors with state purchasers

and public strategists all within an accountability system built around a managed market, but still with central state funding. Not surprisingly, such a major shift in UK public policy has led many scholars to adopt a strategic management perspective towards the changes which have occurred (Pettigrew et al 1992).

However, the results of applying strategic and change management theories to an analysis of the reforms in the NHS has been to de-politicise such studies and to adopt the very managerialist doctrines and explanations which researchers are trying to critique. What has characterised the NHS from its inception to the present day, is that it is still publicly funded on a national basis. There is no system of hypothecated tax, no local revenue raising ability for healthcare and therefore, even given the massive changes within the NHS, its management is "inextricably political' (Klein 1995, p. 148). Hence what happens in the NHS is still part of the public policy process in general.

The research presented here has chosen not to take the strategic change approach to understanding the NHS reforms, but the implementation approach. It does not seek to evaluate the reforms, rather it seeks to understand the processural mechanisms by which policy is turned into action, by managers. To explore this it has chosen to focus upon the processes involved in Capital Investment Appraisal, because of the opportunities which such appraisals offer for studying a whole range of policy issues and because of the inextricable links between capital expenditure, health provision and health policies.

As a result of the introduction of an internal market into healthcare and the adoption of a new capital accounting mechanism for the NHS, managers have become responsible for implementing not only the policy initiatives themselves, but also their consequences. In terms of strategic capital planning, this has meant that the Business Cases for capital investments must now be completed with a demonstration that:

(i)   the investment is contiguous with national and local strategy;

(ii) the investment is affordable;

(iii) 'market' risk has been assessed;

(iv) the "business' viability of the operating unit is not endangered as a result of the investment.

In 1991 when these requirements were introduced, the vast majority of clinical, financial and general managers had little or no experience of this form of commercially based strategic investment appraisal. They were in a state of 'ignorance', their only official guidance available was in the form of a four volume Capital Investment Manual, which had been grafted onto the more traditional public investment guidelines, which had previously only required the identification of options for investment and a relatively simple cost benefit analysis.

1.3   Scope and Focus of the Research

Conceptually, Implementation Theory allows a political perspective to be brought to the analysis of strategic change. Implementation studies have a great deal to offer the policy analyst because of their integrative abilities. These integrative abilities exist

because of the conceptual keystone of an implementation perspective, namely, policy politics, or social politics, as opposed to electoral or partisan policies (Brodkin 1990).

What can be described as the British equivalent of Pressman and Wildavsky's initial work on implementation is Barrett and Fudge's collection in 1981, *Policy and Action*. They assert that:

> 'policy does not implement itself' (1989, p9).

Furthermore, they believe that implementation is about a policy-action continuum, about interactions and negotiations between actors:

> 'between those seeking to put policy into effect, and those upon whom action depends' (p.25).

'To implement' implies process, it also implies ability: the ability to convert the aforementioned 'state's policy promises into the state's policy products' (Brodkin, 1990, pp. 108). The initial impetus for the research had been the idea that public managers do not automatically know how to bring about such a conversion. Nonetheless, policy *is* implemented, so therefore something happens to these managers to enable them to operationalise policy. Out of this logic grew the working hypothesis that public managers have to *learn* how to implement policy requirements. Consequently, the focus of this research is to investigate how such learning comes about.

6

1.4   Existing knowledge

In their bibliographic review to '*Implementation*' Pressman and Wildavsky express

their incredulity at the apparent lack of citations regarding implementation:

> 'There is a kind of semantic illusion at work here because virtually
> everything ever done in public policy or public administration must, in
> the nature of things, have some bearing on implementation.
> Nevertheless.....we have been unable to find any significant analytic
> work dealing with implementation'
> (Pressman and Wildavsky, 1973 pp. 166).

Things are not quite so bad a quarter of a century later. There has been a small but

significant group of implementation scholars who have dominated the literature.

These writers also have a geographical spread; the largest group emanate from the

United States and two smaller groups from Britain and Scandinavia. A substantial

amount of the existing knowledge has been developed from research which has

focused upon the relationship between the original policy intentions and the resulting

policy outcomes. As such, this knowledge has addressed the *congruity* between

policy and outcome; where the outcome differs from the original policy intention it

has been suggested that implementation has failed.

Following on from such a suggestion, other research has addressed the factors or

variables which may lead to successful implementation. Much attention is also given

in the literature to multi-agency implementation activities and the difficulties of inter

agency communication and differential power processes. As such, this type of

implementation research has tended to take a macro perspective on public policy

activity.

In Britain, implementation studies have tended to become unfashionable in recent years. One of the suggestions as to why this might be, is that the outcomes of public policy initiatives have been assessed in terms of strategic management, change management, or from a consumer perspective, perhaps mirroring the more managerialist culture within British public services over the past twenty years.

Another popular brand of policy analysis has been evaluation studies. These studies have tended to concentrate upon the policy outputs rather than outcomes and again have sought to explain lack of congruence between policy design and the resulting output. Once more it is possible to trace contemporary influences on such evaluation studies, particularly in terms of the quality assurance movement, best practice management and benchmarking.

Given that Implementation Studies are firmly grounded in political science, then it is not surprising that little of the research reflects knowledge from the more general management field, in particular organisational behaviour. This may in part explain why there is a lack of attention in the majority of the implementation literature to more micro behavioural factors.

Overall, the existing work on Implementation does not address how public workers *operationalise* policy, and this is a significant gap in the implementation literature. It may well be that this has been because of the relative academic isolation from each other of political science and management science. One of the benefits of studying

public policy *management* is that it is also necessary to integrate political science and managerial science.

Current gaps in the public policy implementation literature are in particular:

(i)   the need for more knowledge about the processes involved in implementation, as opposed to the variables;

(ii)   an explanation of how policies are translated into action at the task level;

(iii) the need to identify how contributing literatures from organisational and general management science can assist in understanding implementation;

(iv)   a greater focus on micro level behaviour of policy implementors;

(v)   a need to understand how the operational experience of new policy initiatives might be fed back into policy design.

1.5   Key Themes and Issues

Given the radical nature of the 1990 NHS and Community Care legislation, it is important to understand how such wide ranging and fundamental policy has been implemented. Such an understanding is particularly important because even for the policy designers, the legislation represents a significant departure from the system which had been in operation for over forty years. Thus, we have a situation of both government and administration "in ignorance' as to what the effects of such a radical piece of legislation will be.

In order to perform any meaningful research in this area, it is necessary to take both a macro and a micro perspective. The macro perspective needs to address the substantive points of the legislation and the micro perspective the more behavioural

9

processes by which the substantive points are enacted. Nor is the research able to assume that knowledge, in the form of public managers' capability to translate policy into action, is present. Therefore, any such research should be able to detect the development of learning capabilities.

1.6 Research Questions

The gaps in the implementation literature and the focus of the research problem have lead to the following research questions:

(i)   How have public services managers in the NHS implemented the Capital Investment Appraisal aspects of the 1990 NHS and Community Care Act?

(ii) To what extent did these managers have to learn how to operationalise policy into action?

(iii) What are the implications of the findings for public policy implementation in the wider context of the public policy process?

1.7 Structure of the Thesis

It may assist the reader to have a navigation system for the thesis. The thesis is presented in two volumes. Volume One addresses the literature and research methodology. Volume Two addresses the field work, data analysis, results and interpretation of the empirical evidence.

In Volume One, following on from this introductory chapter, the contextual setting for the research is considered in terms of a review of contemporary public policy in Britain, and how this has impacted upon the National Health Service (Chapter Two). A discussion of the role of public administration and how implementation fits into the

policy process is then juxtaposed with an analysis of the role of the bureaucrat (Chapter Three). The following chapters, (Four and Five) evaluate the literature concerning Policy Implementation and Organisational Learning. The final chapter (Chapter Six) discusses the rationale for the interpretative ethnographic approach which has been used for the field work and explains the research design.

Volume Two has five chapters. Chapter Seven presents the four case studies of capital investment appraisal which were studied. The analysis of both the substantive and processural findings is presented in Chapter Eight. Further results, analysed using QSR NUD.IST, from fifteen taped interviews with those actors involved in the implementation, are discussed in Chapter Nine.

The thesis concludes with the presentation of a grounded theory of 'Learned Implementation' and an exploration of how this might be linked into the policy process (Chapters Ten and Eleven).

CHAPTER TWO

CONTEMPORARY PUBLIC POLICY: ITS IMPACT UPON HEALTH CARE AND STRATEGIC CAPITAL INVESTMENT IN THE NATIONAL HEALTH SERVICE

The focus of this research is to understand the processes by which public services managers implement new public policy initiatives. In order to do this the research design has taken a longitudinal study of four case studies of Capital Investment Appraisal in the British National Health Service. The research design incorporates the hypothesis, that public services managers had to *learn* to implement these new public policies.

The empirical section of the thesis is presented in Volume II. It takes a Grounded Theory approach and demonstrates that *technical* rather than cultural or political learning was more important to the public services managers when they implemented the new public policies. Such a finding was, of course, part of a long discovery process, a process which began with a comprehensive review of the literature. The scale and the length of the literature review presented here is rather longer than expected within a PhD. There are a number of reasons for this. Firstly, the topic area falls within two disciplines, namely applied political science and organisational behaviour. Secondly, apart from the complexities of the National Health Service in terms of its legislative basis and the extent of professional dominance, the NHS is part of the broader public sector and hence must be situated within the literature which refers to the public sector in more general terms.

The thesis contains four chapters which address the relevant literature and they have informed the analysis of the empirical data in the following ways:

Contemporary Public Policy: this chapter explains the cultural and legislative context of the case studies. It also describes what research has been completed in respect of capital investment appraisal decisions to date.

Public Administration and the Policy Process: this is an important explanatory chapter in that it helps the reader and researcher understand the theoretical constructs to late 20th century western public services, particularly in respect of the use of the New Right; the policy consequences of which the actors in the case studies had to implement. Furthermore, this chapter explores the bureaucratic nature of public services. The case study analysis demonstrated that the actors behaved in a very particular way: a bureaucratic way, and in part it was this element of bureaucratic obedience which facilitated the implementation of the new capital investment policies.

Policy Implementation: this chapter reviews the literature which relates to the central raison d'être of the dissertation. It is complemented by the two previous chapters in that Policy Implementation falls well within the discipline of political science. Its contribution towards the analysis of the empirical data is in terms of understanding implementation processes and implementation factors. Finally, it is to this body of literature where the intellectual contribution to knowledge has occurred.

Organisational Learning: from the outset of the "voyage of discovery" which took place in this research, I was very aware that the political science literature very rarely, if ever referred to the organisational behaviour literature. This chapter reviews the specific literature on organisational learning and links it with the small but important literature on policy learning. The chapter's contribution to the analysis of the empirical data is in terms of how it explains learning processes. Most importantly, this chapter reviews literature which traditionally emphasises the importance of cultural or value based learning over technical learning. The findings from this research demonstrate the opposite, that in order for bureaucrats to implement new public policies, they need to have technical competence; to have acquired technical learning, their cultural learning milieu is a given, i.e. it is derived from central government policy statements.

2.1   Introduction

In 1981, an influential and often quoted publication from the Organisation for Economic Co-operation and Development (OECD, 1981) predicted a crisis in welfare for Western nations in the ensuing decades. The crisis was believed to be as a result of a mixture of historical inevitability, because of the post industrial and post war nature of these Western states, and also because of an increase in the demographically dependent sections of society on highly sophisticated and extensive welfare systems.

A number of writers, such as Deakin (1987), point to an 'end of consensus between the state, trade unions and industry which had developed in the immediate post war years and was focused towards an economic and social policy designed to build and

14

enhance a welfare state. The end of consensus did not happen suddenly, but the beginning of the end was spearheaded by the revival of neo-conservative market liberalism epitomised by the ideologies expressed by Hayek (1978) and Friedman (1953). These ideologies were in stark contrast to those of Beveridge and Keynes which had epitomised the ideology of the post war consensus.

Contemporary commentators on the British public sector, have sought to link this idea of the end of consensus, with the more global predictions of the OECD and so set the stage for their analysis of changes in the UK public sector during the past twenty years (Flynn, 1990; Ranade, 1994; Taylor-Gooby and Lawson, 1993).

The purpose of this chapter is threefold: to review the extensive literature on contemporary public policy which explores the thesis of the 'New Right'; to explain how this thesis has impacted upon the National Health Service and its managers; and then to contextualise both of these themes in respect of capital investment appraisal in health care.

The vast majority of these contemporary changes have been built upon legislation which has been mixed with an overriding cultural ideology of market dominance. The chapter also seeks to establish something of the legislative and cultural milieu within which the actors in this research were operating and, hence, to explain something of the complexity and radicalism of the policy initiatives which they were required to implement. Important issues surrounding the policy process and public administration, bureaucracy and the influence of economic theory on policy and is subsequent

implementation are raised within this chapter, but given further attention and analysis in the later Chapters Three and Four.

The range of scholarly work available which addresses contemporary public policy has a very marked chronology which reflects our increasing understanding and research into the influence of a market economy into welfare provision. From the late 1970s to the early 1980s, the literature concerning financial stringency and economic efficiency was dominant. Then, gradually, the political analysts joined the economists in elucidating a thesis of the New Right during the late 1980s. The beginning of the 1990s heralded the synthesis of previous work and gave attention to the managerial impact of the New Right in terms of the New Public Management and the operationalisation of Williamson's transaction cost thesis into a more fully developed expression of quasi markets.

The literature at the end of the 1990s is now influenced by a condition to the quasi market thesis, this condition being 'the new economic sociology' and the idea of relational markets. Other, contemporary ideas concern a keen interest in alternative patterns of public accountability, public corporate governance and the exploration of an appropriate theory of organisational behaviour for disagreggated and deinstitutionalised public service provision.

Something of the chronology of the evolution of knowledge about contemporary public policy can be explained by the patterns of funding by major research organisations. Rhodes (1994; 1995) traces intellectual developments in the field

emphasising two important Economic & Social Research Council (ESRC) initiatives in the early 1980s, namely, those concerned with inter-governmental relations and those concerned with government-industry relations and later the ESRC's initiative on management in government. Rhodes is keen to emphasise that the changes in public policy have had an impact upon public administration as an intellectual discipline. He suggests four trends within the discipline and hence similar trends in much of what has been published. These trends are the dominance of organisation theory, particularly contingency theory in the later 1970s and early 1980s; state theory, rational choice and public management. One might also hurry to add a fifth dimension to Rhodes's themes, namely that of the study of comparative public policy (Dunleavy, 1994; Hood, 1995; Flynn, 1996; Saltman and von Otter, 1992; Smith, 1996).

Somewhat paradoxically, Ferlie (1994) has criticised what he sees as the 'over abstract' macro theoretical accounts of changes in the public sector. He suggests that a methodological move towards more micro political studies of public organisations would be timely, but there should be studies, which, at the same time, need to retain some strong theoretical propositions. Undoubtedly, the literature does appear to fall into two broad types: that which is entirely theoretical and presents a critical application of established political and economic theory to contemporary polices and that which is almost entirely empirical, which offers rich data, mostly from case studies, but which does not necessarily link theory and empiricism.

2.2 Paradigmatic shifts in Public Policy and the emergence of the New Right

An interesting nomenclature has developed as a shorthand to describe the numerous changes which have occurred in public sector welfare since 1979, namely, 'reformist', 'rolling back the state' and 'reinventing governmen'. It is interesting to take the provenance of each of these phrases which have been so thoroughly incorporated into the literature. It is also important to understand the ideologies which underpin the changes if we are to understand how they are implemented.

Within the British literature the political science explanation of these ideological changes has been explored and summarised by Hood and Pollitt. In particular, whilst acknowledging other scholars, Hood (1991) describes four administrative 'megatrends' (p. 3): the slowdown and reversal of government growth; privatisation and quasi-privatisation; increased automation (including information technology expansion) and a more international agenda which generalises issues in public management and policy design. Importantly, Hood acknowledges the theoretical origins of the New Right, firstly, the new institutional economics of Arrow (1963) and Niskanen (1971); secondly, ideas of managerialism as defined by a US type business model which has been transported to public sector settings. The latter is exemplified by the influence on policy makers of Osborne and Gaebler's work *Reinventing Government* (1992).

Other writers, such as Thompson (1992), have also characterised themes within public sector reforms, she presents seven: privatisation, delegation, competition, enterprise, deregulation, service quality and curtailment of trade union powers. Whilst

Thompson's work presents examples from the public sector of how and where these particular definitions of reforms can be seen, it also raises a particular problem, namely, that of separating the critical and evaluative work of scholars who study public service reforms, from the influential work of government bodies. Such bodies include the Audit Commission and National Audit Office who seek to explain and refine the policy initiatives, normally after implementation, but very much in line with the concept of a policy-action congruence. Thus, the '3 Es' of efficiency, effectiveness and economy have been coined from the Audit Commission's work and Thompson seeks to use these as explanatory principles for the seven themes, but fails to question their validity or ideological pedigree.

It is possible, but time consuming, to adopt a purist approach to the literature on public sector reforms based upon the principle of primacy of use of terminology. Thus, Loveridge and Schofield (1993) link some of the impetus for public sector reforms to post modern, post industrial trends, quoting Dertouzos et al. (1990) and Pirie (1988). Similarly, Ferlie and Ashburner et al. (1996) refer to Keat and Abercrombie's original work in 1991 on the enterprise culture, another term which has been incorporated as common parlance into the general literature on public service reforms.

The question of whether there has been a paradigmatic shift within the public services concerns a number of authors. In his assessment of international trends of public sector reform within China, New Zealand and Malaysia, Holmes (1992) detects a generalised convergence towards the need to improve performance in the public sector

but a divergence in terms of the different means being used to do so across countries. Others, such as, Hood (1995) also utilise a global perspective to deduce a paradigmatic shift. They then measure changes against a traditional public administration system model. Like Holmes, Hood maintains that public sector reforms are culturally dependent and Hood suggests caution in identifying a 'global paradigm' of public management:

> 'progressive-era doctrines of public administration are currently in retreat in a number of countries, both the past and the future of public management may be more plural and contradictory...' (Hood, 1995, p. 115)

Nonetheless, at a national level there is considerable support for the idea of such a major shift in UK public policy. Unlike the economists and political scientists, Pettigrew et al. (1989, 1992) adopted a strategic management perspective towards change using the National Health Service. They concluded that significant strategic change had indeed occurred, but in a less homogeneous way, than the private, for-profit sector literature on change might suggest.

In an attempt to establish whether this change in public services has been transformational, Ferlie and Ashburner et al. (1996) present a detailed typology of transformational change (p. 94) which takes a system-wide perspective but which also takes account of power, service delivery mechanisms, ideology and culture. They emphasise that greater change has taken place within health care than within education. Much of Ferlie et al.'s definition of transformational change is juxtaposed

20

against Blumenthal and Haspeslagh's (1994) definitions of transformational change which emphasises individual behavioural change within an organisation.

Ferlie et al. argue that this is a particularly difficult indicator to measure and that it might be easier to assess individual cognitive frameworks instead of behavioural indicators. They do, however, conclude:

> 'We would argue that transformation is under way in health and is partially complete. For completion, the changes to the organisational culture in particular, need to be sustained...'

> 'Transformation, on our evidence, has not meant the total acceptance of the replacement of the old system by a market-based system, but rather a blend of old and new which produces something radically different.' (p. 114).

Other writers are less concerned with specific measures of change, preferring instead to compare their experience of pre-1979 policies with those of the succeeding two decades (Gray and Jenkins, 1993; Taylor-Gooby and Lawson, 1993; Le-Grand and Bartlett, 1993). Others, particularly Canadian writers, have emphasised the post-bureaucratic nature of change (Aucoin, 1990; Kernaghan, 1993).

Any assessment of paradigmatic shift needs to be a *relative* one establishing a before and after perspective which is probably one of the reasons why the literature is so concerned with establishing the exact nature of change. However, whilst many sections of the literature refer to the implementation of change (particularly, Pettigrew et al.'s work (1992) very little of it actually refers directly to the extensive literature

upon implementation, nor does it establish the detailed processes by which broad policy becomes operationalised.

Nonetheless, it is important to establish the scale of 'newness' or the novelty of contemporary public policies, because actors will, as a consequence, need to adapt old, and invent new, working practices in order to come to terms with such novelty. Indeed, this is precisely what this research addresses, how do public managers come to terms with such novelty. As the analysis will show they have to *learn* to implement new policies. Added to which, an understanding of the political and economic background to specific policy initiatives helps to establish the overall cultural and ideological context within which actors are operating. Within the UK, the managerial impact of New Right policies have become known as the 'New Public Management' and it is to these models and definitions which we now turn.

2.3   The Managerial Impact of the New Right: The New Public Management

Macroeconomics are a key contingent factor in understanding policy formulation, development and implementation. Moreover, it is the balance between employment and inflation which has spawned the two most fundamental approaches towards economic and indirectly political policies in the UK, namely, Keynesianism or welfare economies and Monetarism - more associated with the New Right.

The late 1990s offers the distinct benefit of hindsight for anybody studying British public sector management, mainly because of the scholarly, rich and extensive literature about the 'New Public Management' which has been much in evidence since

1989. Added to which has been the growing confidence of some authors who now feel able to 'assess the revolution'. Particularly strong examples of this come from Pollitt (1995) who presents an evaluation of the New Public Management; Gray and Jenkins (1995) who revisit the idea of paradigmatic shift and Ferlie and Ashburner et al. (1996) who present four models of the New Public Management and refine some of the original definitions.

Christopher Hood has done much to disseminate the main tenants of the New Public Management and a special edition of *Public Administration* in Spring 1991 was devoted to analysing and understanding the (then) relatively new concept. Comprehensive and considerable detail about what makes up the New Public Management is given by Hood (1991), Rhodes (1991) and particularly by Dunleavy (1994).

Dunleavy (1994) maintains that the New Public Management reforms are currently stabilising and provides one of the most succinct analytical descriptions of the components of the New Public Administration (pp. 38-43) aggregated under the three broad categories of: competition, disaggregation and incentivisation. The competition components addresses public sector monopoly - monopsony tendencies and introduces the idea of contestable public markets. Disaggregation components emphasise public sector decentralisation, reductions to Weberian type hierarchies and integrated services. Incentivisation components concentrate upon promoting entrepreneurialism with financial motivation being prominent at an individual and organisation level.

Given this stabilisation it has also been possible for some researchers to assess particular trends within the New Public Management, some of which have been linked chronologically with each of three Conservative Government administrations. Ferlie and Ashburner et al. (1996) go further than this, defining as they do four models of the New Public Management: Models 1 to 4 respectively: 'The Efficiency Drive'; 'Downsizing and Decentralisation'; 'In Search of Excellence' and 'Public Service Orientation' (pp. 10-15).

The authors acknowledge their recategorisation of existing works particularly Stewart and Clarke's Public Service Orientation Model (1987) and the intermingling of theories from organisational behaviour and strategic management. Nonetheless, although mostly empirically free, the preceding works have done much to establish a new typology within British public administration, to the extent that their definitions and critiques have become accepted parlance for, not only academics, but many public service practitioners.

Less wide ranging, more specific, but equally important pieces of research have been completed to help flesh out the preceding definitions. Thus, Bovaird et al. (1991) and Smith (1993) have focused upon performance management and the influence of outcome-related management techniques and initiatives. The whole question of accountability in the 'de-coupled' public sector has been addressed by Grey and Jenkins (1993); Cochrane (1993) and Humphrey et al. (1993).

No discussion about the literature relating to the New Public Management is complete without reference to the extension of market mechanisms to the delivery of welfare. The theoretical roots of these markets can be traced to both the Chicago and Austrian Schools of Political Economy (Friedman, 1953; and Hayek, 1978).

Saltman and von Otter (1992) provide an interesting assessment of comparative markets in welfare, using a European context. Their simple but effective definition of organisations from 'fully planned'; to 'fully market' (p. 16) reflects something of Perry and Rainey's (1988) important assessment of the differences between private and public organisations. Saltman and von Otter's work is highly relevant to this research because they focus upon health care organisations and systems for their comparisons. They define 'a planned market' model as:

> '..the intentional creation of a new market through the exercise of state power' (p. 17)

This is a very helpful definition since it incorporates many of the tenets of the New Right and the core elements of the New Public Management, namely, decentralisation of the planning process to lower levels of administration and the introduction of market driven incentives in contradistinction to bureaucracies, but with the maintenance of considerable state regulation. The authors elaborate their definitions with the examples of two ideal type planned market models from Sweden and the United Kingdom. The Swedish models are deemed to be a 'public competition' model and the UK model to be a 'mixed market' model.

It would be too easy to become locked into a fruitless pursuit of specific definitions of types of markets which operate under the New Public Management. It is also important to remember that the type of model varies from public service to service. Thus, within British social care, the market for care of the elderly and some children's services is far more externalised than its equivalent within health care (Schofield, 1997). One of the most helpful and straightforward definitions of health care markets has come from the work of Le Grand and Bartlett (1993) and their operationalisation of Williamson's term 'quasi-market' (1975), their definition again encompasses a wealth of ideas:

> 'They are 'markets' because they replace monopolistic state providers with independent ones. They are quasi because they differ from conventional markets in a number of key ways.' (p. 10)

The differences between conventional markets are deemed to be as a result of the fact that public quasi-markets are still non-profit organisations, and they compete 'internally' within the system; consumers may still be represented by agents, as is the case in health care, and these agents may indeed be centralised as purchasing agencies. Ferlie (1994); Propper (1993); Bartlett and Harrison (1993) and Keen (1996) have produced some comprehensive empirical assessments of how quasi-markets are operating within public services.

Keen, in particular, relates the patterns which markets of different types create in terms of inter and intra organisational co-ordination and exchange mechanisms - hence, the different organisational patterns of markets, hierarchies, networks and clans (Thompson et al., 1991). Unlike others, Keen also addresses the behavioural

26

consequences for managers of the different transactional attributes between markets, networks and hierarchies. She identifies three such attributes of: bounded rationality, opportunism and human dignity. Her suggestions are supported by considerable ethnographic data from case studies in local government. Her arguments are persuasive but the reader is left in some doubt as to whether there is such a straightforward cause and effect relationship between type of behaviour and type of transaction.

We must, though, turn again to the work of the centre for Corporate Strategy and Change at Warwick Business School for one of the most recent redefinitions of the quasi-market in the public sector. Ferlie (1994) and Ferlie and Ashburner et al. (1996) have begun to express the idea of a socially embedded or relational market operating in the NHS. Just as those authors whose synthesis of the quasi-market has drawn upon Williamson for their pure theory, so too have the preceding authors drawn upon Granovetter's (1985) critique of Williamson. They also emphasise the contractual nature of the quasi-market and how such contractual transactions *de facto* require a fairly high degree of trust between parties to operate effectively - hence, embeddedness is the norm which develops over time.

Ferlie et al.'s hypothesis is elegant and attractive and its later development even more so because of the addition of not only social embeddedness (which also takes account of the high degree of professional interaction within health care), but also because of the concept of institutional embeddedness. They equate this institutional power to contemporary regulatory systems and shy away from an explicit link to the survival of

27

bureaucracies. My own experience is very much that bureaucracy is alive and well in the NHS and the results of the research highlight the vital role which 'obedient' bureaucrats play in driving forward policy into action.

In a similar vein, Seibel (1996) traces the history of German public administration and its modernisation up until modern day reunification. He emphasises the important *knowledge role* which public sector bureaucrats played in institution building between East and West Germany. Indeed, any scholar of contemporary public sector management needs to be careful that they too do not come to believe the more doctrinaire aspects of the New Public Management, particularly the debureaucratisation theme.

This is not to suggest that all such scholars do accept the inexorable move towards a public sector dominated by the New Public Management. Amongst its critics are Newman and Clarke (1996) who present a studied, but still blistering attack upon the depoliticisation of public administration, and the wholesale adoption of a managerial ideology in the public services and in particular upon how this wholesale adoption has been aided by the rhetoric and associated discourse of 'change'. They argue that change has been portrayed as 'natural', desirable and progressive and because of this any consideration of power has been relegated to the position of 'old public management' (p. 1).

Common (1996), too strikes a warning chord to the New Public Management as a new global management orthodoxy. He states that further comparative study is required

together with an understanding of how the apparent global diffusion of New Public Management may in fact be influenced by elitist self-interest and the power of other interest groups, particularly the privatisation lobby and some international bodies. In a comprehensive review, Dunleavy takes the themes referred to in this chapter one step further and considers the globalisation of public services - away, not only from nation state control, but towards service delivery being dominated by transnational developments and private corporatisation.

Just as Warwick Business School has emphasised the change angle in New Public Management, the tradition at INLOGOV (Institute for Local Government) at the University of Birmingham has been very much to emphasise issues such as consumerism in public services and the changing nature of citizenship within the context of the New Right. Thus, Stewart (1993a) and Stewart and Ransom (1988) have long been critics of the 'the contractual state' stressing that services provided by contract alter the nature of political accountability between the public and government.

Given this huge influence of the New Right and the advent of New Public Management in contemporary public policy it is not surprising that there have been changes in the way in which the state is viewed with knock-on consequences for the policy process. The issues and mechanisms surrounding the policy processes are discussed in more detail in Chapter Three. However, it is worth noting at this stage the contextual factors about the changing role of the state in public services and how

this impacts upon the policy process in health care and the subsequent implementation of health policy.

2.4　The Changing Role of the State, New Public Management and Consequences for the Policy Process

A number of authors have conceptualised a new role for the state as a consequence of contemporary changes in the public sector. These vary from the 'managerial' state, or 'neo-Tayloristic' state (Pollitt et al., 1990); the 'contract' state (Stewart, 1993); and 'entrepreneurial' government (Osborne and Gaebler, 1992), but perhaps the most graphic descriptions come from Hood (1995) and his 'Headless Chicken State' or 'Gridlocked Contract State'. In short, scholars of public services now believe the state to be an enabler rather than a provider, government has been depoliticised and re-cast as business and neo-management. Equally importantly, they believe that public organisation forms have become 'de-coupled' from the relationship between service delivery and political control. Thus, the advent of executive agencies or next step agencies in British life is seen as part of the ideology of the New Right in action, especially in terms of de-bureaucratisation and decentralisation (an early, but comprehensive list of such agencies is provided by Fudge and Gustafsson (1989)).

All of these descriptions of a new role for the state have considerable implications for the implementation of policy. The 'Headless Chicken' state is one wherein there are 'no clear rules of the road' or demarcation of responsibilities (Hood, 1995, p. 112). Similarly, a disaggregated or de-coupled state means that the important collaborative and network links needed for implementation (see Chapter Four) are not present.

Agency proliferation without the cohesion and co-ordination of hierarchy can result in fragmentation and the loss of important implementation feedback loops in both the vertical and horizontal (Holmes, 1992; and Schofield, 1995).

The very processes of policy implementation are themselves deeply politically dependent, having both a macro and micro political context. It is in this context that the globalisation and potential transnational character of future public services have their greatest impact upon implementation. Hood (1995) points out that the global paradigm 'ignores the very different and typically 'path dependent' local political agendas' of public management (p. 106).

However, it is Dunleavy who tolls the most sonorous bell for the state, suggesting that it might 'wither away' (1994, p. 60). One of the reasons for this is that the 'state' will simply lose the ability to organise itself to be able to implement. It will be relegated to the role of contract vetter rather than having direct responsibility to organise, plan and deliver services, hence it will loose its 'core-competencies' as an 'intelligent consumer'; (p. 36) and become de-skilled. The results of this research suggest that there is the potential for this to occur because one of the ways in which public managers learnt to implement new policy was by using outside experts, management consultants and solutions from the private sector.

The Private Finance Initiative in the NHS only truly gathered momentum from the end of 1995 onwards after the fieldwork for this research was nearing its completion. However, a major transnational corporation, AMEC construction company and their

associated consulting partners from Singapore and Australia are responsible under the Private Finance Initiative scheme for the design and delivery of two of the biggest hospital development schemes in Britain, namely, the Royal London Hospital redevelopment and University College Hospital, London. They will implement these schemes wherein state agents are *advisory*, not fully responsible.

2.5 Contemporary Health Management and Health Policy

The previous sections of this chapter have concentrated upon the structural changes within British public management, we now turn our attention to the impact which these changes have had upon the British National Health Service and related health policy and management. The literature and research within this area suggests a great deal of continuity with the themes raised in the previous sections, particularly the introduction of markets into welfare, the dominance of economic rationalism, neo-Tayloristic management control mechanisms and the political de-coupling of services at a local level.

However, policy changes within the NHS also raise additional themes, particularly at a managerial level. As a consequence of policy initiatives managers of health care institutions have had to learn to become 'business' managers, entrepreneurial contractors with state purchasers and public strategists all within a system of accountability built around a managed market but still with central state funding.

The literature which addresses all of this is also particularly marked in terms of chronology. As a piece of government 'reform' the policy initiatives and managerial

consequences have gone on for a long time, even pre-dating the implementation of the 1990 NHS and Community Care Act in April 1991. There were some significant policy initiatives which heralded fundamental cultural changes to how patients were viewed and care delivered. As far back as 1980 other non-legislative changes, particularly in respect of information and resource management and the advent of general management with executive power (as opposed to consensus management) pre-date the Act by ten years. In turn, the literature over these ten years has also changed and can broadly be divided into: the predictive literature of the early years; the literature which provided an interim assessment of the workings of the new Act and its consequences in the early 1990s. This literature then grew in maturity as more empirical data became available and so sought to present an analytical and retrospective evaluation of what has happened and therefore the consequences of the policy initiatives. Finally, there is the current literature (1995 onwards) which seeks to develop a model of what has happened and to set a research agenda for the future.

The underlying contextual issues of the NHS reforms are deeply rooted historically; and this section of the chapter will address: the actual components and nature of the 1990 Act, the developing 'business' of health care and associated new managerial challenges. As a result of the rather extensive period (in research terms) during which the legislation has taken effect it has been necessary for this research to construct a longitudinal design in order to understand and assess the processes and effects of implementation.

2.5.1 The Underlying Contextual Issues to the NHS Reforms

The literature contains some excellent and comprehensive summaries of the political and policy origins of the NHS reforms and each takes a different stance. Butlers' work (1992 and 1993) gives a meticulously detailed account of the period leading up to the publication of the White Paper, *Working for Patients,* in 1989, focusing upon contemporary newspaper reporting of the public receipt of the policy. Interestingly, his work also assesses the influence which individual ministers and civil servants had in formulating and subsequently changing the detail of the ensuing 1990 Act. His work echoes much of Eckstein's (1958) and Willcocks' (1967) classic works which considered similar issues relating to the origins of the NHS itself in 1948.

In a similar vein Leathard (1990) has sought to present a stepped account of events leading up to 1988 and the setting up of a Government Working Party to review the operation of the NHS. She does, however, concentrate upon the roles of the professions and their influence on the nature of policy over the fifty year life of the NHS. Other important contributions to the literature which have helped to influence both academic and practitioner thought come from Abel-Smith (1964, 1994) and Klein (1983; 1995).

Whilst written in 'text-book' style and using mostly secondary data for their empirical evidence these authors have sought to 'tell the story' of 'an extraordinary episode in the history of health care in the United Kingdom' (Butler, 1992). They do, however, provide the basis for establishing a series of pre-cursor themes to the legislation in the

1990 Act, and also for establishing something of the prior nature of the NHS. Table

2.1 describes the associated legislation.

Table 2.1: Content and Impact of Legislation and guidance as a precursor to the British NHS 'Reforms'

Year	Legislation & Guidance	Impact
1981	'Care in Action'	Policy emphasis on community services for priority groups e.g. elderly, handicapped and mentally ill.
1981	'Care in the Community'	Emphasised role of informal and voluntary carers in the community. Stimulated voluntary sector.
1983	'Griffiths' Management Team Inquiry	Development of general management function. End of shared management responsibilities and consensus management. Involvement of clinicians more closely in management. Challenge to professional dominance.
1983	Competitive tendering of ancillary services	Decline in directly employed labour in ancillary sector – stimulus to private sector.
1984	'The Next Steps': management in the health services	Development of cost effectiveness and efficiency programmes; performance review and performance indicators; extension of competitive tendering.
1988	Resource Management Initiative	Devolution of budgetary control, more budgetary control for clinicians. Stimulus to computerisation.
1990	'Working for Patients'	Consultative White Paper.
1990	NHS and Community Care Act	Introduction of 'internal market' within health care, via a purchaser/provider divide. Creation of self-governing hospital trusts; budgetary control of primary care to general practitioners. Introduction of capital charges. Structural changes for the delivery of social and community care.

Thus, it is generally recognised that there were three initiatives, or as Saltman and von

Otter (1992) believed, three innovations. Firstly, the introduction of general

management, associated with The Griffiths Report (1983); secondly, the Resource Management Initiative which in its 'pure' sense has meant the development of IT and hospital information systems (Coombes et al., 1990; Packwood et al. 1991) but which in a broader sense sought to involve clinicians more in the financial and operational management of their units. Thirdly, the far reaching changes to community care which have been facilitated by the joint finance programmes between the NHS and local authorities, particularly social services (see Wistow et al., 1994; Nocon, (1994) Øvreitveit, 1993).

Subsequent critiques of these three initiatives have been voluminous and contradictory. Many are suspicious of the efficacy of general management in terms of challenging clinical power (Pollitt et al, 1988; Packwood, 1991). Other, more empirically based work supports the view that, gradually, there is a shift in power, not a total transfer, but a shift from clinical autonomy to a sharing of decision making with managers (Dawson et al., 1992; Dopson, 1993; Harrison and Pollitt, 1994). Taking a labour perspective Loveridge has argued that inroads have been made into the insularity with which hospital doctors have managed their work domains and that strategic decision making has, in fact, moved away from doctor influence (Loveridge, 1994).

Less detailed critiques are available concerning the overall impact of Resource Management Initiatives. With the exception of the work from Templeton College, Oxford University (Willcocks and Lester, 1993); Willcocks and Margetts, 1993b and Price Waterhouse 1992 and the Audit Commission, the general view is that the

adoption of comprehensive health care Information Technology systems is patchy and mixed throughout the country. This could though be a function of time, as in the late 1990s some of the proprietorial systems are at least stabilising in terms of price to the consumer (having had 15 years of research and development costs); lessons have been learnt in terms of project management and implementation and some systems, such as those by SMS, Meditech and HBO are now regarded as quite to very successful: Arrowe Park Hospital; Queens Hospital Burton-upon-Trent, and BUPA Health Services are all successful users of such systems.

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In terms of care in the community, the literature is too detailed and voluminous to review here, but there could be an argument to support the idea that these deeply cultural changes, which have resulted in the de-institutionalisation of patients has had an even greater impact than the NHS reforms. Wistow et al. (1994) provide an excellent overview of the consequences and some of the impacts of the responses of social care authorities have been addressed by Spiby et al. (1995) and Schofield (1997).

As far as the results of my research are concerned, these three pre-cursor issues have had a profound effect and serve to act as part of the explanatory variables which explain how policies have been implemented. Particularly, general management, for Case Numbers 1 and 4; the Resource Management Initiative for Case Numbers 2 and 4; and the impacts of community care for Case Number 4.

As previously mentioned, the prior nature of the NHS leading up to the introduction of the Act in 1991 is important because some of the problems experienced by the NHS up to 1991 have remained unanswered. Its prior nature again, also helps to explain the broad context of my research and in part some of the results.

Loveridge (1994) refers to a generalised *global* crisis in health care provision due to national pressures of funding, quoting similar problems in North America and even newly industrialised countries in South East Asia. Hunter (1993) points to the 'funding' crisis within the UK as being one of the catalysts to setting up the Review of the NHS in 1988 (DoH, 1989). Thus, affordability of any given national health care system has always been a defining characteristic of the NHS.

Along with financial constraints, Klein (1995) also highlights political constraints as an enduring characteristic of the NHS specified by the importance of health care in all political manifestos. The tension between centralisation and decentralisation is another enduring theme, reflecting the bureaucratic design of the NHS in 1948 (Stowe, 1988). Again, the legacy of 1948 and the Fabian model of welfare is with us, in terms of the desire for spatial equity, reflected in terms of fairness of access and also equity expressed as comprehensiveness of care, regardless of patient status or disease (Leathard, 1990).

From 1948 onwards a great deal of effort was devoted towards achieving this equity. The geographical direction of macro funding was altered using the RAWP (Resource Allocation Working Party) formula (DHSS, 1975; DHSS, 1976). Furthermore, equity

as an ideal has been at least theoretically retained in the reformed NHS, which still requires health authorities to perform complicated needs assessment to justify its spending and placing of contracts. Appleby (1994) provides a comprehensive assessment of the origins of equity as a principle in health care through to its incorporation into needs assessment.

The historic spatial patterns of hospitals is also an enduring theme (Case Studies 2 and 4 are good examples of where spatial patterns and competition between Trusts was important). Within the context of a market, these spatial patterns have in some places become to be expressed as spatial monopolies providing a considerable obstacle to the market mechanisms. Rural and provincial areas without teaching hospitals have been particularly prone to such monopolies. On the other hand, the special nature of large metropolitan areas with multiple hospitals have lead to over-provision and the need for pan-urban rationalisation (Beaza et al., 1993, Tomlinson, 1992). Further empirical evidence about the changes wrought in London as a consequence of the Tomlinson report have been provided by Jones (1995) and he highlights the problems of vested interest in resisting change and the almost impossible task of achieving consensus given the political nature of health care in an adversarial political system.

Finally, there is perhaps one enduring theme, which above all else has characterised the NHS from its inception to the present day, namely, that it is still publicly funded on a national basis. There is in Britain no system of hypothecated tax, no local revenue raising ability and therefore given the massive changes of the New Public Management and the adoption of managerialism within the NHS the management of it

is 'inextricably political' (Klein, 1995, p. 148) because of the line of accountability through to ministers and hence to Parliament. Hence, what happens in the NHS is still part of the policy process in general.

All of these preceding points discussed in the literature form the context for the four case studies which have formed the empirical base for this research on policy implementation.

2.5.2 *The Components and Nature of the NHS Reforms*

Amongst others, Appleby (1992; 1994) provides a helpful breakdown of the components of the reforms since *Working for Patients* and subsequent developments up until 1994. The academic literature obviously tends to lag behind the practitioner literature in terms of keeping abreast of the frequent policy initiatives and refinements within the NHS, latterly focused upon quality awareness, clinical effectiveness, the Public Finance Initiative and clinical audit.

Underpinning the reforms is the requirement for providers of health delivery e.g. hospitals and community health services to compete for resources in an 'internal' market. These ideas are generally attributed to Alain Enthoven (Enthoven, 1985). They have been operationalised by creating a managerial, strategic and economic separation between those state agencies which commission care on behalf of their populations and those agencies which provide services in response to the placing of contracts by these 'commissioners' as either Health Authorities or GP Fundholders. In the language of the internal market, the former are referred to as purchasers and the

latter as providers and their relationship is one regulated by contract. The aggregate amount of contract resources is still controlled by government and funding is still from public funds by means of general taxation.

An essential element to the structural change has been the creation of what central government has called 'self-governing' NHS Hospital Trusts. Describing an NHS Trust leads us into one of our first definitional challenges; they have been described as public corporations (Laing, 1994) and also as being akin to the pre-1948 voluntary hospitals (Butler, 1992). In terms of creating or dissolving them and their asset ownership, the power lies with the Secretary of State for Health and in this sense they are in total public ownership.

It is in terms of their managerial range and scope for freedom within their organisational structure that they can safely be called self-governing, although senior managerial and Board appointments must be ratified, either directly or indirectly, by the National Health Service Executive (NHSE).

The introduction of the internal market into health care immediately introduced the element of competition between providers. To date, the literature relating to this competition has come from economists, deriving much from the pure market model of perfect competition (Robinson and Luft, 1987; Joskow, 1983; and Culyer and Posnett, 1990). Culyer and Posnett conclude in their study that hospital competition can be favourable, but that this conclusion is conditional upon two points. The first is that government should ensure an environment where the perverse incentives of

competition as seen in the United States – namely escalation of costs and excess capacity – are avoided. Secondly, that government should exploit competitive processes – specifically because producer based efficiency is absent from the hospital sector[1] Government would act, therefore, to ensure the positive elements of competition. It is in this sense that the market is *quasi*.

Important empirical work on managed competition in general in the public sector, and the NHS in particular, has been performed by Appleby et al. (1993); Smith (1994). Their Birmingham University team has sought to actually measure competition in the West Midlands using the Herfindahl-Hirschman Index, (Melnick and Zwanzieger, 1988) an index which reflects the number of competitors and degree of competition within a given geographical area. Their detailed work has demonstrated that for the West Midlands a quarter of hospitals were operating in a market dominated by monopoly or oligopoly power. Their data did show variations in such monopolies, however, in terms of different specialities. A conclusion also supported by Jones' work (1996) in Staffordshire.

Adopting a more theoretical projective Ham and Maynard (1994) suggests that competition should be measured in terms of price, service capacity, rules of exchange, quality, equity and customer choices. Given these measures, the market is in fact defined by him as highly regulated. In a similar vein Ellwood's (1992; 1996) work on costs and pricing would indicate that on the basis of price signals the market is not acting as a true market.

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[1] See Culyer and Posnett, 1990, for a full explanation of the unique economic nature of the hospital sector.

All of which concurs with the definition proposed in the first part of this chapter, that the nature of the market in the NHS is both quasi, relational and socially embedded, and these will be used as interpretative definitions in the analysis of the research data presented here. The research concerning the working of the market has had a tendency to be oriented towards NHS Trusts. However, the market impact has also been particularly marked for District Health Authorities and GP Fundholders. Both Spurgeon (1993) and Mullen (1990) consider what they have called 'an implied' market, again emphasising the necessity for health care needs assessment and how this is a function of the availability of geodemographic and epidemiological data. The paucity of which for certain specialities such as mental handicap is demonstrated by my Case Study Number 1.

In slightly more detail Spurgeon (1993) compares the official guidance about health needs assessment with experience and demonstrates that the government believed 'need' to be an unambiguous commodity:

> 'in reality the concept of need being advanced in the NHSME documents is barely understandable' (p. 89).

His work also begins to highlight the beginnings of detailed work about the processes of commissioning, and, in particular, emphasises again highlighting the role of hard quantitative and qualitative information in guiding purchasing and contracting behaviour. In an early piece of work Schofield (1994) had adopted a simulation technique rather like that of the East Anglia Regional Health Authority's 'Rubber

Windmill' exercise to look at detailed behavioural issues surrounding the negotiation techniques needed for agreeing contracts.

Recently, there have been suggestions that rather than the outright promotion of competition between providers, what is in fact needed, is more collaboration (Rosen and McKee, 1995; Huxham, 1996). Added to which is an increasing realisation that the type of quasi-market developing in the NHS is subject to perverse incentives (Propper, 1995; Paton, 1995; Maynard and Bloor, 1995). Indeed, with nearly seven years of hindsight even Enthoven's compatriots believe that the market based diagnosis of the NHS's problems has been narrow and misleading (Light, 1992). Furthermore, rather than as in the past when other countries viewed the NHS as an enviable institution, the managed competition model is now considered by some as a mistake. Certainly, in the case of Australia, some scholars are cautioning their governments not to head too rapidly in the British direction (Woodward and Wilson, 1994).

Finally, given the importance of their work on the quasi-market, it is perhaps appropriate that the last word on evaluating the nature of the reforms goes to them. Using the well established non-profit economic behaviour literature (Hansman, 1987 and Weisbrod, 1988) Le Grand and Bartlett (1993) are seeking to develop a model of NHS trusts which utilises a Theory of Trusts which will incorporate the non-distributive profit nature of NHS Trusts but which will also include surplus production and service maximisation — both of which are required under the government guidelines (up to 6% ROCE for surplus production). Thus, a future model

would include a combination of income provision, growth and quality of provision amongst its objectives.

2.6   The Business of Health: New Management Challenges

As a result of the New Public Management and the NHS reforms there have been a number of managerial responses, specifically these can be identified as follows:

(i)   The development and acceptance of a managerial discipline – albeit Tayloristic, by groups of professionals, especially doctors, nurses and other clinical staff.

(ii)   The end of consensus management between managers and clinicians and the establishment of formal managerial authority over doctors.

(iii)   The encouragement of pro-active management akin to that perceived in private sector models, and a replacement of ideals of 'public administration' by these values.

(iv)   A concomitant reduction in general methods of consensus and the development of a general management power base by the use of internal control systems.

(v)   The adoption of private sector managerial techniques, especially in respect of business planning, market scenario analysis and also in terms of terminology e.g. a concern with the 'bottom line'.

(vi)   A re-assessment of public sector values, particularly in respect of accountability and the acknowledgement of contradictions between sets of professional ethics and the perceived requirements of managerialism. (Schofield, 1993).

Some of these aforementioned responses emphasise the changing nature of the managerial/ clinical relationship. Scott (1966) has shown that professionals have a powerful influence over control and production processes. In particular this has been noted in not-for-profit organisations, especially within medicine (Friedson, 1970;

1984) and such is the difference of the role of not-for-profit organisations that they have been shown not to conform to control models found to be typical in manufacturing organisations. Abernathy and Stœlwinder (1991) provide a lucid overview of the complexity of the relationship between bureaucratic managers and professionals, particularly clinicians. Much has also been written about 'doctor power' in the British NHS, almost from the date of its inception (Haywood and Hunter, 1982; Light and Levine, 1989). Such power has also been written about in terms of the 'thorny issue of clinical autonomy' (Harrison et al., 1992).

A less well researched and somewhat hidden managerial consequence of the reforms has been the rationalisation of staff structures and skill bases. Appleby (1994) maintains that after health specific inflation has been taken into account, so called 'real' national spending on the NHS has doubled since 1949. As part of the New Right's policy towards the public sector, any growth in spending had to be matched by measurable increases in efficiency of throughput and also resource utilisation, especially staffing (DHSS, 1984a). Consequently, a number of ancillary services were put out to tender in an attempt to market test and achieve reductions in staffing costs. Between 1980 and 1990 this ancillary group – people such as domestic assistants, caterers, porters and transport staff, fell in size by 41%. Many of these services are now performed by private companies (Glascott, 1993).

However, there was another group of staff – the only other group whose numbers fell over the decade, and these are those who are classified as maintenance and works staff whose numbers have fallen by 3% (DoH, 1991). This group of staff also includes

quantity surveyors, building technicians, architects and general surveyors together with mechanical and electrical engineers. Such groups are vital to the design and development of capital schemes within the NHS and whole groups of 'design' functions were also put out to tender by the NHS, resulting in a general transfer of services to privately employed teams of experts.

In some of these cases there has been what can be described as a 'management buy out' of the design team function by staff who were previously directly employed. These staff were then in a position to sell back their services to the NHS on a consultancy basis. This is now a common phenomenon within the public sector and has resulted in an alteration of the nature of the power base and negotiation position between staff and senior general managers (Mailly et al., 1989). This too reflects the new contractual nature of internal relationships within the NHS. Organisationally, there has been a change from a hierarchical and supervisory relationship to one based on a mutually negotiated contract. It has also meant that the relationship between technical professionals and a capital project team is a temporary one, with a very clearly delineated set of tasks and objectives to be achieved.

One of the consequences of the externalisation of many of the capital design services in the NHS for the four case studies used in this research is that it has opened up the NHS to non-public sector techniques and ideas. Indirectly, the use of temporary project teams also resulted in an organisational structure which not only encouraged learning but also facilitated implementation as is demonstrated in Chapters Eight and Nine.

The literature relating to micro and macro level managerial responses is sparse, but relatively rich and generally ethnographic. Strong and Robinson (1996) provided an early account of the lives of managers under the new regime. Baeza et al. (1993) also describe the detailed activities which managers had to perform in order to carry out strategic planning in the international market.

Both of these accounts demonstrate managers trying 'to survive', bombarded with novel requirements from central government whilst still trying to maintain institutional management efficiency. Baeza et al. (1993) summarise managerial activity in terms of 'managing long term income restrictions', 'business as usual', trouble on 'the home front' and 'pressed on all sides' (pp. 123-129). Thus was the nature of Trust managers' responses to the reforms.

Adopting more models from organisational behaviour, specifically those concerning 'tracks of change' (Greenwood and Hining, 1993) and punctuated equilibrium (Romenelli and Tushman, 1993), Kitchener and Whipp (1996) have sought to follow a track of change in two Welsh Trusts as part of a quasi-market transformation. Their case studies have produced some interesting results, structured in terms of interpretative schema, systems and structure and they show some distinct changes between pre-trust and post-Trust archetypes. These changes being a reduced 'professional autonomy', blurred managerial-staff boundaries and the dominance of 'marketing', in terms of the need for market information and the development of professional marketing skills and marketing departments. All of which are findings echoed by my own experience of the four case studies presented here.

Some managers within the NHS have had to face personal moral dilemmas because of the advent of explicit needs assessment and the development of entreprenuralism, although it is difficult to obtain information about these reactions. Price (1996) uses the case of 'Child B' and Cambridgeshire Health Authorities' refusal to fund continuing oncology treatment to exemplify this. In a terse and specific paper Price demonstrates that public services:

> '...approached the case in an idiom they thought natural to public life - the idiom of utilitarianism' (p. 1).

> '...the form of utilitarianism conveyed by health economies and bio-ethics offers health managers exactly what they most desire - the *real* rational justification; the claim that in the event of disagreement there can ever only be one really rational way to think about a matter' (p. 5).

Thus, Price is demonstrating, however unwittingly, that economic rationalism has in fact become the NHS managers' decision premise and *raison d'être* for their behaviour: they have, in the main, adopted the tenets of New Public Management and reformists' health policies. An unexpected result from my research is that implementation actors are *obedient* bureaucrats. They did behave, to the best of their ability and competence, in the way required by central government, and in a way congruent with *their own interpretation* of official guidance.

2.7 Health Care Planning as Part of The Policy Process

Chapters Three and Four address in detail the public policy process and the associated literature relating to policy implementation. Part of this policy process within health care is health planning, normally divided into service planning and capital planning.

As in other industries this split is reflected in budgeting procedures where there are revenue and capital budgets. There has been for some considerable time a health planning procedure in the NHS introduced in 1976 (DHSS, 1976). Originally it was conceived as a top down system from the Department of Health which allowed for local amendment and elaboration and feedback from the bottom up, i.e. from Regional and the (then) Area Health Authorities.

The method of communication used was in the form of priority documents, consultative documents, central guidance documents, health circulars and the requirement for authorities to produce strategic plans for a 5-10 year period together with annual operational plans. Ham's (1992) work still provides one of the most analytical reviews of the planning system highlighting as it does a number of key features about the way in which the planning system was amended in the late 1970s. Specifically, there was a change from the specific, quantitatively based nature of the first 'priorities' documents towards the request for more illustrative and broader plan required in the early 1980s.

Ham also highlights the importance of the medical profession and interest groups in changing certain government intentions within the priorities documents. The planning process is dominated by the relationship between the centre and the periphery and quoting evidence from the Public Accounts Committee, Ham shows that these centre-periphery relationships occur and are reconstructed at every level, from minister to civil servant to RHA in a chain and down through the system to hospital

managers. Persuasion, interpersonal relationships and knowledge are all important attributes in the process.

Ham juxtaposes the NHS planning system against Easton's early model (1965) of the policy process in action. Easton's model is appropriate to this research and is one of the few which allows for a differentiation between a decision and action; webs and networks of influences; decisions and non-decision making. For its time Easton's model was very advanced, and presaged some of the 'Advocacy Coalition' work developed within Implementation Theory of Sabatier and Jenkins-Smith (1993).

There is also a relevance in understanding the health planning process, both in terms of its structure and its position in the context of wider public policy, simply because the same planning mechanisms were used to introduce the NHS reforms and the 1990 NHS and Community Care Act. However, no other policy initiative had, up until this time, been as radical and with so many far reaching ramifications. My research addresses the way in which these radical policy initiatives were introduced and asks just how did NHS managers go about turning them into action, in other words implement them.

Robinson and Le Grand's (1993) evaluation of the reforms suggests, that local level implementation was vital and was dependent upon whether local managers were pro-active. They also identified an:

> 'emphasis on learning-by-doing, and a strong corporate commitment'
> (p.6).

My own findings would definitely support the former, if not the latter, comment. Butler (1992) too devotes a chapter within his book to the implementation of the reforms pointing to the 'bare-bones specifications of *Working for Patients'* (p. 98). In fact, *Working for Patients* was accompanied in 1989 by a series of ten Working Papers with specific guidance about a whole range of issues including the management of self-governing hospitals Trusts and Capital Charging. In this way, as with the 'old' planning system, guidance was passed down from the centre to the local implementors.

Research on the early stages of implementing the reforms has been done by Tilley (1993). He gives a broad overview of the literature and analyses the degree of preparedness of the providers and the purchasers. He makes the important point that his belief is that the then Thatcher administration intended to adopt a 'radical shock' (March and Olsen, 1989) change model purposely to de-stabilise existing arrangements and force alteration and change. Thus, it was not intended to plan for gradual, or incremental change.

This view that there was such a degree of unpreparedness within the NHS for the policy changes which were to occur has been echoed by Cumella (1991) who comments:

> 'NHS managers find the rules of their game (i.e. instruction and circulars from the DoH) change rapidly, and seem to be devised "off the cuff' (p. 22).

> 'the department has introduced a market before setting up the policies and organisations to make the market work'.

One of the methodological problems of doing policy research is the difficulty of access to political elites. If indeed 'radical shock' was the rationale of the political administration then it is difficult, if not impossible, to obtain, direct written or verbatim evidence to support this supposition. One is left to deduce such intentions from linguistic analysis of media reports or parliamentary speeches. This difficulty might help to explain why the vast majority of academic analysis of the NHS reforms has been cast as strategic change analysis and not implementation analysis. Added to which there has also been so much research, which tries to explain *ex post facto* rationales for why or why not the reforms have or have not worked – with little definition of what 'working' means and to whom. The strategic change literature is, moreover, mostly based on the for-profit model and mostly de-politicised. On the other hand an implementation perspective is about politicised action.

It is a stark point, that other than Ham, (who seeks to use a policy-action congruence model) few other writers on the NHS reforms utilise implementation theory or the associated literature. One exception is Klein who, no doubt, with his intellectual pedigree in social administration and policy analysis suggests that the government was actually operationalising Heclo's policy learning approach (Chapter Five).

> 'From its own experience both in the health policy arena and in other policy fields like education, the government could draw the lesson that it was possible to overcome obstacles to change previously considered to be insurmountable' (p. 176).

The research presented here has chosen not to take the strategic change approach to understanding the NHS reforms, but the implementation approach. It does not seek to

evaluate the reforms, rather it seeks to understand the processural mechanisms by which policy is turned into action by managers. To explore this it has chosen to focus upon the processes involved in Capital Investment Appraisal because of the opportunities which such appraisals offer for studying a whole range of policy issues and because of the inextricable links between capital expenditure, health provision and health policy. The third and final section of this chapter now addresses the relevant literature on capital investment in the NHS.

2.8   Contemporary Capital Investment Appraisal in the Reformed NHS

There is a fundamental relationship between the results of capital investment and the pattern of health care services and health facilities which a country enjoys. Indeed, one of the impetuses for the creation of the British National Health Service (NHS) in 1948 was both a shortage and unequal national distribution of facilities in the pre-war period. The physical expression of this historical inheritance was such that even in 1975, 60% of hospital beds were in pre-First World War buildings (Leathard, 1990). There was a national awakening to the cost of the welfare state resulting in an inquiry into the costs of the health service which concluded that more, not less, capital should be spent to make up for the historical lack of capital expenditure (Abel-Smith and Titmuss, 1956).

About the same time of this discovery Roemer's work in the United States established what has come to be known as 'Roemer's law' (Shain and Roemer, 1957) i.e. that the supply of hospital beds determines the demand, extra supply leading to more admissions and longer length of stay. Certainly, given the evidence from the

Tomlinson Report – the reverse would also seem to hold: reduce the number of beds and reduce the length of stay in an attempt to control demand.

Today, the NHS capital stock has an asset base of approximately £25 billion. At the commencement of the field work in 1992 gross annual expenditure on capital goods in the NHS was £1.6 billion, whilst general expenditure on all revenue based items (goods, services and staffing) was £34 billion (Central Statistical Office, UK, 1994). Given that some allocative mechanism for capital expenditure within a health care system might rationalise past inequalities in investment (DHSS, 1976) then it might also be assumed that a steady state of demand on capital would be reached to fund only replacement and maintenance. However, it is recognised that part of the explanation of the cost escalation pattern seen in modern health care systems is due to the introduction of new medical technology and the creation of additional need (Stocking, 1988; Newhouse, 1992).

Unlike technological progress, as for instance, within consumer manufacturing industries which has resulted in the reduced cost of many goods, Mayston (1994) argues that because of the high *labour* cost of health care and the fact that technological innovation in health care increases the need for skilled labour because of added sophistication, then in effect such progress results in the higher cost of health services relative to other commodities. In turn, this acts as one of the long term cost pressures on health care systems.

As a consequence of the relationship between health care costs and technical change, it is not difficult to see how capital investment directly affects future strategic planning in health care, and in turn the achievement of service or operational planning targets. The use of Implementation Theory (Pressman and Wildavsky, 1973) allows us to view this continuum from strategy to service delivery as an essential element of policy enactment in the public sector.

Prior to the implementation of the NHS reforms in 1991, capital was regarded as a free good. It carried no notional or real interest charges, nor was there an accounting requirement to depreciate it. A system of capital charges was introduced into the health service for all assets after 1991. The incentives for this were two fold: firstly, they were meant to make the issue of capital overheads more comparable to the private sector; secondly, to encourage efficiency and effectiveness in the use of capital assets.

Capital charges were incorporated into the 'provider' prices charged to purchasers, and by ensuring that capital was treated roughly in the same way as it is in the private sector, it was believed that contracting activity would be more open and that purchasers might consider the private sector as a valid supplier of health care in a competitive system (Appleby, 1993).

However, there has been, and still is, considerable confusion and lack of knowledge about the workings of capital charging. In 1991, two influential policy study units, the Kings Fund Institute and the National Association of Health Authorities and Trusts

(NAHAT) published a report – 'A review of capital charges in the NHS', but subtitled 'Cutting through the confusion' (NAHAT, 1991; Robinson and Appleby, 1991).

The confusion is twofold – at a technical level and at a policy level. At a technical level there was no history or skills base of strong capital investment appraisal in terms of accounting and economic techniques; nor on a very practical level had all providers of health care completed their asset register by mid-1992. At a policy level, as explained earlier, there is a key relationship between the patterns of capital spend – where and how it is directed and the achievement of policy as a strategic objective. For the first time, the NHS has been required to make an explicit trade off between capital and revenue – and especially labour costs. Therefore, in a competitive market it is easy to see how high cost providers will not be as competitive in terms of price, all other things being equal.

2.8.1   The introduction of capital accounting into the National Health Service

Unlike the United States, the initial impetus for introducing a capital management system into the NHS grew less out of a desire to control large capital expenditure on medical equipment but more from a desire to manage existing assets more efficiently. Both the academic and practitioner literature had debated the necessity and desirability of introducing capital accounting. At least a decade prior to its actual introduction (Lapsley, 1991; Perrin, 1982). Mayston (1990) provides one of the earliest and most robust theoretical analyses of the need for, and the impact of, capital accounting in the NHS and addresses many of the issues in the debate, together with his development of

a critique of the (then) proposed system of capital charges. He proposes instead a system of 'near money' or capital credits brokered by the Regional Health Authorities.

Overall, it is possible to identify five themes from the literature which have influenced current thinking, namely:

    (a)   The need for a Capital Information Database.

    (b)   Incentives for the maintenance of capital assets.

    (c)   The role of stewardship via accounting practice.

    (d)   The impact of capital accounting in response of allocative mechanisms.

    (e)   The compatibility of public sector financing and accounting mechanisms within the private sector (Schofield, 1994).

Importantly, these are all issues which, in practice, all the teams who assessed capital investment in the case studies presented in this research had to take account of.

(a) Capital Information Databases

Prior to 1989 there was no comprehensive capital assets register for the NHS even though the Association of Health Service Treasurers had encouraged the government to ensure that assets were identified and verified as early as 1985 (Mellet, 1986). The requirement for health authorities to complete asset registers came in 1989, and whilst the compilation and storage of information has been relatively easy to achieve using computerised databases, the laborious task of actual asset marking and identification has been almost ignored in the research literature, but is one which has affected the estates and engineering departments of NHS premises, who were responsible for the

task. More fundamentally, the creation of asset registers has allowed the development of an index of capital value and usage to inform not only the institutional management of resources, but also to assess the comparative utilisation of capital resources.

Mayston (1992) hints at the issue of relative affordability to purchasers of their providers' capital stock when he addresses the problem of dividing the costs of capital assets within the provider costs, and that purchasers may well wish to have access to the basis of these capital costs and therefore the capital asset information produced.

(b) Incentives for the maintenance of capital assets

The initial early interest in the nature of capital assets in the NHS grew out of a national concern about the maintenance of its stock (Davies, 1983). There had been a strict division between capital and revenue funding which meant that capital maintenance had to be funded from a strictly cash limited revenue allocation. Central government had little interest in the maintenance of capital at an operational level and it was not until the extensive review of maintenance in 1982/83 that the severity of large scale backlog maintenance and the inefficient use of capital resources came to the notice of auditors (Masters, 1982; National Audit Office, 1988). This information helped act as a precursor for the introduction of depreciation accounting. Such a system resulted in an assignment of capital consumption values to assets which at the very worst was able to give an indication of when an asset was due for replacement and at best some proxy of the use of these assets.

(c) *The role of stewardship via accounting practice*

That improved financial accountability and stewardship may come about as a result of a system of capital charges is to a great extent a function of the two preceding points regarding availability of information and new approaches towards asset maintenance. The simple availability of a register ensures, as Mellett (1986) has emphasised, the security and associated responsibility of an asset. Moreover, with the associated charges attached to capital, a more pro-active attitude to capital management is encouraged and hence stewardship, especially in terms of future plans for capital investment and the balance of capital stock accumulation. Capital accounting means that capital becomes an issue for active management.

Capital accounting has also had an effect in terms of professional accounting awareness and accountability towards public resources, especially in respect of making an explicit inter-linkage between revenue and capital.

(d) *Capital accounting and allocative mechanisms*

A fundamental issue within the capital accounting debate is how capital charges and accounting techniques will impact upon overall resource allocation within the NHS. Lapsley (1981) has addressed the allocative issues of equity and efficiency on the basis of differing means of allocating capital funds, e.g. either on a per capita basis for a resident population or, for instance, via a price mechanism based on the associated cost of capital. At the time of writing Lapsley was not to know that this mechanism has in fact been one of the philosophical bases of not only the capital accounting system, but also the quasi market within health care wherein an internal price mechanism does have the capacity to influence competition amongst providers.

Furthermore, one of the influences upon price is the relative value and cost of its capital asset base and the impact of future capital investments upon this pricing structure will affect not only the competitive position of an NHS trust, but also how affordable their services are to purchasers.

2.8.2 *Compatibility with other financing and accounting conventions*

Perrin (1982), when writing about the desirability of introducing a capital accounting mechanism into the public sector, quoted comparability with private sector enterprises as being one of the desirable attributes of such a system. Such comparability would allow performance assessment measurements to be collected. The literature indicates that there was also a desire for greater standardisation within accounting practices, although how far this desire was matched outside of the accounting profession is not generally alluded to.

Both Lapsley (1981) and Perrin (1982) noted that with the development of a capital accounting system the false boundaries created within the NHS between the treatment of capital and revenue would be removed and a better picture of overall resource use would be created since depreciation accounting would develop these necessary inter-linkages between capital and revenue. Drawing upon what he has termed the 'traditional' meaning of depreciation in terms of distributing costs over the life of an asset, Mayston (1993) too shows the inter-linkage between capital management and revenue in that depreciation accounting 'restores the primary position of the profit and loss account... as the driving cab in the articulation process' (Mayston, 1992, p. 239).

2.8.3 Normative Accounting and Economic Approaches to Capital Investment Decision Making

Whilst this research is concerned with the processes by which managers implement policy initiatives, the nature of the policy itself is an important implementation variable, especially in terms of its 'problem tractability' (Chapter Four).

The capital accounting system which was introduced into the NHS posed some considerable technical challenges to the health service. Added to which, the consequences of how it would impact upon investment decisions were uncertain. It is, therefore, helpful to consider the normative assumption upon which it was based. As the literature demonstrates the majority of these assumptions are based upon the behaviour of capital in the commercial sector.

Northcott (1992) clearly defines two perspectives towards capital investment appraisal, those relating to the accounting school of theoreticians and practitioners and those relating to the economic school. In summary, the accounting school emphasises profitability and its relation to long term financial success and secondly, liquidity and its relation to short term success. The economic school, on the other hand equates financial success with wealth maximisation with a focus on cash returns to shareholders and investors. Bettis (1983) has shown how modern financial theory has, in fact, come to be dominated by the wealth maximising framework and how this importantly effects the investor's view of risk. A range of analytical techniques has also developed out of these theoretical approaches and these greatly influence the outcome of an investment appraisal.

The two most popular techniques from the accounting school are 'payback period' and 'return on capital employed' (ROCE). Payback period is concerned with how soon an original investment can recoup its cost, it is also concerned with the short term liquidity of a project in terms of the speed of cash flow. Returns on capital employed look at the ratio of the projects' profitability to the capital employed in the investment. ROCE does not use cash flow as its measure of return on investment but rather 'accounting profit'. Accounting profit, in turn includes elements of depreciation and varying treatments of fixed assets. It is generally recognised that part of the popularity of ROCE is its clear identification of some form of profit performance which is akin to that required by the managers who are responsible for a profit centre, and in turn managing the output of an investment.

Dearden (1969) noted that there were deficiencies in the system of using some form of return on investment. In particular, he highlighted the inability of such an approach to, in fact, evaluate 'sub unit' managerial performance in respect of profit, since a sub-unit increase in profitability may in fact be linked with a reduction in company profitability overall.

Criticisms of both payback period and ROCE as an effective normative approach to capital investment appraisal rely on their inability to recognise the time value of money. The economic school has come to be accepted as providing a more sophisticated approach to investment analysis by using discounted cash flow analysis, particularly Net Present Values (NPV), Internal Rates of Returns (IRR) and a modified payback period approach – the discounted payback period. In a large survey

63

based piece of research, Pike has included NPV, together with probability analysis and post completion audits in a category he calls 'sophisticated techniques as opposed to the 'naive methods' of payback period (Pike, 1988). He attempted, using regression analysis, to demonstrate that using such sophisticated techniques would result in more effective capital investment decision making, where effectiveness is measured by superior firm performance. He was able to demonstrate a positive relationship between higher levels of capital investment effectiveness and the use of sophisticated methods – especially discounted cash flow techniques.

Lapsley's (1986) survey of public service organisations reported a reliance on traditional accounting techniques of appraisal. Particularly popular was the decision to proceed or not with an investment based on the impact of the running costs of a project and its effect on the organisation's income and expenditure accounts in the first year. The same survey was able to report that up to eleven of the health authorities surveyed had no formal appraisal techniques at all. Importantly, the respondents to the survey admitted that they were operating under a situation of severe capital rationing, but that there was no 'rigorous' method of treating this capital rationing situation in the investment appraisal exercise.

Whilst Ferguson and Lapsley (1988) were able to demonstrate that the two most popular techniques used in English Health Authorities in investment appraisal were Discounted Cash Flow and Cost-benefit analysis, they concluded that the techniques as a whole were not sophisticated. Similarly, the treatment of risk and uncertainty based upon sensitivity analysis was also regarded as being rather crude and not

particularly sophisticated. However, they do make the important point that a major problem facing health care is the inability to value benefits in a quantifiable way so that they may be used in the discounting exercise.

King (1975), along with others like Northcott (1991) believes that the whole emphasis within capital budgeting theory, wherein it has tried progressively to improve the level of sophistication for evaluation of projects, has been much misplaced. Much of this effort has been devoted towards establishing the true 'cost of capital' both in real and in time terms (Solomon, 1963). Their thesis is that the more important emphasis within appraisal evaluation should be based on the nature of decision making and accounting rules and conventions. Given this, less effort might be expanded upon *evaluation* as being central to optimal choice and more to the *search* for alternative options.

In a review of the multi-disciplinary based intellectual and practitioner environment within which strategic investment appraisals are discussed Berry et al. point to the literature on 'Real Options'. They explain that a real option is one wherein the 'managerial flexibility component' of an investment is a very important one for decision making and for the choice of a valuing technique.

There is an exhaustive literature which addresses the technical and theoretical superiority of discounting techniques (Pike, 1988). Equally, there are writers who critique the use of discounted cash flows and their inappropriate applications (Barwise et al. (1989); and Hayes and Garvin (1982)). Undoubtedly, there is huge scope for

suitable research within health care to assess the validity of such criticism. To a certain extent Mayston (1992) has commenced a theoretical discussion on this, but there is still a considerable gap between theory and practice in even coming to terms with thinking about using discounting techniques in health investment evaluation as Ferguson and Lapsley (1988) have demonstrated. However, the discussion is somewhat curtailed since HM Treasury utilises a discount rate specified as standard by the government – the 6% test discount rate. In this sense the Treasury 'Green Book' becomes the normative guidance for economic appraisal in the health sector (HM Treasury, 1991). Correspondingly, Spackman (1991) provides the most comprehensive discussion on the particular rates of return required. Still, it is helpful to view this against Pearce's (1982) comments on the social rate of discount and the concept of irreversibility, a term by which many health care investment decisions can be classified.

2.9   Summary

The sheer complexity of capital planning in the NHS presents a real technical challenge to the implementation researcher. This is because in order to understand the *processes* of implementation as this research aims to do, the researcher also needs to understand the *issues* raised as a result of the policy. Furthermore, the implications of the issues need to be understood. To try and address these points the research analysis has been divided into two. Firstly, the analysis will address the substantive issues resulting from the capital investment appraisal under the 1990 NHS and Community Care Act. Secondly, there is a parallel analysis of process.

The review of the literature on the contemporary British public sector and the policy environment of the NHS has served the purpose of establishing the economic, political and managerial context for the research. The following chapter will go on to address how this contextual background is situated within the overall public policy process within Britain and what role the discipline of public administration has to play in helping us understand policy implementation.

CHAPTER THREE

PUBLIC ADMINISTRATION AND THE POLICY PROCESS

3.1 Introduction

Scholars have come to learn about how policy is put into practice through the intellectual disciplines of Public Administration and Political Science. Latterly, because of the New Public Management our understanding of the processes of implementation has also been helped by reference to management sciences.

Thus, this chapter seeks to argue that there needs to be a degree of self conscious awareness of what goes on in government and its administration on the part of those who study or who work in the public sector if we are to develop understanding and the aforementioned disciplines are there to develop such an awareness.

As early as the 1880s Beatrice and Sidney Webb sought to study the machinery of policy making, they stressed the importance of education and effective Public Administration (MacKenzie, 1977). Indeed, we could say that Sidney Webb was one of our earliest implementation analysts:

> 'Once we face the necessity of putting our principles first into Bills, to be fought through committee clause by clause, and then into the appropriate machinery for carrying them into execution from one end of the Kingdom to the other... the inevitability of gradualness cannot fail to be appreciated.'
> (Webb, 1923)

The Webb's foundation of the London School of Economics in 1895; the initiation of the New Statesman in 1913 are acts which have helped to develop Public

Administration as a subject area for study and a discipline for the analysis of governmental activity.

Half a century late the publication, in 1951 of Lerner and Lasswell's ground breaking book, 'The Policy Sciences', recognised public administration as a discipline worthy of study within the social sciences. This book acted as one of the key influences which created a positivistic dominance in the analysis of public administration. Wagner and Weiss et al. (1991) locate the term 'policy sciences' on the intellectual continuum of modernisation within Western Societies. In particular, they regard the immediate post World War Two era as pivotal for the establishment of policy sciences as an important discipline, addressing as it did the major programmatic issues of public concern to the immediate post-war world. These issues were central to the human condition - post-war reconstruction of employment, the protection of vulnerable citizens via welfare programmes, the stabilisation and protection of economic systems and the guarantee of democracy. In short, these were 'Big Problems' and public administration became both a body of knowledge and an approach towards dealing with them.

Minogue (1983) places the policy sciences within social, political and economic theory, and hence policy sciences become concerned with 'what governments do' (p. 63). By expanding our understanding of policy science into the arena of government, we can begin to understand the origins of the policy analysts' concerns about who executes the policy and hence begin to study the role of the bureaucrat.

Another enduring theme is that of the perspective of the policy analyst in respect of the positivistic/post positivistic dilemma. Lasswell's work has generally been interpreted as being positivist and technocratic and hence has influenced the development of a particular approach to the study of policy sciences. In turn, this positivistic perspective has influenced our understanding of the management processes involved within public administration, such that these too are regarded as functions of rational control. Such a perspective has spawned the almost obsessive concern of public administration with decision making and the rational choice approach to administrative behaviour which is based on an assumption of purposive action guided by known goals (Simon, 1947).

Fortunately, a more detailed study of both Lasswell's and Simon's work reveal subtle differentiations within their main thesis. Torgerson (1985) emphasises the importance of the contextual orientation within Lasswell's work, such that, in reality, his work did in fact herald the contemporary post positivistic analysis of public administration. In effect, Lasswell was concerned with the role of history, individual preferences, creativity and symbolism within the study of policy, particularly, in the context of both the enquirer and the actors concerned. Similarly, subsequent critical analysis of Simon's early work has disclosed that he too recognises certain contingent factors which impact upon the rational choice model. Thus his work on bounded rationality recognises the consequences of the complexity of the level of organisation involved within the policy process and the relative imperfections of the human intellect in trying to understand them.

The purpose of this chapter is to explore and explain the meaning of public administration in the context of the policy process and to try and locate administrative processes within the affairs of the state. Particular attention is also paid to the role of bureaucracy and how this affects the policy process in western democracies. Overall, this chapter seeks to prepare the way for an understanding of the context within which the activities of implementation operate — activities which are at one and the same time political and bureaucratic.

3.2   Political theory and public administration

The conventional view of the role of the state is that of the regulation and protection of society wherein the principal activity is the development of constitutions and laws for this purpose. That the scope of the state has extended over time is recognised (Saunders, 1981). It has become involved in activities which otherwise would be the domain of the purely private sector. Minogue (1983) charts the development of what he calls the 'academic outgrowth' of public administration in response to this increase in the state's scope. In turn, the academic discipline of public administration is concerned with studying the activities and outputs of public institutions within the public sector.

It would be premature to attempt a definitive description of what the public sector means at this stage but a working definition taken from Kaufmann (1991) is helpful in trying to understand the nature of public administration.

> '...the public sector has, therefore, to be conceived as a multibureacratic
> structure.. A multiplicity of organised bodies which are interacting

within more or less loosely coupled networks, and their interactions are only partially regulated by law.' Kaufmann, p. 7 (1991).

Kaufmann goes on to integrate organisations of formally private status within the activities of the public sector. He emphasises that all these organisations exist because they have roles in organising the process of government. These organisations are in turn influenced by government and are, as a consequence of this, of public interest.

If we accept Minogue's (1983) definition of public administration as an 'academic outgrowth', then public administration only has meaning in terms of a discipline for study and research and little utility in terms of solving the 'Big Problems' referred to in the introduction to this chapter. In part the criticism of public administration focuses on its preoccupation with rules, procedures and sets of principles. Such a narrow interest is incapable of dealing with the wider areas of governmental concern because a concentration on rules and procedures does not address issues such as complexity and uncertainty. Public administration as a discipline has no conceptual framework to deal with these complexities and it is from political theory that the analysts must draw their concepts. The arguments relating in detail to this concept are covered in collections by Shafritz and Hyde (1992); Lynn and Wildavsky (1990) and Self (1985).

Such a view that there is no conceptual framework for public action ignores the use of public administration as an academic discipline for training public or civil servants. Jann (1991) addresses in detail the nature of public administration as an academic discipline in respect of training. He identifies the key role played by the North American universities in developing schools of public policy and the role of political

science in their curricula. In his view this certainly mirrored the greater involvement of government in areas of social policy, blurring the boundaries between political and social science. Specific mention should be made of one of the most influential of these schools, namely, the Graduate School of Public Policy at the University of California at Berkeley, especially because of its direct relevance to Implementation Theory and the early work of Aaron Wildavsky.

The established criticism of public administration as a discipline is, in the main, based upon theoretical arguments with little support from data and to a large extent ignores the point that the early 1960s to 1980s witnessed a massive growth in employment in the public sector which in turn created a demand for professional training. The contemporary public sector demands such training but of a kind which also reflects the importance of management sciences. In the conclusion to this research one of the suggestions for the future of public administration is the constant need for training bureaucrats in policy competence.

Thus, we have a situation wherein public administration needs to be concerned with policies because this is the way in which governments involve themselves with national concerns. However, in order to do this and at the same time to understand the policy process, analysts also need to be concerned with political theory as an explanatory conceptual framework for public administration.

The literature which addresses political theory and public administration is drawn from British, North American, continental European and Scandinavian publications.

Access to that from continental Europe has been most difficult because of translation. The classic texts on public administration are Gulick and Urwick (1937); Waldo (1948); Simon et al. (1950) and Dunsire (1973). Gulick and Urwick's work reflects the importance they attached to the span of the constitutional authority of government. They see this authority enacted through various executive functions using the acronym PODSCORB - planning, organising, directing, staffing, co-ordination, reporting and budgeting, a categorisation which has led to other commentators (Lane, 1993; Clay, 1994) remarking on the similarity of this approach to that of the school of scientific management of Fayol (1916) and Taylor (1911).

Public policy and public administration scholarship has developed as a sub-field of political science. It is, therefore, possible to chart the influence of pure political theory upon the thinking of those scholars involved in public policy analysis with the following broad political influences: Democratisation, Marxian analysis, Communitarianism and the New Right.

Sabatier (1992) highlights a tension between the traditional political scientists and the public policy scholars. This tension is based upon their differing approaches to democractisation. He argues that the policy scholars regard *government* as instrumental for public life, whilst the political scientists, however, regard *citizenship* and public participation as the dominant motive in public life.

On the other hand Miller (1992) provides us with a different synopsis of democracy, as it is presented within the public policy literature. She argues that the eighteenth

74

century liberalist theories of Mills, Hobbs and Locke have influenced the very nature of democratic capitalism within the West. Certainly, the influence of traditional liberalism on democracy is undeniably massive within public administration and policy studies. It helps to explain what goes on within the traditional separation of the functions of government.

A return to analysing the first principle of liberal democratic theory is important. It helps to illuminate some of the responses seen within the British public sector to the initiatives of the New Right, which we have examined in Chapter Two. In particular, such an understanding of first principles helps to explain some of the resistance, especially from health care workers within the National Health Service, to the policies of the New Right. The values of liberal democracy were so ingrained and socialised within the NHS that the received wisdom was that there was an assumption that all public polices were necessarily developed to reduce injustice.

Interestingly, Pluralist Theory appears to have had less of an impact upon the public's consciousness than the liberal democratic tradition. Pluralist theory seems to remain within the realm of the political scientists (Richardson and Jordan, 1990; Dhal, 1961; Polsby, 1963; Beer, 1965, and Walker 1983). Yet, it is of fundamental importance in shaping our view of democracy within the policy making process so much so, that is has been called the 'reinterpretation of democracy' (Ham and Hill, 1984, p. 26). Furthermore, Dunleavy (1991) argues that far from being anti-democratic interest group politics equate to a long-standing and active form of political participation.

What is different, from the traditional view, is that such activity is extra parliamentary and hence outside of the elected representative assembly.

Government agencies, such as government departments can become involved in these negotiations with interest groups. Dahl (1961) goes so far to say that the agencies themselves can be seen as a pressure group. Certainly, in popularist terms in Britain HM Treasury is often portrayed in this light by the media. The range of interest groups which are written about is diverse involving elites and corporatist concerns, but there appears to be a singular disregard for professional interest groups - over and above employee representative groups. Within medicine this is an unfortunate analytical omission, given the early influence by the BMA (British Medical Association) upon the formation of the NHS and the later influences, particularly in respect of pay, by the Royal College of Nursing and powerful elites upon specific government policies concerning health and medicine.

The strong influence of traditional liberal democracy within the study of public administration and policy analysis can be traced back to the dominance of the subject by North American literature and even Lasswell's (1951) influence focused on policy sciences as the type of studies which concern man and society and with the aim of 'promoting human dignity'. Thus, the policy sciences exist to promote *democracy*. Mae Kelly (1992) has charted the history of how much of the work of policy scientists becomes one and the same as the study of democracy, because it focuses upon the prerequisites for creating and maintaining a democratic regime.

Within the public policy literature there is a tendency to classify any Marxian analysis as being radical. The majority of the literature which does proffer a Marxian view point is almost solely within the realm of those political theorists who address the broader relationship between state and society and who juxtapose it with a view of management which is immediately classified as being a bourgeois activity. Some of this theoretical literature has 'crossed over' into some of the more critical assessments of public administrative behaviour as exemplified by Dunleavy's work (1982), which is influenced by theorists such as Gough (1979); Mishra (1977); Miliband (1969) and Poulantzas (1978). More empirical work using a Marxian analysis can be found in relation to local government and urban policy, particularly from Newton (1976) and Cockburn (1977). The analysis of health care policy from a Marxian perspective is positively rare, with Doyal's (1979) theoretical writing persisting as a dominant piece of seminal literature years on from its first publication.

The literature is almost totally dominated by UK and continental European authors. I conducted a review of the *Policy Studies Review Annual* from 1984 onwards and this revealed no direct mention of a Marxist perspective upon policy studies, even when questions of structural inequality, social housing and education were being discussed.

The opening up of the Eastern European countries to academics has lead to some post hoc analysis of public and social policies which have been influenced by Marxist-Leninist regimes, such as in Poland (Markiewicz and Mosawski, 1991) and in some emerging political systems, for instance in Brazil (Schwartzman, 1991). Majone consistently presents the Marxian view point as an alternative to a neo-classical

economic analysis of public policy (Majone, 1989). Overall the Marxian perspective is mostly ignored in favour of the 'Lasswelian vision' of public policies which also promote democracy.

One particular aspects of the Marxian analysis of public policies are of specific interest to this research. One of the main thrusts of the Marxian analysis is that state bureaucrats are of a particular class, namely, bourgeois. The bureaucrats, are motivated by self-interest in their wish to remain in office and, therefore, need to act in the interest of capital. However, because of the argument which states that there must be no working class alienation — for the sake of social control — these same state bureaucrats must not be seen to be culpable of clientelism or corruption (Dunleavy and O'Leary, 1987; O'Connor, 1973).

3.3   Communitarianism

An interesting and contemporary interpretation of the role of the masses can be found within the literature on communitarianism and participatory democracy. Whilst it is not regarded as a pure political theory, the writings of those scholars who support a communitarian perspective has had some discernible influence upon our interpretation of public policies.

Geoffrey Vickers is regarding as being one of the earliest proponents of the role of *relationships* between sections of society being used to influence and guide society. Through his ideas of an 'appreciative' system i.e. the links between human beings, Vickers conceptualises public institutions as being concerned with the regulation of

human relationships, rather than public institutions being about individualism, rationalism and goal seeking behaviour (Vickers, 1965; Johnson, 1994). Adams and Catron (1994) see the resurgence of interest in Vickers's writings as heralding a new age within the analysis of public policy and public administrative behaviour.

There is now, in the US, a well developed communitarian political philosophy, developed by Bellah et al. (1992); Spragens (1990) and popularised in the United Kingdom by Etzioni (1991; 1993; 1995). The philosophy states that the individualism favoured by liberalism has gone too far; the post industrial world is increasingly interdependent, but at the same time social groupings are becoming more divided and in some cases diametrically opposed. The resulting situation is a society without cohesion and hence without community. The communitarian philosophy is beginning to have an influence in Britain with the advent of 'Third Way' politics, social markets and the development of social capital.

The impact of communitarianism upon public policy is twofold: firstly, in its arguments relating to governance and authority and, secondly, in how it views the citizen and participatory democracy. A third, but separate influence can be detected from within the academic literature in relation to the practice of public administration as a profession.

The communitarians believe governance must be strengthened to avoid social — even global instability. They do not though assume that the role of authority within governance structures should necessarily lie within the state as we know it. Their view

is much more one of *reinventing government* based upon citizen participation and mutuality, but still maintaining strong mechanisms for the actual machinery of government.

Participatory democracy is a key tenet of the communitarian philosophy. Citizens would have more involvement in planning at local and national levels, at the same time government would be more responsive to citizens' needs. However, none of the writers comment upon the levels of knowledge required for participation or individual motivation, or even the play of self-interest.

Linked to the ideas of stronger democracy is the view of the professional administrator which is 'predicated on a weak version of citizenship' (Adams and Catron, 1994, pg. 48). The Communitarians argue that the technical rationality associated with the professionalisation of public administration serves to alienate practitioners from the public; thus citizens will always have inferior positions in terms of expertise and knowledge. Stivers (1990) and Cooper (1991) have written about the reformulation of the tasks of the public administrator in order to reflect a stronger citizen. In their writing the public officer becomes more of a facilitator for the community.

The voluntary and not-for-profit sector has for some considerable time adopted this facilitator model, often in the direct provision of social and welfare services (Hall, 1987). I would argue that it is this sector and its associated philosophies rather than the communitarian philosophy which has had more influence in the UK upon

contemporary public policy and the development, certainly within the welfare sector, of the Mixed Economy of Care (Wistow et al., 1994). This is evidenced by Billis (1993); Salamon (1987) and Kendall et al. (1995). However, none of the writings upon communitarianism specifically interprets the predicted rise of community activity as a response to fiscal scarcity which results in the need to co-opt voluntary labour and resources.

The preceding subsection has sought to trace some of the influences of political thought upon policy analysis. Thus, the interpretation of democracy ranges from a traditional view of liberal democracy which encompasses such concepts as justice and representation, to the more interpretative viewpoints of pluralism, interest groups and power.

Then, there is the Marxian interpretation of public policy which, far from the Lasswelian ideal of public policy existing for the promotion of human dignity and the promotion of democracy is more in accord with Althusser's (1969) view of democracy as 'Ilusory' — a mere ideological construct to pacify the masses.

Finally, there is the influences of communitarianism with its end of millennium, post modernist themes, which, whilst failing to address the issues of power, focuses upon the relationship between the individual and society seeking to promote a new sense of obligation and commitment towards the community.

The literature constantly emphasises the relationship between the State and the citizen and very rarely focuses upon the 'State worker', the intermediary between political ideology and service reality. This in part may help to explain the pre-occupation of implementation analysts with the policy-action congruence argument. Given the pre-dominance of the citizens in the theoretical literature there appears to be an assumption that the State workers are either trying to obstruct policy, dupe the public or are mere agents of capitalism.

The research in this implementation study has focused upon the State worker and the results suggest that far from falling into any of the aforementioned categories, these workers feel a genuine responsibility towards the public *because it is public (i.e. collective money which is at stake)*. It is, of course, the literature on the role and nature of the bureaucrat which has tended to address the State worker, that we now consider.

3.4   The bureaucrat and the bureau

The concepts of hierarchical control and accountability are fundamental to the understanding of public administration. Equally fundamental is the need to have a concept of regulation between the state and the public. The Weberian model of bureaucracy provides us with an important explanatory theory to aid this understanding, stating as it does, that public regulation is achieved, in part, by bureaux — which can be conceived as institutions, people and rules.

Some writers argue that it is the process of *bureaucratisation* which defines the public sector (Wilson, 1987; Aberbach et al. 1981). In part this is because the public sector is

based upon public law and public finance, which are in themselves important bureaux of the state. Grunow (1991) speaks of the 'endogenous' (pp. 99) character of bureaucratisation, likening it to a process of urbanisation and democratisation in our public lives, so essential is it to our understanding of 'publicness'.

The need to understand bureaucracy is also important to this research because we have, as members of the public, either preconceived or well formulated ideas about what a *bureaucrat* is or is not. These ideas range from the pejorative (blocking agents), and agents of economic inefficiency (Tullock, 1965); bureaucrats as neutral functionaries (Stillman, 1987) to a view of the high minded ethicist who defends the public's interests (Couto, 1991). The literature on bureaucracy and the bureaucrat has well developed views on bureaucratic behaviour. Some of this has been absorbed by public managers and analysts alike and hence serves to shape our frame of reference.

There is also a well established body of literature which has critiqued bureaucracy *vis a vis* democracy and this reflects the particular discussion about the role of democratisation within the policy process. Bureaux demonstrate autonomy, specialisation, professionalisation and have access to and control of expertise, knowledge and information on an exclusive basis.

Early observers of administrative systems like Merton (1957) and Selznick (1949) pointed out that eventually 'experts' will take over the organisation and may threaten its democracy. Following this line of argument, what originated with bureaucracy being the mechanism for accountability has been interpreted in the literature as control

and in some cases repressive control of citizens. In part, these arguments helped to fuel the rise of the New Right (Niskanen, 1971; Downs 1967). They have also led to the contemporary reinterpretation of bureaucracy as the sensitive bureaucracy predicated upon responsiveness to citizens' wishes (Clode, Parker and Etherington, 1987; Stewart and Ransom, 1988). The sensitive bureaucracy promulgates the idea of citizen participation in administrative duties through co-production (Brudney, 1985 and Warren, 1987).

This section will consider the main models of bureaucracy, namely Weber's (1947) classic model, Niskanen's Public Choice Model, Downs' Model of Bureau Maximisation and Dunleavy's Bureau Shaping Model. It will assess how these models have influenced critical thinking about both bureaucratic structure and behaviour. The section will also discuss how bureaucracy is seen to operate within the policy process in terms of control, rationality and decision making.

Particular attention will be paid to developing those ideas found in the literature which concern the bureaucratic behaviour of public managers and how the nature of the bureaucratic character manifests itself in the decision making and managerial attitudes of these managers. This is an important theme which is explored in my field research via the in-depth taped interviews with those public managers involved in the implementation of new public policies for capital investment in the NHS.

3.5 Models of bureaucracy

3.5.1 Weber's Rational-legal model

One of Weber's key contributions towards understanding the policy process was achieved by his ability to link the workings of the state into a model of organisational structure. In part, he achieved this by concentrating upon different types of authority and the associated structures most conducive to these authority types. He made the intellectual step between describing authority and describing organisations by focusing upon the regulation of institutional activity.

Weber (1947) identifies what he calls three 'pure' types of legitimate authority. These are: rational-legal, traditional and charismatic authority. Weber goes on to detail the pre-requisite conditions needed to achieve his 'pure types'. For the rational-legal type, Weber identifies eight categories or conditions. It is worthwhile identifying these individually because they are so fundamental and familiar to both a popular and a critical understanding of bureaucracy.

The rational-legal model requires an organisational pattern defined by 'official' function - wherein official is designated by authority and status. In turn, the functional activity is prescribed by a set of rules. Weber goes on to define these rules, explaining that they can be technical rules or norms. Either way, the application of the rules is dependent upon specialised training. Possession of this training facilitates entry to the administrative staff of a rational corporate group. Two other conditions are that the 'rational legal type' staff must have a specified sphere of competence based upon the division of labour and be able to have necessary levels of authority. They must also be

able to respond to the required levels of compulsion. Weber describes the subsequent organisation of these offices as being hierarchical.

In developing his categories, Weber also develops the idea of the 'bureaucratic administrative staff'. A condition for their labour is not only the separation of responsibility but also the separation from the means of production of ownership of administrative activity. In the pure model, administrative staff would also not gain any personal appropriation from their office; they occupy the office only to serve the organisation's objectives. Finally, his model requires that administrative acts and decisions are recorded and formulated in writing.

All these categories are not unfamiliar to even the most casual observer of the British Civil Service whose organisation and even reforms appear to have been designed around Weber's conditions. Weber describes what we, as observers, expect and what central government believes administration to be about. Thus, the Haldene Committee (1918) recommended the establishment of a Cabinet Secretariat (or the 'supreme chief' in Weber's terms) and the Plowden Committee looked at the recruitment management and training of civil servants. Nor was the familiarity between Weber's system and state civil services limited to Britain. In France the *cabinet du ministre* also behaved like a formal, pure rational legal bureaucracy (De Lamothe, 1965). Nor are concepts such as specialisation, hierarchy, expertise and officialdom extinct. The United States National Commission on the Public Service - the Volcker Commission sought to strengthen the civil service by more specialised training (Cleary and Nelson, 1993).

In the UK, despite the past two decades of decentralisation and the attacks on hierarchy, there is a growing recognition that for the effective delivery of policy to the public there does need to be an intermediate layer, linking what Evans and Taylor (1994) call macroinstitutions (the public) with the state. Such an intermediate layer is the professional civil service. The results of the research discussed in Chapter Nine support their view and without the rational legal system within the public sector it would be difficult to envisage policy being implemented solely along a government to public route.

Weber's pure type model of bureaucracy also claims to be the route to the highest level of administrative efficiency . Lane (1993) argues that in part the achievement of this potential efficiency is brought about by the concept of *Beruf* (pg. 49) or vocation on the part of officials. Weber, himself refers to the implicit acceptance by an official 'of a specific duty of fealty to the purpose of the office' (Weber, 1978: 1959).

We shall consider in more detail this concept of motivation by vocation under the section on bureaucracy and behaviour, but it is an important concept to be aware of in respect of other models of bureaucracy given that the *quid pro quo* for such fealty is what Weber calls the 'the grant of a secure existence'. Others, specifically Downs, have interpreted such motivation as in fact being only pure self-interest.

Before we leave Weber's model, it is worth noting the relative lack of empirical proof either by means of measurement or observation of the process of bureaucratisation in the public sector. Hall (1963) refers to a general catalogue of Weber's dimensions

within organisations rather than actual measures. Grunow (1991) cites some German empirical data which measured the numbers of rules and regulations in place in the German civil service. Interestingly, he also refers to the impact of computerisation in public administration as an example of an increase in the specialised functions for public officials.

3.5.2 *Downs and bureau maximisation*

Downs (1967) presents an economic analysis of bureaucracy and attempts to prove in a positivistic way that, in effect, bureaucrat officials are similar to entrepreneurs and are motivated by self-interest. In turn he argues that this self-interest will result in bureaucratic growth. He illustrates a 'Life Cycle' of bureaux and replaces Weber's 'supreme authority' and those officials motivated by fealty with a new cadre of zealots and advocates. In doing this, he places far more emphasis on the charismatic form of authority which can be found in the zealot leader. In his Life-Cycle Model he describes stages of the struggle for autonomy, the rapid growth of young bureaux and their death.

Downs argues that advocacy and zealousness are not enough to keep a bureau alive but that the new bureau must generate support outside of its own arena. Downs' contribution to our understanding of bureaucracies is important because it places the issue of power, dominance and especially external factors, firmly on the agenda for the analysis of bureaux. He also provided one of the fist explanations of bureaux expansion, drawing as it did on Parkinson's Law (1957) of 'work expanding to fill the

time': officials waiting to multiply subordinates: and officials making work for each other.

Downs's more helpful explanation is in part based on the premise that expanding bureaux are successful and attract more capable officials and in turn the leader has more power and prestige. Moreover, success is achieved not by decreasing the status of rival bureaux but by increasing the status of the expanding bureaux, together with the associated economies of scale.

In some respects Downs' model was not new, especially since an established critique of much of the operationalisation of Weber's theory had been written by Gouldner (1959). However, Downs did offer, through his Life Cycle approach, an explanation not only for growth but also for bureaux survival and the consequent rigidity and conservatism of some bureaux. According to the model, as bureaux age, their very success serves to jeopardise innovation in favour of protecting their autonomy and prestige.

Dunleavy (1991) provides a thoughtful critique of Downs' work. He points out that Downs accepts the Weberian hierarchical structure because the hierarchy offers a command structure through which the self interested individual can advance for further prestige. However, Dunleavy stresses (page 151) that Downs had developed a pluralistic critique of bureaucracy because he assessed the personality of a bureaucrat. Thus, by concentrating upon a bureaucrat's individuality and capacity for personal

innovation, Downs showed that bureaucrats undermined or 'blurred' the very nature of hierarchical controls.

Downs' work is important, not only because of his maximising arguments which helped to promote some of the New Right backlash, but also because he raises the point of alternative motivation within officials. He also examines something of the relationship between officials and subordinates. It is important to analyse his work in the context of the times in which it was written. The mid-late 1950s saw the rapid post war expansion of the US and UK public bureaucracies and the increasing complexity of administrative control, together with an awareness of the consequent increase in expenditure on state and federal bureaucracies. That these concerns are still with us is evidenced by thought in both the US and UK. In the US the post-New Right reformers of the public service believe in deregulation as the way to overthrow 'King Bureaucracy' (Dubnick, 1994) either through privatisation or reducing state intervention. A similar threat can be seen focused on 'overblown bureaucracies' aimed at central government departments, amongst whom are some of the most prestigious and elite like HM Treasury.

3.6   Bureaucracy and the New Right economists: Niskanen and Tullock

The economic analysis of bureaucracy represents a distinctive departure from Weber's normative administrative theory. It also formed a fundamental platform for the development of the New Political Economy in the early 1960s. The economic analysis is concerned with detecting and explaining maximising behaviour and the search for an ideal equilibrium between demand and supply.

Jackson's (1982) synthesis of the political economy of bureaucracy describes the work of the 1960s economists, amongst whom he includes Downs (1967), Buchanan and Tullock (1962) as being concerned with the 'demand side of the equation' (p. 122). The demand actors involved in the model are voters and politicians. These writers were concerned with how public sector bureaucracies could respond in an efficient way as possible to the demands of voters and politicians. Jackson maintains that it was not until the 1970s that scholars assessed the 'supply' side of the equation by focusing upon the decision making of bureaucrats. They did this by again envisaging bureaucrats as maximising agents and two key authors in this area were Breton (1974) and Niskanen (1971). Part of the importance of the economic analysis of bureaucracy lies in the influence that these writers were to have on the rise of the political New Right in the mid 1970s to 1980s, in particular, Niskanen.

Tullock's (1976) work is important because it seeks to break with the 'bureaucrat as neutral' characterisation. Tullock's argument appears to be simple enough: bureaucrats are the same as any other human being; they therefore take a decision to benefit themselves, not society as a whole; they are therefore self-seeking. Tullock does deal with an ideal type bureaucracy and suggests that such a bureaucracy should be so designed with its attendant constraints to make the bureaucrats self-interest the same as the interests of society.

Tullock maintains in his argument that such a new design is impossible - although he does suggest increased competition to the bureaux as going some way towards a reform. However, Tullock, like Downs, emphasises that bureaucratic utility

maximisation comes about by increasing the size of the bureau. He does, however, acknowledge that bureaucrats have different and collective activities to 'businessmen' (Tullock's private sector, comparative counterpart to the bureaucrat) and just as profit is a general proxy for utility maximisation in the private sector, so too is size a 'not bad' approximation in bureaucracies.

Tullock appears to make an assumption in his work that bureaucracies do not appear in the private sector which of course is not the case. It is partly in this sense that Tullock's work can be critiqued. Undoubtedly he has made a significant contribution towards developing explanatory models of bureaucracy, particularly in respect of the bureaux maximising argument. However, he very much fails to address any of the contingent factors which impact upon both the bureaucrat's behaviour, and also the behaviour of the so-called consumers on the demand side of the public sector.

For a more sophisticated range of economic arguments Niskanen provides a more comprehensive account. Dunleavy (1991) provides a detailed analysis of Niskanen's work using a public choice critique and as such often juxtaposes Niskanen's works with that of Downs. Nor does Niskanen just address the workings of bureaucracy, but also the whole range of processes, interest group behaviour and decision making involved in liberal democracies. In this sense he is writing as a true political economist.

Like the other writers discussed in this Chapter, Niskanen is also concerned with bureau maximisation, not just in terms of the increase in bureau size in respect of its

remit and number of people employed, but also in respect of the size of the bureaux budget in relation to demand. According to his thesis, bureaux are inefficient - and this is an inefficiency based entirely upon the strict economic assumptions of marginal values and costs. Miller and Moe (1983) have pointed out that his arguments are very difficult to prove. Thus, his theory is about bureau oversupply and his recommendation is that to control this inefficiency there must be a move to a market structure.

Fascinatingly, in his analysis of Niskanen's suggestions, Lane (1993) maintains that the only way to test Niskanen's thesis is to conduct 'real life' experiments '...changing the political system in rather dramatic ways' (page 62). He understands that the only way to bring the market element into a bureaucracy is to develop competition within the bureaux, even to give a new form of incentive to bureaucrats. But Lane, despite writing in 1993, believed that it was highly unlikely that Niskanen's reforms would be implemented. We know from the British experience of the New Right economic and political policies that Lane's doubt was ill founded. It is precisely the Niskanen type model which has been introduced into the UK public sector with the advent of the internal market in Health Care; the hiving off of bureaucratic functions to arm's length contracting agencies or in the form of outright competition.

Both Ostrom (1991) and Eavey and Miller (1984) recognise that Niskanen's approach depends on the bureaucrat behaving according to the rational choice model with access to perfect information guiding their decisions about price discrimination. Eavey and Miller also emphasise that in order to work the Niskanen economic model of

bureaucratic behaviour requires what they refer to as bureaucratic 'agenda control' and a passive legislature in the face of an executive who are, or have become, increasingly responsible for the origination of legislation. Such an argument has important echoes of Weber's specialisation hypothesis. It is also a helpful point from which to commence our consideration of the Bureau Shaping Model developed by Patrick Dunleavy.

3.7   Dunleavy's bureau shaping model

Dunleavy (1991) provides a very thoughtful and careful critique of the Downs and Niskanen models. The critique is based upon questioning the rationales and reality of bureau maximisation. Dunleavy maintains that bureaucrats cannot budget maximise continuously because not all their utilities are directly associated with increases in budgets. There are, for instance, other non-monetary related utilities like collective strategies. Also, the bureaucrat does not operate in isolation as the bureau is subject to a wide range of collective action issues. Most importantly, bureaucratic strategies vary from agency to agency.

The differences between agencies are very important and seem to be an issue which Tullock, Downs and Niskanen appear to have oversimplified, treating as they do all bureaucracies as a homogenous group. Niskanen, in particular, also treats senior bureaucrats the same as more junior ones, when, in effect, senior bureaucrats might gain a lot more by collective bureau-shaping than junior staff, thus, casting doubt on Niskanen's view of the single hegemonic official.

Furthermore, Dunleavy makes a concerted attempt to provide empirical evidence in support of his thesis. In particular, he differentiates between agencies based on their activity according to a seven point typology which describes agencies as: delivery; regulatory; transfer; contract; control; trading and servicing organisations. His empirical approach is then based upon matching bureau type, with their size, in terms of core budgets and total staffing, to try and ascertain the amount of their 'maximising' behaviour.

The results of Dunleavy's painstaking analysis is important to this research because he highlights that some agencies because of their type have very different contingent factors to deal with e.g. variations in transaction costs; the degree of labour intensity and amount of enterprise they can partake in. Thus, it could be argued that as a result of the 1990 NHS and Community Care Act, the Department of Health changed from a Regulatory and Control agency to a Contacts and Trading agency.

Dunleavy's thesis of bureau-shaping is based upon collective strategies:'
> 'Rational bureaucrats oriented primarily to work-related utilities pursue a bureau-shaping strategy designed to bring their bureau into a progressively closer approximation to staff (rather than 'line') functions, a collegial atmosphere and a central location'. (Dunleavy, 1991, pp. 202/203).'

The model requires the successive reshaping of the bureau's tasks and organisations, making it *smaller* and more elite, not larger. In turn, this eases budget constraints because the bureau has become a transfer or contract agency. Dunleavy identifies five steps in this reshaping: internal work practices, redefinition of relationships with

external partnerships, competition with other bureaux, load-sheding, hiving off and contracting out.

We can see his analysis almost as a blue print for the activities which have occurred in the public sector in the UK during the past fifteen years. In part, this is not surprising since what Dunleavy is offering is a modified version of Public Choice Theory. The Bureau Shaping Model is important too because it offers a modified version of Weber's original theses and recognises that the collective values and behaviour of the bureau are important. In addition, the results of this research detailed in Chapters Eight and Nine demonstrate how important the *collective* patterns of not only motivation but the sub-groupings of bureaucracies are.

3.8   Bureaucracy and control

In order to understand the policy process and the nature of management within it, it is not enough to accept a simple view of the democratically elected legislature making policy which is then administered within the state by the bureaucracy. There is long-standing evidence of dispute between political control and the bureaucracy. Added to which is a belief that in effect the legislature delegates some of the policy making authority to experts within and outside of the bureaucracy. There is also little sign of counter-movements from back-benchers or ministers themselves to counteract this. These patterns are documented by Blondell (1968); Wattenberg (1990) in North America; Rose (1964) and Laver and Schofield (1990) in Britain and Europe.

Dunsire's (1978) contribution to our understanding of control in a bureaucracy centred upon the administrative structures within the bureaucracy, conceptualising each as a level of self-control. His later work reinforces this, stating that control in the public sector is essentially about *procedural control* (1991). Procedural control concerns political intent and individual and bureau responsibility, all bound together by processes scrutiny. Dunsire, however, does not really address the nature of the freedom or amount of *discretion* which the bureaucracy has in respect of policy making and policy action when he discusses control.

In a similar vein Hood (1991) suggests two types of control - 'comptrol' and 'interpolable balance'. Comptrol conveys the idea of oversight, either by self, peer or superior, allowing control through rights, duties and sanctions. Interpolable balance uses the self-policing mechanism within the system. It is a much more widespread type of control and looks for the redesign of government in order to include more control in the very fabric of government. This last idea is difficult to conceive of in concrete terms but Hood presents a persuasive argument for its use in times of strong fiscal pressures when massive budget cuts create the need for major changes in the operation of a bureaucracy. But again like Dunsire, this respected writer's assessment does not deal with the politician-bureaucrat control dilemma.

The North American literature appears to address this issue more directly. Maranto's (1993) retrospective analysis of politicians and bureaucrats within the Reagan administration points out that sometimes there were clashes between politicians and career civil servants based upon differences in political ideology. However, he also

makes the important point that there was no uniformity in the pattern of behaviour between politicians and bureaucrats — previously conflict between the two was thought to be as a result of experience and degree of career ambition. Interestingly, Maranto also suggests that the interpretation of power between the legislative and the bureaucracy is more often than not a function of the analyst's preferences.

Lupia and McCubbins (1994) maintain that it is the structural characterisation of the legislature which dictates the degree of control. Hence, in the United States, politicians - and in particular back-benchers - have access to their own set of experts or 'verifiers' (page 373) from whom they can learn and hence meet the experts on equal terms. They explain that in the UK and Japan politicians have fewer resources from which to learn. Finally, Eavey and Miller (1984) use an experimental method to ascertain the degree of control which agenda setting priority has in terms of committee power. They tried to emulate the much quoted behaviour of bureaucratic agenda control in legislative committees. Although experimental, their work demonstrates that far from agenda control leading to imposition from the bureaucracy, the real picture is one of negotiation and bargaining between the bureaucracy and the legislature.

Perhaps the diametricaly opposition of power resting either with the legislature or the democracy is too simplistic for the complexity of modern governments. Writers such as Jordand (1992) and Rhodes (1990) have recognised this, explaining that in effect, bureaux are part of complex networks with differing control and power relationship

between not just the legislature but also external private organisations — all part of the mixed economy of public programmes and services.

Latterly, there has also been a revived interest in the moral or ethical causes of control. Terry (1995) describes the importance of bureaucratic leaders as 'conservators' or the moral guardians of the balance between bureaucratic legitimacy and governments. The bureaucrat is seen then as the ethical steward of state institutions, not dissimilar, of course, to Weber's concept of fealty. Van Gusteran (1991) also refers to the civil servant's ethical base and code of conduct. Of equal importance, he maintains that the citizens themselves evaluate the civil servants in ethical terms. The public require on the one hand civil servants to be neutral, efficient, legal and technically expert, but at the same time, autonomous, responsible and flexible, producing what Van Gusteran calls a 'double bind situation' (page 317).

3.9   Bureaucracy, rationality and decision-making

This research is concerned with how public managers implement new public polices and one of the methods it uses is to analyse the decisions made by these managers or bureaucrats. The Weberan administrative model suggests rationality in decision making and, as in Simon's model in 1957, the rationality of this decision making was based upon utility maximisation. Focusing upon decision making has also helped the understanding of bureaucracy within more general organisational analysis. Clegg (1990) considers Weber's rationality arguments to be not those of efficiency but more ones of cultural conditions:

'...it would be more correct to point to the cultural conditions of rationalisation ... such a cultural explanation points to the institutionalisation of value as the overarching factor in interpreting the rise of particular types of organisation.

The iron cage is a cultural construct rather than a rational constraint.'
(Clegg, 1990, p. 102)

Clegg's analysis allows for a much more interpretative approach to the study of bureaucracies situating them within a particular culture, but at the same time suggesting that bureaucracies themselves will develop 'moral contexts of values'. The interpretative approach also leads to added analytical complexity as will be seen in the analysis of the results from my field research.

The assumptions about rationality within the bureaucratic models are far reaching, so far reaching that Cohen, March and Olsen (1972, 1976) suggest that their Garbage Can Model of decision making is a new principle – but it takes its reference point from Weber and to a certain extent Simon, in terms of offering a chaos interpretation rather than a rational interpretation of decision making.

Crozier's earlier study of bureaucracy in 1964 had already rehearsed the criticism of the human relations school in respect of rationality in decision making. He pointed out that the difficulties of task definition, task arrangements, communication networks and human behaviour would all point to a readjustment of the model. Thus, the contemporary organisational behaviour literature reflects the 'failure' of rationality within bureaucracies. However, this is not true of some of the economic literature. Hayes and Wood (1995) still attempt to explain bureaucrats' decisions about using

resources in terms of rational, self maximising behaviour with no consideration of contingent factors or organisational values.

3.10 The Bureaucratic Character: Behaviour and Motivation in Bureaucracies

Both Gouldner (1954) and Merton (1957) have paid specific attention to the behavioural characteristics of workers in bureaucracies. What did become more established within the organisational behaviour literature was how the bureaucratic structure and work environment impacted upon the responses of workers within it. Based on observation Gouldner developed a typology of such behaviour which he defined as rule orientation, obedience, risk avoidance and high preference for security. His findings were later replicated by Putnam's (1973) study of mandarins and other bureaucratic elites.

Thus, according to Gouldner, bureaucracies result in occupational socialisation. Merton's key points are that the rule abiding behaviour can result in absolutes, especially where the rule becomes the end rather than the means. Ham and Hill (1984) provide a useful critique of the impact of Merton's thesis for public officials who interact with the public and have to put into practice political decisions which they may disagree with. This, together with rule avoidance, may result in the distortion of policy goals.

There is, however, a growing literature which relates to public officials who break the rules — or who at least bend them. These are broadly grouped into organisation deviants (Ermann and Lundman, 1978; Punch, 1984) and the bureaucratic

Whistleblower (Jos et al., 1989; Johnson and Kraft, 1990). O'Leavy (1994) provides one of the most comprehensive micro-level analysis of bureaucratic deviance — although not once in her text does she refer to the concepts of bureaucracy — more the difficulties which public officials have in shaping their environment.

Her work concerns how a group of environmental public officials — the 'Nevada Four' sought to present their own agenda to the policymakers. This is a different form of agenda control to that discussed by Eavey and Miller (1982). The 'Nevada Four's' actions grew, not out of centralist political tension between politicians and mandarins, but from the detailed knowledge of these scientific experts pitted against a policy which they believed to be ill informed. Their actual problem concerned the protection of wetlands against the consequences of land reclamation and potentially damaging irrigation practices.

O'Leavy interprets the policy alteration caused by the 'Nevada Four' as bureaucratic self-empowerment. Much of their empowerment derived from political lobbying, mobilising sympathetic interest groups and managing an effective media campaign. Certainly, the behaviour of the 'Nevada Four' breaks into the bureaucratic view of impartiality; it could, of course, be described as self-interest, but O'Leavy chooses to describe their actions as stemming from personal commitment to their cause and a sense of 'moral outrage'. Others, might, of course, interpret this as self-interest.

O'Leavy's work is also helpful because of the nature of her methodology: it was an ethnographic study of bureaucracy — using non-participant observation and detailed

documentary analysis of departmental minutes and correspondence. It also helps us to address the very complex issue of bureaucratic motivation. It is, of course, very difficult to show empirically the causal reasoning which relates an ascribed motive to a particular bureaucratic behaviour. What does become clearer, however, is that bureaucrats have varying amounts of discretion to deal with policy initiatives and their implementation. Michael Lipsky's (1980) work on Street Level Bureaucrats is concerned with such discretion and is addressed in Chapter Four.

This chapter has sought to provide an analysis of the established literature which relates to how governments do their job of running a state. The study of such activity is generally accepted as Public Administration. Public Administration itself is influenced by the dominant political ideology, in the case of Britain a liberal democratic tradition wherein the separation of duties between political and administrative activity occurs via a bureaucracy. Such is the framework and contextual nature for policy implementation the literature about which we consider in the next chapter.

CHAPTER FOUR

POLICY IMPLEMENTATION

4.1   Introduction

The previous chapters have concentrated upon the political and economic nature of public policy and how policy is administered within the broad framework of bureaucracies. We turn our attention now to how public policy is put into action, or, as Barrett and Fudge have pointed out 'policy does not implement itself' (1981, p. 9). Understanding who, how and why policy is put into effect can be conceptualised under the heading of Implementation Theory, a terminology initially used by Pressman and Wildavsky (1973) during their study of job creation programmes in Oakland, California.

The benefits of an implementation perspective are such that they allow the policy analyst to transcend the distinction between politics and administration which has had a tendency to be polarised between either political science research or public administration and management research. Hjern (1982) has argued that implementation research is the 'link gone missing' between the political and economic analysis of policy and the organisational or institutional analysis of administration.

In the context of this research, the 1990 NHS and Community Care Act has, on the whole, been analysed from the political perspective, using the causal reasoning of the New Right. It has also been extensively analysed from the perspective of the New Public Management and from the perspective of organisational and professional change. However, these perspectives have been kept separate. Consequently, the

complex interlinkages which lead from policy as a political concept to its operationalisation have been largely oversimplified. Often this is for a good reason, mainly because of the relative short timescale within which the new Act has been operating and also because such implementation studies need to take a longitudinal perspective. This research seeks to address some of these over-simplifications by analysing the processes and variables involved in the implementation of one particular aspect of the 1990 Act, namely, the new requirements for capital investment appraisal in the NHS. In so doing, it also seeks to contribute to some of the gaps in knowledge relating to implementation theory, namely, the role of individual and organisational learning.

That implementation is exceedingly complex is acknowledged by numerous scholars in the field (Palumbo and Calista, 1990; Goggin et al., 1990, and Sabatier, 1991) dealing as it does with the multiple variables of the public sector (Lynn, 1987) and whole series of decisions over time and space. There is also additional complexity because it is not clear where policy stops and action begins as has been clearly demonstrated by Barrett and Hill (1984). This has been especially the case in this research, and I believe a phenomenon of public policy in the 1990s. Some of the policy initiatives have been so radical and risk laden that they have been reinterpreted and even re-legislated in the light of experience from the action which occurred. Particular examples of this are changes in the Child Support Agency and The Children's Act.

Some authors have argued that the multiplicity of variables and agents involved in implementing policy will inevitably prohibit the development of predictive theory in implementation studies (Hambleton, 1983). Others, such as, Majone and Wildavsky (1978) point to the ambiguity of the policy itself and the uneasy, ambivalent relationship between the need to achieve policy goals, whilst also aiming for economic efficiency. In turn, they argue that this prohibits theoretical development. However, Dunsire (1978) maintains that these multi-complexities should not allow the implementation researcher to shy away from attempting some theoretical development. The fact that the majority of the models addressing implementation lack parsimony in the theoretical sense has been demonstrated by Matland (1995). Perhaps more importantly, the implementation researcher needs to ask why they are doing such research. Is it to provide generalisable policy advice? Is it to allow a more successful implementation of a particular policy? Or is it to advise counter intentional street level bureaucrats?

In reviewing the literature on Implementation, this chapter will seek to address these questions. It presents a review of the major implementation models, broadly classified as either top-down or bottom-up models and grouped into first, second and third generation studies. It will then address the processes of implementation; the variables and contingent factors which impact upon implementation; and finally issues of knowledge, learning and capacity.

4.2   The Conceptual Foundation of Implementation Research

It is possible to clearly trace two and half decades of Implementation Theory - where it has been clearly labelled as such, stretching back to 1973 with Pressman and Wildavsky's work in the United States as a clear indicator of the growth of interest in implementation studies *per se*. A similar work in the United Kingdom was not put together until Barrett and Fudge's collection in 1981 *Policy and Action*. On the other hand it could be argued that Dunsire's work in 1978 predates Barrett and Fudge with his *Implementation in a Bureaucracy: The Execution Process*, although this was very much concerned with the workings of bureaucracies rather than solely the transformation of policy into action.

Hjern (1981) believes that the European interest in Implementation studies is a response from those scholars and analysts interested in behavioural public administration. This in itself is directly related to the dissemination of such an approach from the United States. Sabatier (1991) summarises two decades of implementation research as being about synthesising the various competing paradigms of implementation studies in an attempt to capture the best features of the top-down and bottom-up approaches.

Two main aspects strike the reader of the extensive literature on policy implementation. Firstly, the more recent literature has not presented any new paradigm, rather it has sought to synthesise existing literature or revisit older themes such as the success or failure of policy implementation, Ryan (1995); Matland (1995); Buck et al. (1993); Palumbo and Calista (1990) are good examples of this approach.

107

One possible exception to this criticism is Goggin et al's. (1990) development of a Third Generation implementation research approach. The second striking point is the almost complete disappearance from the UK public policy literature of any work bearing the label Implementation. Barrett (1995) suggests that this may be because many of the policy analysts actually became more pre-occupied with strategic planning, public policy and organisational strategy and, certainly in the 1990s, with institutional and organisational change within the public sector.

It could be argued that fashions come and go amongst the policy analytical community and that implementation studies have laid dormant or just been called something else in the United Kingdom for the past decade. Nonetheless, the stance taken within this research is that an implementation perspective has a great deal to offer the policy analyst because of its integrative abilities. These integrative abilities exist because of the conceptual keystone of an implementation perspective, namely, policy politics, or social politics, as opposed to electoral or partisan policies. This differentiating terminology was defined by Pressman and Wildavsky in 1986, and Brodkin (1990) provides the following definitions:

> 'Implementation analysed as policy politics... enhances the study of social politics, in part, by distinguishing analytically between the state's policy promises and the state's policy products' Brodkin (1990), pp. 108

In short, an implementation perspective brings politics back into policy analysis. That it has been sadly lacking, in at least the British policy literature for the past decade, has been recognised by Common (1996) and Newman & Clarke (1996).

The concept of policy politics encompasses formal policy as legislation or mandate, and also lower level discretion in the form of street level bureaucracy (Lipsky, 1980). The importance of democracy to public policy studies has been previously pointed out and Hjern and Porter reiterate the relationship between democracy and pluralism and also between pluralism and discretion (1981).

Other integrative attributes of an implementation perspective are its associated investigative methodologies. Although dominated by case study research, implementation studies allow good opportunity for a macro or micro analysis of a problem. Furthermore, implementation studies allow the introduction of a more *interpretative* approach to policy studies. In so doing they are able to encompass policy ambiguity and policy irresolution without necessarily regarding these as policy 'failure' as more rationalist approaches would.

Scheirer and Griffith (1990) provide a good example of micro-implementation analysis which addresses the use of fluoride mouth rinses within schools in the United States. They grounded their micro analysis in the context of the macro policy initiative of the federal government's desire to reduce dental cavities. The use of a solely macro perspective might lead the policy analyst to conclude that United States states have effective fluoridation programmes. However, the micro-perspective suggests the infinite difficulty of assessing such effectiveness. Scheirer and Griffith's work demonstrates that a whole range of variables are at play; such as size, type and location of school; characteristics of the school principal, peer group relationships amongst teachers and the degree of training offered to children.

It is not only the case study approach which uses macro and micro analytical techniques. Hjern, Porter, Hull and Hanf (1978) have used network analysis; Sabatier and Jenkins-Smith and St Clair (1993) content analysis; Nathan social experimentation (1982) and Yanow (1993) semiotics. Barrett and Fudge also adopted a micro analytical perspective, when they described the day-to-day working of public agencies and how formal policy works to structure such operations. There are a number of ramifications of taking this approach, in particular, the need to understand the *detail* of day-to-day working - even to the level of working practices. I would argue that it is this aspect which differentiates implementation research from strategic research, although this is not necessarily emphasised in the literature. One of the possible reasons for this is the difficulty of gaining access to both policy makers and implementing actors in the same project, together with the resource intensive nature of such research.

Barrett and Fudge's work did much to re-formulate the long held view that implementation followed policy making in a sequential and linear process. Their arguments and research demonstrated a feedback loop in the policy to implementation continuum. They revealed interaction and negotiation between actors in the loop 'between those seeking to put policy into effect and those upon whom action depends' (p. 25). They firmly demonstrated that implementation is about the policy-action continuum.

Brodkin (1990) stresses the need to:

> '...alert researchers to the dangers of adopting a view of implementation that disconnects the apparently technical or procedural activities of policy deliverers from social politics... when questions of value are not resolved politically, they may reappear in the form of technical or administrative questions during the implementation process' (Brodkin 1990, p. 115).

It should be noted that she is in a minority of scholars who emphasise the need to focus on policy values as well as technical delivery.

This research attempts to analyse the macro perspective of the new capital investment appraisal mechanism in the NHS alongside the micro perspective of the policy deliverers. It is easy to understand how implementation studies have been overtaken by studies concerned with policy innovation and change. Again, though, I believe there is a difference - an implementation perspective concentrates on the processes whereby innovation is translated into routinised patterns of day-to-day action. Undoubtedly, the innovation literature certainly helps in terms of understanding adoption and diffusion processes. Implementation studies, however, concentrate upon the real problems of how ordinary people routinise and operate conceptual policy. This is often of a radical nature, the design of which, on the whole, they had very little influence upon; but the survival and future shape of which they are responsible for whether formally and directly or otherwise. It is because of this continuum between policy and action that this research has chosen to triangulate its methodology using a form of content analysis to analyse the policy itself; non-participant observation to

assess implementation processes and variables and in-depth, taped, interviews to explore behavioural responses from the actors involved.

4.3   The role of Implementation Theory in Policy Analysis

The literature on implementation analysis demonstrates a variety of justifications for doing implementation research. It helps in the critique of the literature to be aware of the range of roles allocated to implementation theories. Broadly, these roles can be categorised as (i) explaining policy success or failure (ii) predictability of policy outcome (iii) normative policy and policy design recommendations (iv) providing a unifying approach to studying multi-actor and inter-organisational activity within politics and administration.

Sabatier and Mazmanian's (1979) paper is subtitled *'A guide to accomplishing policy objectives'* and their stated aim is to research implementation to 'maximise the congruence' among policy objectives and the impact of policy decisions - i.e. to ensure that the policy *per se* is implemented as it is conceived. Other writers also ascribe this role to implementation research, in particular Van Meter and Van Horn 1975; Bardach, 1977, O'Toole, 1986; Ingram and Schneider, 1990; and Hood, 1976.

There are a range of implementation studies whose *raison d'etre* is to predict policy outcome and in so doing inform future policy design. Webb and Wistow's (1983) work on the implementation of community care for personal social services demonstrated the impact of resource constraints on local government during the policy to action phases. They predicted an undermining of the personal social services if new

policy implementation was associated with expenditure cuts. This is a prediction which seems to have been borne out in practice. A more recent attempt at policy prediction based upon isolating the policy success/failure variables is provided by Sarburgh-Thompson and Zald (1995) who performed a historical analysis of child labour laws in the United States. Rather similar to Webb and Wistow they predicted that policy is helped in its transformation into action where there is system maintenance within the organisation during the policy change.

None of these works, however, demonstrate the link between the findings of their research and how such knowledge, together with the experiences of the implementing actors, can be fed back into the policy design stage. On the other hand, the third role category, that of normative policy advice, does regard its role as one of feeding back into the policy design stage. Pressman and Wildavsky's early work can be categorised as such, researching as they did how lessons could be learnt from policy implementation failures. O'Toole (1986) provides a comprehensive review of the literature on the role of implementation research for policy recommendations and prescription. His conclusions are that the prescriptive nature of many policy analysts findings are contradictory and confusing.

> 'recommendations are like proverbs, often pointing in opposite
> directions' (O'Toole, 1986, p. 190).

The normative, policy prescriptive authors, tend to rely upon a linear model of implementation (Bardach, 1977; Yin, 1982; Gunn, 1978) and as such ignore the ambiguous nature of political policy initiatives; multi-organisation and multi-actor

contingencies and conflict. Palumbo (1987) goes as far to say that although normative studies purport to influence policy design they rarely achieve this. Later in this chapter we shall consider the role which discretion plays in the action-to-policy and feedback loop.

The use of an implementation approach to understand inter-organisational activity has proved to be very helpful. This field of study has been applied to the 'Big Problem' areas referred to in Chapter Three by Hanf and Scharpf (1978) particularly in respect of employment and training; Hull and Hjern (1987) in respect of small and medium size enterprises; Lester et al. (1989) for environmental policy initiatives and more recently the delivery of service quality within public programmes, Hjern and Blomquist (1991) Hjern (1992; 1995).

Policy analysts and researchers use implementation studies for different reasons, often to demonstrate what they believe to be the misguided 'folly' of central government polices (Kingdom, 1990). Others approach the policy problems with a truly heuristic agenda (Hjern 1992). Given that implementation studies have different roles, then we can expect to discover a series of themes within the established implementation models such as 'Top-Down' approaches being more aligned with the normative and predictive roles of implementation. Similarly, the 'Bottom-Up' approaches tend to focus more closely on policy networks, often in multi-agency settings. The key point to be aware of is that the *perceived* role of implementation has had a considerable effect upon how the various implementation models have been formulated.

4.4 'First, Second and Third' generation models of implementation

The history of the development of models of implementation has some similarity with the emergence of the different roles for implementation studies explained above. Winter (1986) maintains that it was the so called failure of public agencies to achieve policy goals which led to an interest in implementation research. Both Ryan (1995) and Matland (1995) provide useful syntheses of some of the implementation models. It is also worth noting that prior to the articles of these Australian and United States scholars, there does not appear to have been a similar synthesis of the literature since O'Toole's work in 1986, emphasising once again the relative academic backwater into which implementation research has tended to drift.

It was the work of Goggin, Bowman, Lester and O'Toole (1990) which gave rise to the terminology 'Third Generation' implementation research and, in so doing, identified, first and second generation research and their associated models. First generation implementation research did not produce predictive models as today's scholars have come to understand the term. They in effect concentrated on the success/failure outcome of policy goals and produced a typology of approaches to make implementation more *effective* within the logic of the policy goal itself. They did not seek to alter the actual policy. First generation work is also historically connected and emerged in the 60s and 70s, again in the majority of instances, in the United States.

There was an interest in the UK at this time about policy implementation but it tended to attract a different label, namely, that of 'planning'. In turn, it was attached to academic departments more concerned with infrastructure planning than social

administration or policy studies (Hambleton 1983). Whilst the UK studies saw implementation as a means to improve the formulation and delivery of policy, they were also greatly concerned with central-local relationships, reflecting British local government re-organisation in 1975-76 and British attempts to emulate the integrated planning and fiscal approaches referred to in Chapter Three of the Planning, Programming Budgeting System (PPBS). These interests were taken up by the Social Sciences Research Council (SSRC) and their report on Central-Local Government Relationships (SSRC, 1979). Hambleton believed these research initiatives were adopted by government departments, in particular the Department of Health and its new planning system (DHSS, 1982) and the Department of the Environment for housing plans (DoE, 1977).

In the United States, however, first generation implementation research was less concerned with central/local government relationships and more with 'Big Problem' policy solutions and the consequent understanding of their success or failure. Thus, we find first generation implementation authors such as Pressman and Wildavsky (1973) writing about job creation schemes in areas of high unemployment; Murphy (1971) in respect of higher education reforms; Jacoby and Steinbruner (1973) on environmental pollution and Derthick (1972) on urban redevelopment. Particularly noticeable about some of these single case study works, is their location around the San Francisco Bay area - as in Pressman and Wildavsky's Oakland study. A geographical interest which is still maintained in the United States where philanthropy and public policies tend to merge (ARNOVA, 1995).

In the first generation models, considerable attention was also paid to issues of policy output and quasi-scientific measurement of policy implementation, reflecting the more positivist approaches to policy analysis referred to in Chapter Six. Thus, Luft (1976) sought to address cost-benefit analysis in implementation, and Coleman (1975) other forms of actual measurement. The specific case study approach was gradually generalised within the literature particularly by Bardach (1979); Van Horn (1979); Rein and Rabinovitz (1978) and Williams and Elnore (1976). Above all, the first generation implementation studies sought to identify factors to describe the implementation process. However, in so doing they made some (mis)assumptions that policy formation and implementation was a rational, linear process. Added to which, implementation was regarded as being distinct and separate from policy formation, reflecting the concept of the politics/administration separation explored in Chapter Three.

Despite these assumptions, the first generation literature made an important contribution to the field, particularly in respect of directing attention towards the outcome of a policy (even if subsequently these outcomes were measured and expressed as outputs). The studies were also analytical in the sense that they attempted to establish causal relationships between the policy and its outcome. Their other contribution to knowledge revolved around their ability to address political behaviour and the complexity of public administration and policy, both Derthick's work and Pressman and Wildavsky's study are good examples of this.

The implementation literature has well established criticisms of the first generation studies. They have been accused of being too pessimistic (Lester et al. 1987, Goggin et al. 1990) because of an over-concentration on policy 'failure'. The studies were also criticised for failing to produce real models to help the predictability of policy outcomes, (Linder and Peters, 1987). These first generation studies introduced the idea of the 'correctable pathology' and in turn have been hailed as, on the one hand, advantageous (Goggin et al. 1990) and on the other hand distinct drawbacks (Sarburgh-Thompson and Zald, 1995). The latter's critique is more persuasive, arguing as they do that failure to achieve a policy goal during implementation was treated, by the early models, as an example of 'goal displacement' (p. 26) which could be further described as *bureaucratic* goal displacement. Again, this argument fits into the bureaucratic deviance categories explored in Chapter Three. In short, as Sarburgh-Thompson and Zald have explained, the first generation studies saw implementation success or failure, as a function of flawed or imperfect primary legislation and a failure of bureaucratic compliance.

Despite these criticisms, the first generation models did represent a departure from the past. Previously, public policy analysts had suffered from an over-concern with decision making and the precise nature of the legislative basis of policy. The first generation models were also concerned with how legislation and decisions were managed, and how they materialised in society and amongst the public. The second generation literature which emerged from this earlier work was able to build upon the extensive case studies which had been already developed and used as research sites. It

is only with the benefit of hindsight that the limitations of the case studies as the dominant methodology have been criticised (Yanow, 1993).

The second generation literature was consciously more analytical: it sought to develop analytical typologies for predicting policy outcomes, but above all it concentrated upon the variables which impacted either positively or negatively upon implementation. Goggin et al. have broadly categorised these variables into policy, organisation and people. Key texts which can be classified into the second generation literature are Barrett and Fudge (1981) and Mazmanian and Sabatier (1983) both of which dealt extensively with complex public sector arenas.

Mazmanian and Sabatier developed a model of public policy implementation which concentrated upon describing sixteen variables used to analyse case study data. These variables broadly relate to: the nature of the statute itself; the difficulty or 'tractability' of the problem; contextual or non statutory variables; the nature of agencies, actors and target groups. Essentially, though, their work was still concerned with the effectiveness or success of implementation; in this sense their 1989 studies built upon their 1979 work which had sought to isolate the conditions of effective implementation. Mazmanian and Sabatier's research aim had always clearly been:

> '...to maximise the congruence among policy objectives, the decisions of the implementing agencies and the actual impact of those decisions'. (1979 p.483).

Thus, they were concerned with implementation as a means to understanding the *congruence* between outcome and policy.

It is easy to dismiss the Mazmanian-Sabatier model as being too rigid and overly concerned with success or failure. However, to do this, would negate the importance that their work has had in framing policy analysts' ideas, particularly because their predictive criteria do carry with them a very 'common sense' and intuitively practical approach to implementation. At the very least their criteria provide a working structure by which to perform an initial analysis of a case. Briefly, their six predictive criteria are that for a successful 'policy-outcome congruity' (my parenthesis) statute needs to be clear and consistent in its directives; programme goals need to be clear and underpinned by sound logic; implementing officials need to have sufficient jurisdiction to achieve these objectives; top officials need suitable skills and commitment to attain the goals; the programmes must be supported by 'organised constituency groups', and the programme's objectives must be strong enough to sustain changing socio-economic conditions.

The last criterion is, in my opinion, the Achilles heel of the model; this is a model which is not contingency responsive. As such, as will be seen in the analysis of the case studies in this research, it loses much of its analytical capacity in periods of uncertainty and rapid policy innovation.

Although Barrett and Fudge's work predates the Mazmanian-Sabatier studies, it was more radical because it tried to deal with the messiness, ambiguity and complexity of implementation. Rather than concentrating upon success or failure in implementation, it concentrated upon developing procedural explanations. One of the main contributions of their work lies in the conceptualisation of implementation as a

policy-action continuum (1981, p. 15). Such a concept means that the researcher, by necessity, has to be interested in not only the nature of the policy, but also with those upon whom the action depends. It is this idea which underpins this research - a concern with the 'action agent' of implementation.

Barrett and Hill (1989) went on to articulate more of the procedural issues involved in the policy-action continuum; they focus in particular upon power, status, bargaining and negotiation between the multiple agencies and actors; they also emphasised the behaviour and value systems of actors. Three of the case studies, in particular, have had an enduring impact upon public policy analysis, namely, Boddy's (1981) study of housing policy and building societies; Underwood's (1981) work upon regional planning and Towell's (1981) highly original work (at the time) about radical changes in the deinstitutionalisation of care for the mentally ill.

Whilst these three cases, in particular, have increased our understanding of implementation they did, in part, fall short of the Barrett and Fudge promise to analyse multiple complexities. This is understandable, as in each case it was single-handed research. In this respect the Barratt and Fudge approach can be criticised in its failure to address the practicalities of conducting multiple agency, and multiple actor research. The difficulty of research access is one of the most obvious drawbacks.

Christopher Hood (1991b) critiqued the policy - action concept, stating that it paid too much attention to the complexity of the processes and should have attempted a greater synthesis and simplification of issues, in order to develop theory. This is perhaps

121

unfair, and now, seems to hark of a return to the first generation approach. It also echoes Hood's own identification (1986) of what he called elements of 'perfect implementation', these involved unitary administration norms, and perfect control, in other words a rational model.

The second generation models introduced an element of dynamism into the implementation arena. The temporal theme was considered by Ripley and Franklin (1986) establishing that time variables are important in the stages of implementation. The relationship and networks between agents and actors also came to the fore in this group of literature. In particular, Nakamura and Smallwood (1980) elucidated some of the dynamics of implementation which went on between actors. These are team and system maintenance, delegation, bargaining and interpersonal control. By definition, multiple agency research meant looking at the networks between agencies. Some authors, such as, Sarbaugh-Thompson and Zald (1995) maintain that it was because of the advances in organisation theory that the second generation implementation literature was able to develop. Certainly, the Swedish organisation network scholars had successfully applied their methodology to public policy analysis and more specifically to implementation analysis (Hjern, Hanf and Porter, 1978).

The main critique of the second generation model is again, based on their approach — too many case studies, not enough validation and replication. Goggin et al.'s criticism of the models was their failure to develop testable and explanatory theory. Others, such as Ryan (1995) and Matland (1995), suggest some first and second generation

models failed to provide a comprehensive synthesis or a unifying approach to implementation analysis.

Unsurprisingly, it is precisely this that the third generation models claim to do. The justification of the third generation taxonomy is based on the belief that the latest research addresses the dynamism in implementation processes. It does this by using multiple locations and observation, more than one case study and pays greater attention to research methodology involving more longitudinal studies than the first and second generation models. The literature is very heavily influenced by Goggin, Bowman, Lester and O'Toole (1987; 1990a; 1990b). The third generation writers also purport to have made theoretical advances in implementation studies.

Methodologically, these studies use a wide range of approaches including network analysis, content analysis, social experimentation and qualitative regression techniques, elite interviews and questionnaires (Goggin et al, 1990). The theoretical advances made by Goggin et al. are based upon their 'Communication Model of Inter-Governmental Policy Implementation' (1990a p. 32). The key components of this model are very United States based, and designed around the legislative and organisation bodies of State, Federal and Local implementation processors. Although, as we shall see later in this chapter, the central-local implementation variations are also important in the UK setting.

The Goggin et al. model incorporates interaction: the different legislative levels and the interaction between them is framed in terms of inducements and constraints. For

example, between the state and local levels, a policy may be more easily implemented locally, because of local political institutions and officials having a positive relationship at the *state* level, so allowing the development of a 'receptivity climate' (p. 36) towards a policy.

The element of dynamism is introduced into the model by building in the opportunity for feedback and policy redesign. Goggin et al. believe that the redesign of policy comes about by expressed dissatisfaction at the federal or local level with a policy designed at the state level. The agents expressing this dissatisfaction are elected and appointed state officials who use the bureaucratic network to express their dissatisfaction.

The model has only been recently operationalised, again demonstrating something of the intellectual time lag which exists within implementation studies. Ryan (1995) and Matland (1995) draw extensively upon the third generation work to act as a synthesising model for two and a half decades of implementation research. Neither, though, pays much attention to two important aspects of the model, namely, the way in which it takes account of capacity, and the way it distinguishes between decisions and actions. Barrett and Fudge's approach had already looked at decisions and action, but the idea of capacity or capability to act was new in the literature. Goggin et al. distinguish between state, organisational and ecological capacity. These categories take into account for the first time operational factors such as personnel and financial resources and the capability of organisations and their structures to facilitate communication.

Finally, just as the second generation literature had benefited from developments in organisational theory, so too for the third generation literature which benefited from developments in institutional theory. Hanf and Scharpf (1978) and Ripley and Franklin (1982) had already identified institutional issues as being important in implementation, particularly the interagency aspects, but it has been the third generation literature which addressed the operational co-ordination and co-operation needed for such an approach.

Whilst these three generations of models have done much to help our understanding of how the implementation of policy works, there is also another body of literature which has had an even greater influence upon the policy analysts' explanatory ability. This literature concerns the 'top down, bottom up' approaches to implementation.

4.5   Top Down and Bottom Up approaches to Implementation Studies

Lane (1993) sees the failure to achieve a synthesis within implementation models as being due to two incompatible problems. These are: one, a view of policy execution as being dominated by a rational, controlled and hierarchically based approach, and the other as seeing policy being based upon interpretation, discretion and adaptation. These two broad approaches have been labelled as top down and bottom up. The two intellectual 'protagonists' in this discussion are Paul Sabatier, as the supporter of top down explanations and Benny Hjern for the bottom up approach.

What is interesting, from the researcher's point of view is the amount of effort which seems to have gone into trying to reconcile the two approaches (Lester et al. 1987,

Linder and Peters 1987, and Sabatier 1991), just as it has in trying to synthesise the first, second and third generation models. Sabatier himself has provided two important reflections upon the top down approach, in his critical analysis of the two approaches (Sabatier, 1988) and his overview of two decades of implementation research (Sabatier, 1991). The top down approach actually grew out of Sabatier and Mazmanian's (1979) work on identifying the conditions for effective implementation referred to earlier. These conditions were dominated by the assumption that implementation begins with policy or legislative objectives, and that the processes of implementation will follow on in a fairly linear fashion from this. As has been established in Chapter Three and by Younis and Davidson (1990) such assumptions are a direct by-product of the rational, perfect public administration model which builds upon the bureaucratic assumption of the separation of policy from implementation; the presence of myriad control measures and tight boundaries to discretion.

The Top down models also draw heavily on a planning system approach which identifies and delineates clear stages. They are predicated upon a separation of policy and action and although they emanate from different research environments the major top down models show remarkable similarity in terms of their approach and emphasis. A dominant theme in the models is the role of central government as the originator of policy. This draws upon the political theory of legitimisation and democracy, but the top downers emphasise the important role of central government as possessing a democratic neutrality in the face of local implementors who may wish to subvert the

original policy; Van Meter and Van Horn (1975), and Gunn (1978) in particular emphasise this.

It is from this belief in the dominance of central government that the other key tenants of the top down model flow, in particular, the need for action and policy to be consistent. Top downers argue that action by administrators has to be consistent with the goals of the policy and with its associated procedures. Of course, given the top downers belief in the rational administrative model, such an expectancy is valid because it assumes bureaucratic obedience. This theme is heavily promoted by Mazmanian and Sabatier (1989) and Pressman and Wildavsky (1973).

Top down models are, in addition, normative and justify their existence on the grounds of prescription in order to achieve better implementation. Like all models of implementation, the top down models were concerned with the outcome of a policy. However, their main contribution has been in terms of identifying the critical factors which are associated with policy-goal consistency, rather than procedural issues. In many ways, this is slightly contradictory since the innovation of Pressman and Wildavsky's work was precisely their focus on complexity and inter-organisational, multi-actor arrangements, i.e. far too complicated arenas to summarise in terms of a handful of critical factors.

The criticism of the top down models is well established and led to the emergence of many more sensitive, bottom up models. The dominant criticism stems from the top down researcher's emphasis on the role of central government and the specific

working of the primary legislation as being the embodiment of the policy objectives. This approach fails to recognise the role of political rhetoric in policy formulation. Furthermore, there is within the top down models an assumption of policy making occurring only at the point of legislation, so ignoring pre-legislation policy development. The past history of policy in the pre-legislative policy phase has been addressed by Winter (1986) and Nakamura and Smallwood (1980).

There is a fundamental belief in the liberal, democratic tradition by those implementation researchers who adopt a top down approach, by using a model whose analytical framework is based on a fundamental role for central government. There is also a belief that centrally driven policy is representative of the public good and not partisan interest group during the implementation process. Such assumptions have a considerable impact on the top downers' view of street level bureaucracy and the role of non-elected officers in the implementation process.

A second criticism which can be levelled at the 'top down' models is their overriding belief in the rational approach, the models do not deal very well with the messiness of policy making, behavioural complexity, goal ambiguity and contradiction. In this sense they lack a great deal of macro and micro political reality, a point emphasised by Berman (1978) and Baier et al. (1986). Matland (1995) sees this as being as a result of the over-emphasis upon the administrative rather than political processes involved in implementation.

The fact that conflict exists when policy evolves at the statutory stage and can spill over inevitably into the implementation stage, is examined in respect of United States foreign policy and subsequent actions in Somalia, by Love and Sederberg (1987) and in a broader way in relation to the British internal policy conflicts surrounding Thatcherite initiatives by Marsh and Rhodes (1992). Other writers have recognised that given conflict and ambiguity in policy making, then, inevitably there will be negotiation between parties and hence various forms of compromise which can lead to the *modification* of policy (Majone and Wildavsky, 1978; Linder and Peters, 1990).

The idea of policy compromise and modification leads onto a consideration of discretion and in turn, to a third established criticism of the top down models, namely, that they fail to take into account the role of the street level bureaucrat (Lipsky, 1980). Top downers consider that street level bureaucrats could divert 'true' policy and hence act as deviants within the system (Sabatier, 1986) but they had failed to incorporate the role of street level bureaucrats into their model as the *interpreters* of central policy. Indeed, there is an assumption by some of the top downers that no discretion should be permitted which, as we shall discover later with an analysis of United States national health policy, this is far from the case (Thompson, 1982)

The 'bottom up' researchers responded to this inability to incorporate street level discretion into an analytical model of implementation. The bottom up researchers have been dominated by European and Scandinavian scholars, particularly Benny Hjern, Porter, Hanf and Hull who developed their ideas during the late 1970s and early 1980s and who, interestingly, were part of the University of Bielefeld group.

Bielefeld University had also spawned a coherent series of work on examining public administration which had addressed the future of academic analysis of the public sector (Kaufmann, 1991).

The work of the bottom up writers can be characterised in three ways. Firstly, their focus on the actions of local implementors, as opposed to the central government; secondly, their attention is given, not so much to the goals of a policy, but rather the nature of the problem which a policy is designed to address; thirdly, the bottom up approach seeks to describe networks of implementation and in so doing has made an important *methodological* contribution to implementation analysis. Bottom uppers are, therefore, concerned with the motives and actions of actors.

The work of Berman (1978) helps us to conceptualise the inter-linkages of these three aspects. He argues that implementation occurs when the macro (central policy) interacts with the micro (institutions, the public, the problem itself). Thus, context is as important as the policy itself. Indeed, it could also be argued that implementation would fail if there was no discretion at the local level to adapt the policy to the context. Elmore (1982) attempted to describe these contextual factors which are located away from the centre, by conducting a 'backward mapping' exercise. In his backward mapping, the processes of implementation were analysed starting from the results and impact of the policy rather than its goal. Such an approach heralded less of an interest in whether a policy succeeded or failed, and moved the focus of attention towards the *processes* involved in implementation. The dynamics became less about

success and failure and more about relative influences, bargaining power and position and receptivity of target groups to the policy itself.

By definition, such an approach also meant a move away from single actor, single case approaches, to one concerned with multiple actor analysis. It is in this respect that Hjern et al. have made such an important contribution, both methodologically and theoretically, with their network approach to a bottom up interpretation of implementation. Hjern and his colleagues start their research by focusing upon those people who are involved in the service delivery and they try to understand such people's constructs. The networks which these people have is then extended up through local, regional and national pathways back to the policy makers. Hjern, Hanf and Porter's results in 1978 of a study of training programmes for unemployment have direct relevance to the research presented here because it highlights the importance of the *skills* of specific implementation actors in transforming policy into action. It was also in this work that the idea of 'implementation structures' was elucidated and will be dealt with later in this chapter under the heading of implementation variables.

Sabatier is supportive of Hjern's approach in his critical analysis of top down and bottom up approaches published in 1986 mainly because his methodology is replicable (Sabatier, 1986). Matland (1995) further praises Hjern's approach because it allows for the unintended effects of policy to be discovered. Bottom up models can, however, be critiqued in terms of their explanatory capacity, but much of this critique depends upon the researchers' normative perspective, in particular their views on the limits to discretion and political legitimacy. Some researchers like Hogwood and

Gunn (1982) believe a local implementation perspective, as proposed in the bottom up models, is anti-democratic as it removes proper legitimacy away from elected officials. Bottom uppers deal directly with complexity and confusion and this in itself is antithetical to those researchers who are trying to establish analytical simplicity. A similar criticism that 'empirical difficulty' is no excuse against trying to discover why government decisions have not come into effect is levelled by Lester (1987). Matland (1995) also levels a methodological criticism at the bottom up researchers, in as much as he sees their descriptive approach being compatible with their recommendations, hence, 'equating description with prescription' (p. 150).

Perhaps the main criticism of the bottom uppers is their own failure to recognise that central actors and central policy are in themselves contingent factors to the local situation: a simple reversal of the top down logic. Neither the top downers nor the bottom uppers mention research access and practicalities. Access to elected officials who are prepared to give unrhetorical interviews is quite rare and indeed, as Sabatier pointed out in his 1986 critique, distinguishing between elected officials and senior civil servants in terms of legitimacy is also difficult, knowing as we do that bureaucratic behaviour can be classified as being as equally legitimate as that of an elected member.

A discernible move can be detected in the literature towards a combination of the two approaches. Goggin et al. would argue that their third generation model heralds a new approach. Sabatier, once an arch top downer, has conceded the most ground in moving towards a combined perspective (1991a, 1991b; Sabatier and Pelkey, 1987).

His conclusion about two decades of implementation research (1991b) emphasise the importance of street-level bureaucrats (bottom up); the need for a long research timespan and (mixed) method; a true understanding of the causal assumptions behind a policy (top down) and the need to begin with a policy problem rather than a policy decision (bottom up). This framework has influenced the research design for the research presented here, although the timescale has been over five years, rather than Sabatier's recommended ten.

The preceding review of the literature relating to first, second and third generation models of implementation along with top down and bottom up perspectives offer a substantial amount of explanatory theory by which to analyse implementation practice. However, there are still a number of areas which can be expanded upon, in particular the *processes* involved in implementation; the range of variables and contingent factors which impact upon implementation; a more detailed review of the role of street level bureaucrats and discretion; the influences of actors and their groups and finally, the gap in the knowledge which this research seeks to address, namely, individual and organisational knowledge, learning and capacity. The remainder of this chapter reviews the relevant literature relating to these areas.

4.6   Processes of Implementation

If we are to accept a working definition of implementation which equates to policy becoming action, then we also need to be concerned with a processural view of implementation. Thus, action is achieved by various dynamic effects, such as decision making, communication, bargaining, negotiation, even conflict. There also needs to be

a concept of a continuum of action which links the policy itself to its effects on the ground.

By focusing upon the processes of decision making a considerable insight can be gained into this dynamism which helps to create the policy-action continuum. When Hall and MacManus (1982) completed extensive field work as part of the Brookings/Princeton public service employment and community development studies (all 'big problem' areas) they utilised a field network approach to track decisions and their consequences. Their work made a positive move away from survey research towards in-depth interviews and observation of local politicos. Such an approach, wherein the decisions taken by *actors* are seen as part of the raw research data, is entirely different from the classic, public administration model, wherein a *policy* decision was equated with action.

Practical research which focuses upon decisions can be very diffuse and some scholars have chosen to limit this diffusion by studying specific points in the policy-action continuum. Carlucci (1990) has done this by integrating an implementation perspective with an innovation model of adoption, acquisition and implementation. Carlucci's focus equates adoption with the culmination of multiple decision making processes, he believes that 'implementation transforms the decision into reality' (p. 151). Decision analysis may well help the understanding of implementation process, but it also requires attention to micro-level detail. Rainey (1990) illustrates this well in his study of the structural changes which took place in those human service organisations dealing with retirement and welfare payments in the United States in the

1980s. His focus was on such local detail as the decisions which surrounded job assignments, spatial arrangements, immediate superior behaviour and group consensus. Such micro analysis meant that he needed to build up a jigsaw of decisions and behaviour to gain an overall view of implementation.

A more detailed study of micro-implementation which links into a processural approach is given by Scheirer and Griffith (1990) in their study of school based fluoride mouth rinse programmes in the United States. Their conclusions are interesting and perhaps unwittingly provide empirical evidence of the ability to merge top down and bottom up approaches. Whilst the fluoride rinse programme was essentially a state, top down, initiative accompanied by written materials and scientific evidence, when it came to turning this into action, it was essentially a bottom up activity. Local, micro processes were a function of what the authors called 'in-person contacts for obtaining local-level adoption decision' (p. 177).

It may be self-evident that communication is a key process involved in implementation and indeed the basis of Goggin et al.'s (1990) third generation model is presented as a macro communication model between federal, state and local agencies. They did, however, build into this macro model some micro processes. Thus, they demonstrated such issues as distortion to signals, misunderstandings and interpretation. The literature which relates to such micro processes of communication within implementation is sparse. Yin deals with it in part from a methodological perspective (1982) and stresses the importance of not only field observation and recording of verbal communications but also of written reports, operational

135

procedures and even news reports. It falls, however, to Nixon to provide a more detailed account of communication processes within implementation, written in 1980 her findings still stand the test of time.

Nixon's study addresses the local implementation of the UK 1976 Race Relations Act. She commences her study with the primary objective of examining the processes of implementation predicating these processes upon two phases: firstly, interpretation of the central policy and then the response at local level to it. Her processsural analysis starts with a study of the style of intervention from central to local levels and the ways in which policy is communicated to local level. The beauty of her approach is in its interpretative nature which allowed her to make analytical allowances for the ambiguous nature of policy, especially one as radical as primary, anti-discriminatory legislation. Furthermore, it allowed for local *variations* in the interpretation of such policy.

Nixon identifies two key instruments for the communication of government policy, the central government joint circular, from the Departments of the Environment, Health and Social Services and Home Office and a more direct circular to the Manpower Services Commission. The two circulars differed in terms of detail, examples and persuasiveness. Other written forms of communication between central and the local government were official guides for local community relations councils and consultative documents. Echoes of these approaches will be detected within this research relating to the new Capital Investment manual in the NHS and the associated circulars.

Nixon emphasises the role of one-to-one communication and the impact that the presence of a central representative had when they visited local organisations which dealt with race relations. In effect, she also distinguishes between formal and informal communication, wherein formal communication is best suited to statute driven policy, and informal to policy which is framed in a more advisory manner.

Of singular interest in this work on communication is the emphasis which is given to the importance of technical instruction and advice in terms of implementing policy. Because so much of the literature on implementation is concerned with the nature of the policy objectives little detail has been included about *how* to implement the policy. Nixon refers to the role which the Commission for Racial Equality (CRE) played in helping to implement the new legislation. Many of the people in the CRE were, by definition, experts in the field and offered advice to the local executive officials about the *means* of implementing policy.

Bargaining, negotiation and compromise can also be clearly identified within the literature as dynamic processes within the implementation phase. Indeed it was Bardach's work in the *Implementation Game* (1977) which identified the processes of exchange and negotiation as being more prevalent than the use of authority or sanction. It is again, once more useful to reflect upon the fundamental political theory which underlies this finding, namely, interest group theory. The whole basis of Bardach's hypothesis is that implementation occurs within a 'game' framework with its associated stakes, strategies, implicit and explicit rules. Hambleton (1983) concurs with this definition finding supporting empirical data of 'game' behaviour from his

research into planning systems. Both Bardach and Hambleton suggest that powerful vested interests existed. Evidence for this was was also found in my research, but it is more likely that this was due to the radical policy environment within which the actors in my research found themselves. As such, this was fundamentally different from that detailed in Bardach and Hambleton's work.

The whole concept of a 'negotiated order' within implementation studies has been more fully articulated by Barrett and Hill (1984). The Barrett and Fudge (1981) bottom up conceptual model had already established the extent of complexity and ambiguity which is involved in policy implementation. The Barrett and Hill approach stresses the processural factors of negotiation and bargaining which goes on between multiple actors and agencies. Importantly, Barrett and Hill also manage to link the issue organisational structure into their consideration of bargaining and negotiation:

> 'Structures, the 'rules of the game', are themselves and outcome of the policy bargaining process and are also contexts which make bargaining partners unequal or limit the scope for negotiation'. (p. 221).

Barrett and Hill derive their theoretical model of negotiation from Strauss (particularly the use of a 'negotiated order'), Bacharach and Lawler (1980), and Allison (1971). However, their application and synthesis of these author's work is summarised in terms of implementation being subject to such processes like exchange, dependence and power relations (p. 230). This is a particularly useful approach by which to analyse processes within the National Health Services which demonstrates clear examples of exchange, dependency and power, due in the main, to its multi-professional, bureaucratic and highly interest driven culture.

Using the same fundamental theory as did Barrett and Hill, Matland (1995) has sought to capture conflict as a *process* within implementation and link it to a policy *variable*, namely, the degree of ambiguity involved in the policy. His Ambiguity-Conflict Matrix suggests four types of implementation: Administrative implementation; Experimental implementation, Political implementation and Symbolic implementation. Whilst these categories provide a useful analytical typology they still rely upon the processes of communication, bargaining and the use of power expressed in terms of either coercion or negotiated agreements.

In order to conceptualise implementation as a forward moving process which has dynamism and momentum, it needs to be envisaged as a continuum stretching from policy to action. Such an image is not meant to imply a linear relationship, nor does it necessarily need to commence with policy as the initiator. As discussed earlier, Barrett and Fudge (1981) had already conceptualised this policy-action continuum and the concept has the advantage that it includes a temporal dimension and acts as a framework within which to analyse implementation processes. Thus, within the continuum concept policy is turned into action by successive and parallel series of communicative actors, negotiations, bargaining and myriad large and small decisions being made in a complex chain of events.

Barrett and Fudge emphasised that at any one point in the continuum, it is not clear whether policy is influencing action or whether action is influencing policy. As it stands, the continuum concept lacks the idea of an implementation 'loop' which allows the researcher to focus on policy feedback and evaluation mechanisms. Sabatier and

Mazmanian (1979) have addressed how policy feedback might occur, suggesting different levels of interaction between implementing 'agencies' and various constituency groups.

Few of the preceeding authors, however, examined the extensive political processes whereby policy is modified in the light of the experience of implementation and its subsequent evaluation. Some, such as Majone and Wildavsky (1978), and Regan (1984) recognised the inevitability of some form of policy modification in the light of knowledge from the implementation phase. Hambleton (1983) and Matland (1995) stress that it is the very nature of the *ambiguity* of many public policies which makes the possibility of future policy modifications possible.

It is to the nature and characteristics of policy which we now turn and consider policy as one of a number of implementation variables and contingent factors.

4.7   Implementation variables and implementation contingencies

Within the literature there is a general agreement that implementation is not context neutral. The processes and the outcomes of implementation are very much contingent. The range of contingencies also varies and to date the most comprehensive review of the variables which could impact upon implementation has been presented by O'Toole (1988). O'Toole reviewed over one hundred studies of implementation and identified the key variables presented in these studies (p. 185-188). The review of the literature presented in this research has identified four broad categories of variables or contingent factors which will impact upon implementation. These are: the policy

itself, in terms of its type, degree of complexity or ambiguity; the organisation and institutional perspectives; the 'structures' of implementation and the actors involved. With the exception of the actor category which will be considered in the next section each of these will now be considered in turn.

The nature and type of policy was considered as a variable in the early implementation literature as one which effects the success or failure of a chosen public strategy. Success was equated with clear and consistent policy which had prioritised objectives (Berman, 1980; Bullock, 1980, Ripley and Franklin, 1982). As more empirical data was analysed the actual nature of policy was interpreted by scholars and a more realistic view of policy ambiguity was formed (MacIntye 1985). Indeed, using policy as a variable in this way, implementation studies were in part able to advance from a success or failure rationale towards one which was more concerned with explaining the outcome of policy objectives, even, in trying to explain the policy itself. Added to this were the later more longitudinal studies which meant that the nature of policy could be described over at least a five to ten year time period, hence showing how policy was clarified and re-interpreted over time (Elmore, 1985, Sabatier, 1991). At a very fundamental level it is possible to categorise policy types as follows: a dominant policy framed as statute, and other policy types in the form of governmental directives or guidance.

Three detailed case studies, of implementation provide useful examples of the different categories which policy as an implementation variable can be given. Firstly, Barrett's (1981) study of the British Community Land Scheme is grounded in the

background of statute: the 1975 Community Land Act. A second case study by Fudge exemplified policy without statute when it describes how a local political manifesto is formulated in the London Borough of Brent. Policy in this case can be classified as a variable which relates to local political culture and negotiation. Finally, Towell's analysis of the changes in care for the mentally ill draws upon advisory policy documents from central government and health care workers.

These three cases demonstrate that policy itself is a very changeable variable and whilst different types of policy may not necessarily lead to different policy outcomes, they almost certainly will lead to a variance in focus. Thus, Barrett focused upon central and local government relations; Fudge upon the political bargaining capacity of local politicians and Towell upon the relationship and interplay between professional carers and civil servants as formulators of policy guidance.

The Third Generation Implementation studies made a considerable contribution towards bringing an organisational perspective to the study of policy implementation and much of the more recent work on the subject has drawn heavily on explanatory organisational theory (Ryan, 1995). The nature and type of organisation can also be considered as an implementation variable, as well as a process. Brodkin (1990) makes the startlingly obvious point that all policies need channels or structures through which to be delivered into action. One of the benefits of adopting an implementation approach is that an organisational perspective becomes *politicised*. This is because the very institutions used as 'delivery channels' are in themselves results of particular patterns of social policies. Such a concept is at the very heart of implementation

studies, to the extent that the type of delivery system can not only determine the success or failure of a policy, but also define it. Such issues had been noted by Long (1986) and Skocpol (1985) but much of the succeeding literature failed to analyse the political nature of organisation and chose instead to address how inter-organisational and inter-agency implementation operated.

A notable exception to this was Ripley and Franklin's work (1982). They identified organisational contingencies which impacted upon implementation outcomes. These were the stability of implementation routines; the working relationships between actors and the degree of conflict and controversy within the organisation in respect of the implementation. Much of Ripley and Franklin's contribution to the literature lies in their ability to stress the need to see technical and procedural activities, however routinised, as being connected to an organisational context - a politicised context. Previously, Greenwood et al. (1975, 1976) had emphasised contingency theory in public organisations, but they had not made the link between contingency theory and implementation.

More recently (1993), O'Toole has revisited the organisational contingency argument in implementation studies. Although, once more, the emphasis is on inter-organisational channels, his approach is concerned with the co-ordination, control and command systems within and between organisations in respect of policy implementation. Scharpf (1978) had effectively summarised the arguments of the contingency approach as 'goodness of fit' or matching organisational structures to policy.

O'Toole's study researched the treatment of waste water under the United States Environmental Protection agency, comparing private and public organisation in the creation and running of treatment plants. O'Toole found positive proof to support the 'goodness of fit' hypothesis. There were though, some important provisos, namely, that the 'correct' institutional structure had a positive effect upon policy outcome only if the policy goal was accepted in the first place by the organisation and only if it was the sole goal of the organisation at the time (presumably to reduce complexity).

These findings support Montjoy and O'Toole's earlier work in 1979 when they concluded:

> 'Inter-organisational problems arise largely from the difficulty of co-ordinating the activities of several different units each of which has its own goals and established routines. This conclusion is consistent with the popular law that the best way to insure the proper administration of a new program is to create a new agency.'

The option to create a new agency resultant upon the 1991 NHS and Community Care Act was not possible. Although some researchers have suggested that, particularly in respect of the community care aspects, given the different goals and motivations of health and social care agencies this is precisely what is needed (Schofield 1995).

A related variable to organisational patterns are the specific *structures* which are developed either during or preceding implementation. The major contribution in this area has come from Hjern and Porter (1981) and more recently from Rainey (1990). Hjern & Porter analyse policy implementation from the point of view of organisational theory. They differentiate their implementation structures from goal

structures (Perrow 1978) in other organisations by assuming that most programme implementation is achieved by parts or clusters of various organisations, both private and public. Therefore, an implementation structure is in effect a subset of these organisations. By definition, they are then, more fuzzy, less formal and authoritative and may be self-selected. The theme of reduced formality within implementation structures is echoed by Rainey (1990) and his use of the 'FISU' or Functionally Integrated Small Unit as an organisational structure in implementation. He uses the FISU to 'experiment' in human services welfare programmes in the United States. The FISU is characterised by 'social compactness, unified supervision and merged production functions' (p. 94).

Both Hjern and Porter and Rainey's work suggest the applicability of a non-formal, non-bureaucratic structure to enable implementation. It would appear that such structures encourage a more interactive, creative and emergent process for implementation and as such, of course, reflect the bottom up approach both ideologically and analytically. At a sub-organisational level each of these authors briefly mention the role of individual actors within the implementation process. We turn now to consider how the body of literature relating to implementation has incorporated the actors and groups involved in its analysis.

4.8   Actors and groups in implementation

The selected literature about models and the processes of implementation reviewed in this chapter emphasis the importance of the actual and perceived goals, perspectives, priorities and behaviour of actors and groups of actors during implementation. Little

of the literature about implementation addresses behavioural or socio-psychological studies nor is it designed to discover how actors' goals and priorities impact upon the implementation outcomes. It is more the case that these issues are *suggested* in the analysis section of case studies as opposed to being incorporated in the research design. In general, the literature which does address actor behaviour does so specifically in terms of what their ideology or 'appreciative structures' are, how they behave in coalitions and what they do to either foster or reduce consensus in groups and finally how they bargain.

One of the few models which appears to be designed with actors in a prime position is that of Nakamura and Smallwood (1980). Their typology involves three groups of actors: formulators, implementors and evaluators, all of whom are linked to each other in terms of delegation, discretion, bureaucracy, technocracy and bargaining. They also consider the relationship between policy formulators and policy implementors. They suggest that this relationship varies in terms of the policy specificity, as proffered by the formulators to the implementors; the nature of the tasks delegated to the implementors and the degree of control between the formulators and implementors.

The model is useful analytically because it focuses upon relationships between actors, and how power and responsibility is distributed between them. It also provides a useful analytical chart for other researchers (pp. 114-115) and Sarbaugh-Thompson and Zald (1995) have operationalised the model in respect of child labour laws in the United States.

In part, the relative paucity of implementation research designed to address actor behaviour, may be explained by the nature of the scholars undertaking the research. These people are training, in the main, as policy analysts, political theorists or organisational behaviourists in a sociological tradition. There are few psychologists working the field of public administration. This does not however preclude some socio-psychological methods being used, particularly in respect of socio-linguistic analysis. Whilst not strictly in this genre, Buck et al. (1993) have used a Delphi technique to discern differences in perspectives between policy formulators and policy implementors in respect of vocational rehabilitation policies. Their conclusions were that significant differences did exist between different professional groups when asked to evaluate the relative importance of rehabilitation goals and objectives.

Their conclusions also reflect something of Nakamura and Smallwoods model in terms of goal specificity, thus Buck et al. conclude:

> 'The fact that policy players are more likely to agree with each other at the level of the sub-outcome indicates that consensus on specific programmatic objectives is achievable when there is assent on clearly articulated goals of larger scope' (p. 286)

As part of their work on organisational structures Hjern and Porter also addressed individual actor motivation when participating in implementation. Their suggestions are important and particularly helpful in understanding actor behaviour in this research. They suggest a number of points. Firstly, within implementation structures which concern inter-organisational activity, there are many entrepreneurs - or 'reticulists' who operate at the junctions of the networks managing many activities and

other actors. Secondly, the individual behaviours and cognitions of the actors are not context neutral, they are themselves very much structured by the groups and cliques involved in the implementation, they draw upon the moral and social conventions of the organisation. This is certainly something which my analysis echoes, particularly in respect of bureaucratic and professional conventions within health care settings. Thirdly, actors have their own map of implementation structures or routes through which they operate. Hjern and Porter call these 'phenomenological administrative units'.

To a large extent Barrett and Fudge's work and their collected case studies also put the actors involved in implementation centre stage. This is because they addressed power-dependency relationships between policy formulators and those people who were concerned with action. By framing much of their analysis in terms of patterns of bargaining and negotiation actor self-interest and motivation could be identified; as could their levels of usable discretion. It is this important area of discretion and the role which it plays in bringing policy to action which we now address.

4.9   Discretion and street level bureaucracy in implementation

Both this chapter and Chapter Three have sought to explain that the long held orthodoxy of the public administration view of implementation is untenable. The public administration view maintained a separation between the legislature and the bureaucrats. Politics meant policy making, and administration meant carrying out the policy. It further sought to typify these actions in discrete and separate stages in the

policy process. In turn, the process operated through a mixture of hierarchy, responsibility and accountability between the bureaucracy and legislature.

One of the important contributions which implementation studies have made to our knowledge of the policy process has been in terms of how the bureaucracy exercises discretion in performing their jobs. The work of authors during the late 1960s and 1970s like Prottas (1979) and particularly Lipsky (1980) established that lower level bureaucrats had a wide range of discretion and interpretative power in respect of how policy affected the citizens with whom they had contact. As this work became synthesised into the general body of knowledge about the policy process, the aforementioned public administration orthodoxy was severely tested if not somewhat discredited.

Lipsky's work is firmly rooted at 'street level' and involves that tier of workers who interact directly with the public. Hudson (1989) maintains that Lipsky's work has been scarcely acknowledged in the literature on public administration. I would agree that its use is certainly selective and almost absent from those writers who address organisational behaviour in public services. Interestingly, Barrett and Fudge's work does not mention Lipsky, their work being published in 1981 and his synthesis in 1980. Nonetheless, they had begun to explore the range and latitude which bureaucrats had for interpreting policy:

> '...two themes seem particularly important to explore as a basis for understanding action and response: (1) the differential scope for autonomous action amongst agencies (2) the use made of it'. Barrett and Fudge (1981) (p. 27).

A further important factor of the Lipsky's thesis is that many of the street level bureaucrats are in fact professionals in their own right, being teachers, health care and social workers. A point which makes his theory appealing to human services researchers and is noted by Hill (1993 p. 379) who emphasised the potential dilemmas for professionals in terms of work autonomy, responsibility to clients and a duty to implement policy as so directed by their superiors.

These issues of street level behaviour, bureaucracy and professionalism are very important to the analytical rationale of this research. Part of its design has its rationale in trying to explore the realities experienced by street level bureaucrats and what their operating norms and decision-making premises are. As such, it uses the in-depth interviews which were conducted with the purpose of getting the actors to give their own accounts and world view of their own actions.

It is important to remember the nature of Lipsky's thesis since the work gave rise to considerable debate regarding whether discretion was desirable and necessary. Barrett and Hill (1989), Van Meter and Van Horn (1975); or whether it was anti-democratic and reflected inadequate top-down control and so acted to subvert policy (Linder and Peters, 1987; Mazmanian and Sabatier, 1979).

Lipsky's prefaces his thesis with *'the dilemmas of the individual in public service'*. He is interested in knowing about the rules under which workers operate and what pressures they are subject to. His research approach was interpretative and used observational studies. He succinctly presents his view that the exercise of discretion,

in the implementation of public policy is a coping mechanism for public servants. This coping mechanism is needed in the face of adverse circumstances which are caused by working conditions, tight resources, personal alienation and unrealistic performance expectations. Public Servants have a service ideal but they also have personal and work limitations. According to Lipsky, part of the response involved in this coping mechanism is the 'modification of job conception'. This involves the street level bureaucrat in modifying his or her objectives better to match their ability to perform. Of course, such a thesis has potentially serious ramifications, not least a downward spiral effect of ever decreasing performance and standards against ideals. How though is discretion linked to implementation? Again, Lipsky has addressed this:

> 'I argue that the decisions of street level bureaucrats, the routines they establish and the devices they invent to cope with uncertainties and work pressure, effectively become the public policies they carry out.' (1980, p. .....)
>
> '...public policy is actually made in the crowded offices and daily encounters of street-level workers.'

Lipsky's work could be said, empirically, to have advanced the policy-action continuum expounded by Barrett and Fudge. It has done this by suggesting the possibility of a potential loop. This loop reaches from the results of action i.e. implementation, and then goes back to the policy makers who can be informed by interpretative experience of the street level bureaucrats.

The idea of street level bureaucracy does raise a range of questions about governance, particularly about command, control and accountability. Burke (1987) has addressed this point suggesting that in certain circumstances it is necessary for public bodies to

be prescriptive about the use of discretion in policy implementation, in order to counteract the influence, however benign, of the professional, personal and moral codes of individual street level bureaucrats.

The exercise of discretion appears to lead to a form of 'adaptive' implementation. In the case of Thompson's (1982) much quoted study of the United States National Health Service this was 'benign' adaptation. Similarly, Mazmanian and Sabatier believe that the exercise of discretion acts as a check and balance to hierarchical control and offers the possibility of innovation and creativity within implementation. Additional support for these views can also be found in Maynard-Moody, Musheno and Palumbo's (1990) study of the implementation of community based corrective judicial programmes in Oregon and Colarado (1990). They conclude that adaptive implementation seems to work best where the social policy is ambiguous and in some cases experimental. The success of innovative programmes like the one they studied cannot always be tightly defined from the top down and they rely as much on service providers' 'savvy' (p. 845) about what is going on.

In his review of two decades of implementation research, Sabatier (1991) concludes that the role of street level bureaucracy will always be important, probably more important in terms of its effect on final policy outcome, than 'official' policy making. Like Barrett and Hill (1989) before him, he maintains that the complexity of the links between policy makers, street level bureaucrats and citizens can be embodied in terms of an overall bargaining structure predicated upon power, dependency and exchange.

Throughout this review of the literature on implementation the tension in the different approaches has been about central-local relations; top down or bottom-up dominance, the ambiguity or otherwise of policy and the political and power position of actors. Almost without exception scholars of implementation have made an implicit assumption that policy is 'doable', i.e. it can be converted into action. Furthermore, there is a belief that implementors and street level bureaucrats know how to do this. The questions of knowledge, learning, competence and capacity are infrequently addressed in the literature and even less empirical evidence is available. It is to this gap in the knowledge about implementation which this research hopes to make a contribution.

4.10   Knowledge, learning and capacity in implementation

The early literature on implementation certainly hinted at learning as a possible process by which policy was turned into action. Brown and Wildavsky (1984) suggested that implementation is learning whilst Barrett and Hill (1984) explored the differences between 'getting things done' and the 'rountinsation' of policies (p. 222) although they framed this discussion in terms of change. The use of this terminology in part explains why ideas of learning became lost in the literature. Just as it can be argued that implementation approaches have been subsumed under the strategic management approach, so too we can say, that learning has got lost under the enthusiasm for change and innovation.

There has, however, been a recent reawakening to learning, and there appears to be a number of reasons for this. Firstly, the incorporation and even popularisation of

organisational learning literature, such as Senge (1990) and Pascale (1990). Secondly, and in my opinion more importantly, implementation theorists went back to their political roots, in particular, the ideas of Hedo (1974) and 'political learning'. Thirdly, one of the major implementation scholars Paul Sabatier embraced wholeheartedly the idea of learning in his development of the 'Advocacy Coalition Framework' theory (1986; 1993; 1994).

This section will look briefly at the Advocacy Coalition Framework proposals and Chapter Five extends the review of literature about organisational and individual learning. Sabatier (1994) proposed that the Advocacy Coalition Framework should bring together the best of the top down and bottom up implementation literature. The Advocacy Coalition Framework has three premises, firstly, policy change, includes learning and needs to be studied over a long time period, Sabatier suggests a ten year period. Secondly, the focus of research should be the policy subsystem i.e. actors from inter-agencies; these subsystems need also to have an intergovernmental perspective. Thirdly, perhaps most relevantly to my research, public policies should be viewed as 'belief systems', which Sabatier believes relates to sets of values, priorities and causal assumptions.

The Advocacy Coalition Framework brings together many of Sabatier's long held beliefs over the 20-25 year period during which he has been involved in implementation work, particularly the longitudinal element, the need for all studies to express the contingent, causal assumptions upon which they are built and also his policy subsystem ideas. Sabatier, cites a number of research projects which tested the

Advocacy Coalition Framework hypothesis (1994; p. 185) and the learning element within the Advocacy Coalition Framework is based on Hedo's work (1979). In Sabatier's thesis, in order for learning to occur, there must be a demonstration or alteration of behavioural intentions as a result of experience from trying to attain the policy objectives.

Thus, we have the idea of a policy loop, wherein policy formulation could be informed by policy experience. In itself this was not entirely new, given that Barrett and Fudge had indicated such an approach in 1981. Sabatier's particular contribution has been in terms of giving attention to the role of technical information and also the role which critical individuals have in disseminating this information. Finally, the Advocacy Coalition Framework approach even deals with self-interest amongst actors. Self-interest can exist and still not endanger implementation as long as there is 'common belief', rather than common interest. Common belief relates to the purpose of the organisation and is more abstract than self-interest.

Since much of the previous implementation work had been about whole programme review and evaluation, learning was dealt with under the success or failure categories. There was little research which had been ethnographically formatted, particularly, in terms of discovering the real world views of actors. The Advocacy Coalition Framework work goes some way towards rectifying this but there are still some areas which need to be developed. These areas are as follows: an understanding of the competencies and capacity issues of individuals and their organisation in dealing with new policy requirements; the detailed processes by which learning occurs, how

learning is routinised and maintained. Montjoy and O'Toole (1979) briefly mention capacity in terms of resources 'money and staff expert knowledge of the new routine' (p. 466). In addition, Ingram and Schneider (1990) and Matland (1995) refer to the fact that many processes in implementation of new policy are not understood.

Given all the approaches covered by the research in the literature, a seemingly very simple question of 'how do actors know what to do when implementing a policy?' does not appear to have been asked. Almost the opposite is suggested - that actors are raring to go and implement and all that is getting in their way is the policy itself, communication channels or the political processes of organisation. The fact that implementing agents may be in a state of 'ignorance' about what to do is not referred to. It is this gap in the knowledge about the implementation process which this research addresses. It seeks to understand how and why new public policies are turned into action, it hypothesises that agents need to *learn* to implement and its seeks to show how they and their organisation do so. The next chapter reviews the literature on organisational and individual learning and seeks to make the point that there has been intellectual isolation between the literature on policy implementation and organisational learning.

CHAPTER FIVE

ORGANISATIONAL LEARNING

5.1   Preface

The aim of this chapter is to review and analyse the very large literature on organisational learning and to discover if there are any explanatory or methodological lessons which help our understanding of policy implementation.

Policy implementation studies and organisational learning scholarship have evolved from the two very different disciplines. Policy implementation has its roots in political theory and the study of Public Administration Organisational learning has its roots in organisational development which, as an area of study has been enhanced and revived in the 1980s, during a period of industrial change when adaptation and the appropriation of knowledge became the basis for competitive advantage (Loveridge, 1997).

My own review of the two tranches of literature about these two subject areas has shown no cross references between the disciplines. Indeed, learning is all but ignored within the Policy Sciences literature with the exception of Sabatier's later writings and those authors at the end of this chapter who have drawn their inspiration from Heclo (1974) and Deutsch (1963).

This is unfortunate because both disciplines have so much to offer by way of cross explanation: policy studies helps to explain power and its use; organisational learning the role of knowledge and cognition. The chapter is complicated, mainly by virtue of

the amount of literature which has been considered and it may help the reader if they have a preview of the results of the research at this stage.

The research suggests that there is a process of 'learned implementation'. The processes involved are the acquisition of technical and procedural knowledge. This knowledge is routinised and repeated as an 'off the shelf' solution to problems which appear similar, but which in fact may not be. There are also various facilitators for learning, particularly project team structures which develop communities of practice. Furthermore, the learning occurred within the overall context of a public bureaucracy.

The literature about organisational learning has provided me with a cognitive framework through which to understand the myriad micro processes which occur when policy becomes action. Therefore, an indirect aim of this chapter is also to commend this literature to policy analysts in the future.

There are three broad areas of thought within organisational learning, namely the cognitive, developmental and relativist work, roughly translated into scholars who adopt the schools of logical positivism and psychological cognitive approaches; social psychology and social constructivism. However, these are *not* the groupings within which I have classified this critique of the literature. This is because they are rather too distinct to be helpful in understanding the translation of political decisions into managerial action.

158

By their very nature political decisions are abstract and this research has sought to explain how such abstraction becomes concretised into work tasks. Hence the need to understand the 'human factors' perspectives of task learning, mechanistic behaviour and the psychological responses to institutionalisation. Consequently, the taxonomy which I have used focuses on the various types of learning; the role of knowledge and its diffusion; task routinisation; individual competence; expertise; and policy learning.

5.2   Introduction

'Suddenly, management learning is hot news' (Salaman and Butler, 1990, p. 184) written in 1990 and heralding, what could be said to be a major pre-occupation of organisational analysts for the end of the millennium. Salaman and Butler's view is supported by other, well established writers in the field; Mumford (1991) acknowledges the brief but significant history of management learning; Kolb (1984) had, prior to this, emphasised that the educational agenda for managers was of 'critical importance'. Reflecting upon the interest which a special issue of *Organizational Science* dedicated to organisational learning had generated, Cohen and Sproull (1995) attest to the growth in interest in organisational and individual learning. As a subject area they suggest the need not to bind it too tightly with definitions, because 'it is too new, vital and innovative to risk prematurely closing its borders' (1995, p. x)

Why then, all the interest in organisational learning and what has the literature to offer on policy implementation? A number of reasons for the former present themselves. Firstly, organisational learning has achieved one of the great paradigmatic crossovers between academics and practitioners. In part, much of the accessibility of

organisational learning to practitioners can be attributed to Peter Senge's book *The Fifth Discipline'* (1994) equally at home on MBA organisational behaviour module reading lists and airport terminal news kiosks. This idea is supported by Salaman and Butler (1990) who point to a new generation of managers with a raised consciousness about organisations in terms of behaviour, structure and design. Salaman and Butler also credit the management 'gurus' and their exhortations with stimulating an interest in organisational and individual learning.

A second series of reasons stems from the need to learn as a response to increasing environmental complexity, (Kolb et al., 1986); a dysfunctional and fragmented industrial world (Kofman and Senge, 1993) and the ineffectiveness of traditional competitive mechanisms (Ulrich, 1987). These could be labelled as the more popularist arguments, appealing as they understandably do, to managers caught up in complex and fragmented worlds who need to learn something in order just to cope.

An alternative corpus of meaning is derived from the organisational analysis literature wherein organisational and individual learning has evolved as a challenge to conventional organisational theory. Cohen and Sproull (1995) present three rationales for this (pp. xii-xiii) namely: learning focuses upon action more than choice, a learning perspective has a strong explanatory power vis a vis organisational coherence, and finally, learning emphasises the dynamic rather than the stable

> 'a learning point of view suggests that stability may be uncommon, hard won and not always a beneficial condition.' (Cohen and Sproull, 1995, p. xiii.)

160

Cohen and Sproull's extraordinarily succinct summary of much diverse literature upon learning, provides a very powerful framework indeed to policy learning. Given the relatively recent enunciation of their thesis, it is perhaps not surprising that little of the policy literature reflects learning as a theme, with the notable exceptions of May (1992); Bennett and Howlett (1992) whose work will be addressed later in this chapter.

These two areas of policy learning and organisational learning are the result of two very different traditions: the policy learning field very rarely explores organisational learning, and the organisational learning literature is almost totally devoid of any political theory or accompanying analysis of power. Given this situation, an implementation perspective can do much to use the explanatory powers of both intellectual disciplines. By way of a brief example, Cohen and Sproull's tripartite framework (p. 2) can be applied to the context of this research. Thus, the focus on action rather than choice is highly appropriate for the new public management context. So too, the emphasis upon explaining coherence in the absence of stability fits the environment of the New Right institutions in the public sector.

5.3   Definitions of learning

Given that there is a distinction between the popularist and academic literature on organisational learning, then there is also a need to establish a set of working definitions by which to interpret and understand the literature. Kofman and Senge (1993) maintain that 'there is no such thing as a learning organisation' (p. 16) suggesting that the term might equate to a buzzword and is solely a construction of

language. Similarly, Kim (1993) suggests that an organisation cannot be said to be 'learning' in the sense of cognitive activity but it can be defined more in terms of culture and attributes. In a similar vein, Dale (1993) explains:

> 'it is the way in which organisations respond to the normal features of the modern world and the lessons learnt from the experience that qualifies them for the title 'learning organisation" (p. 219).

It was this approach which Pedler et al. (1988) followed for their Sheffield research project. They explained that learning organisations involve education and training in its portfolio of activities. Furthermore, learning involves the development of individual skills which are then embedded in the organisational culture. These approaches are grounded in the human resource management field, they are also heavily characterised by a sense of pre-meditation and the pre-planned organisation of learning in *response* to something or someone.

The complex issue of learning as stimulus-response in organisations has been tackled by Weick (1991). One way of looking at the stimulus-response approach is to suggest that organisations are behaving contingently, added to which, contingency theory is well established and tested in literature. However, when learning is being discussed in terms of stimulus response it is generally done so in the context of cognitive development.

Weick makes the important point that he is 'always bothered' that organisational theorists have begun to talk about learning just at the time when psychologists were deserting the concept. Consequently, there is the danger that organisational scholars

may by replicating psycho-social approaches, and either wittingly or unwittingly, use a rational choice approach which may be inappropriate for explaining some problem areas. Weick develops a thesis which explains that a defining property of learning is the 'same stimulus: different response' routine. His thesis is that this rarely happens in organisations, and that furthermore, it is a traditional way of learning. Therefore, either the organisation does not learn *or* it learns in a non-traditional way.

His explanations are complicated, but the evidence is that in reality, organisations seem to have the opposite pattern i.e. 'different stimuli: same response'. This is more concrete because we know that organisations have routines which in turn encode information and help efficiency, thus in reality 'sameness' is more common. Another way of looking at Weick's approach, is that in terms of his definition, real learning is in fact responding in a 'new way to an old stimulus'. What more commonly happens is the history dependent approach.

Weick thus argues that perhaps organisations were not built to learn because they are merely a grouping of 'means-end relations', to make the same routine responses to different stimuli: this he believes to be antithetical to real learning.

Definitionally, the literature recognises that the issue of learning in organisations is thorny and unresolved (Huber, 1991; Cook and Yanow, 1993). In part, this is because there is no complete agreement on what an organisation is, in the ontological sense, nor is there a single, agreed theory of learning which could be applied to

163

organisations. Consequently, there is another definition of learning which can be invoked, namely, that of cultural learning (Cook and Yanow, 1993).

One of the prerequisites of a cultural perspective of learning is the need to study collective activity, thus the group becomes a prime research focus. A cultural perspective also requires the need to gather together some idea of 'sense making' and symbolism in the organisation. The methodological ramifications of which require an ethnographic approach, particularly in respect of understanding how knowledge is treated, communicated and develops into *tacit* understanding.

Organisational learning is a definitional minefield for the researcher. In a comprehensive synthesis of the current literature Huber (1991) also emphasises not only the lack of a substantiated theory in the field, but also the failure of scholars to synthesise the work done by other research groups. Huber himself has synthesised the literature along the following four dimensions, namely, of knowledge acquisition, information distribution, information interpretation, and organisational memory.

The structure of the synthesis in this chapter has been outlined in the introduction and it reflects the usefulness of the literature in terms of helping to explain the processes of implementation. It is underscored by the apparently simple problem that public sector managers are faced with implementing new policy initiatives - given a stimulus-response interpretation they have to learn how to do this - hence the importance of discovering what the organisational learning literature has to offer in this field.

5.4   Types of learning

Much of the literature on organisational and individual learning defines types of learning in terms of a series of models. Some, such as, Kolb's 'Learning Cycle' (1984), and Argyris and Schön's 'Double and Single Loop Learning Model' (1978) have become common parlance amongst academics and practitioners and so have been used as powerful interpretative frameworks to explain organisational development.

From a research perspective, it helps to distinguish between procedural learning which encompasses skills, both mental and motor, which have become routinised or socialised, and declarative learning, which is concerned with facts and propositions (Cohen and Bacdayan, 1994). Procedural learning is more tacit and consequently more difficult to uncover in the research process. A second distinction within types of learning comes from Argyris and Schön and this is adaptive and generative learning: adaptive learning is linked to their concept of single loop learning wherein organisational goals, norms and behaviour is adjusted, and generative learning means that these attributes are open to deep and real change. Senge (1990) has paraphrased adaptive learning as learning about coping and generative learning as being about creating (p. 8). These are important distinctions to bear in mind because they individualise the levels of cultural learning which have or have not taken place within an organisation.

Experiential Learning theory has had a fundamental impact upon our understanding of how managers learn and is the basis upon which many business schools organise their teaching strategies. Tracing its roots in part to Lewin (1973) the experiential learning

165

approach emphasises the 'significance of relevance and individuality' (Mumford 1991, p. 24). Experiential learning reflects the work of Knowles (1985) who emphasised the propensity for adult learners to solve problems and of Kolb (1984) who identified individual learning styles. One of the benefits of the experiential approach is that it differentiates between andragogy and pedagogy and so allows for the development of an adult learning model. The advantage of an adult learning model means a break from learning concepts dependent upon childhood cognitive development, as with the Piaget approach. Furthermore, it also means that learning, both as a reality and an object of research, can be transferred to the work place.

There have been a number of refinements to the original experiential idea of observe, reflect, conceptualise and experiment, as originally conceived by Lewin and Kolb. Such refinements have come from the TQM movement (Ishikawa, 1985). Kim (1993) linked the model with what he called 'shared mental models' so incorporating a more interpretative element. Honey and Mumford (1986) have made experiential learning thoroughly accessible via the individual learning styles approach and Kolb et al. (1986) have linked the model to an analysis of individual competencies.

Whilst undoubtedly powerful, the experiential model does have a singular drawback for the researcher. Namely, that if the behaviour of actors is to be interpreted using the model, such actors need to possess a degree of self-consciousness about the fact that they are in a process of learning which may in itself lead to an unwanted 'Hawthorn' effect. It is also problematic in that much of learning is about 'know how', about the skills and procedurally based learning which we know to be tacit, whereas, 'know

why' the more conceptual or declarative learning, needs a greater level of consciousness and understanding. The experiential learning cycle assumes the presence of 'know why' which is often difficult to achieve without a teacher or someone to act as a reflector for learning.

Such an argument has considerable repercussions for policy learning. If we reconsider Nixon's work about the introduction of the race relations legislation within local authorities, the biggest impact in terms of implementation was from technical instruction ('know how') supported by one to one communication (or training). The results from the research presented here demonstrate a similar pattern but they also demonstrate that 'know why' learning can occur *without* conceptual understanding and just with cultural acceptance of fundamental changes.

There is a propensity within the literature to address 'know why' and link prescription to 'managing' change, hence 'know how' is relegated to a relatively technical solution. Nonetheless, some writers have attempted to deal with the issue of tacit understanding developed through 'know how' (Blackler, 1995; Morris and Empson, 1996; Cook and Yanow, 1993). Cook and Yanow provide a detailed case study of craft knowledge within a US flute making factory. They deal with one of the most esoteric and tacit types of knowledge, that of music and aural tone. The Cook and Yanow study describes how a Boston flute making company 'the Powell Workshop' altered their lifelong flute design to play a new musical scale, the Cooper scale.

The study raises important points about 'know how', namely that, it is predominantly an *organisational* knowledge. This is evidenced by the fact that if a single craft person leaves the company the 'know how' is not lost to the organisation. More importantly, it demonstrates that learning does not always require overt organisational change. Indeed, the opposite was required because established norms and practices were precisely what constituted good craft and a successful product. The Powell Style remained essentially unchanged as did their tacit 'know how'. Nor were there any changes in daily work routines, but, as the author's point out, there was an alteration of historical significance in terms of the sound quality produced.

The know how and learning involved in the flute case study has been classified as cultural learning by Cook and Yanow. This approach is offered in opposition to cognitive learning and also represents the possibility of a different relationship between change and learning, from that offered by the cognitive approach.

There are benefits from regarding organisations as cultural, rather than cognitive entities when discussing learning. Firstly, it gets us away from the problem of an organisation possessing human like learning attributes. Secondly, as identified by Cook and Yanow, it means that both organisational and individual learning is taken into account. Thus, it involves ideas such as shared meaning, the 'senses' of an organisation and the norms and expectations of an organisation. From a research perspective it also alters the focus towards using techniques of observation of group action, analysis of cultural 'artefacts', like organisational literature, ceremonies, speech

and other examples of organisational meaning, all of which helps to uncover and decode tacit knowledge.

Experiential learning as a type of learning was enhanced as an approach by Revans and his development of the action learning approach (Revans, 1985), it also fits very well with our understanding of learning by doing and the collective assumptions of 'learning the ropes'. However, Revans's approach is also much more than this. Based on the need to improve productivity in post War Britain, action learning is founded upon the ideas of learning from *shared* understanding of workers' day to day practices. Thus, as a type of learning it is underpinned by a philosophy of shared situational and positional understanding. Action learning is also a very conscious type of learning, it needs reflection, critical review and amendments to working practices if it is to be effective. Thus, Revans developed the idea of 'Comrades in adversity'.

This theme of learning by self-reflection and doing has been addressed by others including Dawson (1992), and Schön's work on the role of 'reflection in action' (1983). Schön (1987) continues this theme with his description of 'management as artistry' and considers the evidence for learning and reflection-in-action pointing to the existence of 'on-the-spot surfacing, criticising, restructuring and testing of intuitive understanding' (1983, p. 241). However, such behaviour is easier to observe in terms of individual learning and more difficult in terms of organisational learning.

Within the literature, a distinction can be made between levels of learning using higher and lower order levels. Hedberg (1981) distinguishes between, on the one

hand, learning which needs understanding beyond the immediate event - higher level learning and, on the other, simple adaptation where there is no understanding of a causal relationship - lower order learning. What is a fundamental prerequisite for learning is a change in the state of knowledge - a subsequent corollary of this is also a need for the *expression* of those states of knowledge.

In a similar vein, Argyris and Schön have developed a definition of learning as Single and Double loop learning (1978). Double loop learning involves an alteration to the underlying norms, values and policies within the organisation. Morgan and Ramirez (1984) expand this idea, and comment upon 'reflective understanding' as being necessary for real double loop learning to occur. In this way an organisation can learn from its own operations, and so learn for the future. However, Argyris and Schön (1987) explain their single loop learning model, drawing on Bateson's work (1972), as one where outcomes and organisational strategies are linked; they may be modified in relation to changing contexts but the norms are not changed. This model has also been described as an 'error correction' approach where learning occurs as a response to changes but the *status quo* does not alter.

Hedberg (1981) expanded their typology and also tackled the issue of unlearning. His suggestions are put forward at a theoretical level and emphasise the need for 'metalevel' alterations in organisational norms for double loop learning to occur. In this respect the cognitive systems of an organisation are helpful in detecting whether learning has occurred. Behaviour repertoires can be deduced from mental maps - or

from operating procedures, literature systems and methodologies adopted within organisations.

In marked contrast to Cohen and Yanow, Hedberg noted that organisations frequently know less than their individual members. Therefore, organisations rely on the cognition of their members for organisational learning to occur, but some of this individual knowledge must be communicated into channels recognised by the organisation in order that the organisation may learn.

5.5 The Nature and Role of Knowledge and Information in Organisational and Individual Learning

There is a substantial body of literature which links learning with information processing and knowledge diffusion (Stinchcombe, 1990; Huber and Daft, 1987, and Duncan and Weiss, 1979). It helps in understanding and applying the literature to conceptualise information, both as a cause of learning, and as process of learning. It also helps to distinguish between hard and soft information. Much of the way in which information is distributed within an organisation is a function of the communication patterns in that organisation, and hence communication has an important effect upon learning and vice versa.

Stinchcombe's thesis is that organisational structures reflect how an organisation deals with its information processing requirements. The organisation has to be able to do this processing efficiently and effectively because information is mostly about uncertainty which it needs to deal with. Stinchcombe extends his thesis by stating that organisational structure can be viewed as a 'design for learning'.

Stinchcombe's work is nicely synthesised by Cohen (1991) and contextualised by Cohen's analogous use of computer technologies which can result in new organisational structures because of how they deal with information processing. Cohen's work is also helpful in that he synthesises other research about declarative and procedural knowledge, and so begins to open up the debate about organisational learning and the relationship with the psychology of skill.

It is also possible to make a link between the literature which deals with information and that which deals with cultural learning. Thus, Daft and Weick (1984) suggest that it is the very processing of information which helps to establish the idea of 'shared meanings and world views' within organisations. Part of the development of an organisation's shared meaning comes as a result of its cumulative history as we have seen in the US-flute making example. March et al. (1991) have developed the idea of learning form 'small histories'. They describe how organisations learn from antecedent events, particularly critical incidents, and also from hypothetical histories i.e. learning from what might have happened. Thus, organisations learn by their common interpretation and a development of a shared understanding of these histories.

There are a number of important corollaries to this approach, firstly, it suggests that an organisation has a collective 'memory', secondly, it suggests that the individuals within the organisation may, in part, develop their own sense making as a consequence of the common history and understanding.

The idea of common histories within organisations is not new and some of the Scandinavian scholars have long used the idea of story telling and sagas to represent collective memory (Jönsson and Lundin, 1977). Others, like Brown and Duguid (1991) have equated learning with sense making. Rather pedantically, Kim (1993) differentiates between learning as knowledge acquisition and memory as knowledge retention (p. 39). However, he does develop this differentiation into the idea of memory and information being integrated through shared and individual mental models. These mental models are built up by the synthesis of conceptual and procedural knowledge. Much of Senge's work (1990) also relies upon this concept and is explored in greater depth by him in relation to the role of leaders and learning.

Obviously, these links between learning, memory, knowledge and cognitive mapping are not new, because there is a very well established body of literature about cognition and cognitive mapping (Zajonc and Wolfe, 1966, Huff, 1990, Donnellon et al. 1986 and Weick, 1977) all of which relate to information, its interpretation and communication. They are united in the emphasis which they give to the methodological challenges inherent in trying to deduce the mental maps of individuals and organisations. Senge (1990), on the other hand, defines clear promulgates and normative statements about "surfacing mental models' (p. 14). Once again, leaving the reader with an assumption that managers have a clear understanding about their own cognition.

Very little attention is given to learning and information overload in the literature. There is an implicit assumption that individuals and organisations are able to cope

with ever increasing information availability and stimuli. In his review of the learning literature, Huber refers to some past studies of overload from the 1970s, all of which concerned themselves with the impact (then) of information technology. Given the global networks of the late 20th Century these articles are a little dated. However, Huber raises the important issue of an organisation's processing capacity, a theme which will be considered in broader terms later in this chapter. A more recent approach to assessing overload comes from Espejo's (1989) Viable System Model and his concept of information attenuators and amplifiers.

Finally, in philosophical mood, (March, 1991) addresses the role of knowledge in respect of competitive advantage and exploitation vis a vis exploration in the sense of knowledge discovery. He presents a profound and important commentary on the industrial tendency for exploitation of knowledge in terms of extending technologies and competencies, which results in 'returns which are positive, proximate and predictable'. One of the consequences of this is that exploration is seen as a more risky and variable pursuit and is, therefore, curtailed. The extension of his point is that diversity and variability is reduced and homogeneity encouraged.

March extends these ideas to organisational and individual learning, explaining that under an exploitation doctrine, there is the tendency for a convergence between organisational and individual learning, leading to the mass socialisation of the individual who has adapted to the organisational code 'before the code can learn from them'.

Thus, competitive, exploitative learning disposes of the 'ambiguous usefulness of learning', i.e. all knowledge needs to have point - the very antithesis of a renaissance view of knowledge and human development and even serendipitous advancement. In this respect, the literature has some considerable relevance to my research in the sense that the actors involved did not have the luxury of time to explore their knowledge development for its own sake, rather they had to develop procedural knowledge to complete the tasks in hand.

5.6   Knowledge Transfer and Processes of Learning

It is generally recognised that there is an intimate link between learning and the transfer of knowledge. This link occurs through the acquisition of knowledge, its sharing, generalisation and some form of initiating stimulus which activates the whole process (Ulrich et al. 1993). Some of the traditional innovation diffusion models (von Hippel, 1988; Rogers, 1983) have been used to explain knowledge diffusion between individuals and within organisations. However, Attewell (1992) suggests that a simple adoption of these well established approaches is insufficiently capable of explaining the knowledge transfer necessary with *complex* technologies.

Attewell's example of a complex technology is the use of business computing and his carefully researched paper is particularly illuminating for my research because of the similarities in respect of the need for new NHS business accounting in capital investment appraisal. Attewell explains that technology adoption will only go ahead when there is sufficient know-how available within the organisation, delays will also

occur in using new technology until workers have 'learnt by doing' and even modified the technology to suit them.

By linking diffusion theory with learning theories Attewell (1992) has succeeded in 'reconceptualising technology diffusion' in terms of organisational learning, skill development and knowledge barriers. Attewell finalises his arguments by highlighting the importance of external help for the organisation in terms of lowering knowledge barriers and cites the use of consultants and outside software bureau to help simplify the technology.

The whole concept of knowledge diffusion is a very useful structure for conceptualising the learning processes. March (1991) borrows terminology from diffusion theories when he speaks of forms of 'instruction, indoctrination, and exemplification' as part of the learning process. In other words, learning needs to be codified in some way or other. Within an organisational context, individuals also learn by becoming socially constructed by organisational knowledge and codes.

Knowledge through social construction is related to the earlier discussion about shared behaviour and organisational culture, but it is also related to more tangible things such as standard operating procedures and work instructions. By using March and Olsen's (1975) concepts of organisational learning, Kim (1993) manages to provide a credible blend of conceptual (sense making, behavioural) learning with operational learning (routines, procedures).

Kim achieves this by hypothesising about shared mental models between individuals and organisations. He proposes that individual's mental models need to be made more explicit and then *shared* with others in order to diffuse the individual's knowledge. Unfortunately, Kim provides no empirical data to support his hypothesis and his ideas do owe much to Argryis and Schön's single and double loop learning model. Nonetheless, the idea of knowledge diffusing between individuals and organisation and vice versa is important. It is also helpful because it emphasises sharing. This in turn raises the issue of what is the best forum for sharing. My research suggests that a project team configuration is a particular effective structure for such sharing.

5.7 The Role of Routinisation and Adaptation in Learning

We have already established that the literature stresses the importance of learning from experience; we know, in turn, how this experience is retained within organisations. A major retention factor is the presence of organisational routines, we also need to revisit the use of organisational memory and its role in the retention of the cumulative knowledge of organisations.

Using a psychological approach, Weick and Gilfillan had established in 1971 that work routines existed in organisations even after individuals had left. A similar finding from Cook and Yanow's flute study supports this. We have also recorded Stinchcombe's (1990) findings that organisations develop routines and repertoires as part of their information processing function. However, the literature which addresses work routines per se is keen to emphasise the *efficiency* factor within work routines and procedures (Cyert and March 1963; Nelson and Winter, 1982; Gersick and

Hackman, 1990). Routines contribute to efficiency because they involve repetition with minimum effort and normally involve a successful response to a particular problem which has been experienced before.

When routines are categorised in this way they are similar to March et al.'s (1991) learning from 'small histories' approach, i.e. action is taken as a result of a decision, if the action is appropriate and positive it is repeated and so becomes self-reinforcing. The encoding of these successful practices varies between standard operating procedures, rule books, codes of practice (Kim, 1993; Levitt and March, 1988) and non-recorded routines like shared understanding (Daft and Lengel, 1984) or whole systems such as accounting systems (Johnson and Kaplan, 1987).

A conceptual link between organisational routines and procedural memory is made by Cohen and Bacdayan (1994) who emphasise the difficulty of understanding organisational routines mainly because of three factors. These are the multi-actor and dispersed nature of routines, their 'tangled' and emergent nature and the apparent 'inarticulate' nature of routines i.e. the difficulty that the researcher has in trying to access and understand them. These undoubted difficulties have no doubt contributed to the dominance of the attention given by researchers towards the written, standard operating procedures found in manuals. Using a laboratory experiment of a card game, Cohen and Bacdayan tested for the hypothesis that procedural memory (as opposed to declarative memory) is the individual store of component actions for motor and cognitive skills. Their experiment was positive and with additional work, they concluded that many work routines are stored as procedural memory.

The ramifications of their work really lie in terms of the role which *declarative* memory has for learning, particularly in respect of rule changes. The authors suggest that only by addressing declarative learning can we understand why, for example, workers have difficulty in appreciating the transfer of knowledge across modes, e.g. from written to verbal forms. Furthermore, they maintain that because routines exist in 'hard to access procedural' memory, they can in fact contribute to learning resistance. This reflects Senge's work that only by raising consciousness of practice can these procedures be unpacked and reformed.

My own experience of researching information technology adoption and diffusion within hospitals would point to some support for Cohen and Bacdayan's experimental findings, particularly in respect of the point regarding information mode transfer. Ward operatives found it very difficult to convert their written routines into computer based instructions.

Cohen and Bacdayan's work is very persuasive and little exploited in terms of citation. However, it is experimental and based within psychology, so ignoring cultural and socialisation factors. Moreover, in terms of its utility in understanding policy implementation there is a problem of emphasis. Cohen and Bacdayan stress that organisational routines are learned behaviour — not that routinisation helps learning. Although the difference is subtle, it is also important because one of my findings is precisely that the very routinisation of tasks is what helped actors to implement the complex policy requirements.

A piece of work which approximates this subtlety comes from Hutchins (1991) and his study of the navigational failure of a large ship entering a harbour. The crew had to suffice with semi-manual computations of bearings and locations instead of automatic navigation systems. An additional consequence of the navigational failure was a need for change in the division of the ship's labour. Using a carefully constructed, retrospective analysis of the incident, Hutchins demonstrates how a solution to the problem was found and how people adopted new tasks.

Hutchins's field work demonstrated worker adaptation, both in terms of technical solutions and labour organisation. He stresses that the adaptation was not as a result of the crew reflecting on the whole process, but rather the response of the crew, as best they could, to the information available. As far as division of labour was concerned the response depended upon choosing people with the greatest competence and ability, to fulfil the required tasks. Hutchins stresses the highly local, adaptive and negotiated design of the navigational solutions which were used. His case produces a message of actors 'just getting on with the job in hand' in a very stimulus-response way. For sure, the availability of pre-existing routines and protocols allowed the crew to be familiar with task descriptions and availability of information, but this case is in marked contrast to the pre-meditated, deliberate and conscious learning depicted in some of the literature.

Finally, Levitt and March (1988) address the issue of imperfect routine maintenance on failures of memory, socialisation and control. Fascinatingly, they actually cite Pressman and Wildavsky's (1973) work on implementation as a good example of

routine failure 'blaming' incomplete socialisation of actors as a case of implementation 'failure'. They do not, however, seek to enquire about the learning processes involved in the routine alterations, and certainly the ideas of Cohen and Bacdayan might have helped to explain this in terms of the procedural and declarative learning differences.

Due to the wide variations of academic disciplines which learning theories draw upon, it is perhaps not surprising that there is very little mention of political theory within the literature. Yet there can be few organisational structures which have more procedural and routine elements to them than a bureaucracy. Given what we now understand about procedural and declarative learning, it is important within to locate and understand the learning frames of bureaucrats and hence how this impacts upon their implementation actions.

5.8   Competence and Expertise

The repeated use of particular routines and procedures leads to a greater degree of skill or competence. Greater competence leads to more efficiency in executing tasks and making decisions and Simon (1991) related much of the idea of skill competence to the mental schema carried by people. These schema allow humans to organise otherwise random information. There is, however, considerable definitional confusion surrounding competence. Senge (1990) builds on the idea of competence being akin to expanded and increased capability. Kim (1993) on the other hand, considers competence to be part of the organisation's 'experience reservoir' (p. 45).

These definitions seem to stress the high skill levels, both motor and cognitive, which are needed before someone can be deemed competent. Rather unfortunately, some confusion has crept into the management literature in respect of a definition of competence as a result of the UK Management Charter Initiative. This has served to conceptualise competence as an 'acceptable standard' (Brewis, 1996). Considerable attention has been given in the literature towards unravelling some of this definitional confusion (see in particular, Sparrow and Bognanno, 1993; Boam and Sparrow, 1992).

Of more pertinent concern to is the research on competencies which preceded the Management Charter Initiative and has focused upon the nature of skills and skill development. Both Attewell (1992) and Boyatzis (1982) provide a definition of skill which involves a base level of ability, but one which also allows for greater and increasing ability, so leading to a form of expertise. Using Boyatzis's approach, competence then becomes both an issue of *efficiency*, in terms of the sequencing of skills, and also an issue of *ability* in terms of performing actions.

Interesting work has been conducted by Evers and Rush (1996) and by Williams (1996) in respect of how new graduates develop management skills and varying degrees of competence. However, whilst they all tend to emphasise the importance of developing intellectual and interpersonal faculties, they do so from the point of view of individuals being in an environment where everyone else has a fairly well developed level of competence unlike the cases presented in my research.

A greater insight into how skills relate to learning, can arguably be found in the research which addresses competence failure. We have already discussed Hutchins' work about *adaptive* response in relation to computer failure. In addition, Levitt and March have characterised a competency trap (1988) and they begin by discussing how competence is linked to routinisation and procedural development, but then point out, that providing the routine is relatively efficient it will not be changed. This static routinisation can, in effect, lead to the use of inferior procedures and failure to explore the use of possibly superior approaches hence leading to a competency trap. Such an idea has important ramifications for learning as explained by the authors:

> 'In effect learning produces increasing returns to experience and leads an organisation to persist in using a set of procedures or technologies that may be far from optimal' (p. 332)

Using the research arena of aircraft carriers Weick and Roberts (1993) provide one of the most insightful interpretations of the consequences of competency failure in 'high reliability' organisations. The high reliability idea is derived from La Porte and Consolini's similar work (1991). In short, high reliability organisations are characterised, as opposed to high efficiency organisations, by the consequences of failure, e.g. death or disaster. It is easy to see how hospitals and health care organisations would fit into such a characterisation.

Weick and Roberts' contribution to the debate about these types of organisations is in terms of what they call 'heedful interrelating' and 'collective minds'. Because of the potential lethal nature of failure which could occur in high reliability organisations, workers needs to work together (collective minds) and take care (heedful

183

interrelation). Given this need, it is axiomatic that learning is very important, because failure to learn and failure to develop competence can result in mistakes with serious ramifications.

Weick and Robert's conclusion is that emergency situations can throw up the need for new learning. Reaction needs to be fast, but above all, in order to maintain reliability, it needs to be collective. Individuals can be more effective in these circumstances, if they subordinate themselves to the overall community of practice. In other words team work, shared knowledge and the need for highly developed interpersonal and social skills leading to co-operation is, therefore, a key behavioural process in the development of learning and competence in a high reliability organisation.

> 'Reliable performance may require a well-developed collective mind in
> the form of a complex, attentive system, tied together by trust'. (p. 359)

Their work has a number of ramifications for health work and health organisations. Not only is health care a 'high reliability' business but it also necessitates the need for co-operative skill sharing. This is particularly the case because of the very specialised nature of health care and medicine. Health workers typically work together and indeed their knowledge base and knowledge validation tends to be peer driven, this is particularly relevant to the communities of practice concept to which we now turn.

5.9   Learning and communities of practice

It is recognised that the socio-emotional aspects of intra-group behaviour does have a direct impact on individual and group learning (Palmer, 1979; Bion, 1961 and Bateson, 1972).

Theories concerning team development and team formation (Tuckman, 1965; Belbin, 1993) are a less fruitful direction of enquiry into how teams facilitate learning than the work on group norms (Feldman, 1984; Goodman and Ravlin et al., 1987); individual status within groups (Greenberg, 1988 and Homans, 1951; 1961); goal setting and the impact of self-efficacy (Locke et al., 1984, Gist, 1987).

It is, however, to the research on teams as 'communities of practice' acting as agents of innovation and change that we gain our greatest insight into how teams facilitate learning. In particular, Orr's (1990) work which addresses a group's 'co-operative control over knowledge'. Similarly, Lave and Wenger (1990) have extended the 'communities of practice' idea to develop a practice based theory of learning where teams attempt to narrow the knowledge-practice separation. In terms of heritage, this discussion of pedagogy and practice reflects Schön's work on the 'Reflective Practitioner' (1983) and the role of 'reflection in action' for organisational learning. In particular, the concept of 'communities of practice' reflects the earlier work of Kapstein (1989) and Wall et al. (1986) on autonomous work groups. Indeed, Galbraith (1977), highlights the role which teams play in projects as temporary groups or task forces to solve particular problems. Kapstein's work with the Volvo plant at Uddevalla

in particular helps us to understand how teams cope with problems and develop new *modus operandi* for implementing innovation.

Burnett's study (1993) of team decision making amongst co-writers in document production pointed to the benefits of conflict in collaborative decision making. She did, however, separate this beneficial conflict or, as she terms it, 'substantive conflict' from the less valuable types of conflict in collaborative decision making which had been identified by Putnam (1986) and called 'affective' and 'procedural' conflict. Affective conflict relates to interpersonal disagreements and procedural conflict to the manner and protocols involved in working together.

Much of the literature about work teams does however emphasise the role of worker empowerment rather than the way in which workers learn (Wellins, 1992). Kofman and Senge (1993) suggest the idea of 'communities of commitment' but the most helpful study has come from Brown and Duguid (1991) who have described the link between communities of practice and organisational learning, drawing heavily on the aforementioned work by Orr (1990) and Lave and Wenger.

Brown and Duguid's work mirror something of work referred to in Chapter Six in that it addresses the impact of shared narratives and stories between members of work communities. This shared oral knowledge also helps collaboration within work and creates the social construction necessary for group workers. Brown and Duguid maintain that it is this ability to 'learn the language' of the group which serves to enculture work group members and hence develop their learning, thus:

'Learners are acquiring not explicit, formal 'expert knowledge', but the embodied ability to behave as community members' (p. 45)

Thus, communities of practice, united by similar tasks, can lead to what we know already as collective mind sets (Weick and Roberts, 1993). In turn, this socialisation assists in learning not just procedural activity but also tacit knowledge and behaviour.

Further evidence for the important role of narrative comes from Elmes and Kasouf (1995). They have researched the narratives of biotechnology workers and found two different forms of narratives. These are the 'science' narrative and the 'competing' narrative (p. 418). The science narrative relates to how the workers acquire knowledge and learn about their scientific work: this takes place in the expected manner by controlled trials, literature searches and information comparisons. However, the 'competing' narrative does not follow this positivist approach and is less thorough and comprehensive. In the 'competing' narrative, the information and trail of knowledge follows a more satisficer approach.

The relevance of their work for my research lies, in some telling lines from the actors whom Elmes and Kasouf interviewed. These actors emphasised the fact that there was simply not enough time to bring a new product to market using the lines of the 'scientific' approach used for their normal learning, they had to use a satisficer approach. Similarities of learning under pressure will be found in my results.

5.10   Learning and management development

One might assume from reading the literature about management competencies that managerial learning, at least, can be taught. Whilst much is written about learning processes very little of the literature is devoted to the skills needed to promote learning. Obvious exceptions to this are the literature on experiential and action learning and Kofman and Senge's work on learning 'laboratories' to which we have already referred. French and Bazalgette (1996) have addressed this issue noting that in general the literature on *teaching* organisational learning is relegated to the activity of 'simple transmission' (p. 116) but learning itself is elevated to an almost transcendental status.

If this were a true reflection of reality, then it would serve to undermine the whole nature of UK and US business school management and organisational education and development. It is perhaps more the case that less is written about the experience of teaching managers in general and even less about teaching them how to learn. Although my own experience is very much that adult learners do respond to Kolb's approach when it is used as a teaching technique; moreover, it is possible to encourage an active consciousness of managers' own response to learning.

Whilst it is directed more towards encouraging innovative work groups, Anderson et al.'s work with NHS teams reflects the encouragement of individual consciousness about job activities and work behaviour. Anderson and colleagues (1994) noted a number of factors which impacted upon team innovation, namely, vision, participative

safety, climate for excellence and support for innovation. In the NHS, participative safety in particular figured strongly in encouraging innovation and learning.

The idea of resistance to managerial teaching and consequent learning, is addressed by Salaman and Butler who argue that there may well be *organisational* rather than individual limits to training. Consequently, resistance can only be decreased where the organisational experience complements the training. Using this line of argument it is possible to transfer the idea of teaching and learning into the arena of implementation. Nixon's study demonstrated the importance of the advisory role of experts in assisting central to local implementation of policy. Thus, the experts were acting as teachers. However, we also know from the literature on implementation that the structure and nature of the organisation within which implementation is occurring, is a key factor in how the implementation is brought about. So, in a similar way to Salaman and Butler, organisations can resist implementation and they also will respond to different forms of 'teaching' and guidance about learning *how* to implement policy.

With a few exceptions, referred to in the next section, the literature on implementation is silent in respect of teaching and learning about how policy becomes action. Yet the management and organisational development literature addresses the learning processes in detail, more often in relation to how companies and institutions learn in response to innovation and change or in response to a new strategic direction. The fact that so little of this literature is related to how government policy and its consequent implementation results in the need for change, may have something to do with the fact

that little of the management and organisational development literature is grounded in the public sector and social politics.

Overall, the political agenda is missing in great part from the learning literature. Even critical thinkers about management learning do not address the public sector. Thus, although Lawrence (1994) critiques the cult of managerial universalism and its assumption of cultural homogeneity, essentially his analysis is still based on for-profit companies who treat government policy as one of many contingent factors.

In an attempt to address the need for renewal in management education, Grey (1996) reflects upon Anthony's critical analysis of management training and concludes that much of orthodox management education has become instrumental and utilitarian, taught primarily 'to exert control' (p. 22). There has been a backlash in some of the learning literature, particularly from those who have aligned themselves as post-modernist (Chia and Morgan, 1996). These authors promote the idea of learning as enlightenment – hardly a modern concept but one which has more in common with the ideas of Geoffrey Vickers.

5.11 Policy Learning

There is a broad distinction within the literature on organisational learning between learning as a means to an end in closing a performance gap i.e. problem solving and improving matters, and learning as enlightenment. So, too, for the issue of policy learning. Added to which is a high degree of definitional ambiguity regarding what exactly policy learning means. There are important intellectual links between policy

learning, policy analysis and policy implementation, but apart from Sabatier and Jenkins-Smith's (1993) work on the Advocacy Coalition Approach to implementation and learning, the literature is relatively silent in terms of *explicit* links to implementation theory. Furthermore, apart from brief reference to Argyris and Schön's work by May (1992) it is also relatively silent in respect of the more established organisational learning literature.

Nonetheless, the policy learning literature does offer some valuable insights into the social and political construction of public policy, echoing some of the points raised in Chapter Three relating to the policy process. Thus, Deutsch (1960) reflected the popularity of the then contemporary cybernetic approach of looking at policy. He emphasised the role of feedback mechanisms from policy experience which could inform governmental learning capacity.

The idea of policy learning being enhanced by some form of policy evaluation is discussed by Van der Knapp (1995) who really distinguishes between what he calls the traditional form of policy evaluation (rationalist-objectivist approach) and one oriented towards an argumentative-subjectivist approach. In so doing, he encapsulates something of the paradigm shift in policy analysis identified in Chapter Six.

The closest to an explicit definition of policy learning comes from Heclo (1974) who juxtaposed the ideas of knowledge acquisition and its use. He also questions the idea that policy making is about power and associated conflict. Furthermore, Heclo raised the issue of uncertainty within the policy process and of 'men collectively wondering

what to do'. Note, he does not ask 'how to do it', for Heclo, policy learning is a deterministic response to the environment; learning is necessary as 'political learning' within governments and as a response to the external policy environment. This echoes Aldrich's population ecology approach in organisational behaviour. Therefore, following this logic, policies in order to succeed must change in relation to their environment. In Heclo's terms political learning is about 'a relatively enduring alteration in behaviour that results from experience' (p. 306).

In his work on the Advocacy Coalition Framework, introduced in Chapter Four, Sabatier (1988) had begun to use the term 'policy oriented', reflecting something of the Lasswellian leaning for a broad brush approach to the treatment of knowledge in policy analysis: Lasswell had, of course, first coined the term in 1951. Both Sabatier, 1990 and Jenkins Smith, 1988, expanded upon their own definitions of policy oriented learning, but this was only through the Advocacy Coalition Framework which will be addressed in more detail later.

Reflecting the general concern that policy learning should also be about policy effectiveness, in a now famous paper, Etheridge and Short (1983), ask whether governments ever learn from experience. These two authors consider two definitions of policy learning, namely, intelligence and effectiveness. Drawing upon cognitive psychology for their indicators of intelligence e.g. capacity for differentiation, reflective thought and structuring of ideas, they apply these indicators to top level decision makers in government. The second definition of learning as effectiveness, is linked to evaluation, and interestingly, leaves the criteria for evaluation up to the

researcher, again reflecting the importance of understanding the particular analytical perspective adopted in policy studies.

One of the novel ideas embodied in Etheridge and Short's paper relates to the use of 'good judgement and wisdom' (p. 46) and they emphasise the historic significance of good judgement being a pre-requisite for civil service systems, citing such systems in China and Britain.

> '...moral character. It was a theory of policy implementation: the personal virtue of the leader would inspire followers, and retain public allegiance in the face of difficulty' (p. 47).

The second novel and important contribution of their work is in terms of the secondary analysis of official documentation which they performed in respect of the Three Mile Island emergency, which occurred in 1979 and an analysis of the testimonies from The Bay of Pigs episode.

The general failure of an adequate public health response to the radiation leakage from Three Mile Island is acknowledged and explained by Etheridge and Short as a lack of technical expertise to deal with the problem. The expertise did exist in the form of the 'Inter-Agency Radiological Assistance Plan' (IRAP), however,

> 'the failure to use it was an institutional memory problem. In the changeover of top-level personnel to the Carter Administration, no senior official was left at the White House who knew IRAP existed' (p. 52).

Such an analysis reflects very well what Hutchins (1991) explained in terms of failure of technical learning within the navigation team of the USS Palau, mentioned previously.

Etheridge and Short's second analysis, that of the Bay of Pigs incident and associated decisions, is one which bears the greatest resemblance in terms of complexity to my research. At one level, the strategic level, there was evidence of 'intelligent and effective learning', particularly in respect of knowledge about the Cuban landscape and the Cuban military. However, the translation of this into operational practice during the actual invasion of Cuba involved a catalogue of misassumptions. It is acknowledged that failure in this case related to a very long list of factors, but these factors were matters of detail, any knowledge about them was reliant upon quite lengthy chains of communication.

The theme of institutionalised learning is pursued by Van der Knapp (1995) who believes this is derived and achieved from policy evaluation. Learning to differentiate the roles which evaluation and learning play in policy studies goes right to the heart of understanding the difference between a linear rational view of implementation, and it being conceptualised as the very dynamic and specific process of converting policy into action, which may or *may not* be evaluated.

However, Van der Knapp presents a substantiated argument to include policy learning in policy studies whilst also including a significant role for evaluation. He defines evaluation as being the traditional structured, rationalist-objectivist model of

measurement, and also incorporates the social constructivist view of evaluation derived from understanding the argumentative approach, quoting Guba and Lincoln (1989), Fischer and Forester (1993) as cited in Chapter Six. On the other hand, he defines policy learning as being more unstructured and elusive and categorises it as social system learning (p. 108).

His theoretical paper works towards an integrative thesis of evaluation, policy discourse and policy oriented learning. This integration is achieved by incorporating Deutsch's (1963) cybernetic approach within policy studies and by explaining that public officials, faced with decisions and policy problems, need both 'methodologically sound' assessment techniques (i.e. structured evaluation mechanism) and at the same time, knowledge of the socially constructed policy world which they habitat, hence:

> 'Paradoxically, the 'traditional, rationalist-objectivist' perspective on policy evaluation need not be totally dismissed after all but instead provide an indispensable chain in the argumentative process of policy-oriented learning' (p. 193).

Undoubtedly, this is an appealing integration of what traditionally have been regarded as separate activities. Furthermore, it is a perspective which makes good sense for , part of the way in which learning occurred in the case studies was as a result of implementing the Department of Health cost benefit analysis requirement for capital investments, cost benefit analysis being a very common, structured evaluation technique.

Van der Knapp's thesis can be critiqued in two ways, first it assumes that policy officials understand not only the evaluation mechanism, but also the social construction of their learning environment. Secondly, and more relevantly to the implementation hypothesis, is that he assumes that evaluation and learning is 'to improve the quality of public policies' (p. 199) – an argument which avoids the issues of power, interest groups and relativity.

The idea of policy learning to make implementation better, as in the concept of implementation as policy-outcome congruity is strong in a number of pieces of work. This sense of policy learning as being instrumental is reflected in the work of Linder and Peters (1989); Greenberg and Robbins (1986); Sabatier (1988). On the other hand, there are also those definitions of policy learning which incorporate an enlightenment function, namely, Dryzek (1990); Lindblom (1990) and Reich (1988).

5.12 Agents of Policy Learning

Providing a comprehensive and succinct review of the subject of policy learning Bennett and Howlett (1992) also confront the issue of who learns by drawing upon the established literature. However, they do not add any new categories, nor do they address the processes of learning.

The preceding summary of 'agents of learning' is distinctive in that apart from Heclo, Deutsch and some of the Advocacy Coalition Framework all the other authors pay attention only to elites. Heclo, is concerned with middle level people and, in particular, administrators. Similarly, Deutsch uses a military analogy when he

describes 'the middle level' of communication and command (p. 154) although he is referring more to a sector than a group of people, the sense of agent can be inferred when he explains:

> 'It is that level of communication and command that is 'vertically' close enough to the large mass of consumers, citizens or common soldiers to forestall any continuing and effective direct communication between them and the highest echelons' (p. 154).

A specific finding of my research has been the vital importance of the non-elite, sub-cadre of middle managers and middle administrators who formulate and shoulder much of the burden of designing and causing action to happen from a policy. Within the case studies, these people self referred to themselves variously as 'worker bees'; 'oily rags', and 'gofers'.

5.13   Processes of Policy Learning

Other than the extensive work completed by those scholars who have adopted the Advocacy Coalition Approach as a theoretical construct for their research, such as, Mawhinney (1993) and Brown and Stewart (1993), the majority of scholars who have written about policy learning have done so from either a theoretical perspective (May, 1992) or by reinterpreting primary documentation, (Etheridge and Short, 1983). Even Sabatier and Jenkins-Smith (1993) add a methodological appendix to their edited work on the Advocacy Coalition Framework which addresses content analysis of public documents as a way of obtaining evidence about elite beliefs.

Consequently, there is a paucity of field based, primary evidence concerning policy learning. One of the results of this is that the literature fails to illuminate the *processes* of policy learning. Certainly, the literature discusses the diffusion of knowledge as a process in policy learning (Walker, 1974); how lessons are learnt in one area or country and diffused internationally, namely by 'lesson drawing'; Rose (1991); Schneider and Ingram (1988) also map how governments learn from each other's experience by the 'systematic pinching of ideas'. Nonetheless, what the policy learning literature does not do, is to use the vast theoretical and empirical experience of all those authors who have studied organisational learning referred to in the preceding sections of this chapter. Above all, the policy learning literature does not address the key issues of declarative and procedural learning which are so helpful in explaining how actors deal with such issues as detail, routine and the codification of knowledge. Therefore, in terms of processural factors in policy learning there is something of an intellectual and empirical gap in the knowledge. Again, something which in part this extensively field based research hopes to help to reduce.

If one was to accept only those processes which are acknowledged by the authors who write about policy learning, then the student of policy learning could be excused for believing that these processes are only muddling through (Lindblom, 1959); trial and error (Majone and Wildavsky, 1979) and a complex feed back mechanism between experience and government policy formulation. Nor does the literature address the work which has been completed on adaptive implementation. Two key pieces of literature do, however, stand out by way of exception to this list, they are the works of Karl Deutsch and Hugh Heclo who do make specific and original contributions

towards our understanding of the processes of policy learning. First published in 1963 *'The Nerves of Government'* by Karl Deutsch is a deeply philosophical approach to the study of political communication and control which goes beyond a narrow view of politics as being about power and conflict. Instead, Deutsch introduces a coherent argument for governments having the capacity for political and social learning. The route to this learning, in turn, is via information,

> 'If many studies of politics have stressed power, or enforcement, it should now be added that information precedes compulsion' (Deutsch, 1966, p. 151)

A product of his time, Deutsch was heavily influenced by the post war improvements in communication and the development of cybernetics. Nonetheless, he is generally credited with being one of the intellectual forefathers of political learning (May, 1992; Bennett and Howlett, 1992). Deutsch laid a number of important foundations for this area, his attention to the 'middle level' actor to which we have already referred, but he also explored the 'creativity' of political decisions in the sense of creativity being about the ability to develop a new 'response' to a 'new challenge' (p. 163).

Perhaps his greatest contribution lies in the introduction of the ideas of the 'learning capacity' of a system. He is obviously using a systems analogy, and the stimulus response rationale for learning, but Deutsch does contribute the new idea that 'learning capacity' is a function of the degree of uncommitted resources available. The more resources available, the greater the ability to learn new behaviour. These ideas of learning capacity were further expounded into a discussion of innovation defined 'as the capacity to put a new solution actually into operation'.

Deutsch's work is very rarely cited and he appears to be a minority interest area and has receded into the mists of intellectual history, and yet his work is acknowledged by the few who address policy learning specifically. His definition of the idea of capacity has great repercussions for my research. I came to his book the *Nerves of Government* when well advanced into my field research and had already begun to formulate the idea that one of the issues affecting how individuals in the NHS dealt with new policy initiatives was a function of their own 'capacity'. I had defined capacity as intellectual, technical and time capacity. Within the analysis of the empirical data presented in the research, capacity is used as a key explanatory variable, as are attempts to increase capacity seen as a key process of learning.

5.14 Policy Learning as Social Learning

In part, this early work of Deutsch's lead to the development of the ideas which Heclo (1974) describes as social learning. In a very scholarly, comparative, historical study of British and Swedish social policy, Heclo has articulated a number of important theses of direct relevance to research. Heclo makes a number of important definitions: social policy (for citizens' welfare) is characterised by unilateral transfers, as opposed to the bilateral transfers of the market. Heclo also clearly differentiates the policy process by emphasising the importance of the *social* adaptation of the politics of public policy.

Heclo is saying, in this definition more than the fact that public policy has a social construct; he is also saying that there is a distinctly human impact for politics over and above issues such as elections, interest groups and macro power politics.

'The only ultimately satisfying answer I know to the infuriating and invaluable questions 'so what?' is that such matters affect people's lives' (p. 5).

Building upon this definition, Heclo, links his ideas about social policy and political processes into a definition of social politics.

'The political contribution to making and changing the collective arrangements of social policy can be called social politics' (p. 3).

Heclo deals explicitly with social policy and political learning and his work makes distinct contributions. Thus he does not exactly dismiss the rationalist arguments for government actions, but he at least introduces the element of doubt and puzzlement into their affair, and specifically ask 'how have governments come to do the specific things they do?' (p. 3).

By answering this question, using an historical analysis, Heclo develops his theses of firstly, 'social policies change by indirection' (p. 299), by which he means the pervasiveness of incrementalism in policy making and adaptive policy responses which build upon previous experience. Therefore, Heclo, sees in various political responses to problems a response 'like something already known' (p. 316).

A second thesis, is the emphasis which he places upon 'the networks of policy middlemen' (p. 311) – whom he believes are in a state of readiness to respond to new challenges. Heclo does not specifically define the middlemen, but includes, not only bureaucrats, but also entrepreneurs and other social thinkers.

The middlemen do, however, have certain important skills:

> 'a disorganised purveyor of internal intelligence, appreciation of techniques and interpreters of foreign experience' (p. 311).

Finally, he does emphasise the importance of some individuals. Certainly in the context of his historical analysis, much credit was given to Beveridge on developing the basis of social insurance.

The relevance of Heclo's work to is multiple: he deals with, and acknowledges, the role of administrators and bureaucrats; he addresses the practicality of turning policy into action (although he rarely, if ever, refers to implementation), by asking what actually happens consequent to the intention of policy.

Whilst his methodology is a retrospective historical analysis and, as such, has no contemporary empirical detail, the relevance of Heclo's work to my work is specifically in terms of linking learning into policy making. His two definitions of learning types are: classic conditioning or respondent behaviour (p. 315) and instrumental conditioning (p. 316) or operant behaviour. Heclo links classic conditioning into policy continuity – or more of the same, or another example of: same problem, same response. On the other hand, instrument conditioning he associates directly with policy change, this second type of learning he believes to be contingent upon overall environmental consequences.

Most important too is that Heclo identifies that policy alteration or, as he calls it, policy change, does occur at an operant rather than at an elitist level. He has left future researchers a gap to explore in that he did not identify who these operants were or how they worked to develop action from a policy initiative.

Chapter Four introduced the Advocacy Coalition Framework approach by which to analyse policy implementation. The Advocacy Coalition Framework approach has gradually been expended to include learning as a dominant element to the extent that some of the more recent literature on the subject (Sabatier and Jenkins-Smith 1993) is titled *'Policy and change and Learning: An Advocacy Coalition Approach'*. Later literature has sought to review that research which has operationalised the model and collected more empirical data, whilst also refining the overall model (Munro, 1993; Jenkins-Smith and St Clare, 1993 and Sabatier and Jenkins-Smith, 1993).

Like its predecessors the preceding literature acknowledges the intellectual contribution of Heclo's work in terms of policy learning and the refined Advocacy Coalition Model emphasises the need to move away from an institutional perspective of analysis to include actors from all levels of government including external agents like journalists, academics and interested parties - hence the idea of an Advocacy Coalition Framework. This approach is an almost direct reflection of Heclo's conclusion that

> 'the social policy process in Britain and Sweden seems closest ... to an order achieved through a mixture of consultation, some competition and persuasion. The result has been a vast number of specific policy adjustments which, taken as a whole over time, add up to something of a learning process'. (Heclo, 1974, pp. 320).

Thus, both Heclo and proponents of the Advocacy Coalition Framework suggest that policy learning occurs by a gradual and very long diffusion and dissemination of policy and its re-interpretation and adaptation.

The refined Advocacy Coalition Framework also emphasises the importance of bureaucratic discretion and the consequent diversity of implementation as a result of this discretion. Finally, it reassesses the role of belief systems held at an individual actor level and the importance of trying to amalgamate these beliefs with broader policy statements, hence a mixture of micro and macro analysis.

The Advocacy Coalition Framework is undoubtedly a strong and useful analytical model which could also be used prescriptively by policy analysts if they so wished. Its attractiveness lies in its ability to bring together a scholarly understanding of policy implementation and policy learning. Moreover, it is one of the few models of implementation which also incorporates environmental factors characterised as contingent factors which act either as a constraint or opportunity upon policy actors.

Sabatier (1993) refers to these contingencies as the 'real world that changes' (p. 19) and so identifies a whole new raft of non-cognitive factors which will affect how a policy is implemented. Non-cognitive factors range from global changes to changes within an institution such as the turnover of staff all of which can impact upon the capacity and competence of organisations and individuals to implement policy.

Unlike Jenkins-Smith's earlier work on the Advocacy Coalition Framework and policy learning, the more recent literature does not pay as much attention to the role of conflict within the policy sub-systems. The earlier work had dealt with conflict as a function of 'analytical tractability'. In turn, analytical tractability was defined by Jenkins-Smith as 'the degree of consensus regarding the bases for assessing the validity of analytical claims' p. 197. Thus the more the agreement about the overall criteria about how to analyse the problem posed by a policy initiative, the more chance that sub-systems coalitions would agree, reduce potential conflict and adjust their relative belief systems.

5.15   Conclusion

These preceding points raise some important questions for my research: certainly there was evidence from my data that non-cognitive or contingent factors were at play and heavily influenced the implementation. In particular, the whole New Right ethos pervaded the NHS and acted at one and the same time as both a constraint and an opportunity upon actors. Then there is the issue of analytical tractability; Jenkins-Smith assumes that establishing an approach to assess the validity of analytical claims is quite rightly an integral part of implementation *but* he assumes a choice of alternative approaches.

Discovering and refining an analytical approach to assess capital investment in the post New Right NHS consumed the majority of the time of the actors concerned. Once a general approach was found little more effort was, or could be expended in terms of seeking alternatives.

The research presented here could have been conducted by testing the Advocacy Coalition Framework model and this approach may well have been more efficient in terms of time and resources. However, the Advocacy Coalition Framework still fails to adequately address the *processes* of learning at both an individual and organisational level. In part, this may relate to the aforementioned intellectual separation between organisational theorists and policy analysts. Non of the Advocacy Coalition Framework authors refer to the range of literature covered in this chapter relating to organisational and individual learning.

Finally, the Advocacy Coalition Framework model does not fully address the impact and strength of bureaucratic obedience, not necessarily in terms of ensuring policy-outcome congruity, but more in respect of how actors will use the 'official' guidance which accompanies new policies as a starting point for implementation. Again, it is to these further refinements of our understanding of implementation that the research addresses itself and in particular the processes of policy learning.

This has been a particularly 'dense' chapter in terms of the scale and scope of the literature which it has tried to review. This, and the previous chapter, Chapter Four, are important in that they set out the intellectual disciplines by which the results of this research must be judged in terms of its contribution to the overall knowledge of policy implementation.

CHAPTER SIX

RESEARCH METHODOLOGY AND DESIGN

6.1 Introduction

The preceding literature review has attempted to demonstrate where one of the gaps in the knowledge about policy implementation lies. Namely, that public services managers do not necessarily know *how* to implement new policy initiatives and that if they are to do so, then they must learn. In order to answer the research problematic *'how* do managers implement new public policies' the approach taken to the research needs, by definition, to be explanatory and pay attention to process.

Previous chapters have explored some of the methodological and analytical approaches taken to the study of policy analysis and policy implementation. In particular, we can see from the literature some of the drawbacks of a positivist and normative approach which has sought to explain the 'why' of implementation rather than the 'how'. One of the main drawbacks being that the results of such an approach leads to policy prescription and a concern with the policy-action congruency argument, rather than giving us an explanatory framework. Policy analysis in the 1990s tends to adopt a contemporary, plural and mixed methods approach. There is now a more interpretative approach which also tries to understand the situational embeddedness of the implementation problem.

In Chapter Five, the review of the literature concerning policy learning emphasised the value of reinterpretating policy decisions via documentary analysis. Furthermore, the review of Deutsch's work highlighted the usefulness of paying attention to policy

'middlemen' rather than just policy elites and policy formulators. Still, the conclusion to Chapter Five was that there is still a paucity of field based, primary data concerning the processural factors of policy learning.

Given the nature of the problem in this research and also what has been learnt from the literature, then the methodological approach which appears to be most appropriate here is broadly an ethnographic one. The purpose of this chapter is to explain the rationale behind the research design used to explore the implementation of policy. It will discuss some of the practical problems and opportunities of conducting policy research, in particular the need for the chosen method to allow the researcher to move easily between a macro and micro analyses.

The chapter will then move on to discuss in more detail the use of interpretative ethnography framed around case studies, observation and language analysis derived from interviews. The chapter will also address good methodological practice in terms of research validity and bias. It concludes with an explanation of the approach taken to theory building and a description of the feasibility, technical and resources issues encountered during the research process.

6.2 Doing policy research

It is easy to understand why there is a temptation for scholars to write theoretically and historically about policy and even to write about its effects in terms of evaluation. This is because doing field based policy research is difficult, messy and multi-faceted; much better then to try and put boundaries around and distance between the objects of

the policy and the researcher. Policy research is also bedevilled by the problem of relevance. This worry on the researchers part may in fact be due to the 'Big Problem' nature of public policy, as explored in Chapter Three.

Policy researchers are involved in socially and politically important subjects and if such researchers have any sense of social sensitivity and political awareness, then they are bound to be concerned about relevance. However, this responsibility can be misplaced and probably helped to contribute to the positivistic dominance in the 60s and 70s because researchers were trying to find solutions to make things 'better'; to improve the common good.

The stance taken here is that rather than find a solution, an explanation of what happens during policy implementation is equally important because we need to understand the *effects* of policy. The effects or impact of policy is not always what it was planned to be and this can in part be explained by the processes involved in converting the policy into action.

In a wonderful forward to Ann Majchrazak's books on policy research, Etzioni refers to Plato's solution about the proceeding problem of how to 'bring knowledge to bear' on policy decisions:

> 'His (Plato's) ingenious solution was to unify in one person both analysis and policy making by crowning a philosopher king' (p. 7, 1984).

Majchrzak emphasises that knowledge is at the heart of policy research and that the methods used should reflect this. She promotes an empirico-inductive approach twinned with theory building along the lines of Glaser and Strauss' grounded theory (1967). Majchrzak also shies away from the use of hypothesis testing. Whilst in the strict sense of the term this is acceptable, it is, as a researcher, always difficult to get away from having a hunch about why something is the way it is. Certainly, in this research I did have a working hypothesis: that public managers had to *learn* to implement policy, but this was not formally tested in a positivistic way. Indeed, if it had not been for the inductive approach taken, the importance of motivation as a factor in learning would probably have been missed.

In terms of data collection, others (Hedrick et al 1993) like Majchrzak promote the use of surveys, interviews, observational recordings and case studies. These approaches are similar to those used in much of social sciences research. However, one of the key differences with policy research is the issue of technical analysis.

A number of authors have addressed the issue of technical analysis, amongst them House and Coleman, (1980). Again, Majchrazak provides a synthesis of the approaches to technical analysis which involves the definition of a problem, isolation of variables and then using some of the data collection methods referred to above. However, what these authors are writing about is actually *doing* the policy research and not looking at *how* it is done.

Thus, by way of an example, the problematic in my research is strategic capital investment appraisal. Anyone performing the technical analysis for this would need to do a full cost benefit analysis and a comprehensive evaluation of options, as indeed the actors in each of the four case studies did. Policy research which is constrained in the form of technical analysis would not address the processes by which cost benefit analysis was achieved. Thus, processes such as project group working; learning from experts and peers; researching and routinising information would be missed.

On the other hand, it is almost impossible to avoid or ignore the technical work which does happen. After all, it is also this as well as processes which are being observed in an ethnographic study. In order to try and separate research on the process from solving the policy problem in hand, the analysis in this research has separated policy issues into (i) substantive issues and (ii) juxtaposed these with a process commentary, both within the case study narrative and in the analysis of actors' accounts.

6.3   The analysis of public policy

Politics and economics also act as interpretative analytical filters for our understanding of the *processes* involved in the enactment of public policy, not just their outcome. Some authors such as Hodgkinson (1978) maintain that policy-making is actually political philosophy in action. However, our comprehension of the policy process and in particular the implementation of policy is also a function of the *type of analysis* which is undertaken. Thus, Pressman and Wildavsky's seminal work, *Implementation* (1973) focused on what went wrong between policy formulation and action, or the failure of implementation. Their positivistic analysis focused upon the

211

type of policy problem and inter-organisational linkages at the local level together with the administrative structures which were in place. They paid less attention to the behaviour of individual actors. Similarly, Hogwood and Gunn's (1989) work adopted a normative, prescriptive approach which sought to improve implementation.

More recently, the literature on analysis and researching policy reflects a growing interest in studying the nature of argumentation in policy analysis (Forester and Fischer, 1993) demonstrating something of a 'cross-over' from the strategic management literature (Fletcher and Huff, 1990). This is particularly the case in respect of the regulatory role of the state. Sillince (1995) for instance, uses argumentation to analyse public accountability as a contingent factor in AT and T's strategic direction.

In Britain, public policy analysis developed as an interdisciplinary subfield of public administration, growing out of the work of American scholars (Hogwood, 1995). As such much contemporary public analysis is more oriented towards managerial science. Such an orientation is quite different to that conceived of in the United States in the 1950s and 1970s, and documented by Rist (1982). Rist describes how the focus of the policy analyst was directed towards informing social change through a number of large social programmes concerned with welfare, political participation and equity. Those analysts involved in researching these programme initiatives concentrated upon normative suggestions for resource distribution in line with the prevailing social milieu of the time.

Figure 6.1 shows the prevailing concerns of policy analysts' attention over four and half decades together with their associated methodologies. As ever, there is a time lag of at least five years before future generations of analysts are able to reflect on their predecessors' work.

Figure 6.1: Policy analysts' methodologies over four and half decades

	1960s	1970s	1980s	1990s
FOCUS	Social Reform Structural change in health, educa-tion, housing, employment	Programme Initiation for Social Reform Programme Evaluation	Private/Public Sector collaboration The politics of scarcity Improved resource distri-bution by targeting De-regulation	Arms length Regulation of Public Sector The role of Governance versus Government The decline of the administra-tive state
ANALYTICAL APPROACHES	Positivism	Cost benefit analysis Evaluation	Naturalistic enquiry	Socio linguistic analysis, semiotics

The policy analysis which has been completed over these four decades is a reflection of the over-arching political and economic paradigm of the time and the research methodologies used have been a reflection of prevailing or emerging approaches in the political and social sciences.

Rist explains the change in emphasis away from the 'Big Problem' approach of the 1960s and 1970s towards the 1980s and the period of counter-reform and ideological

213

shift towards the New Right, with the associated changes in assumptions about the role of government in society. Methodologically, this change in ideology has wrought more problems for the policy analyst.

The evaluative, predominantly positivistic studies of the 1970s have in some quarters been labelled 'hit and run' research, sufficient as long as it has produced answers in line with the prevailing policy. This approach, according to Weiss (1982) produced the type of researcher who became a technician of the bureaucracy and one, who, according to Behn (1982), took very little cognisance of the overall political and economic context of their work.

Policy analysis in the 1990s and early 1990s has become much more messy with an acceptance that much of the reality of policy studies is about studying political negotiations, third level bargaining, improvisation, custom and practice and even serendipity, all of which means a multidisciplinary, intellectually plural and methodologically varied approach to studying policy. The policy analyst of the 1990s is expected to question the very political rationale of the policy being studied in an attempt to understand the *processes* of policy as much as the outputs of it.

6.4   The positivist, post positivist debate

Perhaps the greatest divide within the intellectual community of policy analysts revolves around the positivist, post-positivist debate. Focusing upon this divide is helpful because it enables us to detect more clearly the ideological orientation of the analyst. In turn, by focusing upon the ideological character of the policy analyst we

can understand how this impacts upon their general rationality and interpretation of their results.

Torgerson has done much to martial the arguments around this topic (1986a; 1992) and summarizes the arguments of many when criticising positivist analysis for being removed from the world of the citizen upon whom policy impacts. The positivist acts as a 'neutral technician' (Torgerson, 1986a, pp. 40) attempting to apply the knowledge they have gained in their research to society in a normative way and excluding from their analysis any form of political reality. If anything, the positivists sought to abolish the role of politics from their analysis, because it was politics which resulted in a less than perfect implementation of rationally conceived policy. The positivists also sought the methodological high ground reflected in their use of quantitative approaches, quasi-scientific multivariate analysis and statistical measurement, echoing the earlier use of scientific management principles from the days of Waldo (1948).

French (1984) has summarised what the effect of these positivist methodologies has been upon our understanding of public policies. He maintains that such an approach leads to a confidence in certainty, particularly in the certainty of predicting the future impact of policy. This is because the approach is based upon a logical, positivist analysis of particular facts, causal inference and an assumption of a regular relationship between variables. The analysts and the policy makers, are therefore, able to be comforted about predicting and controlling the future.

More recently, Stewart (1993) has echoed the influence that liberalism has had on policy analysis. Paradoxically, she has shown that the policy makers themselves use a rational choice approach with stereotypical 'economic' man as their target when making policy. Such policy is based upon a regulatory approach and analysts are asked to measure the degree of success of policies in the light of this regulation, particularly using economic measures (see Braddock, 1995, Roberts and Pollitt 1994). Both policy makers and analysts then wonder why there have been compliance problems. As Stewart points out, if there was an analytical approach which had focused upon citizen attitudes, and motivation, not only would our understanding have depend, but also the results of such analysis could lead to the formulation of policies with a broader, behavioural understanding, rather than a carrot and stick regulatory structure.

An interpretative approach to policy analysis is predicated upon the desire to integrate theory and practice in policy analysis and is more about understanding then explanation. Critical to this approach, is the situationally grounded need to understand the agent or actors world and to seek to promote education and self-understanding amongst these actors. The approach is philosophically influenced by Habermas and places much of the responsibility 'for social change, from the decisions of the social actors themselves' (Healy, 1986, pp. 386). The actors have been helped by the analysts in this instance who by 'educative' guidance have assisted in their enlightenment. Healy classifies the analyst as a policy expert and methodologically the approach is very dependent upon participatory, reflective research.

From the view point of a practising policy analyst who feels uncomfortable with the title 'expert' much of Healy's interpretation is laudable but naive and impracticable. No mention is made of the access problems of analysts to the actors mentioned, nor the long run nature of such research if it is to be situationally based. Unsurprisingly, Torgerson (1986a) developed a retort to Healy, acknowledging Healy's philosophical contribution to the interpretative debate but also trying to concentrate on the critical analysis of policy. Torgerson is against taking his lead from Habermas and critical theory and stresses that post positivist enquiry is about emancipation. Just who is being emancipated is not made clear and what people are going to do with this freedom is also blurred.

Fisher (1990; 1993) takes issue with Torgerson's almost holy grail type approach to policy analysis via the route of 'critical hermeneutics' and attempts to build a comprehensive framework for policy analysis which links technical rationality with an interpretative approach. This he does by analysing (i) program outcomes, (ii) the circumstances of the programme (iii) the impact of the program on the relevant social system and the normative principles underlying the social system (Fisher, 1993). Fisher is a political scientist and his publications in the 1990s have shown much effort to link political theory in with social science methodologies. Thus, we have evidence of the interpretation of social norms coupled with more positivist and technical approaches such as cost-benefit analysis. However, his overall approach can be critiqued in two ways: firstly it is portrayed, however unwittingly, as a normative approach, with the purported aim of explaining non-compliance between policy initiation and its enactment. Secondly, it is a very comprehensive approach, and in

terms of practicalities, it would be possible only to partake in some aspects of Fishers' framework because of resources constraints.

Few of the post-positivist writers consider the interpretation of symbolism in their analysis of public policy. Brunner (1987) is an exception, although he concentrates on political symbols rather than any managerial symbolism. He uses a content analysis approach to trace the history of the change in the use of the word 'Watergate' meaning a building in Washington DC to one which has global meaning as a byword for lack of political integrity and political dishonesty. His approach is simple and effective and had few resource implications, analysing as he did word frequency in the US press for six months to show changes in terms of association of words and the expansion of the meaning of 'Watergate'.

Brunner's work led the development of a much more interpretative approach towards policy analysis and one which grew into a very situationally and embedded approach, specific to the problem in hand. In effect, this approach centred solely upon case studies. In 1991 Throgmorton published his work on the rhetorics of policy analysis and helped to establish a new approach to policy analysis which was heavily dependent upon discourse, it is to this approach which we now turn.

6.5 Discourse, rhetoric and story telling in the analysis of public policy

Majone (1989), Nelson et al. (1987) and Simons (1989) had introduced the idea of rhetoric within policy analysis and they defined rhetoric more as persuasion than sophistry. In order to study persuasion, the social construction of language needs to be

analysed. Then, according to their approach this linguistic analysis can help develop a greater knowledge and understanding of policy.

Throgmorton (1991) takes this use of persuasion further by locating the policy analyst within a tripartite policy community or audience. This audience consists of scientists who provide 'technical competence'; advocates who provide political astuteness; and politicians who provide 'legitimacy' (pp. 153), each with their own type of discourse. He believes that the analysts' role is to synthesis these discourses. His discussion draws much on the linguistic deconstructionists such as Derrida and Geertz for this synthesis. His research data concerns the 'Love Canal' dumping of toxic waste in New York State. Using the reports from official inquires into the incident, Throgmorton then allocates his scientist, advocate and politician roles to a variety of the actors. All these actors have their associated 'scripts' in the report from the inquiry, and Throgmorton provides a helpful deconstruction of meaning for the whole inquiry. Thus, linguistically the 'scientist' group talk of 'foetal waste' due to toxins and the advocate group talk of 'the babies we lost'.

Throgmorton's work in 1993 addresses the impact of the actual research tools available to the analyst interested in rhetoric, suggesting that surveys, computer modelling and forecasting are traps for such work (p. 117). By doing this he dispels the notion of any objectivity that many believe is available from these popular approaches, consigning them instead to figurative roles. His data to support this suggestion is based upon a survey by the Chicago Association of Commerce and Industry concerning the buyout of a private electricity system by the City of Chicago.

The survey presented factual findings of the opinions of business people to the buyout, claiming a statistical validity of ±3%. However, Throgmorton's analysis of the *context* of the survey demonstrated that in fact the survey itself acted to construct the very understanding of the people it was surveying. As such the results were as much a construct of the survey researchers themselves and their sponsors.

Throgmorton's work is very important and gives credence to the hypothesis suggested at the beginning of this chapter that in part it is the very nature of the type of analysis, its paradigm and its methodology which will influence and explain the results of analysis and hence our understanding of the policy process. It also makes perfect sense in terms of Wildavsky's approach of 'speaking truth to power' (1979). Policy analysis is inherently political and hence it runs the risk of truth being *subservient* to power, with the consequent loss of critical analysis. Any deconstructionist approach, whether linguistic, symbolic or psychosociological should, in theory, allow for the discovery of truth.

Further insights into the behaviour and micro political activities of policy actors can be derived from an analysis of scripts and narratives. Fisher (1993) has developed the collective term 'argumentation'. Dryzek (1993) suggests that only by tracing, either in the text, or by linguistic analysis, the types of judgements and decisions made by policy actors can the beliefs, principles and individual frames of behaviour of these actors be understood. In so doing, their behaviour helps to explain the very nature of either policy origination or policy implementation. He positions his arguments in

direct opposition to the positivist analysts who assume instrumental rationality on behalf of the policy actors whom they study.

A very practical example of how to understand the policy actors' frame of reference and their world is provided by Forester (1993) who uses what he calls 'practice stories' borrowing much from Schön's (1983) 'reflection in action' approach. Forester demonstrates a myriad of non-rational action and activity in the realm of policy and planning, citing evidence of surprise, rewards and frustration. His evidence is collected by using interviews, participant and non-participant activity and above all else by listening to the practice stories of the policy makers and planners. He explains:

> 'that analysts and planners at work learn from each other's and other people's stories...' they tell one another practical and practically significant stories all the time, but also they're creating common and deliberative stories together.' (pp. 188 and 192).

I also saw evidence of this from my own observations, especially prior to the formal start of project team meetings, when, in, informal conversation, past experiences of completing some technical task or other for the project was recounted by members of the team and difficulties or successes shared with colleagues. The point of Forester's argument again reflects the anti-rationalist approach and emphasis that stories help practical judgement. In turn, it is this practical judgement which drives the policy process on its way towards implementation.

Kaplan (1993) also supports the use of story telling, and defends its use as an interpretative methodology to encourage *verstehen* or, the 'getting inside the head of

people'. He maintains that such an approach is useful to the analyst because again, it helps to explain the behaviour of policy actors, particularly in respect of why they do things in *anticipation* of predicated events, or actions by someone else.

Hoppe (1993) also supports using linguistic analysis to discover evidence of political judgement. Furthermore, he maintains, that either consciously or subconsciously policy makers use arguments and counter arguments amongst themselves when actually drafting policy documents. Hence, some of the formulation of the actual policy can be traced back by analysing the chronology of the arguments. This is done by interviews and documentary analysis of discussions, negotiations, draft documents and public hearings. Hoppe is also of the 'real world' school, locating policy making within the political world:

> '...in the middle of a cacophony of opinions, beliefs, positions, convictions, rules and claims... the policy analyst is riding an argumentation carousel.' (pp. 78).

A final point with regard to the argumentation field comes, again, from Fischer (1993) and relates in particular to technocratic discourse. This form of discourse involves the reframing of political issues into technically defined meaning. However, technical definitions usually lie in the hands of technocrats and experts. Fisher argues against this tendency because it echoes a loss of democracy. His evidence for this assertion being derived by the proliferation of Washington 'think tanks' who act as experts to policy makers.

6.6 Contemporary approaches to NHS management research: the role of method

Majone (1985) criticises the doctrine of 'decisionism' as a model of policy analysis. He argues that if policies are to be regarded as decisions then the basic analytical tool of enquiry has to be the logic of choice. This criticism could be interpreted as a commentary upon the explanatory shortfalls of decision theory and he suggests the need for more post-decision analysis as well as pre-decision analysis but gives little detail regarding preferred methodologies of study other than the need to pay attention to 'communication' and 'interactive process' (p.66).

Perhaps, if at the time of writing, Majone had had access to Zey's work on the 'alternatives to rational choice models' in decision making (Zey, 1992) then his critique may have been tempered. Certainly, within contemporary health services management research the past two decades have seen a move away from the study of public administration as a functions in itself (Chaplin, 1982) and from health services management activity being defined as a concern with personnel (Cuming, 1978) or financial management (Jones and Prowle, 1987) towards a more organisational behaviour and organisational development perspective. Both the early work of Hunter (1980, 1982), Harrison (1982) and Stewart et al (1990) have been influential in this re-direction. Furthermore, each of these writers has either implicitly or explicitly dealt with decision making as an object of their study.

Harrison and Hunter et al (1992) provide one of the most useful summaries of NHS management research from 1985-1990, although their summary was heavily orientated towards research which had looked at general management activity (DHSS,

223

1983; 'Griffiths Report'), and the consequences of the medical-management interface. Nonetheless, they do indicate in their summary what research methods were adopted and conclude:

> 'None of the research teams satisfactorily resolved the methodological problem of contextualising 'local conditions' facing general managers'.
> p. 93).

This theme of a failure for health care management research to capture the social and organisational reality of managers had already been rehearsed by Pollitt et al (1990) in their writings supporting an ethnographic approach to such research. Strong and Robinson's (1990) account using large amounts of dialogue analysis is a comprehensive attempt to use the ethnographic approach. An even more comprehensive work is Pettigrew et. al's (1989) combining a number of approaches. Dingwall (1992) broadens the debate to include qualitative methods in general in health studies but cautions the researcher not to focus solely on observational studies, but to remember documentary and interview data. His ideas provide yet further support for the need to evaluate process and to study the dynamic of the organisation.

Whether as a function of serendipity, or in response to an overall review of method in health management research, the management development arena has provided a rich source of research opportunities - and with it are its own threats to academic rigour. Barrett and McMahon (1990) describe their roles within one of the NHS learning sets for senior managers and hence their access to a 'live' series of case studies as managers described their professional lives with the added benefit of a 'live' series of case studies as managers described their professional lives with the added benefit of

learning from each other. The authors do not attempt to theorise from their research, only to draw some broad conclusions and possible prescriptions. In response, Pollitt et al (1990) ring the warning bell regarding too great a dependence upon what they have determined practitioner approaches and practitioner theory. Their arguments stem from a fear of separating experience from intellectual influences and theory and even more from a fear of the dominance of managerialism within policy research.

Finally, research into health services financial management has, in the main, been researched using a survey approach. One series of writers has encouraged the extension of the debate about investment appraisal and capital accounting in general from a concern only with theory, to one which advances the empirical basis of health services accounting research (Lapsley, 1992); Mayston, 1990 and Northcott, 1991). Northcott, in particular, asserts the need for more in-depth case studies of capital investment appraisal and naturalistic enquiry for health service accounting research. Overall, a review of the research literature fails to demonstrate that the health service management research community is willing to fully embrace and acknowledge the sociological tradition in terms of their research method.

An obvious way to study NHS managers 'contextualised in their local conditions' is to borrow methods from the rich writing of the industrial anthropology tradition. Founded in the Hawthorne studies, work place studies have always been able to demonstrate that they can deal with the micro, such as meetings, conversations, interpersonal behaviour and the macro, such as the overall industrial task in hand, and associated economic climate.

Schwartzman (1993) provides a helpful retrospective on the Hawthorns studies preferring to classify such work as organisational ethnography. In particular, her references to the subsequent work of Dickson and Roethlisberg (1966) in terms of field worker as counsellor are apposite for any policy research conducting observations in the field which she describes as:

> 'the multiple roles of observer, researcher, diagnostician, listener, helper and communicator'. (Schwatzman, 1997?, p. 13).

The pedigree of organisational ethnography concerns more than industry and some of the studies are particularly relevant to policy research because of their interest in bureaucracy (see Chapter Five) and include Blau (1963), Selznick (1966) and Gouldner (1954).

However, what this approach offers most to this research is the way in which it allows the researcher to focus on how people do their work, and in particular the task and work routines which they develop. Obviously, the antecedents of this are the whole of the Human Relations School, but some of the research by ethnographic research is particularly helpful (Nader, 1969; Gregory, 1983 and Weick, 1979). Much of the data for the preceding work was derived using observation. Both Gregory's and Weick's studies concentrate on how work is constructed in the sense that work unfolds and is enacted. Again, this is helpful to my research given that many of the tasks which the implementing actors needed to achieve were totally new to them and they therefore had to *enact* them and bring them about themselves.

Finally, it is important to be aware of the macro/micro research perspectives which by necessity are at play in ethnographic research. On one level, these are problematic in that the researchers frame of reference must change depending upon whether they are studying micro attributes in the field or macro perspectives and contexts.

Understandably, this problem has been experienced before by many anthropologists and indeed they have some suggestions, namely that the micro, personal world, should be viewed as being 'potted' within the wider socio, politico economic world. What becomes important is not the separation per se, but how the personal *(micro) interacts* with the impersonal or system (macro). Hence the tendency for anthropologists to talk of 'studying up' and 'studying down'.

Early work published in *Human Relations* in the fifties by Bott (1954; 1956) conceptualised a similar interaction between an individual, their family and society, wherein each strata helped to make up the relative construction of norms and values based on reference between the strata.

6.7   Definitional issues in ethnography

Organisational ethnographers acknowledge their anthropological heritage and Manning (1987) provides a helpful discussion of this heritage into the three traditions of the British School; the Chicago School and thirdly the Existential Traditions. Whilst the meaning and influence of these traditions are covered elsewhere (e.g. Agar, 1985), they all have in common the pre-eminence of fieldwork as the technique by

227

which to gather data. Not only is ethnography subject to a sea of taxonomy, but so is fieldwork.

Thus, Gubrium (1988) focuses on the need to identify field reality' whilst also acknowledging the subjectivity of such an identification. He does though encourage the researcher to ensure that it is the subjective meaning of the actors and not necessarily the researcher which defines field reality. Manning (1987) on the other hand addresses the role of semiotics and field work, wherein signs and language are regarded as the dominant mode to convey meaning in context.

Equally, fieldwork means that the researcher will develop some form of a relationship either with her actors or co-researchers. As this was a piece of single handed research the latter did not apply, but certainly after spending from 6 - 9 months observing the capital investment project teams, I did develop feelings towards the actors. This issue of emotion and fieldwork is raised in many of the ethnographic studies and Kleinman and Copp (1993) have addressed it in some detail.

Their thesis goes beyond looking at the bias such emotion may create to urge the researcher to recognise that emotions do exist in field work and should be reported as such. Their book is helpful in that it acts as a reminder to monitor one's expression, particularly when writing up. A number of specific points which they raise are also pertinent to this research. Firstly, Van Maanen et al. in their forward to Kleinman and Copp's book talks of the 'unmitigated delight while engaged in the research process' (p. vii) as a result of too much admiration for the actors being studied. I would need

to admit to this bias, but I experienced not 'delight', but rather a feeling of deep respect for the people I studied. This was based on the fact that they always seemed to 'carry on' and do their utmost to ensure that solutions were found to the implementation problems which they faced.

Other points related to emotion and fieldwork are familiar to most qualitative social researchers, such as Kleinman and Copp's explanations of the problems of 'immersion versus analytic' ideas; the need to 'maintain continuous coverage', 'compulsive data collection' and 'taming the data set'. Partly because access to my field sites was relatively easy I have been in danger of all of the above. In addition, one unforeseen problem was the use of QSR NUD.IST which increased the *capability* for data analysis far beyond that which is possible using manual coding and analysis.

6.7.1 Interpretation

Interpretation is fundamental to ethnography; it is what the researcher does with the data derived in the field. Grounded in and based upon the hermeneutic tradition interpretation obviously occurs in all aspects of study, but Gadamer's (1989) definitions are perhaps the most appropriate for ethnography, mainly because he includes not just textual interpretation, but also the historical and cultural context of data sources. He also emphasises the importance of knowledge and understanding. It is in this spirit that interpretation has been used in this research. A comprehensive review of the 'school' of Interpretivism is given by Blaikie (1993) in his chapter on retroductive and abductive research strategies. The two protagonists of interpretism who are most commonly referred to in the organisational ethnography literature are

Douglas (1971) and Denzin (1970). Briefly, Douglas could be described as the more 'natural' of the two, accepting everyday life on its own terms, and Denzin the more interventionist.

In one of Denzin's later books *Interpretative Interactionism* (1989), the interactionist perspective is explained more succinctly:

> 'I refer to the attempt to make the world of the problematic lived experience of ordinary people directly available to the reader' (p. 7).

This in itself is no different to other ethenographers, but it is Denzin's definition of intervention coming about as a result of the interactions between researcher and actor which differentiates him:

> 'Strategic points of intervention into social situations can be identified. In such ways, the services of an agency and a program can be improved and evaluated' (p. 11).

Denzin conveys a message of intense seriousness, even worthiness. Interpretative Interactionism is used only for *problems*. The majority of his examples refer to: alcoholism, domestic violence, homelessness, and rage. The interventions border on the therapeutic and there is a belief that the revelatory work of the researcher can inform policy to bring about change. It is difficult to criticise Denzin's approach because of its rigour and thoroughness. However, the application of Interpretative Interactionism in its pure sense for policy implementation research is, I believe problematic and difficult. It is unlikely that more than one case could be studied due to the emotional intensity of such work. The interventionist perspective immediately

puts the researcher into some sort of an 'expert' role, because they believe they have the power to intervene. Given this, the research then becomes more akin to action research with important consequences for the findings.

Above all, it is difficult to see how such an approach could be compatible with a non prescriptive, non normative attitude towards implementation. Added to which, even if the researcher could adopt an interventionist approach, it is still unclear as to where the best point to intervene is in the policy-action continuum.

However, despite these drawbacks, it is also precisely Denzin's rigour which also makes his work helpful in respect of the criteria he describes for interpretation (p. 30). Table 6.2 compares his criteria with aspects of the research design used in this implementation research.

Table 6.2: *Comparison of Denzin's Criteria with Implementation Research Design*

Denzin (1989)	Implementation Research Approach
Situating Interpretation	Used Case Study Framework. Field Observation
Thick Description	Thick Description of Cases
Biographical Experience	Narrative derived from taped interviews
Process	Observation of Process

One criticism of my approach is that it could be accused of being rather a mix and match approach, which would be a fair criticism, but it is an approach which can be defended in the following way. The critical writings about ethnography concentrate

heavily on absolute taxonomies and the need for purity of method to the extent that the method becomes the end in itself, rather than the means. Added to which, there is very little reference to research practicalities and resource implications. Finally, one method alone is unlikely to be sufficient for such a complex and diffuse topic as policy implementation. Hence my choice of a mixed method; if it has to be labelled it can be done so as 'interpretative organisational ethnography'.

6.8   Overall approach taken and research design

If the preceding points regarding the need for implementation research to understand actor's causation are accepted, along with the need for health services research to pay more attention to the social and organisational reality of health services managers, then, what has been termed naturalistic enquiry, could offer some benefits to both researcher and host organisation. The corollary of naturalistic enquiry in methodological terms, is that the researcher has in some way to gain access to the real world of these actors and to note their account of their world.

How then might this be achieved? Douglas (1976) defines two approaches to natural social research, namely, direct observation and experimentally controlled observation. Bantz (1983) too, sees observation as the method typically associated with naturalistic research. Similarly, Glaser and Strauss's 1960s field work, leading to the enunciation of Grounded Theory, was based on observation.

Consequently, the overall approach taken towards designing this research has been based upon interpretative ethnography. The design has been built around four case

studies of strategic capital investment appraisal. Within the cases, data has been gathered by non participant observation. Some of the actors involved in the capital investment project teams were then interviewed in order to understand their own accounts of their involvement in the projects.

One of the challenges about designing a naturalistic study of implementation is the choice of policy problem. Another is that implementation does not happen over night, it takes time, so ideally, all such studies would be longitudinal. Equally ideally, an implementation study should be able to start with the policy formulation stage, its subsequent articulation into either legislation or guidance, its enactment and its continuation. However, the resource consequences of this approach are enormous, particularly in terms of time, added to which would be the delay in publishing meaningful results. Necessarily, therefore, design has to reflect some compromise.

The compromise in this research has been in terms of (i) time; data has been collected over a five year period as a proxy for longitudinal study, (Sabatier suggests a research period of a decade), and (ii) it has concentrated upon the enactment stage, partly because of the difficulty of accessing the policy formulators. However, the enactment stage is believed to be highly important if the definition of implementation being policy made into action is accepted.

The choice of strategic capital investment appraisal on the problematic was influenced by a number of factors. Firstly, the relationship between capital and healthcare is a fundamental one, as described in Chapter Two. Therefore, decisions about capital

will have an impact on local healthcare provision in the long term. Secondly, the 1990 NHS and Community Care Act introduced a new series of requirements for Capital Investment Appraisal. These requirements reflected the move towards a managed market within healthcare demanding commercial and competitive behaviour from managers. Thirdly, Capital Investment Appraisal is bounded, as it tends to be organised around project teams which are discreet and time limited and hence easier to study than more diffuse structures.

As a result of the introduction of an internal market into healthcare and the adoption of a new capital accounting mechanism for the NHS, managers have become responsible for implementing not only the policy initiatives themselves, but also their consequences. In terms of strategic capital planning, this has meant that the Business Cases for capital investments must now be completed with a demonstration that:

(i)   the investment is contiguous with national and local strategy

(ii) the investment is affordable

(iii) 'market' risk has been assessed

(iv) the 'business' viability of the operating unit is not endangered as a result of the investment.

In 1991 when these requirements were introduced, the vast majority of clinical, financial and general managers had little or no experience of this form of commercially based strategic investment appraisal. They were in a state of ignorance, their only official guidance available was in the form of a four volume Capital Investment Manual which had been grafted onto the more traditional public

investment guidelines, which had previously only required the identification of options for investment and a relatively simple cost benefit analysis.

6.8.1 Case study selection

Access was possible to four capital investment projects; these were for:

(i) A special resource centre for children with physical and emotional development problems.

(ii) The development of a new pathology laboratory within a major hospital.

(iii) The development of a private patients' wing within a hospital.

(iv) The overall redevelopment of a major teaching hospital.

The overall capital costs of the projects were £2.8, £4.0, £2.5 and £93 million respectively.

Continuous involvement was possible with each of the projects. None of the project teams met for longer than nine months, except for Case 4, and I attended each of the meetings which tended to occur on a three weekly basis. It was only possible to be involved in one case study at a time, and hence the aforementioned projects covered the period from 1991 to 1995

Each case study demonstrates different aspects of implementation and different tasks which had to be learnt. These tasks are itemised in Table 7.1 in Chapter Seven.

Access was made possible in a number of ways, primarily by established contacts from within the NHS developed when I worked as a general manager, and these contacts 'snowballed' as I commenced the research. One other case was started and this involved the redevelopment of a radiotherapy unit at a provincial teaching hospital. However, actors were unwilling to be involved in post implementation interviews, and therefore none of the data has been used here.

The literature which addresses case study research is remarkably rich and varied with some very accessible general works such as Yin (1994); Van Maanen (1988) and Stake (1995), taken together, these three texts greatly facilitated the construction of my own cases. In particular, the writing up of the four cases followed Stake's own extended case of 'The Harper School' (1995), I also used his report organisation template (p. 123) and 'Critical Checklist for a Case Study Report' (P. 131). These were modified into the case report structures presented in this research.

The writing up of a case study involves the researcher in the issue of 'thick' and 'thin' descriptions. Both Stake and Denzin provide succinct descriptions of 'thick and thin' writing. Thick writing attempts to allow the reader 'to share vicariously in the experiences that have been captured', whilst 'this description glosses, or gives a superficial, partial and sparse account of events' (Denzin, 1989, pp. 83, 87).

One of the issues whilst out in the field is to remember that eventually the case has to be written up; therefore the field notes are vital. My own field notes were kept in four columns for: substantive issues in CIA; process; direct speech (where thought useful)

and my own feelings about what was happening. These were vital for the writing up process. I also drafted 'a recollections' sheet after each case had finished in order to note down what seemed to be critical events which had 'occurred'. These recollections were then compared to what the actors said was critical when they were interviewed.

6.8.2 Observation

The definitional dilemma in terms of observation is whether it is participant or non participant. A comprehensive coverage of the issues involved in participant observation is given in McCall and Simmons (1969), and more recently in Jorgensen (1989). The literature takes great pains to delineate the *behaviour of the researcher* between participant and non-participant observation. The classification appears to rely on the timescale involved for the observation, the nature and function of the event and the degree of interaction.

An interesting example is given by Lowendahl (1994) and her role, originally as a non-participant observer in the 1993 Winter Olympics held in Norway but which eventually became participant as she was drawn into helping the athletes. She was also influenced by the very dramatic and exciting setting in which she was involved. Gill and Johnson (1991) emphasise the 'feeling' nature of the participant as opposed to the non-participant observer in their field roles. Bantz (1983), very importantly, emphasises that the social reality of the research is brought about through communication with the organisational actors. Consequently, the research report itself and observational notes are as much a part of the researchers' social construction as that of the organisation. Finally, as Schatzman and Strauss (1973) point out,

observation without listening is impossible which only serves to emphasise the degree of sensitivity and awareness which is needed in order to be aware of nuance of expression, verbal and non-verbal behaviour.

There is another issue in this type of research which often occurs in process based work and, especially, when the relationship between the researcher and actors is long term and that is the development of the role of a process consultant and *'in situ* interpreter' of events. To an extent this happened in this research and it was particularly strong in Case 3, where, because of my previous experience in private healthcare management and because I worked at a business school, I was asked for a technical opinion. Towards the end of some of the cases, actors would ask me how I felt a meeting had gone and what my views on current issues in the NHS were. The nearest definitions to these experiences can be found in the spirit of Argyris and Schoor's 'theory in use' and reflection in action approach. There would be some pieces of relevant theory which I would be aware of during the cases and I did share these with some people after meetings, if asked for an opinion.

Schein (1969) has produced one of the definitive works on process consultation, and he acknowledges the contribution in the 1970s of the organisational development school (Beckhard and Harris, 1987; and Blake and Mouton, 1976). Gummersson (1991) has operationalised some of the ideas from Schein and makes the definitional difference between the expert consultant and the process consultant - wherein the process consultant has an interactive relationship with the organisational actors. He

further provides a useful taxonomy of researcher/consultant roles and a discussion upon the complex and subtle changes in roles which can be adopted by the researcher.

6.8.3 Process

Observing and analysing process is perhaps the most difficult of the research tasks because almost all activity and behaviour can be described as processural. Perhaps if this had been a piece of social psychology research, then it would have been easier to delineate particular aspects of process such as group behaviour and action (Baron et al. 1993). Or, if an organisational diagnosis approach (Harrison, 1994) or full process consultation approach had been adopted, then some of the more standardised diagnostic instruments for process analysis could have been issued (a comprehensive list of these is given in Harrison: Appendix B, 1994).

However, this would have given a very different orientation to the research, perhaps with an over emphasis on the micro. As the research stands, in the strict social psychology sense of process, it is a compromise in terms of method. However, in the *interpretative* sense, there has been a conscious awareness of process at all times.

In order to try and convey the dynamism of what was observed, some aspects of the social psychology approach have in fact been used. In particular, the diagnosis of project meetings used a mixture of social psychological and ethnographic approaches. Schwartzman (1989, 1993) explains how the researcher can 'see' with meetings what is going on in an organisation. This involves observing conversation, non verbal behaviour, agenda setting, coming and going, and decision making. Of particular

importance for this research it also involves an awareness of problem solving, the interpretation by the actors of official guidance, making decisions and the generation of ideas and the exchange of information.

In order to try and add some structure to all this dynamic, the analysis section of the research (Chapter Eight) includes a report of critical events and decision charts. The use of critical events should be distinguished from critical *incident* technique as defined by Nyquist et. al. (1985). The critical events were identified in relation to the rational model and the key decision stages required within the 'Capricode' system. They were also identified in respect of critical interpersonal, behavioural or communication events which occurred.

Yamaguchi's (1991) work on event history analysis explains approaches which might be used in conjunction with observation, but overall it is more of a positivistic piece of work. A similar hope of methodological guidance was harboured for Carroll and Johnson's (1990) field guide to Decision Research, but this concentrates upon the cognitive process involved in making decisions, breaking down tasks into their component parts. Werner and Schoepple's (1984) ethnographic discussion of decision modelling was more helpful.

6.8.4 *Interviews, narrative and language analyses*
Two important design decisions were made very early on in this research. The first was to return to the cases to perform the interviews. Only in this way was some form of longitudinal perspective available. The second was to tape the interviews with the

aim of converting them into a textual narrative. Spradley's (1979) extensive work on ethnographic interviewing supports the idea of open, relatively unstructured, interviewing; for this is one of the key methods of trying to understand the actors' worlds.

Two of the main intellectual influences for the narrative analysis comes from Ricoeur (1981) and Potter and Wetherell. Riccoeur's fairly accessible explanation about the conversion of speech into text using writing, and then into a discourse with the *reader* seemed to fit the overall tenor of this research. A structural linguistic approach would not have been appropriate, although Potter and Wetherell's work is very comprehensive and provides a full range of explanatory concepts about discourse and analysis. Furthermore, their section on 'doing talking' in ethnography supports the attempts of discourse analysts in trying to understand language in everyday situations.

Potter and Wetherell's analysis of discourse also refers to the use of different levels of significance within language. They show how the researcher can build up a series of categories and sub types.

Finally, one of the most useful and practical books is from Riessman (1993) who manages to combine a good discussion about the meaning of narrative analysis with practical guidance about transcription and interpretation.

Fifteen taped interviews were used in this research, they each took from 90 - 120 minutes. These were then transcribed and entered into QSR NUD.IST for analysis,

this is described further in the next section. Interviews were used, not to look at the nuances of expression, nor inferred meaning from linguistic construction, but to gain some insight into the actors' world and their own interpretation of events throughout the capital appraisal projects. McCracken's (1988) work on the 'long interview' highlights many of the issues raised both for the researcher and for the actor.

Access was relatively straightforward, given that the actors interviewed had all been part of the project teams which I had observed. Only core members of the project team were interviewed and this was defined as those people who had continuous, influential and executive responsibility for the capital investment decisions. The number of people interviewed was also restricted because of how time consuming long, in depth taped interviewing is and because of the amount of data generated for subsequent analysis.

6.8.5 Validity, bias and researcher role

Much of the debate regarding the acceptability of qualitative methods in social and political research revolves around the question of objectivity. In terms of defining objectivity, researchers have the choice of the Popperrian hypothetic - deductive model if they wish to adopt a positivist stance or, as Kirk and Miller (1986) have set out, researchers can engage in a process of deeper understanding of the empirical world; hence their statement that:-

> 'There is a long-standing intellectual community for which it seems worthwhile to try to figure out collectively how best to talk about the empirical world, by means of incremental, partial improvements in understanding' (p. 11).

242

Such a definition of objectivity depends equally upon rigour in the research process as does natural science and hence reliability and validity are of paramount importance. The difference being that social science research pursues and describes reliability and validity in different ways to natural scientists.

Drawing upon their own analysis of the literature Kirk and Miller (1986) define reliability as the extent to which 'measurement' (or data gathering and analysis) give the same answer; i.e. the repeatability of research. Validity is defined as the extent to which the correct answer is produced. In order to achieve objectivity, i.e. the pursuit of reliability and validity, then the researcher needs to ensure that spurious and 'accidental' noise is absent from data and that as much rigour as possible is given to the interpretation.

These issues are pursued in great depth by those who write about qualitative research, in particular Guba and Lincoln (1985). However, a great deal of the debate revolves around defending qualitative research against quantitative research, when in effect most policy research, by necessity, involves both. Thus, in the analysis of decision making within the capital investment appraisals studied here, there was a great deal of quantitative data: whilst a processural approach to implementation, looks at *how* this data was interpreted and used, it must also take into account the nature of the hard data itself.

The use of independent data sources to support findings is always advocated for research rigour. In the anthropological arena this approach led to the development of

confirmatory methods and the reinterpretation of field notes and then the rephrasing of research questions from the same field notes. In the broader social sciences such an approach has been labelled triangulation or the use of mixed methods (Denzin, 1978; Webb et al. 1966). Jick's (1979) review of triangulation as an integration of quantitative and qualitative approaches is a practical discussion of the issues involved. In particular he emphasises not the convergence of findings, but in effect the usefulness of divergent results and stresses the need to understand contextual factors.

Whilst Jick acknowledges the difficulty of replication and Kirk and Miller counsel the researcher that they may be approaching their subject with 'theoretical baggage', none of these authors address the problems of reliability and validity of data *interpretation*. It is here that the loss of rigour may most easily emerge in the research process, mainly because of conscious or unconscious researcher bias.

The earliest signs of bias tend to emerge at the data coding stage and this is well covered by Miles and Huberman (1994). I had two sets of coding, one for the observational stage and one for the interviews. The only real way to expose bias is by having another researcher to code the same data for comparative purposes, but this in itself is problematic. The coding structure for the observations was developed after seven drafts. One of the real advantages of NUD.IST is that it allows for a memo facility at each stage of coding so at least the logic of coding can be followed. It is also very systematic and allows for the re-grouping of codes. Five coding revisions and amendments were completed for the interviews.

Bias cannot really be eliminated in such interpretative work. Accordingly, one can only make systematic efforts to recognise and compensate such bias. Ideally the findings of *this* research would be taken by others and then refuted or otherwise to really test validity and reliability.

The contextual history of the researchers' role, particularly within fieldwork, is presented by Adler and Adler (1987). They define a Continuum of Field Research Involvement (p. 33) ranging from peripheral, active or complete membership. The reason why the researcher's role is important is because of the impact upon (i) the results of the research and (ii) their impact upon the organisation and its actors.

Schein has a very helpful model which assists in understanding these relationship, and relates to what has been called the ORJI cycle:

Aston University
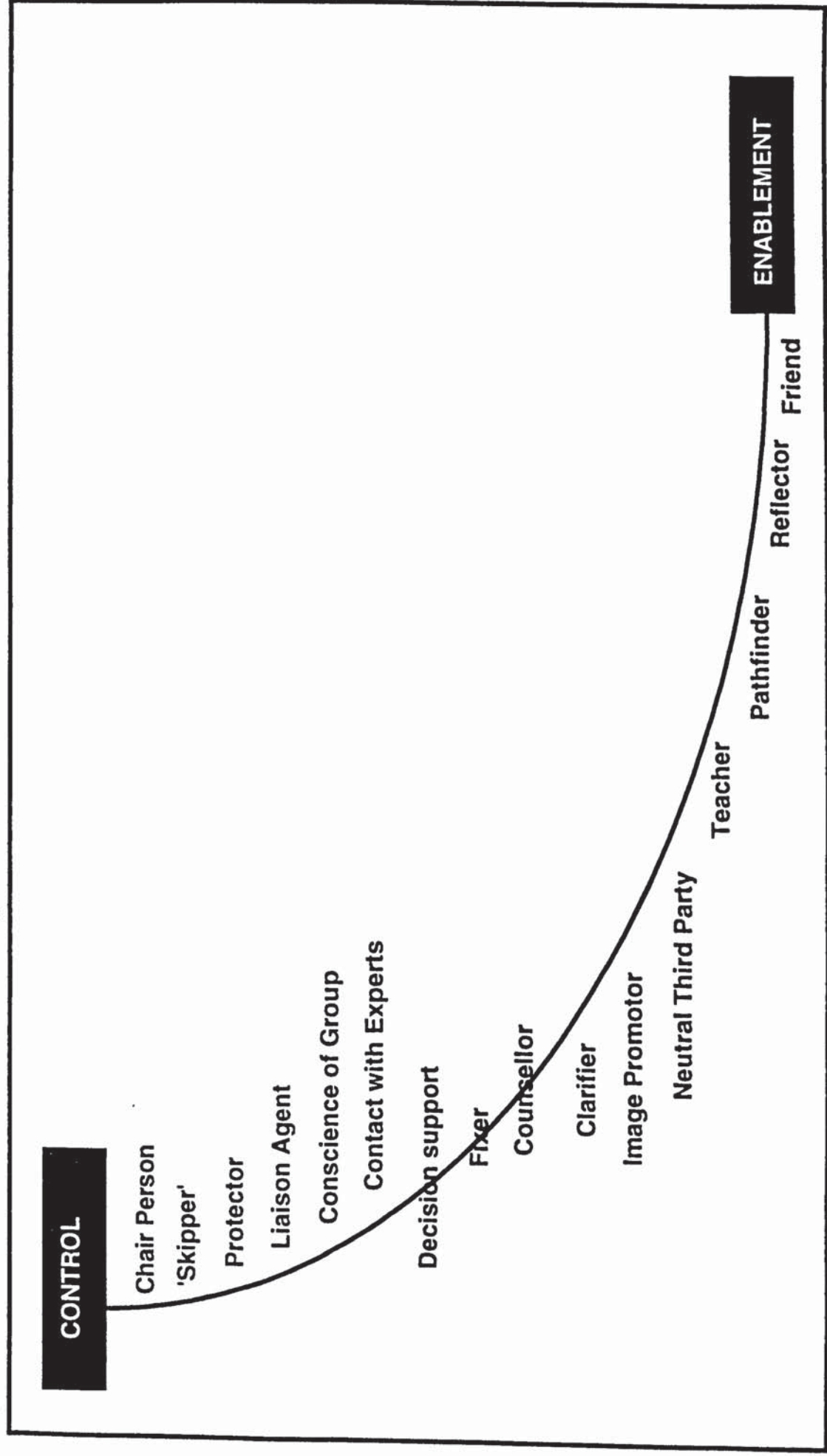
Illustration removed for copyright restrictions

(Source: Schein, 1987, p. 64 [adapted])

Figure 6.3 describes some of the roles which I experienced throughout the observation period, far from being neutral as described in the anthropological literature, the observation (O) did provoke a reaction (R) and resulted in a judgement (J) together with the conscious and unconscious adoption of one of various roles. Obviously, this type of self role recognition is complex and can change between cases as indeed it did. Thus, my role in Case 4 was far more passive than in Case 3.

Figure 6.3: Process Research: Role Continuum of the Researcher

CONTROL

Chair Person

'Skipper'

Protector

Liaison Agent

Conscience of Group

Contact with Experts

Decision support

Fixer

Counsellor

Clarifier

Image Promotor

Neutral Third Party

Teacher

Pathfinder

Reflector   Friend

ENABLEMENT

247

6.9   Analysis and theory building

Ethnographers distinguish between the *emic* and the *etic*, broadly defined as emic: specific and case based giving a more internal perspective, and etic being more external. Stake (1995) in his work on case study research distinguishes between etic research questions, wherein the researcher has sought to bring questions relating to their own agenda into the field and emic research questions which are those revealed by the actors and, therefore, presumably more pertinent to them.

The etic, emic distinction is important to the question of generalisability. From the perspective of anthropology emic, case based studies do not lend themselves to generalising and are very case specific, and as Manning (1987) has pointed out, British social anthropology had traditionally echewed model building and 'grand theories' (p. 14). However, political science and implementation studies have favoured the development of model development and theory building. It could be argued that the adoption of anthropological techniques into interpretative ethnography has begged the question of theory development or stopped short of full theory development, by way of being satisfied instead with the development of analytical typologies. This point has been thoroughly made by Firestone (1993) who argues that it is the very act of the *analysis* of qualitative data that is most useful and not just attempts to broadly generalise.

The research presented here has been used to develop a model of policy implementation which reflects the need for bureaucrats to learn. In so doing it has taken the grounded theory approach of Glaser and Strauss. The attraction of grounded

248

theory is because of its structured approach to analysis and its potential for rigour. Blaikie (1993) provides a brief but critical analysis of the approach and emphasises the historical background to Glaser and Strauss' work. Glaser and Strauss (1968) themselves emphasise the need for a systematic, staged approach to research and theory building. These stages cover data collection, coding and analysis. Grounded Theory is developed inductively from the data and field site and therefore has specific, relational relevance to the area under study. Thus their approach is high on validity but the real issue remains in terms of reliability and in turn, generalisability.

Glaser and Strauss's answer to this is the development of the *constant comparative method*. This is based upon taking the conceptual categories developed in the main research and then testing their relevance in other contexts and situations, paying particular attention to the *properties* of the categories and how they may need to be modified when 'testing' the theory. Chapter Eight on Data Analysis explains in detail how the conceptual categories and a description of their properties were developed for this research.

At its best and when conducted properly, the Grounded Theory approach can provide a strong explanatory theory. At its worst it can provide a helpful set of conceptual categories. The attractions of Grounded Theory for Implementation Research is four fold; firstly, it deals well with the messiness and complexity that is found because it is systematic and the categorical aggregation approach helps to inject some order. Secondly, it supports sensitive research methodologies such as observation and ethnographic data gathering; hence it has the capacity, unlike many deductive theory

approaches to deal with detail. Thirdly; it allows for trial and error, it evolves and permits modification and reformulation and hence this flexibility suits the broad ranging and changing nature of public policy. Finally, it prevents, to a large extent the researcher from imposing their own prescriptive theory on how the implementation should or should not be.

Of course, prior to the ability to develop theory, the researcher needs to gather data, manage the data handling and analyse the information. The data gathering stages have already been described but it is worth commenting upon data handling. Very large amounts of information were gathered during the case studies. This information ranged from the technical, including quantitative data from the investment appraisal, the finished business cases themselves and all the process data derived from the observations.

A field note book for each case was kept which was marginalised for substantive issues; behaviour and critical events. Direct quotes or comments were recorded as far as possible verbatim within these notes. The most comprehensive and useful field guide for this work was Miles and Huberman (1994) and Sigismund Huff (1990). Whilst both books purport to be about the analytical phases of research, they each have excellent graphics and common sense descriptions about data gathering and, in particular, how to bound the remit of the data gathering.

In terms of data management for the observational phase, each set of raw notes were retained in separate files in the original hand recorded form. These were then used to

construct the written cases. The data handling and management for the interview stages was different as all the information was stored on audio tape and computer diskettes using QSR NUD.IST. Explanations about the data analysis are given in Chapter Eight, but it is helpful to explain something of the nature of computerised linguistic analysis.

6.10   Using QSR NUD.IST

In their assessment and evaluation of computerised software for qualitative data analysis Miles and Huberman (1994) rank NUD.IST as 'not too friendly' to 'fairly friendly' (p. 316). They were ranking it in relation to such packages as 'Ethnograph', HyperQual and QUALPRO. On reflection, and having used NUD.IST, this is rather an unfair summary, although I should point out that I have not used the other packages. Such is the power of Miles and Huberman as a key source text that many researchers have shied away from using NUD.IST because of its so called reputation.

Perhaps the best way to approach NUD.IST is in the frame of mind that one would have used LOTUS 123 spreadsheets 15 - 20 years ago, i.e. they were at a very developmental stage, the operating logic is not as smooth and seamless as one has come to take for granted of software, but there is potential and power for sophisticated analysis.

NUD.IST is the perfect partner for Grounded Theory; its developers, the Australian couple Lyn and T.J. Richards, are qualitative researchers and computer programmers, and the programme uses much of the logic and behaviour of Grounded Theory.

Perhaps the first thing to understand is what the acronym stands for because in effect this describes what the package is capable of.

NUD.IST means Nonnumerical, Unstructured Data, Indexing, Searching and Theorising and this is precisely what it does. The problem is, as with all software, it has its own precise routines and sequential logic to achieve this and the researcher must follow these routines. In addition, more than a working understanding of qualitative research is needed. It would seem to be far better learning how to do qualitative research *and then* using NUD.IST rather than the other way around.

The technical issues are important too. The interviews were taped and transcribed but NUD.IST version 3 will only accept 'Courier 10' format. When the transcripts are transferred into an ASCII file, they can be imported 'on line' into the main programme. The full details of this are described in the workshop and user manual (Qualitative Solutions and Research 1995). Thus, it is time consuming to use and there is a great deal of pre-analysis preparation.

The stages of analysis again are described in detail in Chapter Eight. The great advantages of NUD.IST are its massive data handling capacity, the ability to code in words and then see these codes displayed graphically as an Index Tree. The codes can then be moved around on the tree to demonstrate relationships. Thus it mirrors the Grounded Theory categorical aggregation approach with its associated description of properties.

As coding proceeds, memos can be constructed which allow the meaning and logic of the chosen code to be recorded. It is then possible to search all the narrative from the interviews in the same way as in advanced word processing.

However, the real value of NUD.IST lies in the ability to qualitatively cross tabulate and search the index (or coding) system. By doing this the full text associated with all similar codes within the tree system are produced which would be virtually impossible with a manual system. In this way it is possible to interrogate the coding system and so begin to replicate something of Glaser and Strauss's *constant comparative* method.

NUD.IST is certainly complicated and difficult to familiarise oneself with using the manual alone. The Richards have trained a number of researchers themselves who act throughout the world as trainers. One such centre is at Cranfield University School of Management. I attended the two workshops held there by Silvana di Gregoria and this intensive approach made use of the programme much easier.

6.11   Feasibility, technicalities and resources

The quality of the data introduced into NUD.IST is very much a function of the taping and transcription process. I discovered that a number of the interviewees were uncomfortable with being taped; two totally refused to be taped and their interviews were taken down by myself in longhand. To this end I changed the tape recorded to a very compact Sony model with silent controls and more importantly used a Sony Omni directional microphone which meant that only the microphone was visible; this seemed to relax people more.

253

Much of Implementation research is about feasibility, particularly in terms of access and resources. Some of it is also about comprehension. Gummerson (1991) discusses the need for pre-understanding in some form of qualitative research. So too for this sort of policy analysis: the discussions at the project teams were immensely complicated, all using specific language relating to health care management and capital investment appraisal. As such it was important to have some prior understanding of these issues in order to interpret the processes and substantive outcomes which occurred.

But perhaps one of the most influential reasons as to why longitudinal, ethnographic research is not used extensively in implementation research is because of the resource implications both in terms of time and money. The project team observations took up to three hours each and were repeated at least once every three weeks for nine months. Transport costs were high and travelling times equally long.

Finally, an important part of the research method has been the extended literature review. Traditional political science research has tended to have a fairly narrow literature focus. However, increasingly such a tradition fails to fully explain the complexities of public policy analysis (March, 1997). Now, a broad, but in depth review of related fields is required. Hence this is why this research has also incorporated public management and organisational behaviour literature into its review.

The most helpful data bases for this have been BIDS (Bath Information Data Service) and BIDS, **Uncover,** which is incredibly up to date being only about eight to ten weeks behind the current date. ABI Inform and Business Periodicals on disk were quite helpful, but had a strong US bias; Sage Public Administration Abstracts (quarterly in hard copy) were important, and comprehensive. Finally, the Department of Health (DoH), Data Star data base provided citations specific to the British NHS.