

The 'Post-Bureaucratic' Public Sector Organisation? New Organisational Forms in Ten UK Public Sector Organisations

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Public sector organisations have been, arguably, under three, interlinking, sets of pressures to restructure, over a period of up to 25 years. First, there are broader organisational trends, emanating from the private sector, away from hierarchy and bureaucracy, to more responsive, flat and flexible forms, reported as part of the discourse of the 'post-bureaucratic' organisation. Second, public sector organisations have had to embrace more marketised relationships through the introduction of internal quasi-markets or through network relationships with private sector service providers. Further, new private sector management techniques have been introduced, as part of the lexicon of the 'new' public management (Deem, 2004; Cochrane, 2002; Ferlie *et al*, 2003; McNulty and Ferlie, 2002; Wallace, 2004). Third, and relatedly, public sector organisations have been under considerable pressures, with some notable exceptions, to cut costs and make 'efficiency' savings.

A new organisational paradigm emerged in the past decade, with the 1990s replete with authors, particularly in the USA, urging large corporations to rethink their internal governance, that is, how they structure and strategise. After sixty years of employing a hierarchical and bureaucratic multi-divisional form with multiple layers of management and a fairly safe career structure for managers and workers based on a well developed internal labour market, this was a model no longer suited to more volatile market conditions due to an intensified international competitive environment from Japan. Child and McGrath (2002), for example, point to four organisational pressures to reform including greater organisational interdependency, the disembodiment of performance from asset ownership, business practice velocity and power based on knowledge. The prescription offered by the US 'guru' literature, meanwhile, was to dismantle the bureaucratic-hierarchical form by downsizing and layering, to focus on core activities, to introduce flatter, more responsive, structures and to re-engineer the business process (Drucker, 1992; Hammer and Champy, 1993; Handy, 1995; Kanter, 1989; Peters, 1992).

Similarly, Heckscher and Applegate (1994) argued that there were excessive managerial levels in organisations leading to increased bureaucracy, reduced accountability, remote decision making, excessive monitoring and poor communications. The end of the 'classic' US organisational form in the USA and UK has been widely heralded. The classical, multidivisional form, typified by GM and AT&T which was characterised by centralised control of centralised operations, a bureaucratic hierarchy of seven management layers, vertical integration, an internal labour market and relative managerial job security, was to be replaced by vertical disintegration with a concentration on core activities, a more open labour market, a flatter structure and relative managerial job insecurity, in the post-bureaucratic organisation (Heckscher and Applegate, 1994).

While private sector organisations were fundamentally rethinking their way of organising, contemporaneously public sector organisations were faced with a radical restructuring of their operations in response to neo-liberal governments, particularly in the Anglo-Saxon countries such as the US, UK, Australia and New Zealand (Osborne and Gaebler, 1992; Pollitt *et al*, 1998). This involved the shrink-

ing of the state (and a consequent greater involvement of the private sector), the introduction of a quasi-market within the remaining public sector (Welsh, 1995) and the introduction of a creeping managerialism under the guise of the new public management (Broadbent and Laughlin, 2002; Clarke and Newman, 1997; Exworthy and Halford, 1999; Ferlie *et al.*, 1996; Hoggett, 1996; Laffin, 1998; Reed, 2004; and Reed and Anthony, 2003).

Research evidence points to slimmer organisations, operating in increasingly complex environments due to market interventions (Cooke *et al.*, 2004; Entwistle and Martin, 2005; Ezzamel *et al.*, 2004; Farrell and Morris, 2003; and Rubery *et al.*, 2002), and work intensification for those remaining in the public sector (Gleeson and Shain, 1999; Keen and Scase, 1996; and Keen and Vickerstaff, 1997).

This paper will further this debate by drawing upon data collected on organisational restructuring in 10 UK public sector organisations which include two local authorities, two national health service trusts, two police forces, two civil service agencies, an 'arms length' owned municipal bus service and a public service broadcast provider³.

The paper will report that the extent of organisational restructuring is mixed, with fairly radical change occurring in certain organisations (local authorities and the NHS) and more incremental change in others (the civil service agencies). Evidence is available of downsizing and delayering and of changing organisational boundaries. These changes have been driven almost exclusively, however, by a need to reduce costs and in response to policy agendas, rather than for reasons of flexibility, as the private sector guru literature would suggest. Organisations are in the main 'leaner' and less hierarchical and they are also involved in more complex network arrangements, often with private sector providers. They are not, as the term strictly implies, however, post bureaucratic.

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