MANAGING PEOPLE IN THE PUBLIC SERVICES

Also by David Farnham

PERSONNEL MANAGEMENT IN CONTEXT

THE CORPORATE ENVIRONMENT

EMPLOYEE RELATIONS

UNDERSTANDING INDUSTRIAL RELATIONS

(with John Pimlott)

PUBLIC ADMINISTRATION IN THE UNITED KINGDOM

(with Malcolm McVicar)

Edited by David Farnham and Sylvia Horton

MANAGING THE NEW PUBLIC SERVICES

MANAGING PEOPLE IN THE PUBLIC SERVICES

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and
Sylvia Horton

with contributions by Susan Corby, Lesley Giles,
Barry Hutchinson and Geoff White

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Contents

<i>List of figures and tables</i>	viii
<i>List of contributors</i>	x
<i>Preface</i>	xii
<i>Abbreviations</i>	xvii

PART I BACKGROUND

1	Continuity and Change in the Public Services	3
	<i>David Farnham and Sylvia Horton</i>	
	Public Goods	4
	Scope of the Public Sector	5
	Characteristics of Public Services	7
	The New Public Policy	21
	The New Public Management	24
	People Management in the Public Services	31
	Conclusion and Evaluation	39
2	Traditional People Management	43
	<i>David Farnham and Sylvia Horton</i>	
	People Management in the Early Civil Service	44
	The Genesis of People Management in Local Government	50
	People Management in the Interwar Years	55
	Public Services and the Postwar Settlement	63
	The Professionalization of People Management	74
	Conclusion and Evaluation	80

PART II CASE STUDIES

3	The Civil Service	93
	<i>Sylvia Horton</i>	
	Scope and Features	95
	The Personnel Function	103
	Recruitment and Selection	107
	Equal Opportunities	112
	Conditions of Service	116
	Pay Rewards and Performance	120
	Industrial Relations	130
	Training and Development	136
	Conclusion and Evaluation	143
4	The National Health Service	149
	<i>Susan Corby</i>	
	Recent Reforms and Structural Change	150
	The Personnel Function: Some Emerging Issues	154
	Staffing and Employment Resourcing in Trusts	162
	The New Industrial Relations	171
	Training and Staff Development	176
	Conclusion and Evaluation	180
5	Local Government	185
	<i>Geoff White and Barry Hutchinson</i>	
	Structure and Finance	186
	The Workforce	194
	The Personnel Function	197
	Employment Resourcing and Performance	
	Management	206
	Industrial Relations	215
	Staff Development	219
	Conclusion and Evaluation	00
6	Education	225
	<i>David Farnham and Lesley Giles</i>	
	Educational Policy	226
	People Management in Schools	228

Terms and Conditions in Schools	235
Post-Professional Training and Appraisal in Schools	240
Further and Higher Education	245
The Personnel Function in Colleges and Universities	252
Pay Determination in the Post-School Sector	257
Conditions of Employment in Colleges and New Universities	260
Staff Development and Appraisal in FE and HE	264
Conclusion and Evaluation	266
7 The Police	270
<i>Sylvia Horton</i>	
Organization, Functions and Structure	272
The Workforce	278
The Personnel Function	281
Recruitment, Selection and Promotion	282
Equal Opportunities	285
Pay and Conditions of Service	289
Industrial Relations	294
Training and Development	299
Conclusion and Evaluation	307
PART III ASSESSMENT	
8 Towards a New People Management?	315
<i>David Farnham and Sylvia Horton</i>	
Pressures for People Management Change	317
The Personnel Function	324
Management Style	331
Employment Practices	338
Industrial Relations	342
Role of the Employer	346
Conclusion	350
<i>Bibliography</i>	360
<i>Index</i>	386

List of figures and tables

Figures

1.1	The people management cycle in the public services	34
3.1	Gender structure of the non-industrial Civil Service, 1994	102
3.2	Percentage of ethnic minorities in Administration group, 1992–94	114
3.3	Inland Revenue pay structure, 1994	128
3.4	Core competences and training programmes for senior open structure, 1994	140
7.1	Traditional rank structure in the police	276
7.2	Percentage of minority ethnic officers in England and Wales, 1988–93	288
8.1	TPM and NPM compared	323

Tables

1.1	Employment in the UK public services, 1994	11
1.2	Public-sector workforce, 1978–93	12
1.3	Trade union recognition in the public services, 1980, 1984 and 1990	16
1.4	Aggregate union membership density by sector of employment, 1984 and 1990	18
2.1	Distribution of the civilian workforce in the UK by gender, 1949–68, selected years	67

2.2	Numbers of male and female employees in UK public administration, 1949–68, selected years	67
2.3	Numbers employed by the local authorities and police forces, 1953–68, for selected years	68
3.1	Size and composition of the Civil Service, 1902–94	98
3.2	Civil servants in the main occupational groups, 1994	100
3.3	Numbers of competitions for recruitment to grade 5 and above, 1986–94	111
3.4	Secondments in the Civil Service, 1979–94	111
3.5	Remuneration of top 11 chief executives of agencies, 1994	123
3.6	Salaries of top civil servants, 1995	123
3.7	Civil service unions, 1979, 1985 and 1994	131
4.1	NHS workforce, 1981–93	156
4.2	Membership of key unions in the NHS, 1988 and 1992	173
5.1	Distribution of local government employment in England and Wales by type of local authority, 1994	190
5.2	Changes in local government employment (FTEs), 1979–94	191
5.3	Local government success in winning contracts, 1984–94	193
5.4	Main local government bargaining groups, 1993	207
5.5	Authorities adopting local collective bargaining for APT&C staff	212
7.1	Police and civilian staff by headcount, 1961–94	279
7.2	Police in post by rank and gender, 1978–94	286
7.3	Police pay settlements, 1983–89	292

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Preface

This book complements an earlier one, co-edited by the editors of this volume, *Managing the New Public Services* (1993 and 1996, forthcoming). Our starting point is identical with that of the earlier book: that the UK's public services have been subjected to considerable political, organizational and managerial changes since the late 1970s. The first book assessed the impact of these changes on the reformed public services, described how they are being managed and provided an analysis and critique of the new managerialism within them. This book takes the analysis further, by focusing on the principal people management issues associated with change in the public services. People management is concerned with the activities, processes and systems through which those in authority in organizations manage their workforces. It begins when staff are recruited and selected in organizations and ends when they are exited, due to resignation, retirement, dismissal or redundancy. The public services, in turn, are broadly defined as those organizations whose current and capital expenditure are funded primarily by taxation, rather than through the direct sale of their services to individual or corporate consumers. Within the UK public services, the Civil Service, National Health Service (NHS), local government, education and the police provide the focuses for this study.

We believe this book is a timely one. First, the public

services are large-scale employers of people and the ways in which people are being managed within them are changing rapidly. These changes are of interest to managers, staff and students of the public services and they need to be recorded, examined, compared with past practices and evaluated. Second, there is no current personnel management text which describes and analyses people management issues in the public services, either generically or by sector (Torrington and Hall, 1991; Armstrong, 1993; Sisson and Storey, 1993; Beardwell and Holden, 1994; Storey, 1994). Further, some personnel management texts tend to be prescriptive of what good personnel practice is and make only passing reference to the state as an employer. They make no distinction between how people are managed in the public sector compared with the private sector. They certainly do not explore the different contextual and philosophical assumptions underpinning the people management process in public-service organizations from those in the private sector. Third, the public services have claimed for many years to be 'model' employers, pursuing fair and reasonable employment policies and acting as exemplars of good practice for private employers to follow. That orthodoxy needs to be reassessed, in the light of recent changes and developments in people management in public-service organizations.

This book has three aims. The first is to describe and analyse past practices and current developments in the managing of people in the public services. The second is to compare and contrast current people management and employment practices amongst public-service organizations, in conditions of change. The third is to examine some of the factors making people management and employment relations in the public services both different from and similar to those in the private sector.

The book is in three parts. Part I examines the background to the UK's public services. Initially, the editors look at the elements of continuity and change in the public services. They discuss the distinguishing features of the public services, the impact of the new public management upon these organizations and the basic elements of

people management within them (Chapter 1). The editors then explore the origins, genesis and maturation of traditional people management (TPM) and the legacy of history upon people management policies and practices, focusing particularly on central and local government. They go on to identify five essential features of TPM: an administrative personnel function; a paternalist style of management; standardized employment practices; collectivist patterns of industrial relations; and the state's role as a model employer (Chapter 2).

Part II consists of five case studies. These detail the most significant changes taking place in people management policies and practices in the public services, since the late 1970s. Horton examines the Civil Service, where she details the innovations taking place in recruitment and selection, equal opportunities, conditions of service, pay rewards, industrial relations and training and development. She concludes that, amidst continuity and change, a 'quiet revolution' has taken place over the last 15 years and that a system of 'new people management' (NPM) is emerging (Chapter 3). Corby analyses recent reforms and structural change in the NHS, focusing particularly on NHS trusts which are the major employers of health service staff. She highlights the impact of these reforms on the personnel function, personnel policy, staffing, employment resourcing, pay determination, staff organizations and training and staff development. In her view, strong elements of TPM remain in the NHS but TPM is not going unchallenged by managers. (Chapter 4).

The changing nature of people management in local government is examined by White and Hutchinson. They focus on the evolving structure of local government employment, the emerging personnel function, the changing cultures of local government – especially the impacts of compulsory competitive tendering and performance management – developments in collective bargaining and the ways in which training is being organized, now that the Local Government Training Board has been absorbed within the Local Government Management Board. Whilst observing a shift towards more proactive forms of man-

aging people, they argue that local government has been the public service least affected by the new managerialism and NPM. They claim that this is largely due to the continued independence of local from central government and that control of public spending will continue to be a key influence in shaping personnel policies in local government (Chapter 5).

Farnham and Giles examine developments in people management in schools, further education and universities. They identify and discuss the major legislative changes which have resulted in Local Management of Schools and removed further education and the new universities, formerly polytechnics, from local authority control. The people management innovations analysed include the removal of collective bargaining for school teachers and the establishment of a pay review body, staff appraisal and staff development, new employment contracts, the personnel function in colleges and universities and collective bargaining reform in the new universities. They conclude that there has been a balkanization of people management in all sectors of education and a shift towards NPM, with important changes in the personnel function (Chapter 6).

Horton considers current people management issues in the police. Having identified the special nature of the police service, and its increased civilianization, she discusses the personnel function, recruitment, selection and promotion, and equal opportunities. She then considers pay and conditions of service, industrial relations and training and development. She concludes that although in some respects people management changes in the police have been distinctive, the general direction of change is following the pattern identified throughout the public services (Chapter 7).

In Part III, the editors assess the nature and extent of NPM. They contrast it with TPM and identify its essential features as: a strategic personnel function; a rationalist style of management; flexible employment practices; a mixture of collectivist and individualist patterns of industrial relations; and a new role for the state in people management (Chapter 8).

The completion of a book like this would not have been possible without the collaboration, commitment and goodwill of its contributing authors and the publishers. We would like to thank all our colleagues for meeting their deadlines and making our job as editors a relatively easy one. Our thanks are also due to colleagues at the University of Portsmouth, Andrew Massey, for reading Chapter 3, Steve Savage and Barry Loveday, for reading Chapter 7, and Jackie Cooper and Lesley Giles for providing editorial assistance at crucial times. We would also like to thank our editor at Macmillan, Stephen Rutt, for his support in commissioning this book, ensuring its smooth progress in-house and getting it published on time. As co-editors, we alone remain responsible for the final product.

University of Portsmouth
September 1995

DAVID FARNHAM
SYLVIA HORTON

Abbreviations

ACAS	Advisory Conciliation and Arbitration Service
ACC	Assistant Chief Constable
ACPO	Association of Chief Police Officers
AEEU	Amalgamated Engineering and Electrical Union
AHA	area health authority
AL	advanced level
APO	area personnel officer
APT&C	Administrative Professional Technical and Clerical
APSG	Accelerated Promotion Scheme for Graduates
ATL	Association of Teachers and Lecturers
AUCL	Association of University and College Lecturers
AUT	Association of University Teachers
BCU	Basic Command Unit
BMA	British Medical Association
BT	British Telecom
CAT	college of advanced technology
CC	Chief Constable
CCT	compulsory competitive tendering
CEF	Colleges Employers Forum
CFE	college of further education
CHE	college of higher education
CID	Criminal Investigation Department
CLA/EIS	College Lecturers Association of the

	Educational Institute of Scotland
CLEA/ST	Council of Local Education Authorities and School Teachers
COHSE	Confederation of Health Service Employees
CPIS	computerized personnel information system
CPSA	Civil and Public Services Association
CPU	Central Planning Unit
CRE	Commission for Racial Equality
CSC	Civil Service Commission
CSD	Civil Service Department
CSU	Civil Service Union
CSSU	Council of Civil Service Unions
CSMC	Civil Service Management Code
CSPCSC	Civil Service Pay and Conditions of Service Code
DCC	Deputy Chief Constable
DES	Department of Education and Science
DFE	Department for Education
DHA	district health authority
DHSS	Department of Health and Social Security
DLO	Direct Labour Organization
DoE	Department of the Environment
DoH	Department of Health
DDPO	Departmental Disabled Persons Officer
DSO	Direct Service Organization
DTC	District Training Centre
DVLA	Driver Vehicle Licensing Agency
EIS	Educational Institute of Scotland
EO	executive officer
EOC	Equal Opportunities Commission
EOG	Establishment Officers Guide
EOO	Equal Opportunities Officer
EOU	Equal Opportunity Unit
ERA 1988	Education Reform Act 1988
ESG	Education Support Grant
ESTACODE	Establishments Code
FBU	Fire Brigades Union
FDA	First Division Association
FE	further education

FEC	further education corporation
FHEA 1992	Further and Higher Education Act 1992
FHSA	Family Health Service Authority
FMI	Financial Management Initiative
FTE	full-time equivalent
GCHQ	General Communications Headquarters (Cheltenham)
GDP	gross domestic product
GEST	Grants for Educational Support and Training
GLC	Greater London Council
GMB	General Municipal and Boilermakers
GMS	Grant Maintained Status
GP	general practitioner
HE	higher education
HEC	higher education corporation
HEO	higher executive officer
HEOD	higher executive officer development
HM	Her Majesty's
HMIC	Her Majesty's Inspectorate of Constabulary
HMSO	Her Majesty's Stationery Office
HoD	head of department
HRD	human resources development
HRM	human resources management
IAC	Interim Advisory Committee
ICC	Intermediate Command Course
IDS	Incomes Data Services
IIP	Investors in People
INLOGOV	Institute of Local Government Studies
INSET	In-service Education and Training
IPD	Institute of Personnel and Development
IPM	Institute of Personnel Management
IPMS	Institution of Professionals Managers and Specialists
IRSF	Inland Revenue Staff Federation
IT	information technology
JCC	joint consultative committee
JNC	joint negotiating committee
LACSAB	Local Authorities Conditions of Service Advisory Board
LEA	local education authority

LEATGS	Local Education Authority Training Grants Scheme
LGA 1988	Local Government Act 1988
LGA 1992	Local Government Act 1992
LGB	Local Government Examination Board
LGMB	Local Government Management Board
LGPLA 1990	Local Government Planning and Land Act 1990
LGTB	Local Government Training Board
LMS	Local Management of Schools
LNNC	Lecturers National Negotiating Committee
LPA	Local Police Authority
MBA	Master of Business Administration
MCG	management consultancy group
MCI	Management Charter Initiative
MoD	Ministry of Defence
MPS	Metropolitan Police Service
MSF	Manufacturing Science and Finance Union
NATFHE	National Association of Teachers in Further and Higher Education
NHSME	National Health Service Management Executive
NHSTA	National Health Service Training Authority
NHSTD	National Health Service Training Division
MINIS	Management Information System
NIPSA	Northern Ireland Public Service Alliance
NME	new mode employer
NUJ	National Union of Journalists
MPO	Management and Personnel Office
MP	Member of Parliament
NSG	National Steering Group
NAHT	National Association of Head Teachers
NALGO	National and Local Government Officers Association
NAS/UWT	National Association of Schoolmasters/ Union of Women Teachers
NHS	National Health Service
NJC	national joint council/committee
NJCLFE	National Joint Council for Lecturers in Further Education

NJIC	national joint industrial council
NPM	new people management
NUCPS	National Union of Civil and Public Servants
NUPE	National Union of Public Employees
NUT	National Union of Teachers
NVQs	National Vocational Qualifications
O&M	organization and methods
OCSC	Office of Civil Service Commissioners
OECD	Organization for Economic Cooperation and Development
OFSTED	Office of Educational Standards
OMCS	Office of the Minister of the Civil Service
OPS	Office of Public Service
OPSS	Office of Public Service and Science
PA	police authority
PAMs	professions allied to medicine
PAT	Professional Association of Teachers
PCEF	Polytechnic and Colleges Employers Forum
PCFC	Polytechnics and Colleges Funding Council
PF	Police Federation
PI	performance indicator
PL	principal lecturer
PMCA 1994	Police and Magistrates Courts Act 1994
PMS	performance management system
PNB	Police Negotiating Board
PO	principal officer
POA	Prison Officers Association
PRB	pay review body
PRP	performance related pay
PRU	Pay Research Unit
PTC	Police Training Council
RAS	Recruitment and Assessment Services Agency
RHA	regional health authority
RTA 1965	Remuneration of Teachers Act 1965
SC	Special Constable
SF	Superintendents' Federation
SL	senior lecturer
SLA	service level agreement
SOCPO	Society of Chief Personnel Officers

SOCS	Scottish Office Central Statistics
SCPS	Society of Civil and Public Servants
SHA	Secondary Heads Association
SOS	senior open structure
SPOA	Scottish Prison Officers Association
SSA	Standard Spending Assessment
SSC	Senior Command Course
SSRB	Senior Salaries Review Body
STSC	Scottish Teachers Salary Committee
STRB	School Teachers Review Body
TGWU	Transport and General Workers Union
TSRB	Top Salaries Review Body
TOPO	training of personnel officers
TOTO	training of training officers
TPCA 1987	Teachers Pay and Conditions Act 1987
TPM	traditional people management
TRIST	TVEI-related in-services training
TQM	total quality management
TUC	Trades Union Congress
TUPE 1981	Transfer of Undertakings Protection of Employment Regulations
TVEI	Technical and Vocational Education Initiative
UCATT	Union of Construction Allied Trades and Technicians
UMRG	Universities Manpower Review Group
UK	United Kingdom
WIRS	Workplace Industrial Relations Survey