Outsourcing to trusts: a social exchange analysis of the employee experience

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OUTSOURCING TO TRUSTS:

A SOCIAL EXCHANGE ANALYSIS OF

THE EMPLOYEE EXPERIENCE

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Thesis Submitted for the Degree of Doctor of Philosophy

Oxford Brookes University

Department of Business and Management

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To Mum and Dad

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Ivan Mitchell
Oxford Brookes University
December 2013

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ABSTRACT

The outsourcing of public services often involves public sector workers transferring their employment to a private or non-profit company, yet little is known about what this transition is like for the employees themselves. This thesis investigates the employee experience of 'being outsourced' in the public leisure sector, which is an under-researched area, and concentrates attention toward the implications for the employment relationship. The research draws on social exchange theory as way of conceptualising the employment relationship and henceforth explores changes to it during the process of outsourcing. The research is primarily based on three longitudinal case studies (leisure services outsourced to Leisure Trusts) which includes the collection of 85 semi-structured interviews. In general, the findings suggest that the pre-transfer experience of outsourcing is likely to be a difficult emotional process to go through, with post-transfer implications including the worsening of terms and conditions and less than expected developmental opportunities. Yet, despite the difficulties of the transition, the findings also challenge the notion that the longer-term post-transfer implications are 'all negative' for employees, especially with regards to the quality and socioemotional side of the employment relationship – however these latter outcomes seem to be heavily dependent on the values and managerial style of the Leisure Trust managers, as well as any changes made to terms and conditions.

Key Words: The Employment Relationship; Social Exchange Theory; Public Service Outsourcing; Leisure Trusts; Critical Realism

PART ONE

THE INTRODUCTION TO THE THESIS

CHAPTER ONE
THE INTRODUCTION

There is nothing wrong with change, if it is in the right direction.

── **Winston Churchill**

1.1   THE RESEARCH AGENDA

Over recent decades, public sectors across much of the industrialised world have gone through extensive change in how they organise and deliver public services and how they engage relationship with employees. In the United Kingdom (UK), as elsewhere, there have been shifts away from the traditional delivery of public services through the creation of institutionalised linkages with the private and non-profit sectors (Deakin and Walsh, 1996; Grimshaw, et al., 2002; Ackroyd et al., 2007). These linkages have, by and large, been driven by an ancestry of neoliberal reform programmes 'designed' to improve the economic value, efficiency or effectiveness of public service provision (Osborne and Gaebler, 1992; Boyne, 1998; Pollitt and Bouckaert, 2004). Certainly they have emerged as part of the wider backcloths of 'new public management' (Hood, 1991) and the 'fragmenting of organisations' (Marchington et al., 2005).

Against this background, therefore, public service outsourcing has been a central component of the transformation of public services. Indeed, since the enactment of 'marketisation' in the late-1980s, the move towards 'contracting-out' public services and their employees to the private or non-profit sectors has proliferated (Walsh, 1995; Forssell and Noren, 2007; Davies, 2011). In local government, outsourcing has taken place in a wide range of service areas; including, health and social care (Cunningham, 2008), housing and benefits (Arkani, 2005), information technology (Cordella and Willcocks, 2009), employment services (Grover, 2009), refuse collection (Dreyfus et al., 2010), and leisure services (Hodgkinson and Hughes, 2011), to mention but a few. Outside of local government,

outsourcing has extended to facets of the civil service (Willcocks and Kern, 1998), education (Herath and Ahsan, 2006), health (Grimshaw et al., 2002), and the armed forces (Hartley, 2002).

Given this proliferation of public service outsourcing the question naturally arises as to its implications for the communities, the services and the employees involved. The implications for employees, in particular, is an important aspect to consider as, when it comes to managing the 'workers' who deliver the services, the public sector has historically aligned itself as being a 'model employer' (Morgan and Allington, 2002). For, as Farnham and Horton (1996) point out, the public sector has traditionally been known for giving significant attention to matters of employee welfare and standardised processes, and providing a favourable deal around the employment exchange. In light of the growth in outsourcing, however, there are questions about the ways in which these traditional ideals of the employment relationship have been evolving, or indeed whether they have started to erode (Boyne et al., 1999).

Although research on the implications of outsourcing for workers is often acknowledged to be under-developed, the body of knowledge on how outsourcing affects the terms and conditions and lives of employees has, it seems, started to grow in recent years; though in doing so has generated a range of conclusions. On the one hand, for example, there are a range of studies which identify the destabilising *costs* of public sector outsourcing for employee terms and conditions and human resource management practices (Sachdev, 2000; Rubery et al., 2002; Cunningham, 2008; Cunningham and James, 2011; Rubery and Urwin, 2011). On the other hand, there are studies, albeit comparatively fewer, to describe the relative *benefits* of outsourcing in the realm of employee attitudes and human resource management practices (Kessler et al., 1999; Cox et al., 2008).

To some extent, these inconsistencies and contradictions might be expected as the existing research base spans a diverse array of international, sector and organisational settings, and uses a range of methodologies. For example, there has been research involving the public, private and non-profit sectors (e.g. Logan et al., 2004; Walsh and Deery, 2006; Indridason and Wang, 2008); in a range of technical, administrative and professional employment contexts (e.g. Slaughter and Ang, 1996;

Hebson et al., 2002; Cunningham and James, 2009); spanning numerous European, North Atlantic and Asia-Pacific countries (e.g. Benson, 1999; Hall, 2000; Shapiro and Kessler, 2002; Cox et al., 2008); and utilising a range of qualitative and quantitative approaches of data collection (e.g. Kessler et al., 1999; Cooke et al., 2004; Grimshaw and Hebson, 2005). Thus, given this diversity of research context and approach it is unsurprising that a mixed array of findings have emerged. Yet, within this, there is perhaps a further point for researchers investigating such phenomena to note – and that is, if we are to understand the implications of outsourcing for workers, we also need to recognise the role of context in that situation. For, as it stands, there is an argument that different contextual settings may produce different experiences for employees.

Beyond the contradictions in extant research, another limitation with studies on the employee implications of outsourcing is the lack of attention given to the 'process' of being outsourced itself. Indeed, almost all of the present studies we have on the employee implications of outsourcing are conducted with employees years after they had transferred to the outsourcing vendor (*for an exception see* Kessler et al., 1999), with barely any attention being given to what it is like to experience the 'outsourcing transition'. As a result, many of the questions around the 'change process' of 'being outsourced' remain unanswered. And shedding light on this domain is arguably significant not only as a knowledge pursuit in itself, but also because it is likely to raise meaningful questions, and potentially useful explanations, around the longer-term consequences. For, surely the long-term implications of outsourcing for the employment relationship will be influenced by the events and changes experienced during the initial outsourcing process.

Therefore, at the cross-roads of the research agenda on outsourcing it is apparent that more in-depth contextualised research is needed on the employee perspective, and especially on the process of being outsourced. – and this is the core aim of this thesis. However, as there are also some services that have yet to receive any empirical attention by outsourcing researchers on the implications for employees, this thesis is also seeking to apply the aforementioned research agenda to a novel research context. The service in this respect relates to public leisure services.

Significantly, in terms of the employee implications of outsourcing, leisure services have not received any scholarly research attention to date – something that is particularly surprising given the trends that have taken place in the area over recent years. In 2002, for example, the amount of public leisure services outsourced to an external vendor stood at 27%, by 2006 it had passed 38%, and by 2011 it reached almost 60% (Audit Commission, 2006; Kendall, 2011; Birch, 2013). Within this, there have also been notable expansions of public leisure sector outsourcing to non-profit 'Leisure Trusts' over the past decade, with outsourcing trends in this mode of provision growing faster than their private sector counterparts (Houlihan and Lindsey, 2012). Nevertheless, it is not just the growth trends that make leisure an important area to investigate. It is also the relative uniqueness of the service involved. For example, leisure services are a relatively unique public service because they offer 'membership-based' services with potential to generate standalone revenue and profit margins from service usage. In addition, they are also relatively unique in the way the workers are outsourced – that is, they are contracted out as full standalone organisations, where employee work-interactions with former local authority colleagues are discontinued after the transfer (hence minimising the 'presence of past syndrome'). Both these factors may be important contextual issues that affect the way in which employees experience being outsourced.

Consequently, by drawing the above themes together it is argued that empirically investigating the transfer experience of public leisure workers as they are outsourced from local authorities to Leisure Trusts can progress knowledge in several ways. Firstly, such research provides the platform to explore the *costs* and *benefits* of outsourcing for workers – particularly around the employment relationship. Secondly, by emphasising the 'transition process', the research also facilitates exploration into an under-researched yet arguably critical timeframe within which the employee experience of outsourcing takes place. Thirdly, by focusing on 'leisure services' and 'Leisure Trusts' and 'leisure workers', it offers novel contexts and arguably important occupational groups to investigate.

Thus, having briefly located the background to the research, the next part of this introduction offers a preamble to the conceptual framework used for the present study. Given the intention of the study to

investigate the 'costs' and 'benefits' of outsourcing in relation to the employment relationship, the belief is that the 'social exchange framework' provides a pertinent and valuable lens through which to analyse the employee perspective.

1.1.1 THE SOCIAL EXCHANGE FRAMEWORK

Social exchange theory represents a meta-framework for studying social relationships and is rooted in the idea that social interaction can be analysed as an 'exchange' (Molm, 2003; Cook and Rice, 2006). In organisational settings, social exchange theory has been widely applied as a lens for analysing exchange interaction in the workplace (Shore et al., 2004; Cropanzano and Mitchell, 2005; Shore et al, 2007), and this is in part because it seems to allow researchers to get to the heart of what it means to be in an employment relationship: it focuses analysis on the 'contents' of what we can give and receive when we work: but furthermore it leads to questions around trust, reciprocity, commitment, and power (Shore et al., 2004; Shore and Coyle-Shapiro, 2007).

Using the social exchange framework as a lens to explore the employee experience of outsourcing therefore appears to be pertinent to this study for several reasons. Firstly, it offers a conceptual means for studying how the 'contents' of exchange relationships change when employees experience being outsourced. Secondly, it allows exploration into how the 'quality' of the employment relationship changes by facilitating insight into notions of trust, commitment and identification. Both these areas seem to be particularly pertinent to the outsourcing context given the process represents the onset of a new employer for employees, and hence theoretically the onset of a 'new', or at least 'reformed', employment relationship. Further, digging into these notions through an in-depth study may also lead to greater knowledge of some of the underlying 'mechanisms' that generate changes to the employment relationship during the outsourcing process itself.

Thus, the application of social exchange theory to the outsourcing context seems to offer a useful framework for developing knowledge on the employee perspective. However, it is important to note that the application of the social exchange framework to studying outsourcing experiences is not just

useful for developing knowledge on outsourcing. Indeed, a focal premise running through the present thesis is that the so-called 'outsourcing setting' provides an opportunity to develop further theoretical and empirical insights about the fundamentals of social exchange relationships in organisational settings too – itself an acknowledged under-developed area (Coyle-Shapiro and Conway, 2004; Cropanzano and Mitchell, 2005). Therefore, the thesis also seeks to contribute to debates on social exchange theory as well.

1.2   RESEARCH OBJECTIVES

The present study, therefore, aims to contribute to knowledge in the related fields of employee relations and organisational psychology by investigating the employee experience of public leisure sector outsourcing from a social exchange perspective. To do this, the objectives are to:

i)   Critically review the literatures on public service outsourcing and social exchange theory.

ii)   Use the social exchange framework to investigate changes in the content of the employment relationship as public leisure workers are outsourced to Leisure Trusts.

iii)   Explore changes in the quality of the employment relationship as public leisure workers are outsourced to Leisure Trusts.

iv)   Consider the implications for theory and research.

In an attempt to address these objectives, the thesis draws on empirical research collected from three UK public leisure 'case study' organisations that were recently outsourced to non-profit Leisure Trusts. Data in each organisation was collected through the form of semi-structured interviews and across two longitudinal 'waves' (*see* Figure 1). The first waves of data collection were gathered approximately three months after the outsourcing transfer, with the second wave after twelve months. The data from each wave was then analysed through thematic analysis with 'in-case' and 'cross-case' comparisons being made. For the purpose of the present study, the findings are presented in the 'cross-case' thematic form to aid the flow of the presentation and avoid repetitiveness.

Figure 1: Data Collection Waves
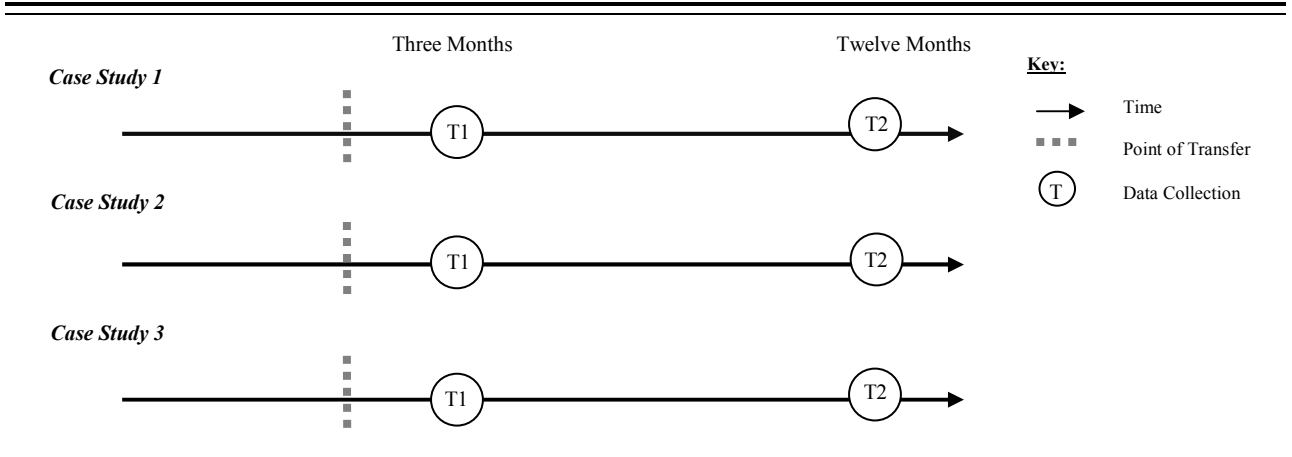
1.3   STRUCTURE OF THE THESIS

The thesis is made up of ten chapters. After this introductory chapter, Chapter Two opens the main body with a review of existing literature on public sector outsourcing. In this, there is a preamble into the history of outsourcing in the public leisure sector. There is also a review of the current body of evidence on the implications of outsourcing for employees, and some consideration of the employee experience of outsourcing as a form of work transition.

Chapter Three then turns the attention to the conceptual framework of the current research – the social exchange framework. In this, the central aspects of the social exchange framework are critically reviewed in order to give conceptual focus to the primary data enquiry. In particular, the chapter considers the content of social exchange relationships, the process of social exchange, and the quality of social exchange relationships (i.e. trust, commitment and identification).

Chapter Four then moves away from the review of literature to the realms of research methodology. The chapter commences by outlining the paradigmatic assumptions of the study, namely that of 'critical realism'. After this, the chapter gets practical about the research design and outlines the rationale for the research strategy (three case studies), the data collection method (semi structured interviews), the sampling strategy (purposive sampling) and the analysis technique (thematic analysis).

The chapter also provides details as to how these were applied in practice and a brief reflection on ethical issues faced within the project.

Chapter Five marks the shift to the presentation of the empirical findings. This is the first of the findings chapters and introduces the reader to contextual information on each of the case study organisations. This includes a portrayal of the background narratives of each of the case study organisations and their past employee relations situations.

Chapter Six and Seven then present analyses of how the content of the employment relationship changed as employees experienced the outsourcing transition. In line with the cross-case comparison approach to presenting case study findings, Chapter Six considers the ways in which there were changes in the 'organisation's contributions' to employees as the outsourcing process was experienced – for example, by analysing changes in pay, support, autonomy, and training (amongst many others). Chapter Seven then offers an analysis of how 'employees' responded to such changes and thus the ways in which their 'contributions' changed towards the organisations – for example, by considering changes in work intensity and citizenship behaviour (again, amongst others).

Chapter Eight contemplates the more relational dimension of the employment relationship, and in doing so offers an analysis of how the quality of the employment relationship changed during the outsourcing transitions. Here, the chapter is split into three main themes. Firstly, there is reflection on the nature of trust. Secondly, there is consideration into commitment. And thirdly, there is consideration into changes in identification. All themes are again considered against the broader experience of the outsourcing transition.

Chapter Nine then shifts away from presenting the empirical findings to a discussion on the meaning of the findings against the backdrop of extant literature on public sector outsourcing and social exchange theory. In this respect, there is engagement with current (and sometimes old but lingering) debates in the literatures, as well as discussion of novel findings. In line with the critical realist philosophy, there is also an attempt to unpack the underlying causal chain of mechanisms that bring

about changes to the employment relationship during the outsourcing process. The final chapter, Chapter Ten, brings the main body of the thesis to a close by drawing out the main conclusions of the study and identifying areas for future research.

PART TWO

THE REVIEW OF THE LITERATURE

CHAPTER TWO
PUBLIC SERVICE OUTSOURCING

It always comes down to a policy choice that has been made.

—— **Ernie Cox**

2.1   INTRODUCTION

The introductory chapter drew attention to the overarching focus of this thesis: to investigate the employee experience of outsourcing in the leisure sector from the perspective of the employment relationship. This chapter therefore commences this task by first reviewing extant literatures on outsourcing and its implications for employees. To do this, the chapter considers two overarching topics and is split into two main sections. The first section considers the historic landscape of outsourcing in public leisure services, and tracks changes in policy and practice (inc. the rise of Leisure Trusts) in an evaluative way. The second section then examines the broader existing research base on the employee perspective of outsourcing, and considers its commonalities and limitations across a range of settings. As the empirical part of this study will, in the end, explore the experience of workers going through a 'transition', the second section also contemplates the notion of 'work transition' in relation to outsourcing. To begin, therefore, attention is first turned to the provision of a historical narrative of outsourcing in the public leisure sector.

2.2   OUTSOURCING PUBLIC LEISURE SERVICES

Over recent decades, the use of outsourcing as a means for delivering UK public leisure services has proliferated under policies derived from successive Conservative (1979-1997), New Labour (1997-2010) and Conservative-Liberal (2010-) Governments. Underpinned by the ideology of neoliberalism, the policy assumption has been that if the 'spirit of entrepreneurialism' is injected into service markets

formerly occupied by public monopoly, Governments will reap the reward of an increasingly economical, efficient and effectively managed systems of provision (Osborne and Gaebler, 1992; Boyne, 1998). Although the evidence for this assumption remains in part contentious, the point for leisure services is that it has resulted a system of provision whereby more services are now outsourced than are delivered 'in-house' (Kendall, 2011; Birch, 2013). This section consequently takes a closer look at the ways in which outsourcing has evolved in the public leisure sector over recent decades and evaluates some of the implications that have emerged as a result. The section traces the emergence of outsourcing under the Conservative (1979-1997) Government, its expansion during the New Labour years (1997-2010), particularly to non-profit Leisure Trusts, and its potential future as a result of the Conservative-Liberal Coalition (2010-).

2.2.1 THE NEW RIGHT: THE RISE OF OUTSOURCING

The post-1979 Conservative Governments pioneered outsourcing through radically reforming the organisational system for delivering welfare and local government services (Boyne, 1998). At its core, the aim was to 'reign-in' the putative inefficiency and ineffectiveness found in large-scale public bureaucracies and instead launch a more 'competitive' approach to public service delivery through the establishment of what Le Grand and Bartlett (1993) called 'quasi-markets'. Compulsory competitive tendering (CCT) was the main policy introduced to achieve these ends, and its purpose was to subject a wide range of public services, including public leisure services, to the rigors of 'marketisation' (Walsh, 1995).

In public leisure services, the manifestation of CCT and thus outsourcing came in 1989 via the Competition in Sport and Leisure Facilities Order (Henry, 2001). Although the vast majority of leisure services continued to be run 'in-house' during the initial few years of the policy owing to political preferences and the complexity of service contracts (Coalter, 1995), the private sector involvement expanded in the mid-1990s, and largely as a result of local government pressures to reduce spending on leisure and cultural services. Importantly, the private sector organisations bidding for such contracts were, by and large, a new breed of 'leisure firm' specifically established to compete

against the 'in-house' provision to manage the delivery of leisure services (Torkildsen, 2005). Indeed, they were typically formed and driven by former local authority managers with a primary motivate to ensure sports and leisure opportunities continued in their local regions (Houlihan and Lindsey, 2012).

In terms of evaluation, the Conservatives' introduction of CCT and outsourcing into the public leisure sector produced mixed results for the services and stakeholders involved. Financially, the processes of marketisation garnered significant savings for many local authorities, and the larger private organisations (e.g. CCL, Circa and DC Leisure) fared reasonably well in terms of financial performance (Torkildsen, 2005). Significantly, though, these financial benefits often came at the expense of other managerial objectives of the services (Henry, 2001). Service quality was one area typically hard hit by the efficiency gains, with conspicuous deteriorations in facility maintenance and basic cleaning standards. Social objectives became a secondary concern for many services, particularly in externalised services where profit margins and organisational survival became the overriding concern. Finally, the employee relations climates also became increasingly hostile, with numerous authors indicating that employee morale and working conditions became damaged (Robinson, 2004).

2.2.2   NEW LABOUR: THE OUTSOURCING CHAMPIONS

When New Labour came to office in 1997 it sought to 'reinvent' marketization practice through providing an outward policy exposé of neutrality and pragmatism. Ostensibly, New Labour was critical of the 'dogmatic' emphasis on competitive tendering during the Conservatives reign and so replaced the CCT regime with a new policy called 'Best Value' (Cm 4310, p. 41). Under this policy, competitive tendering became no longer mandatory but there was renewed focus on areas such as cost-cutting, continuous improvement, collaboration, and consultation. Interestingly, the policy 'purported' to prefer neither public, private nor non-profit sectors for the delivery of public services; the focus being on the service that could provide the 'best deal' for everyone involved. However, in practice, the process was typically based on 'cost-cutting' and the amount of services outsourced increased

significantly during the years of New Labour's reign, both to private and non-profit organisations (Grimshaw and Hebson, 2005; Davies, 2011). Consequently, many have questioned whether the New Labour philosophy ultimately shifted from that of the preceding New Right Government (Grimshaw, et al., 2002).

In public leisure services, the New Labour period certainly witnessed a rise in outsourcing as time progressed, perhaps because the Local Government Act 1999 included the requirement to at least 'review market options' for leisure every five years. Significantly, a study by the Audit Commission (2006) revealed that the amount of outsourcing taking place within the sector went from 27% in 2002, to 38% in 2006. Within this growth, one of the most interesting developments was also the rise in outsourcing to non-profit organisations – i.e. to 'Leisure Trusts'. Indeed, as the Audit Commission's report points out, while the amount of outsourcing taking place to private sector firms only nominally increased between 2002 and 2006, that to Leisure Trusts more than doubled over the same period.

To some extent, the general growth of outsourcing in leisure services was perhaps unsurprising given the fiscal pressures and cost-cutting exercises exerted during the days of Best Value. Local authorities were facing an aging stock of deteriorating leisure buildings and were keen to review externalisation options to make financial savings. However, it was not just local authorities who were facing financial challenges during the years of New Labour: indeed, the New Labour period brought challenges for any firm involved in delivering leisure services, including the private and non-profit organisations – for example, as a result of increased energy prices (e.g. from heating swimming pools, which is very expensive), competition (e.g. from rises in health club chains), and consumer expectations (e.g. from the consumerisation of public services) (Robinson, 2004; Mintel, 2007). On the back of this, the outsourcing firms were also challenged by decreased funding from local governments alongside increasingly tighter quality benchmarks.

It was against this backcloth that 'Leisure Trusts' had two key advantages over 'in-house' and 'private sector' firms that empowered them to increase in scope and number. Firstly, as charitable organisations, Leisure Trusts were financially entitled to an exemption from VAT on charges and fees,

relief on corporation and capital gains tax, and an 80-100% reduction on national rates (Centre for Public Service, 1998). This meant that Leisure Trusts were able to drastically undercut the private firms in their outsourcing bids. Secondly, as the Leisure Trusts fundamentally sought to embrace the social purposes that local authorities were aiming to achieve, it was often deemed by local governments as the 'lesser of the two evils' against the commercial interests of the private sector (Simmons, 2004).

In terms of evaluation, however, regardless of the shifting structure in the sector, the New Labour orientation to outsourcing leisure services tended to produce mixed outcomes for the parties involved. For local governments, for example, there were reports of continued financial savings through the outsourcing of services, but noticeable problems with service quality outcomes, particularly in Leisure Trusts where research suggested decreases in service quality (Audit Commission, 2002; ESSU, 2006). For the leisure vendors themselves (private sector and Leisure Trusts), there were more services being outsourced from local government and thus greater market opportunities, but the milieu of cost-efficiency savings left significant challenges from the 'benchmarks' New Labour introduced – for example in relation to social inclusion, exercise participation and service quality (Hodgkinson and Hughes, 2011). There was also inherent uncertainty for the outsourcing vendors, as local authorities often retained the power to nullify contracts if benchmarks were not met. Finally, for the employees working for outsourcing leisure firms, there was increased employment protection given to employee terms and conditions, particularly around TUPE, but frequent suggestions that these conditions remained, in practice, significantly lower in comparison to their public sector counterparts; issues again alleged to be underpinned by the lack of funding and spending in the sectors (Torkildsen, 2005).

2.2.3   THE CONSERVATIVE-LIBERAL COALITION:
            THE OUTSOURCING SOCIETY

With the arrival of the Conservative-Liberal Coalition Government in 2010, the policies on the marketisation of public services were again planned through another programme of reform. Rooted in the Conservative party manifesto campaign, the current programme of public service reform has been

in part based on the idea of the 'Big Society'. Although the mantra in this respect has subsided since the early months of the Coalition Government's time in office, the principles of the Big Society for public service delivery have remained strong and are manifest in public service reforms such as the Localism Act 2011. For example, take the Coalition's push for public service externalisation to social enterprises and the broader non-profit sector. As a Cabinet Office's (2010) green paper highlighted,

> *We will support the creation and expansion of mutuals, co-operatives, charities and social enterprises, and support these groups to have much greater involvement in the running of public services (p. 2).*

How much the plans for social enterprise growth will transpire as a result of the Big Society ideas remains uncertain, as the reforms are ambitious and ambiguous and have in the main yet to be realised (BBC 2010, 2011). Indeed, some commentators have dubbed the Big Society as 'aspirational waffle' (Williams, 2012): criticising the plans as a withdrawal of state responsibilities through public sector spending cuts, small-scale government, and the further erosion of labour influence[1] (Lowndes and Pratchett, 2012).

For leisure services, regardless of interpretations of the broader process of policy reform, it is apparent that Leisure Trusts are now placed centre stage in public leisure delivery with the hope of transformation. In 2011, it was reported that Leisure Trusts now account for 30% of the public leisure services sector, and have a combined annual turnover of £739m (Kendall, 2011; Birch, 2013). However, with the aim of drawing so strongly on non-profit provision, the Big Society policy agenda also raises important debates about the specific benefits and drawbacks of using Leisure Trusts as the solution to sustainable public service provision.

Financially, for example, the belief of some local authorities is that transferring leisure services to a Leisure Trust makes intuitive fiscal sense (e.g. Maidstone Borough Council, 2004, Burnley Borough

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[1] In relation to reduced labour influence, this also relates to a wider point about the role that outsourcing has had on trade unions and the practice of collective bargaining since its expansion in the 1980s. Certainly numerous commentators have noted the relationship between outsourcing and the process of organisational fragmentation and the progressive decline in union power (e.g. (Colling, 1999; Fairbrother, 2000; Heery and Abbott, 2000; Fernie, 2005; Blanchflower, 2007). Willman and Bryson (2007) note that union membership fell by 54% from 1979 to 2004 and, while they do not specifically expand on the role of outsourcing, the work of Huws (2012) illuminates how union power has been impaired by the growth of complex and fragmented networks of employment relationships that have made it difficult for trade unions to recruit, retain, represent and organise protection and collective bargaining.

Council, 2013; Doncaster Borough Council, 2013). Leisure Trusts generate surpluses that can be reinvested to develop facilities and services, and they are able to receive substantial tax breaks, as mentioned above. However, Leisure Trusts typically exist with nominal amounts of capital resources, which make them struggle to obtain substantial long-term loans for facility investment, and a therefore potentially risky mode of provision given the many leisure facilities that are in need of severe building renovation (Robinson, 2004). Leisure Trusts are also inherently dependent on local authorities as their main source of revenue – which hence also brings to the fore questions about their autonomous status. Indeed, with such dependency on local authorities, it could be argued that managerial and professionalisation agendas associated with new public management can easily be pushed on to the Leisure Trusts by local authorities; particularly, though not exclusively, around financial planning, service provision and human resource management.

Democratically, there are further issues about the use of Leisure Trusts owing to the level of accountability that they provide to the local populations they serve. For instance, Leisure Trusts, in principal, operate as stand-alone organisations, independent from the primary democratic structures of local authorities, which arguably reduces the democratic participation of the local tax-payer. And although it could be argued that the outsourcing-model has become an accepted part of local government management, there remains questions about the accountability of spending and the social projects that Leisure Trusts decide to invest in; particularly if the head offices and flagship sites of the Leisure Trusts are based in other local authorities – which often happens as Leisure Trusts start to expand in size.

In terms of service performance, the evidence on Leisure Trusts is scarce but what does exist points to a fairly mixed picture. Recently, there have been several local authorities reportedly suggesting that Leisure Trusts are equivalent in key performance indicators to other local public and private providers, both in terms of quality of services and engagement in social objectives (see Maidstone Borough Council, 2004; Kendall, 2011). However, a more systematic report by the Audit Commission (2002) found that Leisure Trusts generally under-performed on key quality and social benchmarks by comparison to 'in-house' services, something also noted by the work of Hodgkinson and Hughes

(2011). Potentially, this may have something to do with the way in which workers are being managed and treated – for certainly there have been links made between performance quality and employment relations in wider studies (Yoon et al., 2001; Snipe et al., 2005).

On the specific implications for workers themselves, however, there is a distinct lack of empirical research from which to make any sort of informed judgement. Indeed, although there is some 'commentary' about how workers might be affected in text books (e.g. Robinson, 2004; Torkildsen, 2005), there has been no scholarly study in the area to date. The commentary that is available generally suggests that employment prospects are increasingly precarious in the sector, with terms and conditions being less favourable as well. But barely any research has explored this in detail in the leisure context and more evidence is needed if such 'commentary' is going to become more meaningful.

Consequently, in drawing this section to a close, what is clear from the wider analysis is that the practice of outsourcing represents an important example of how public services, and the traditional experience of employment in public services, has been, and is being, transformed (Grimshaw et al., 2002). Indeed, in the context of the public leisure sector, the above subsections point out how the services, and their workers, have been significantly impacted by the rise of outsourcing over the past three decades, and are likely to be affected by it in the future. A common theme has related to the financial and efficiency savings that outsourcing appears to bring. However, these savings have, it seems, often come at the expense of service quality and social objectives and, potentially, employee terms and conditions and morale. The next section therefore explores this latter issue further by specifically analysing extant research on the employee implications of outsourcing – and it does this by analysing data from a wide range of organisational backgrounds.

2.3   OUTSOURCING & THE EMPLOYEE IMPLICATIONS

The purpose of this section is to outline research on the employee implications of outsourcing. This is first done by going beyond the leisure services context and analysing data from a range of

organisational and sector settings. Although an important point to make at this point is that almost all of these studies have been conducted years after any outsourcing transfer transpired, with barely any considering the 'transition experience', it is recognised they provide useful information regarding the potential costs and benefits of outsourcing in general – and hence are important to consider for the present study[2]. The focus of this section therefore considers the implications for *work conditions* and *work attitudes*. However, before closing there is also some reflection on outsourcing as a 'work transition' and the ways in which employees may experience them.

2.3.1   WORKING CONDITIONS

The following analysis considers the employee implications of outsourcing in relation to (i) pay and benefits, (ii) work intensity, (iii) security, (iv) training and development, (v) other issues.

Pay & Benefits

At the outset it is perhaps worth noting that the majority of research on the employee implications of outsourcing has oriented around the so-called 'hard side' of the employment relationship, which includes matters such as pay and terms and conditions. Emphasis on these matters is perhaps unsurprising as one of the premises in economic thinking about outsourcing is that it will generate cost and efficiency savings that are, to some extent at least, at the expense of employees being made redundant, paid less or increasing their work performance – what Jensen (2007) calls the 'redistribution hypothesis'.

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[2] One of the limitations with early research on outsourcing is that it typically juxtaposed findings from the 'process of marketisation' with 'the practice of outsourcing', making such findings ambiguous for the specific analysis of outsourcing. Certainly this occurred when scholars of public administration were trying to assess the impact of CCT during the latter part of the twentieth century. In general, these studies painted a rather pessimistic picture about marketisation *and* outsourcing, highlighting that employees tended to encounter increased risks and realities of redundancy and pay cuts and work intensification (cf. Walsh and Davis, 1993; Walsh, 1995; Colling, 1999; Sachdev, 2000)[2]. As Pinch and Patterson (2000, p.1) noted, "The process of CCT has weakened the power of labour in the public services through the fragmentation of the workforce, and the exposure of their jobs to competition from a secondary private sector labour market characterised by lower wage rates, poorer working conditions, and insecure employment contracts. This has permitted not only the imposition of cuts in the total number of jobs, but also the intensification of labour processes, reductions in take-home pay, and the casualisation of employment in these services. In turn, this has undermined the role of local public services in contributing to stability in inter-regional employment levels and has damaged local governments' role as a model employer within local and regional labour markets."

In this respect, there is a long-standing assumption that outsourcing public services engenders less favourable pay conditions for outsourced workers compared to their 'in-house' counterparts (Pack, 1989; Rubery et al., 2002). And this is widely recognised to have been the case during the early years of public service outsourcing in the 1990s. Research by Escott and Whitfield (1995), for example, looked at a sample of 39 local authorities and showed pay cuts to be typical when services were outsourced to private contractors. In another study, Cope (1995) found that employees tended to witness a 'continued deterioration of pay and conditions of employment' (p. 29) as a result of outsourcing, with manual workers being the group worst affected.

Having said this, evidence on the issue of pay is sometimes contrasting. Research by Kerr and Radford (1994), for example, revealed that there was not much difference between in-house UK public sector workers and those outsourced to the private sector on an analysis of basic wages[3]. More recent research by Cox et al. (2008) also found little effect on the comparative pay of in-house or externalised nurses and cleaners in the NHS; and research by Kessler et al. (1999) found 'perceptions of fairness' in relation to pay to improve for employees in a former local authority administrative department after they were outsourced to a private sector firm. Clearly, then, whilst there is common assumption in literature that outsourcing leads to pay cuts, empirical research in this respect is perhaps inconclusive for all contexts.

Work Intensity

Unlike pay, research on work intensification has been one of the few areas to report fairly consistent findings in outsourcing situations regardless of context. Research by Grimshaw and Hebson (2005), for example, examined four outsourcing case studies (NHS, IT, Customer Services, and Supply Teaching services), and found evidence of widespread work intensification in each case – largely as a result of benchmarking and performance objectives located within the outsourcing contract terms. Research by Cunningham and James (2009) similarly highlighted outsourcing arrangements where

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[3] It is important to note that Kerr and Radford's (1994) study did find significant variation when benefits packaged were accounted for, with private contractors reducing obligations around sick pay and holiday entitlement.

workloads intensified for front-line workers after their front-line managers were made redundant. Their wider study also makes a strong case that the nature of outsourcing work in the social care voluntary sector is particularly susceptible to work intensification. Research by Cooke et al. (2004) also found evidence of work intensification in three out of four case studies in the private and public sectors. Several other studies also identify the link between outsourcing and work intensification (Kessler et al., 1999; Rubery et al., 2002; Zuberi and Ptashnick, 2011).

Security

Another area of empirical research that has remained fairly consistent in its findings across most outsourcing studies has been the implications for employment security and perceived job security. Research by Hebson et al. (2003), for example, found widespread experiences of redundancy and reduced perceptions of job security in an NHS Private Finance Initiative (PFI). Coyle-Shapiro and Kessler (2002) conducted a comparative study with contracted-out and in-house local government workers and found that perceived job security was less among the contracted-out workers. And a series of qualitative studies into job security in the social care sector by Cunningham and James (2009, 2011) and Rubery and Urwin (2011) also revealed that job security declines in outsourcing situations[4]. An interesting piece of research by Williams (2008) also suggests that a pervasive threats to employment security was not only widespread in a number of outsourcing cases but was used by some outsourcing vendors as a coercive means for intensifying the work performance of employees.

Training and Development

Training and development is an important area for consideration in outsourcing situations as it could be argued private firms may want to invest in training in order to develop higher standards of service. However, it could also be argued that training and development may be adversely affected in outsourcing situations because private firms become more concerned with cost and efficiency savings

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[4] Often linked to Government policy.

than sustainability and employee development. Certainly Rubery and Urwin (2011) note that training and development is rarely factored into the contractual negotiation process and costing.

In terms of empirical research, Hall (2000) conducted a case study on training and development in a private Australian firm and concluded that the long-term impact of outsourcing 'is likely to result in a significant under-investment by employers in the training and skills development of their workers' (p. 39). Research by Grugulis and Vincent (2005) also found that skills sets were 'narrowed' in three out of four of their international case studies, while a study by Cooke (2006) found that career trajectories for middle managers became 'more horizontal than vertical' in the outsourcing of public and private sector workers. Research by Roe et al. (2005) suggested training opportunities were likely to be less than employees expected in outsourcing situations.

Yet, in contrast to these studies, there has also been research to show that outsourcing can have a positive impact on training and development opportunities. Kessler et al. (1999), for example, found employee perceptions of satisfaction with training and skills development tended to increase after a public sector outsourcing transfer. And Cox et al. (2008) reported that training and career development opportunities were considered largely positive for outsourced low-skilled workers in the NHS (though they remained restricted by financial pressures and varied across geographical locations).

Other Research

Outside of the areas discussed above there have been a variety of other individual studies to explore a small range of issues relating to employee work implications. On the positive side, for example, research by Kessler et al. (1999) found that levels of management support increased for employees after they were outsourced to a private firm. A study by Cooke et al. (2004) also found that levels of responsibility and job autonomy tended to increase for employees in their outsourcing case studies (i.e. in I.T., a logistics firm, and two PFI ventures). On the negative side, the comparative study by Walsh and Deery (2006) on the airline industry found that communication processes were better for

non-outsourced employees than for those outsourced. Research by Roe et al. (2005) supports this premise by demonstrating that employees feel that outsourcing situations comprise a lack of information and communication from managers.

2.3.2   EMPLOYEE RESPONSES

There has also been stream of research considering the implications that outsourcing has for employee work attitudes. In general, the research in this respect has not been extensive, but has considered some of the prominent concepts in organisational psychology. These include organisational commitment, public service ethos, and job satisfaction.

Commitment

Organisational commitment has been one of the most studied attitudes in respect to outsourcing arrangements (Connelly and Gallagher, 2004) and seems an important area to research for several reasons. Firstly, organisational commitment is widely reported to positively correlate with a number of other work attitudes (e.g. satisfaction, well-being, absenteeism, intentions to leave, creativity, and citizenship behaviour[5]), and thus seems logical to observe in outsourcing situations. Secondly, outsourcing represents an unusual situation for researchers interested in organisational commitment as there is the likelihood of multiple-foci organisational commitment developing. That is, where employees have dual or split commitment toward two organisations (for example, a local authority and an outsourcing firm). In this respect, McElroy et al. (2001) introduced the notion of 'external organisation commitment' to represent commitment for employees working in contracting or outsourcing situations. They suggest a range of propositions relating to factors that may enhance organisational commitment, including the professionalism and business success of the vendor, the level of support the vendor provides employees, and the length of time employees work for the vendor.

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[5] See page 61-66.

As regards to empirical evidence on the relationship between outsourcing and organisational commitment, this again remains fairly disparate and inconclusive. On the one hand, research by Indridason and Wang (2008) found that organisational commitment increased for seconded workers in an NHS PFI arrangement, and a survey undertaken by Benson (1999) of four Australian manufacturing firms also showed that outsourced workers continued to have a high level of organisational commitment following an outsourcing transfer. Yet, on the other hand, research by Hall (2000) showed organisational commitment to have reduced because of the outsourcing process in three public and private case studies, while research by Cunningham (2008) found evidence of reduced commitment in an analysis of the Scottish social care voluntary sector; making links in doing so with violations to the 'psychological contract' that can occur in outsourcing situations. In a similar vein, Walsh and Deery (2006) compared the organisational commitment of internal and outsourced call centre workers in an international private airline firm and found commitment to be lower for outsourced workers.

Ethos

Continuing in the 'realm' of commitment, there has also been some research which has explored changes to public service ethos in outsourcing situations. Here, the wider argument is that with the rise of public sector outsourcing traditional values of public sector work has become driven by private sector management approaches and this in turn has led to an erosion of public service ethos and public service motivation (Moynihan, 2008; Grimshaw et al., 2002) [6]. Research by Hebson et al. (2002), for example, which draws on Pratchett and Wingfield's (1996) notion of public *sector* ethos, claims to support this premise for managers working in their two outsourcing case studies (a Housing and Benefits department and an NHS Trust). What is interesting in this study, however, was that there was clear ambivalence and ambiguity as whether the erosion of public sector ethos extended to non-managerial staff. Similarly, research by Brereton and Temple (1999) also found that the alleged conflict between private sector management and public service ethos was not as prominent as some have suggested. Their study found that while there were shifts away from the traditional notion of

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[6] See Koumenta (2010) for the historicity and distinction on the terms public sector ethos, public service ethos and public sector motivation

public *sector* ethos, there had been an emergence of commitment to 'targets and outputs' by employees rather than 'motivations and processes', which perhaps suggests a growing identification with both the traditional private sector and public sector values. For example, employees might like the professionalism of the private sector as well as the security and altruism found in the public sector.

Satisfaction

In relation to job satisfaction, several studies have considered whether employees seem more or less satisfied in outsourcing settings. Cooke et al.'s (2004) research explored the theme of job satisfaction in four outsourcing case studies and found job satisfaction to have declined for outsourced workers in all cases. The qualitative research suggested that a clash of organisational cultures may have been in part responsible for this when the private firms took over, whereby the employees struggled to integrate into new modes of working with the outsourcing firms. In addition to this study, research by Logan et al. (2004) explored perceptions in private sector truck drivers after they were outsourced to a new private firm and also found reductions in job satisfaction.

Having analysed existing literature on outsourcing, the next subsection offers some reflection on the notion of work transitions.

2.3.3 OUTSOURCING AND WORK TRANSITIONS

Before concluding, it is perhaps important to reflect on the notion of outsourcing as a form of work transition in order to 'inform' the empirical part of the present research. For, as Morgan (2010) points out, viewing the process of outsourcing (or mergers and acquisitions) as a form work transition seems important when investigating the employee experience as the long-term impacts on, for example, employment relationship and work attitudes, are likely to be substantially influenced by events that take place in the transition 'stages'. This section briefly reflects on (i) stage models of transition, and (ii) the psychological experience in the outsourcing context.

Stage Models

Conceptually, 'work transitions' have been considered by a number of organisational scholars and there are numerous theoretical frameworks that consider them in terms of 'stages'. Lewin (1951), for example, developed his 'unfreezing, changing, refreezing' model to represent the process of change that organisations or employees experience when moving from one 'quasi-stationary state of equilibrium' to another. Isabella (1990) developed a different model that showed that employees may go through four stages when encountering a substantial change process – the anticipation, confirmation, culmination and aftermath stages. Nicholson's (1990) work argues that work transitions are rooted in the concept of identity and offers a model of transition which also depicts four stages – what he termed preparation, encounter, adjustment, and stabilisation. Similarly, Bridges' (2003) work relates transitions to an identity perspective and argues that people move through an 'ending stage', and then a 'neutral stage', and then embrace the 'new beginnings'. Broadly speaking, all these models seem somewhat ambitious in their theoretical outlook given the complexity and variation that organisational transition contexts might encapsulate. But they do nevertheless offer some form of theoretical base against which empirical experiences of work transitions can be mapped and considered.

Although Lewin's (1951) unfreezing–changing–refreezing stages appear simplistic and perhaps obsolete to understanding organisational change, the model may be useful for outsourcing research as unlike many forms of organisational change outsourcing can be bounded into discrete timeframes[7]. For example, the 'unfreezing' stage may relate to the 'pre-transfer' period, the time when the tender process takes place, the final bidder is chosen, and the decisions around TUPE and employment protection made. The 'changing' stage may pertain to the initial months following the legal transfer, when the outsourcing firms are likely to instigate changes to the organisation or employee roles and responsibilities or terms and conditions of employment. The re-freezing stage, may relate to the time after the major changes have been implemented, the time when employees embrace or reject the changes that have been made. Thus, in line with Lewin's (1951) ideas, when conducting empirical

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[7] It is acknowledged that timing could vary substantially on this stage depending on the organisational context.

research to explore how the employment relationship changes during the process of outsourcing it may be helpful to analyse data in relation to these timeframes: (a) the pre-transfer period, (b) the early post-transfer period, and (c) the longer-term post transfer period.

The Psychological Experience

Beyond the 'stage' models, there are particular attributes of work transitions that have been reported to have substantial bearings on the valence of workers when they go through a work transition. Although the present thesis is focusing on changes to the employment relationship, these may be pertinent factors to bear in mind when analysing aspects of the quality of the employment relationship. According to Ashforth (2001), the important attributes of work transitions to reflect upon include: (i) the magnitude of the change, (ii) its socially desirable nature, (iii) whether the transition is voluntary or forced, (iv) the predictability within the change process, (v) the length of the transition, and (vi) whether the process is collectivist or individually experienced. Depending on the configuration of these attributes, the experience of the transition will be perceived with more or less valence (see Figure 2 below).

Figure 2: Attributes of Work Transitions (Ashforth, 2001)
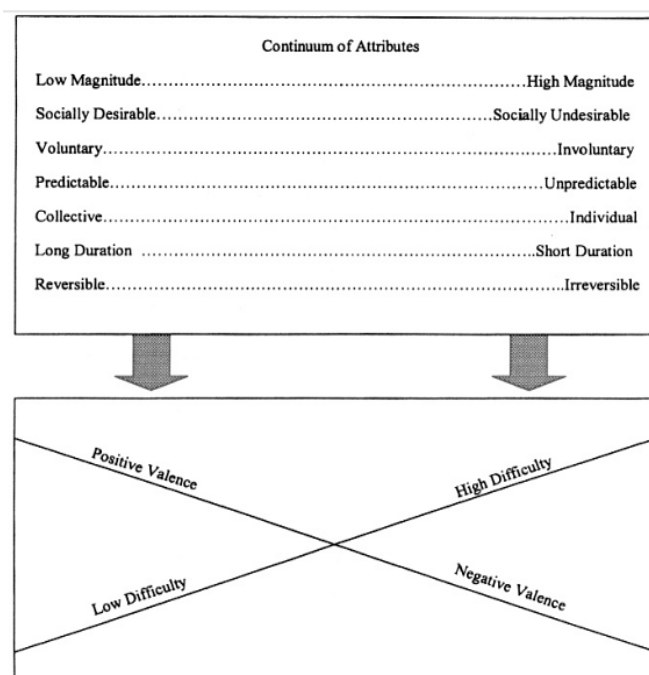
For outsourcing transitions, these attributes are likely to vary depending on the sector, industry and organisational context (Morgan, 2010). In the case of public leisure sector employees transferring to Leisure Trusts it could be conceived that the transitions tend to be of high-magnitude, both socially desirable and undesirable depending on the context, involuntary, unpredictable, of long-duration, and collectivist.

Outside of Ashforth's (2001) ideas, Kessler et al. (1999) offer three further factors that are likely to be specifically significant for the employees in their experience of outsourcing. The first factor is labelled 'context' and relates to the way employees have been treated by their former employer. In this, the decision to outsource and the environmental context (e.g. the employee relations climate and financial situation of the Council) are particularly important. The second is the 'pull' factor and, in some sense similar to Ashforth's (2001) ideas, pertains to the attractiveness and valence of working for the outsourcing vendor (the social desirability). For Kessler et al., this largely relates to the pre-transfer beliefs about the personal benefits or losses outsourcing might bring – a sort of social exchange calculation – as well as beliefs about the reputation of the outsourcing vendor. Finally, the third factor is the 'landing' and relates to the comparison between the 'pre-transfer' expectations and the 'post-outsourcing' reality.

The framework presented by Kessler et al. (1999) thus highlights a number of useful aspects to consider when researching the transition experience of outsourcing. It also links well with extant research outlined in the previous section where many studies have analysed some form of 'gain' or 'loss' in the employment relationship. However, it could be argued that experiences of outsourcing transitions are more ambiguous and complicated than Kessler et al. (1999) acknowledge – and so are the mechanisms that generate them. Employees will probably not, for example, have clear expectations about what the future of their work will be like in the pre-transfer period and will probably not be making decisions in a rational way, as Kessler et al. (1999) seem to assume. Indeed, the pre-transfer period is likely to be a time of inherent uncertainty and missing information, which makes sensemaking and the formation of expectations a highly ambiguous process. Going beyond the factors that Kessler et al. (1999) suggest, the role of TUPE and the involvement of unions can also not

be under-estimated as factors influencing the experience of workers. For, if there is limited TUPE protection, or if there is limited union involvement, it could be suggested that the experiences of workers will be significantly more precarious and uncertain, and potentially therefore have a notable impact in their psychological experiences.

Finally, a last factor worth alluding to around the influences on the employee experience of outsourcing is the employees' 'readiness for change'. Readiness for change, in the organisational sense, refers to the psychological change commitment and efficacy employees have towards organisational change processes (Armenakis, et al., 1993). It is the employees' beliefs, attitudes and intentions regarding the extent to which change is needed in an organisation, and the organisation's capacity to successfully make those changes, that affects whether the change is supported or resisted (Armenakis, et al., 1993; Susanto, 2008). In this regard, the extent to which change efforts are supported or resisted by employees is likely to have an impact on how the general work transition experience transpires, and particularly in relation to the employment relationship.

2.5   CONCLUSION

In conclusion, this chapter has sought to elucidate that outsourcing has had, and continues to have, a significant impact on the working lives of those employed in the delivery of public services. The first main section sketched out the landscape of outsourcing in the UK public leisure services over recent decades, and drew attention to some of the trends, benefits and problems the practice seems to have. In particular, it highlighted there has been an emergence of non-profit 'Leisure Trusts' which are starting to play a fundamental role in public leisure delivery by assuming a significant share of the market. At the same time, the section emphasised that all leisure outsourcing firms have been, and continue to be, faced with numerous challenges in relation to obtaining funding and managing the employment relationship with staff. Indeed, the issue of how outsourcing has affected employees in the *leisure* sector, and especially their terms and conditions, was noted as remaining a consistent challenge since the expansion of public service outsourcing in the late 1980s, and one where there has been barely any research to date.

In the second section, the review of research on outsourcing went some way to outlining what has hitherto been learned about the employee perspective of outsourcing in a range of areas and sectors outside of the public leisure sector. In drawing the research together, a number of important themes seemed to emerge from the analysis which seem important to acknowledge for the present research. These relate to: (i) the concepts investigated, (ii) the general lack of consistency in the findings, (iii) the methodological approaches, and (iv) the timing of data collection.

Firstly, in relation to the concepts investigated, although the analysis identifies there has been a variety of work aspects considered by present research, the emphasis has tended to be on terms and conditions – that is, the 'distal' aspects of the employment relationship. This suggests that future research might benefit from having more of a focus on the 'softer' side of the employment relationship – i.e. the 'relational' or 'socioemotional' aspects of the employment relationship. Another point about the concepts investigated is that the vast majority of 'individual studies' tend to focus on a fairly narrow 'number' of concepts empirically – i.e. by perhaps just investigating pay and employment security, or organisational commitment and job satisfaction in a single study. This is perhaps unsurprising as scholars aim to give specific and detailed attention to a particular conceptual area. However, it does lead to the suggestion that some future studies might benefit from being more 'comprehensive' in the concepts investigated in order to provide a 'fuller picture' of how the employment relationship – and its array of encapsulated dimensions – change as a result of outsourcing. For, although this raises the issue of breadth over depth, such an approach may offer more explanatory insights as a result – and in this respect, social exchange theory may be a useful lens through which to analyse the employee experience.

Secondly, in relation to the consistency of findings across the studies, while there are tendencies toward negative outcomes for employees, particularly around terms and conditions, there is some apparent disparity in the findings. Indeed, even when accounting for 'sector' contexts (e.g. private outsourcing to private firms or public outsourcing to private firms) a consistent narrative generally

fails to emerge across the concepts explored[8]. Thus, although this seeming disparity might be expected as the existing research base spans a diverse array of organisational and sector and international settings, it seems that more research is needed within particular outsourcing contexts to develop more meaningful insights.

Thirdly, in relation to the methodological approaches, although there has been a mix of quantitative and qualitative research designs, the overwhelming majority of research uses the case study research strategy. This might be in part because obtaining large amounts of data on outsourcing brings challenges in terms of access. However, it might also reflect the assumption that outsourcing is inherently subjective to its sector or area (e.g. social care or IT) or organisational context – perhaps leaving the case study strategy an obvious methodological choice. Future research might therefore benefit from continuing with the case study strategy, but also being opened to larger scale investigations as well.

Fourthly, in relation to the timing of data collection, a last point to mention is that almost all of the above research has been cross-sectional in nature *and* collected years after the outsourcing transitions transpired – and therefore typically provides only 'snapshots' of the long-term implications. The consequence of this, of course, is that many questions remain unanswered around what it is like for employees to experience the 'process' of 'being outsourced'; and what happens to the employment relationship in that timeframe. This seems to be a significant area for researchers to explore because studies into the transition experience might potentially offer new insights into the short- and long-term repercussions of outsourcing for employees – particularly for areas such as the employment relationship and employee attitudes (Morgan, 2010). On the back of this, there was some reflection on the ways in which transitions have been conceptually framed, with the identification of some useful insights around (a) the stages of outsourcing might be helpfully understood for the present research, and (b) some underlying factors that might be important for understanding the employee psychological experience.

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[8] Perhaps the only area that seems to demonstrate fairly consistent findings is when public services are outsourced to the non-profit sector (e.g. Cunningham, 2008; Cunningham and James, 2009). Here, research generally reports negative outcomes for employees but research in this area has predominantly been confined to a small number of service areas (e.g. social care).

Having explored the landscape of outsourcing in the public leisure sector, and reviewed the wider research base on the employee implications, the next chapter shifts the attention to the conceptual framework for the present study. Given the dearth of research in the leisure sector, it could be argued that one of the key questions in the leisure context surrounds the question of what the benefits and drawbacks of outsourcing are for employees during the process of being outsourced, particularly in relation to the employment relationship. Given this, the argument is that the social exchange framework offers a valuable and pertinent lens for exploring this question.

CHAPTER THREE
SOCIAL EXCHANGE THEORY

The propensity to truck, barter and exchange one thing for another

is common to all.

—— **Adam Smith**

3.1   INTRODUCTION

The previous chapter ended by advocating social exchange theory as a useful lens through which to investigate the employee experience of outsourcing. The purpose of this chapter, therefore, is to map out the theoretical landscape of social exchange theory and its application to the employment relationship in order to provide a conceptual framework for the study of outsourcing experiences. To do this, the chapter reviews four central elements associated with the social exchange framework. These include: (i) the parties in the relationship, (ii) the content of exchange, (iii) the process of social exchange, and (iv) the quality of exchange relationships. The review highlights some of the debates that surround these elements in the literature and, towards the end of the chapter, reflects on their significance for the outsourcing context. Before doing that, however, the chapter commences with a brief overview of social exchange theory and its application in organisational settings and outlines how it differs conceptually from 'the psychological contract'.

3.2   SOCIAL EXCHANGE THEORY & ORGANISATIONS

The theoretical pedigree of social exchange is largely traceable to some of the early studies in anthropology (Malinowski, 1922), social psychology (Homans, 1958; Thibault and Kelley, 1959) and

sociology (Gouldner, 1960; Blau, 1964; Levi-Strauss, 1969)[9]. In these studies, social exchange was predominantly developed as a 'meta-framework' for observing social interaction, with the lens of 'exchange' being its core focus (Cropananzo and Mitchell, 2005; Cook and Rice, 2006). While the 'theory' has undoubtedly evolved and grown in its application since these early studies, it still fundamentally holds this same analytical focus: that is, to analyse the benefits or inconveniences that people or parties receive from, or contribute to, social interaction, and the nature of the relationships involved (Molm, 2003).

In organisational settings, social exchange theory has been widely applied as a means for analysing exchange interaction in the workplace (Shore et al., 2004; Cropanzano and Mitchell, 2005; Shore et al, 2007). This is probably because it provides researchers with a useful 'heuristic' for assessing the relative benefits and costs in employment and organisational relationships. Certainly it facilitates the analysis of the 'contents' of what we give and receive in our work and employment relationships. However, the social exchange framework also leads to questions around trust, reciprocity, commitment and power within organisational contexts: all of which are arguably important if employment relationships and their consequences are to be better understood and explained (Shore et al., 2004; Shore and Coyle-Shapiro, 2007).

Numerous conceptual constructs have been developed to assess social exchange interaction in organisational settings, and these include the psychological contract (Rousseau, 1989, 1995), perceived organisational support (Eisenberger, et al., 1986), leader-member exchange (Liden and Graen, 1980) and team-member exchange (Seers, 1989). All these constructs consider the notion of exchange in the workplace, but not all address the notion of the employment relationship directly. Indeed, within these constructs there are important differences in relation to the 'parties' involved and where the focus around the exchange content is directed (see Table 1 below).

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[9] Principles of social exchange behaviour can also be found in earlier writings such as Aristotle's *Nichomacean Ethics* and Adam Smith's *Wealth of Nations.*

Table 1: Social Exchange Concepts is Organisational Settings

	The PC	POS	LMX	TMX
Alternate Party	Employer or Organisation	Organisation	Supervisor	Team
Analytic Focus	Promises Obligations Deals	Perceived Value Care for Well-being	Trust Respect	Trust Respect
Pioneering Studies	Rousseau, 1989	Eisenberger et al.,1986	Liden & Graen,1980	Seers, 1989

Of these constructs, it has arguably been the psychological contract – the employee's belief regarding the terms and conditions of a reciprocal exchange agreement with his or her employer (Rousseau, 1989) [10] – that has most prominently sought to examine exchange behaviour in the employment relationship (Conway and Briner, 2005). Furthermore, studies of how far promises are fulfilled have produced significant correlations and inferences in relation to other work attitudes and behaviour (*see* Zhoa et al., 2007; Bal et al., 2008).

However, despite the psychological contract being a valuable contribution to our understandings of employment relationships, it could be argued that the wider framework of social exchange theory may, in some instances, allow for a more holistic and insightful means of conceptualising employment relationships. For whereas the psychological contract concentrates on the 'deals' and mutual exchanges of promissory based obligations between the employee and employer (Shore and Tetrick, 1994), the social exchange framework further allows for 'unspecified' forms of exchange in employment relationships, of which parties may or may not be aware (Blau, 1964; Molm, 2003). As Conway and Briner (2005, p. 121) point out,

> *"[S]ocial exchange theory and psychological contract theory differ critically on the issue of whether individuals are aware of the specific details of exchange. Social exchange theory does not claim that individuals know in advance the details of the exchange".*

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[10] Definitional debates have, however, plagued the concept of the psychological contract since its emergence (*see* Arnold, 1996; Guest, 1998; Anderson and Schalk, 1998; Cullinane and Dundon, 2006).

By focusing more on the content of 'promises' and 'deals' rather than all the forms of behaviour that might constitute exchange interaction (Coyle-Shapiro and Parzefall, 2008), therefore, the psychological contract differs from the broader social exchange framework because of its analytic focus. However, in doing so it also creates restrictions for studying phenomena like employment relationships owing to the potential of overlooking exchange behaviour that transpires in more 'open' or 'oblivious' reciprocal interactions. Hence, while the psychological contract has value as a distinctive construct, and draws attention to some important aspects of social exchange behaviour such as promises and deals (which are conspicuously present in many exchange interactions and relationships), there are arguably benefits of extending the analysis of employment relationships to broader conceptualisations of social exchange owing to the breadth and complexity that such relationships are likely to contain[11]. For, as Blau (1964, p. 8) noted,

> *"To be sure, much conduct that appears at first sight not be governed by considerations*
> *of exchange turns out upon closer inspection to be so governed."*

In outsourcing situations, the employment relationship is likely to evolve significantly as the transition transpires, with the new employers bringing new and reformed expectations as they take over the outsourced organisation. Undoubtedly, this process may involve the re-negotiation of specific exchanges that were established with the former employer. But it is also likely at times to be an 'open' social process, where reciprocal relationships are generated without negotiation or a promissory basis. For example, there may be many things employees do to ease the smoothness of the transition for the new employer (e.g. extra effort etc), and many things employers do to help the process of sense-making for employees (e.g. involvement in the decision-making), but these may not necessarily constitute a pre-arranged psychological contract between the two parties. Therefore, owing to the fluidity and complexity of outsourcing situations, it seems useful to adopt the broader understanding of social exchange theory in the present research[12].

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[11] In the present study, the broader conceptualisation of social exchange is applied, although consideration of other concepts (such as the psychological contract) is deemed important and informative for the empirical enquiry.

[12] There are also arguably conceptual problems with the psychological contract in the outsourcing situation. That is, when the new employer takes over the outsourced organisation it may in the minds of employees 'take on' the promises of the former employer, without itself agreeing to. In this respect, there may be a broad range of relational obligations that employees consider important but that the new employer simply is not aware of.

3.3 THE PARTIES TO SOCIAL EXCHANGE

The 'parties' to social exchange refers to 'who' is involved in any given social exchange relationship. In employment and organisational studies, one of the parties is typically represented by the employee or worker. However, an important debate that has transpired in recent years is about who the 'other party' is that an employee has social exchange interaction with (Arnold, 1996; Conway and Briner, 2005). A cursory glance through literature demonstrates that it is easy to find references to the 'organisation' (Robinson and Morrison, 1995; Tsui et al., 1997), the 'employer' (Porter et al., 1998), or the 'manager' (Herriot et al., 1997; Coyle-Shapiro and Kessler, 2002; Tekleab and Taylor, 2003) in this regard. But more deeply, the question remains about how individuals engage in social exchange relationships with amorphous entities like organisations or employers – and furthermore how they make sense of such parties (Shore and Coyle-Shapiro, 2007). For example, can an organisation or employer perceive or reciprocate and therefore hold a 'party' perspective? Who or what represents the organisation or employer in the mind of the individual employee?

Outside of employment and organisational studies, social psychological perspectives on social exchange have been less worried about the conceptual issue of who the other party is. Indeed, from their perspective the '*other party*' simply represents either the individual person reciprocating in a dyadic relation or a number of individual persons reciprocating in a collective network (Molm, 2006). The emphasis therefore is that social exchange takes place between individuals and not abstract entities; although there is recognition that groups of contributing individuals may be representative of broader abstract entities like organisations or employers. Although debates in the realm of employment and organisational studies are likely to persist on this issue for some time to come (at least until more in-depth empirical research is conducted on the topic), the social psychological perspectives may offer some useful direction for researchers to follow.

Shore and Coyle-Shapiro (2007) agree with the argument that exchange relations take place between individuals and individuals who represent organisations, as they argue that employee perceptions of an employer are likely to be channelled through relationships with senior, line and administrative

managers. Such a perspective thus seems to be a helpful way of understanding the employment relationship as it *theoretically* facilitates a way to ask the 'employer' – or its representatives – about its perspective. The problem, however, is that such ideas also lead to notable complications about *the practice* of researching the other party, as individual employees may perceive representatives in different ways, and therefore may have different relationships with each of them. Thus, it could be argued there are doubts about whether a coherent set of findings from any such 'employer' or 'organisational' perspective could ever be able to emerge from an empirical enquiry, regardless of how robust the methodology might be.

For the present study, therefore, the analysis remains squarely focused on the 'employee experience' of the employment relationship during the outsourcing transition, rather than the employer perspective. However, the study of outsourcing may present an empirical opportunity to explore the employee perception of 'who' represents the other party in the employment relationship, even if the other party's perspective is not itself investigated. Indeed, outsourcing transfers typically mean that employees change employer, and therefore change senior managers, but not their line managers and supervisors – and this therefore creates an interesting dynamic to consider empirically[13]. Thus, although some researchers argue that senior managers are likely be perceived as the dominant representatives of the 'employer' in most employment relationships because they control the 'core' or 'distal' aspects of the employment exchange, it might be insightful to at least ponder how employees make sense of who their employer is.

3.4   THE CONTENT OF SOCIAL EXCHANGE

The 'content' of social exchange refers to 'what' is contributed or received in any given social exchange relationship. Interestingly, early writers on social exchange theory often viewed the 'content' as the core analysis of social exchange enquiry, although there were slightly different conceptualisations of how content should be understood. Homans (1958, p. 606) viewed social

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[13] It is acknowledged that this dynamic is not always the case in outsourcing transfers. Senior managers might transfer, and line managers might not. It depends on the context. Nonetheless the reference here is typical for public leisure services.

exchange as "an exchange of goods, material goods but also non-material ones such as symbols of approval or prestige" and applied this to any social relationship. March and Simon (1958) drew on the tenets of Barnard's (1938) equilibrium theory and concentrated solely on the employment context and viewed the content of exchange relationships as comprising the 'contributions' from each of its members to the organisation (e.g. labour), and the inducements the organisation gave to stimulate their production (e.g. wages or social factors that generate satisfaction). Blau (1964), meanwhile, considered the specific differentiation between economic and social exchange content as significant, although he was generally quite broad in terms of what these categories encapsulated.

More recently, the issue of how the content of exchange relationships should be conceptualised remains a debate that has yet to be fully resolved in employment and organisational research (Cropanzano and Mitchell, 2005). Clearly there have been numerous attempts to describe the 'dominant aspects' of exchange content in the employment relationship, particularly in areas like the psychological contract where numerous conceptualisations exist (Conway and Briner, 2005) (*see* Table 2 *for some brief examples*). In fact, research into the content of social exchange has been one of the overriding areas of social exchange research to date. Yet, despite the burgeoning amount of research, there are still some drawbacks to current conceptualisations. One of these drawbacks is that key categorisations of content remain inherently broad (e.g. the economic 'or' socioemotional distinction). Another is that they do not always account for some potential forms or aspects of social exchange that seem to be present, as is alluded to later in this section.

Table 2: Some Dominant Social Exchange Contents in Employment Research

	Employee Contribution	Employer Contribution
Economic	Labour	Pay (and Fair Pay)
	Effort	Benefits
	Honesty	Job Security
	Loyalty	Training
	Self-Presentation	Development
	Citizenship Behaviour	Career Progression
Socioemotional	Flexibility	Recognition
	Overtime	Autonomy

	Openness to Change	Support with Personal Problems
	Minimum Stay at the Company	Interesting Work
		Social Responsibility to Staff
		Involvement
		Consultation
		Time off for Family Commitments
		Fairness in Recruitment
		Procedural Justice
		Safe/Congenial Work Environment

(This table uses information adapted from: Rousseau, 1990; Herriot et al., 1997; Conway and Briner, 2005)

3.4.1   ECONOMIC AND SOCIOEMOTIONAL EXCHANGES

In general, the dominant way in which the content of social exchange has been categorised is through the differentiation between economic and socioemotional 'resources'[14]. As Shore et al. (2009) note, economic exchange in the employment relationship involves the transactional exchange of economic resources, such as pay, benefits or labour; whereas social exchanges includes the exchange of socioemotional resources, such as gratitude, friendship or esteem. In psychological contract research, distinctions have similarly been drawn between 'transactional' and 'relational' contracting (Conway and Briner, 2005).

The distinction between economic and socioemotional 'resources' has arguably proved significant for studying the employment relationship as they seem to represent different sorts of employment relationship types. As Shore et al. (2009) note,

> *"A robust f nding across levels and types of relationships is that greater*
> *social exchange is associated with stronger employee contributions … higher*
> *commitment, lower intention to quit, higher organizational citizenship*
> *behaviour (OCB), and better performance" (p. 291).*

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[14] On this point, it is also worth noting the difference between economic and social exchange relationships, which was a key contribution to Blau's (1964) thesis. *Economic exchanges* were, as noted above, centred on transactional exchanges of obligations, but *social exchanges* were predicated on embracing an open and on-going form of relationship. Indeed, Blau made clear that whereas socioemotional exchanges involve largely unspecified future obligations which are largely not bargained for, economic exchanges do not: economic exchanges involve the use of specified contracts, sometimes based upon a quantitative medium, to ensure all parties fulfil their obligations. In this regard, Blau also drew attention to the role of trust in social exchange relationships, as parties cannot guarantee they will receive any reciprocal response. Overall, the distinction, as alluded to below, has proved useful for understanding the outcomes such relationships produce in the employment context, though it must be recognised that Blau's rather strict distinction has also been subject to criticism. As Ekeh (1974) alluded to, there is argument to suggest economic exchanges are likely to involve some degree of trust and unspecified contracting, and socioemotional exchanges may well be specific and negotiated.

However, such assertions are perhaps somewhat optimistic given the fairly weak level of correlations and regression inferences that these studies often report (Conway and Briner, 2005). Thus, theory about the content of social exchange arguably needs to be developed in some respects – and some ideas about how this could be done have already emerged, as the following seemingly show.

The Resource Theory Framework

Resource theory was first proposed by Foa and Foa (1980) and provides a reasonably specific categorisation of the types of currencies that could be exchanged in the employment relationship (Shapiro and Conway, 2004; Shore et al., 2009). Foa and Foa (1980) suggested all social exchange content can be reduced to six types of 'resources' which relate to money, goods, services, status, information, and love (*see* Table 3). These resources are differentiated by the extent to which they are concrete or symbolic, and by the extent to which they are universal or particular to the parties involved. The contribution of Foa and Foa's work, therefore, is to not only offer more specific sets of categories of exchange content investigated with related consequences, but also that the perceived meaning and value of social exchanges is accounted for – something Shapiro and Conway (2004) suggest is often overlooked by past and present researchers. The central query with Foa and Foa's analysis, however, is whether the categorisations are appropriate for the employment relationship – and there are some reasons to suggest they are not. For example, should training and development be considered a service from the organisation or is it a mechanism to provide information and knowledge, or could it be simply seen as a sign of support from the immediate line manager, or all of these things? Many instances of such overlaps could be identified, as well as things that do not seem to be captured by the approach – e.g. where would autonomy and involvement fit? These issues, along with the fact there is still limited recognition for other relevant forms of content in the employment relationship, such as ideological or negative currency or organisational rights (discussed below), challenges the models applicability and reach, particularly for outsourcing situations[15].

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[15] There also appears to be obvious semantic obscurities in Foa and Foa's conceptualistion around using language such as 'love' in the context of the employment relationship.

Table 3: Resource Descriptions (Developed from Foa and Foa, 1980)

Resource	Description	Tangibility	Particularism
Money	Any coin, currency which has some standard unit of exchange	Either	Low
Goods	Tangible products, objects or materials	Concrete	Low-Moderate
Services	Activities of the body or belongings of a person which often constitute labour for another	Concrete	Low-Moderate
Status	Expression of evaluative judgement which conveys high or low prestige, regard or esteem	Symbolic	Moderate-High
Information	Advice, opinions, instructions or enlightenment	Symbolic	Moderate
Love	Expression of affectionate regard, warmth or comfort	Either	High

The Rights and Responsibilities Framework

Rights and responsibilities is another idea that has emerged in terms of how social exchange content might be understood in organisational and employment relationships (Masterson and Stamper, 2003). The notion of organisational rights and responsibilities was first formulated by Graham (1991) who employs Marshall's (1965) ideas around the rights and responsibilities of citizenship in wider society and then applies them to the organisational setting. Graham (1991) argues that there are three types of employee citizenship 'rights' to be found in the employment relationship and three types of employee citizenship 'responsibilities'. The rights are classed as social (e.g. pay, status, information), civil (e.g. procedural justice, autonomy) and political (participation, involvement) in nature. The responsibilities revolve around (i) 'obedience' to formal culture and labour expectations, (ii) 'participation' in organisational affairs, and (iii) 'loyalty' to leaders and the organisation. Extending the analysis of social exchange content to aspects found within Graham's (1991) ideas on rights and responsibilities may therefore be useful for the outsourcing situation, as the factors mentioned may develop during the change process. But, given there is clear overlap with existing applications of psychological contract

content (e.g. *see* Rousseau, 1990), the contribution of these ideas seem somewhat tentative, despite coming from a different theoretical perspective.

Ideological Currency

Ideological currency is based on the idea that employees receive intrinsic satisfaction from being part of a 'cause' which has the power to motivate them to give more commitment to their work. The idea largely stems from the work of Thompson and Bunderson (2003) as a distinct way of understanding the psychological contract. They argue the espousal of a cause or principle represents a distinct inducement which elicits commitment from employees, and is typically perceived as an obligation that is part of the psychological contract in the employment relationship. Hence, they go on to suggest that employers have the capability to 'violate' this obligation by abandoning the espousal of the principle or cause that they once represented. For example, a humanitarian aid organisation abandoning the mission to fund schools programmes in the developing part of the world that is was committed to. Thus, incorporating Thompson and Bunderson's (2003) ideas into conceptualisations of social exchange theory may be useful, as it recognises important factors that motivate employees at work. However, there is conspicuous overlap with the notion of organisational identification here – i.e. whereby employees come to internalise the values of organisation. As a result, it is arguable that ideological currency is more about the 'quality' of the employment relationship than its 'content'. This is not to claim that employees do not join an organisation because of the values or causes it represents, nor to suggest that employees do not feel 'violated' when their organisation rescinds on the espousal of particular values or causes. Rather, it is to raise the question of where (in conceptualisation terms) this idea might best be understood in social exchange theory. Perhaps it simply raises the idea that aspects of the 'quality' of the employment relationship may also be part of the 'content' or vice versa.

Finally, another idea for how social exchange content could be developed relates to the notion of 'negative social exchange'. Curiously, the notion of negative social exchange is something strangely scarce in the current literature on social exchange theory. However, the idea that parties may engage in repeat negative exchange interaction is not new to social exchange theory; indeed, Gouldner (1960) highlighted in his work on the 'norm of reciprocity' that harmful actions are likely to be reciprocated. One study in the clinical psychology literature conceptualised negative social exchange as encompassing notions such as hostility, insensitivity, interference and ridicule (Ruehlman and Karoly, 1991). In employment and organisational studies, more recent research by Gibney et al. (2009) suggests the notion of 'perceived organisational obstruction', an exchange-based concept that explores the tactics organisations use to the detriment of employee goals or well-being. Interestingly, they suggest that the lack of research around negative exchange is to some extent driven by the tendency of organisational scholars to steer away from viewing the organisation as a direct source of negative treatment for employees, despite evidence to the contrary (*see* Rayner and Cooper, 2004; Oade, 2011; Einarsen et al., 2011). Consequently, although a few studies have explored the notion of negative exchange, more research would appear to be needed on this topic as it potentially represents a significant phenomenon in the realm of exchange relationships. Questions about how negative exchanges come about, why they continue, and what the implications are for individuals and organisations all seem like valid areas for further research to explore. Perhaps the outsourcing context, where tensions between employees and employers have often been acknowledged (Morgan, 2010), offers the setting to explore these issues in more detail. However, with any research on negative exchange, it could be argued a careful distinction needs to made between the notions of 'breach'/'violation' and 'negative exchange', as the perceived experiences and outcomes of these notions may encapsulate significant overlap.

3.4.2 BREACH

The previous subsection ended by touching on the notion of breach in social exchange relationships, and this is an important dimension to mention because of the implications the perception can generate. In outsourcing situations, breach of social exchange expectations is perhaps likely to occur given the dynamic context and change of employer. Along the lines of Morrison and Robinson's ideas (1997), a breach refers to the cognitive recognition that a party in an exchange relationship has failed to fulfil one or more perceived obligations. Although the notion of breach is largely contained within research on the psychological contract, and so tends to have a root in notions of deals and promises, it is nonetheless seems pertinent for broader social exchange situations too. Certainly social psychological perspectives on social exchange theory recognise that social exchange interaction may be breached or 'negatively evaluated', regardless of whether the exact nature of return was 'specified' (Molm, 1997).

The importance of understanding breach resides in the fact that such events can have significant implications for individuals and the employment relationship (Parzefall and Coyle-Shapiro, 2011). Meta-analyses by Zhou et al. (2007) and Bal et al. (2007) highlight that breach leads to negative emotional reactions in individuals (e.g. 'violations'), such as anger and frustration and depression as well as negative behavioural reactions such as reduced citizenship behaviour and performance and higher intentions to leave. Other research supports the premise that breach produces negative attitudinal outcomes in the relationship, for example, through lower trust and commitment, and poorer levels of employee satisfaction and well-being. Interestingly, a study by Conway and Briner (2002) highlighted that breach can be an everyday occurrence, although they emphasised that some breaches will instigate stronger reactions than others. More specifically, Lo and Aryee (2003) note that organisational change is likely to create opportunities for breach and violation to occur, something backed up from research on mergers and acquisitions (Garrow, 2005).

Finally, at this point it is perhaps important to mention that one factor inherently intertwined with the notion of breach is the role of distributive justice (Kickul et al., 2001; Turnley and Feldman, 1999). Distributive justice is commonly accepted to represent the fairness of outcome allocations or

distributions to employees and so the link to breach is quite apparent (Colquitt et al., 2001). The early work of Adams (1965) on equity theory was a way of conceptualising the relative fairness around inputs and outcomes in a given social exchange relationship, something Homans (1958) also alluded to. The link between distributive justice and breach is therefore apparent, particularly in the psychological contract domain, as perceived unfairness in this respect is often engendered from unfulfilled obligations. And, as Colquitt et al. (2001) demonstrated, this can have important consequences for the employment relationship and work attitudes – with job satisfaction, commitment, performance, and citizenship behaviour all being negatively affected.

3.5   THE PROCESS OF SOCIAL EXCHANGE

The process of social exchange refers to the way in which social exchange relationships transpire, and the factors that are significant therein. Early writers such as Homans (1958) drew on theories of reinforcement to understand how and why social exchange relationships transpire, and adopted a largely social psychological perspective. Blau (1964) also drew on social psychology to develop a micro-economic perspective of social relationships, although he also extended his analysis to sociological issues of power. Gouldner (1960), who was perhaps the most influential thinker on the processes of social exchange, centred his analysis on the concept of 'reciprocity' – the '*norm of reciprocity*' – and embraced a sociological perspective.

In employment and organisational studies, the process of social exchange has been widely recognised as an area in-need of more research in recent years. As Cropanzano and Mitchell (2005) note, "we really know very little about the processes of social exchange … [f]uture research needs to uncover this black box" (p. 880). In particular, they suggest going beyond the traditional reliance on the 'norm of reciprocity' as the crux of why individuals engage in exchange behaviour in search of alternative explanations, though they recognise this remains at the heart of any social exchange relationship. As Emerson (1981) noted,

*"Benefits obtained through social process are contingent on benefits provided
'in exchange'" (p. 32)*

3.5.1   RECIPROCITY

Gouldner (1960) was one of the first writers to subject the notion of reciprocity to detailed analytical appraisal and his main contribution lies in the conceptualisation of reciprocal behaviour into three different perspectives. The first perspective is based on the idea that reciprocity is viewed as a series of interdependent exchanges by people, where an action by one party automatically leads to an action by another, and so forth, because of the dependencies found in the relationship (Cropanzano and Mitchell, 2005). The second perspective is where reciprocity is viewed as an existential or folk belief, whereby parties believe socio-cultural patterns of 'give-and-take' co-operation lead to balanced and fair social relationships 'in the long run' and are hence worth conforming to. The third type of reciprocity reflects the main thesis of Gouldner's (1960) work whereby reciprocity is considered a universal 'moral norm', which is rooted in the argument that when a party receives benefits from another party, those benefits generate the moral obligation to respond in kind by offering some form of benefit in return.

Although there is notable conceptual overlap between these three perspectives on reciprocity, Gouldner's (1960) work is valuable as it highlights there may be numerous reasons, particularly contextual reasons or issues of power, as to why parties engage in social exchange relationships. This is a perspective that contemporary employment and organisational researchers often seem to forget, despite its obvious significance for drawing explanation. No doubt there is some research to support this moral norm premise (e.g. Coyle-Shapiro and Kessler, 2002). But it seems logical that in endeavouring to appreciate the forces governing social exchange interaction, the role of social context, especially issues about social rules and power distributions, might be significant if knowledge will be progressed (Coyle-Shapiro and Conway, 2004), particularly in outsourcing settings where content might change substantially.

As an alternative to Gouldner's ideas, Greenberg (1980) provides a psychological perspective on the factors that influence reciprocal interaction. Central to Greenberg's approach is the idea that as individuals receive benefits from another party they feel a sense of 'indebtedness' which has motivational properties for reciprocal behaviour because of the feeling of discomfort – and thus the desire to reduce discomfort. According to Greenberg, the degree to which individuals sense indebtedness is influenced by several factors, including (i) the motives of the other party, (ii) the costs the other party encounters in providing the benefit, (iii) the amount of 'reminders' given by the other party about being owed a return, and (iv) the extent to which the contribution was requested or voluntarily offered. Taken together, these ideas appear to offer fruitful ways in which knowledge on the dynamics of social exchange, and the sorts of relationships that result, can be developed. Yet, at the same time, it would seem wise to acknowledge that the subjectivity of such feelings means they are likely to be mediated and moderated by factors such as personality, internal value systems, and what Eisenberger et al. (1986; 2001) call 'exchange ideology' – i.e. the extent to which individuals inherently desire to engage in reciprocal interaction in the first place.

Beyond Gouldner and Greenberg, a last contribution on reciprocity is given by Sahlins (1972) who suggests that there are different 'forms' of reciprocal relationships that emerge from exchange interaction. Sahlins (1972) assumes an anthropological lens and suggests reciprocal interaction is primarily influenced by three overarching factors: (i) the extent to which there is immediacy of returns (timing between exchanges); (ii) the extent to which there is equivalence of returns (proximity in resource value); and (iii) the extent to which there is expectation of returns (expectation/interest in returns)[16]. For the employment relationship, these ideas may be useful for appreciating some of the underlying mechanisms of such situations, as they point towards reasons that may underpin why social exchange relationships evolve positively or negatively (Wu et al., 2006). However, any application of Sahlins' ideas should be developed carefully for the employment context, as his original work was based on 'stone age' tribal economies and may not fit appropriately to the context of the employment relationship[17].

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[16] These factors come together to form a continuum of reciprocal relationships from 'negative reciprocity' (negative), to 'balanced reciprocity' (fair) and finally to 'generalised reciprocity' (altruistic).

[17] For example, the idea that parties exchange proximal content in the context of the employment relationship is problematic, as the needs and contributions of the different parties are likely to vary significantly.

3.5.2 THE RULES OF EXCHANGE

Social exchange theory holds that all social exchange relationships are premised on the inclusion of some form of reciprocity, as the above subsection has illuminated. However, a further consideration central to understanding these relationships, as Molm (2006) elucidates, is the strictness of the terms and whether they are 'negotiated' or 'open-ended'. At the heart of this lies the extent to which exchange relationships are governed by 'rules' or 'agreements'. Cropanzano and Mitchell (2005) draw this point out and highlight how exchange rules provide guidelines for social exchange processes and behaviour. They cite Emerson (1976) who argued that rules delineate the "normative definition of the situation that forms among or is adopted by the participants in an exchange relation" (p. 351). Depending on their strictness, rules will to some extent determine what sort of exchange relationship two parties are engaged in. If there are explicit or implied negotiated agreements around the content of exchanges, this is called 'negotiated exchange', and bears a notable resemblance to the theoretical definition of the psychological contract. If exchange rules are not about agreements, but are generated more by social conventions, and open-ended unspecified expectations of return, this is understood to be 'reciprocal exchange'. Clearly in this regard, therefore, the notion of rules in reciprocal exchange overlaps significantly with what has been mentioned in the previous subsection.

There has been a reasonable amount of research comparing the implications of negotiated and reciprocal exchange relationships. The work of Molm (1997, 2000, 2003) is particularly useful in this respect and highlights that negotiated exchange relations tend to lead to inequalities in power use, while reciprocal exchanges tend to produce 'better work relationships' (p. 878) through facilitating more trust and commitment. For if parties specify through contracting the details of every exchange they suggest an unwillingness to take risk in that relationship, and without risk trust is difficult to cultivate, which has implications for the quality of relationships more generally (Molm, 2000; Bernerth and Walker, 2009).

3.5.3 THE ROLE OF POWER

The final aspect of the process of social exchange to be considered in this section relates to the role of power. In the traditional sense, Weber (1947) and Dahl (1957) suggest power is the likelihood that a party in a social relationship will be able to carry out their own will despite resistance: it is to be in a position to be able to influence others and withhold from being influenced. Others have criticised this realist or behaviourist ontology of power, highlighting its implicit tendency to view power as having only one 'single-visible-face' (Bachrach and Baratz, 1975; Lukes, 2005). In social exchange theory, the role of power has remained a steadfast concept for comprehending the nature and dynamics of social exchange processes and extends the traditional understanding of power by focusing on the relationship (Thibaut and Kelly, 1958; Emerson, 1972; Molm, 1997). As Cook et al. (2006) note,

"The fact that some actors control more highly valued resources than others can lead to inequality in exchanges as social debts are incurred and discharged by acts of subordination. Subjugation by the less powerful or domination by the more powerful become self-perpetuating, forming the foundation of power inequalities in relations of exchange" (p.194)

Emerson (1972) suggested the emergence of subordination and subjugation springs from the levels of dependence found in social exchange relationships: that is, the more dependent party A is on party B, the more power party B has over party A, and vice versa. He suggested that these levels of dependence are influenced by (a) the value of the benefits in the exchange and (b) the extent to which each party has access to 'alternative suppliers' for the 'supply' of benefits they need or desire – this perspective being typically known as 'power-dependency' theory. However, while power-dependency theory highlights that relational power changes over time, it can be criticised for not recognising the complexity of social contexts. For example, it tends not to recognise the ways in which laws and hierarchies constrain the use of power by employers on employees.

French and Raven's (1959) typology goes beyond power-dependence theory and suggests that relational power in organisations is underpinned by five bases of power: (i) reward power, (i) coercive power, (iii) legitimate power, (iv) referent power, and (v) expert power. Although the model can be

often criticised for being overly simplistic in its range, French and Raven's typology nevertheless depicts the sources from which managers and employees are able to have influence in the employment relationship. Moreover, in the context of social exchange theory, it goes beyond power-dependence (and hence reward mechanisms) by suggesting power may emerge from structures (e.g. hierarchies), knowledge advantages, and fear.

In the employment relationship, therefore, relational power is a conspicuous property of social exchange, and is held in tension from the resource dependencies in the relationship as well as other sources of power that parties have access to. Whether the balance of power favours employers or employees is a difficult question to answer, as it is likely to depend on context and collective arrangements. However, there is certainly a history of struggle for power in the employment relationship (Kelly, 1998; Edwards, 2003; Grimshaw et al., 2005), with many commentators arguing that the balance typically favours the managerial representatives of organisations (Tsui et al, 1997).

On this point, it is interesting to note that research suggests greater imbalances of power in social exchange relationships tend to increase tension and conflict and reduce commitment and cohesion. According to Molm (1997), the presence of power-imbalance provides more powerful parties greater influence to withhold social exchange benefits from the other party without incurring major losses for the contributions they receive. However, Emerson (1972a) notes imbalanced social exchange relationships will naturally lead subordinated parties to engage in 'power-balancing' strategies. For example, withdrawal behaviour or reduced loyalty. In organisational change, resistance to change processes may also be a strategy for balancing power, although one amongst many. Molm (1997) also notes how 'coercive power', which is the capacity to threaten various forms of punishment, can be exerted in imbalanced social exchange relationships where one party seeks power advantages.

3.6   THE QUALITY OF SOCIAL EXCHANGE

For social exchange relationships to develop over time there is an assumption that there must exist a degree of trust and commitment within the relationship (Blau, 1964). And it is the extents to which these properties prevail that seem to depict the relationship quality. For if there is no trust or commitment in an exchange relationship, there arguably cannot be a relationship of much socioemotional quality. Although further conceptual research is probably needed to define precisely what is meant by 'quality' in this respect, the starting point, as Blau (1964) implies, must lie with the emergent properties of trust and commitment. For without some degree of these, social exchange relationships simply struggle to exist or be sustained over the long-term. This section therefore takes a closer look at the concepts of trust and commitment as factors that make up the notion of quality in the employment relationship. However, in an endeavour to extend the concept of relationship quality, there is also some reflection towards the end of the chapter on the notion of identification as well.

3.4.2   TRUST

The concept of trust is widely studied in social science and has been applied to many contexts and levels of social analysis. Despite the definitional and conceptual variations that surround the notion of trust (Rousseau et al., 1998; Nootemboon, 2002; Zanini, 2007; Pratt and Dirks, 2007), the description put forth by Mayer et al. (1995) has become widely accepted in the study of organisational relationships. They define trust as involving the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trusting party, irrespective of the ability or influence the trusting party may have in monitoring or controlling them. Their model conceives that 'trustworthiness' develops from beliefs about the integrity, benevolence and ability of the other party.

In social exchange theory, trust is considered central to understanding social exchange relationships owing to the potential uncertainty and risk involved in social exchange interaction. For many social

exchange theorists, therefore, trust is an inherent part of social exchange, as without trust relationships can have no longevity. As Blau (1964, p. 94) wrote,

"Since there is no way to assure an appropriate return for a favor, social exchange requires trusting others to discharge their obligations".

On the back of this, the depiction of trust offered by Mayer et al's (1995) undoubtedly has some appropriateness in the study of exchange based employment relationships as it emphasises the notions of risk or willingness to be vulnerable around future expectancy. However, Mayer et al's (1995) definition generally conceives a uni-directional nature of trust (i.e. A's trust in B is not contingent on B's trust in A) (Mayer et al., 2007), whereas social exchange theory posits trust to be reciprocal phenomena based on social interaction (i.e. as A's trust in B is to some extent contingent on B's trust in A) (Ekeh, 1974; Molm, 2006; Neves and Caetano, 2006). That is, social exchange relationships are situations where 'trust begets trust' (Robinson, 1996). Research by Serva et al. (2005) supports this proposition whereby trusting in one party increases the propensity of the other party to be vulnerable and hence trust more in the former party as well.

In employment and organisational studies, research on trust in the employment relationship has burgeoned over recent years (Kramer, 2006). A review of the main correlations of trust in organisational settings by Dirks and Ferrin (2001) highlights positive relationships with communication, citizenship behaviour, performance, satisfaction and fairness; although their review also reveals that most correlations are often statistically weak. Other meta-studies have shown associations between trust and affective commitment (Colquitt et al., 2007) and leadership styles (Dirks and Ferrin, 2002). Research by Thau et al (2007) also highlights how stronger trust between parties in the employment relationship reduces the likelihood of 'anti-social work behaviours'.

More specifically on the concept of trust, Atkinson (2007) emphasises the significance of distinguishing between the cognitive and affective bases of trust in the employment relationship. According to McAllister (1995), cognitive trust is conceived of as rational, calculative and focused on tangible gains, while affective trust is considered to be predicated on emotional bonds with concerns

for respect and the welfare of the other party. Atkinson (2007) therefore suggests cognitive trust is more aligned with economic exchanges and transactional psychological contracts, whereas affective trust is more related to socioemotional exchanges and relational psychological contracts. All these ideas are useful as they conceptualise how elements of relationship quality relate to relationship content, and potentially, social exchange processes as well. In outsourcing situations, understanding the sort of trust that an employee has with the foregoing or forthcoming employer may be an important factor for understanding why trust or distrust develops with the new employer, and how they perceive changes in the content of the employment relationship.

Interestingly, Williamson (1993) suggests breaching an economic contract can be 'efficient' in certain circumstances, but betrayal of personal trust can never be efficient, just 'demoralising'. Similarly, Atkinson (2007) argues that breach of cognitive trust may have limited effects on the employment relationship, but breach of affective trust can undermine and destroy the relationship entirely.

Many literatures have pointed to the important role of trust during organisational change processes (Hope-Halley et al., 2010; Michalenko, 2010; Sloyan and Ludema, 2010). This is both in terms of the enhanced facilitation of 'employee acceptance' it provides during the change process as well as the long term stability for the employment relationship afterwards. Lines et al. (2005) suggest that any degree of uncertainty and vulnerability encountered during organisational change provides employees with the opportunity to question and reassess the level of trust in the employment relationship for the long-term, particularly around the social nature of the employment exchange. Lines et al. (2005) thus view change programmes such as outsourcing as critical events 'that may create or destroy trust in management' (p. 222). Nikandrou et al. (2000) note that if trust is broken as a result of large-scale transitions it is likely to be extremely difficult to rebuild. They also argue that if trust is broken because of organisational change and managerial decisions, it is the managers' responsibility to rebuild it.

With many literatures acknowledging the high prevalence of breached or broken trust in organisations it is perhaps surprising there is a paucity of academic literature and research on how damaged trust

can be rebuilt. Concepts such as forgiveness and reconciliation may be helpful for developing research in this respect, although they currently suffer from a lack of theoretical rigor in terms of what they actually mean. Pratt et al. (2009) argue that regardless of where the responsibility may lie for rebuilding trust, the process requires effort and steps by the violating and violated party if trust is to be restored. They suggest that the processes involve the admission of wrongdoing, forgiveness, recovery space and focusing on the positive aspects of the relationship, although their ideas have yet to be subject to empirical enquiry. Clearly, if outsourcing does lead to a break down in trust, the present study – or further research that follows – may provide a suitable opening to explore these issues in more detail.

3.4.2 COMMITMENT

Similar to trust, the concept of commitment has been widely studied and endures a history about how it should be theorised and defined (*see* Meyer and Herscovitch, 2001). In social exchange theory, commitment is primarily conceptualised in behavioural or affective terms, where behavioural commitment is judged by the extent to which parties remain in, and contribute to, an exchange relationship, and affective commitment by the degree of emotional attachment toward the other party (Cook and Emerson, 1978; Lawler and Yoon, 1996; Molm, 2006). This is useful for studying the employment relationship as it implies two important ways of judging the quality of the relationship – behavioural observation and emotional attachment. The limitation, of course, surrounds the lack of appreciation for the underlying mechanisms about why commitment may exist in social exchange relationships in the first place.

In organisational research, the notion of commitment has been differentiated as behavioural or attitudinal or calculative or affective (*see* Kanter, 1968; Buchanan, 1974; Steers, 1977; Mowday et al., 1982). Meyer and Allen (1991) used these perspectives to develop what has arguably become the most prominent model of organisational commitment in organisational psychology. Their model comprises three types of commitment – affective, continuance and normative commitment. Notwithstanding the disputes over the content validity of the concept, and repeated findings of high

correlation between affective and normative commitment (Culpepper, 2000; Mayer and Herscovitch, 2001), meta-analysis research by Meyer et al. (2002) found the components of the model to be distinguishable and statistically related to several other concepts about organisational life. The study showed affective commitment to have the strongest correlations with concepts such as attendance, performance, citizenship behaviour and well-being. Normative commitment emulated such findings but in a less statistically significant way. However, continuance commitment showed either negative relationships or no relationships at all with them. All components of the tripartite model were negatively correlated to withdrawal cognition and turnover.

Despite these differences, it could be argued that Meyer and Allen's (1991) model is a beneficial proxy for studying the quality of employment exchange relationships as it taps important emergent properties of the relationship. Affective commitment, for example, is pertinent because it delivers a perspective on how parties feel about the relationship and the other party in terms of the attachment therein. The stronger the attachments toward the other party, the more likely the relationships will continue and be positively oriented in terms of exchange. Continuance commitment is useful because it taps an overall subjective-cognitive evaluation of the extent to which the exchange relationship is worth remaining in given the benefits obtained and the social context the relationship operates within (e.g. the extent to which there are offers of alternative suppliers and dependency inequalities, as well as the cultural expectations that exist, etc). Normative commitment is valuable because it taps a sense of obligation to the other party that may have emerged from the reciprocal interaction. On the back of these, it is also argued that the notion of 'intentions to leave' an organisation is also a relevant way of exploring commitment, and one that fits well with social psychological perspectives on commitment in relationships, and is likely to be underpinned by the state of these tripartite factors.

Commitment in organisational change situations has also received noted amounts of research (Axelrod, 1992; Daly and Gayer, 1994). In general, studies provide mixed findings about the way in which change can affect commitment, be it positively or negatively. In this respect, it is interesting to note the disparate findings that have been found in specific studies on commitment in the outsourcing situations (e.g. Kessler et al., 1999; Hern and Berke, 2006; Morgan, 2007). Clearly the way in which

commitment can be affected in such situations depends on a complex array of factors – some potentially relating to changes in the content of exchange relationships, others more about context and individual disposition. However, all of these factors will need to be borne in mind in the present study, if a reasonably comprehensive analysis is to take place.

3.4.3   IDENTIFICATION

In organisational studies, identification has been widely studied as a means for understanding the relationship between an employee and his or her organisation (O'Reilly and Chatman, 1986; Wegge et al., 2006; Knippenberg et al., 2006). This research base has largely stemmed from the work of Ashforth and Mael (1989; 1992), who draw on the theory of social identity (Tajifel, 1978) to understand social identification in the workplace. Although there are different perspectives on social identification, it is traditionally related to the process by which an individual's self-concept comes to assume beliefs about membership to a particular social group, and the emotional feelings that are associated therein (Tajifel, 1978; Tajifel and Turner, 1986). When an individual starts to identify with a particular social group they start to understand themselves in collective terms, merging the self with the group and therefore embracing some of the interests of the group as their own (Turner et al., 1987).

Within organisational relationships, Knippenberg et al. (2006) argue that when employees starts to identify with their employer or organisation they are incorporating some degree of the organisation's values, norms and interests into their self-concept. The result of this, they argue, is that employees become more intrinsically motivated to contribute to the collective goals and aspirations of the organisation – in part because they may see it as self-gaining. Naturally, this latter point of self-gain offers a rather cynical and selfish view of human motivation in the workplace which perhaps ought to be questioned. But the underlying idea that employees contribute more when they hold a stronger sense of organisational identification has certainly found empirical verification in a range of research settings (Riketta and Dick, 2005). For, like trust and commitment, organisational identification has been shown to be correlated with numerous work attitudes and behaviours in organisational

psychology. These include job satisfaction (Knippenberg and Van Schie, 2000), citizenship behaviour (Christ et al., 2003), organisational justice (Tyler and Blader, 2003), and absenteeism (Mael and Ashforth, 1995).

Given that organisational identification is therefore an intrinsic part of the employment relationship the question naturally emerges as to what role identification plays within a framework of understanding employment relationships as exchange relationships. For, although some might suggest social exchange theory and social identity theory should simply be understood as different perspectives on the employment relationship (Knippenberg and Sleebos, 2006), it is surely logical to suppose that people engaged in employment exchange relationships may also form bonds of identification – hence the two perspectives should not necessarily be separated. With this in mind, a potentially helpful way for understanding the role of identification in social exchange relationships is to view it as part of the 'quality' of the relationship. In one sense, this is because identification is rooted in the formation of affective bonds between two parties which are likely to be predicated on socioemotional exchange[18], but in another sense it is because identification offers a broad way of understanding the extent to which employees 'categorise' themselves as part of a particular organisation – the latter being particularly pertinent for the present study, as the aspect of 'affective bonds' is largely captured by affective commitment.

Nevertheless, one of the challenges with doing research on organisational identification is the complexity that surrounds the concept. Such complexity includes the conceptual overlap identification has with organisational commitment (as noted in the footnote below), but also extends to the multi-foci of the concept – i.e., where the identification is directed. For example, employees may have a strong identification with an organisation, but this may be rooted in identification to teams (Knippenberg and Van Schie, 2000) or professions (Russo, 1998). In organisational change situations like outsourcing, this means an employee's sense of identification may change little for those who

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[18] Naturally, when conceptualising identification as incorporating an emotional dimension, the quandary of conceptual overlap with organisational affective commitment naturally arises – for affective commitment in its definition often includes notions of 'affective identification'. Although some authors have given this detailed attention (e.g. Kippenberg and Sleebos, 2006), the point here is to recognise some overlap, but also to outline that identification for this thesis is based on how employees categorise themselves in relation to the organisation, rather than the affective feelings they have towards the organisation.

hold a strong sense of identification to the team, but change noticeably more for those who hold a strong sense of identification to the broader organisation or local authority.

3.7   CONCLUSION

From the foregoing, it has been argued that social exchange theory provides a pertinent lens for investigating the nature of employment relationships during outsourcing transitions. Significantly, social exchange theory offers a theoretical framework for investigating how the 'content' of the exchange changes during the different stages of an outsourcing transition. The previous chapter outlined some of the ways in which the onset of a new employer in outsourcing transfers can bring changes to the content of employment relationships in subsequent years (*see* pp. 25-32). But it would be interesting to observe these perceived changes during the transition period, with a more comprehensive analysis of exchange content. Indeed, such an analysis might allow fresh insights into the benefits, costs and breaches that can take place during the outsourcing transition process, particularly if the study is 'inductively open' to new insights emerging.

Beyond content, the chapter has also illuminated the importance of exploring how the process and quality of the employment relationship changes in outsourcing transitions. Clearly, if there are changes made to the content of the employment relationship in the process of outsourcing these are likely to be underpinned by changes in the process – e.g. reciprocity, rules, and power. Such changes are also likely to bring implications for how employees 'relate' to the organisation in terms of trust and commitment and identification – and these all appear to be valuable concepts for understanding the quality of the employment relationship. For if there is no trust, commitment or sense of identification, does 'relationship' exist at all? Given that outsourcing may be a time when employees feel they 'lose-out' in their social exchange relationship, it seems important to explore the consequences for these broader employee attitudes as well.

Having outlined the conceptual framework, the next chapter will now consider the methodology for the present thesis.

PART THREE

METHODOLOGY

CHAPTER FOUR
THE RESEARCH METHODOLOGY

It is beyond a doubt that all our knowledge begins with experience.

—— **Immanuel Kant**

4.1 INTRODUCTION

The previous chapter outlined the conceptual framework for the present research. The purpose of this chapter is to delineate the methodology of the present study, and in doing so justify why the research design utilised was suitable for the phenomena being researched. To do this, the chapter starts by reflecting on the epistemological and ontological allegiance of the study and the researcher, which pertains to the philosophy of critical realism. The chapter then shifts to consider the core methods choices of the research design. These include: (i) the research strategy, (ii) the data collection methods, (iii) the sampling procedures, and (iv) the data analysis. Before closing, the chapter also reflects on any ethical issues that presented themselves during the research process.

4.2 EPISTEMOLOGICAL CONSIDERATIONS

Although some scholars might dismiss the need to grapple with the underpinning philosophical assumptions on which a given project is based, it is argued here that researchers cannot afford to be strangers to understanding the epistemological commitments they consciously or unwittingly make within their work (Crotty, 1998). How we approach research, the questions we ask, the way we assess the relevance and value of different methodologies are all influenced by our epistemological and ontological allegiance, and such allegiances represent an indication of the relationship between the subject and the researcher and the researcher and the researched (Johnson and Duberley, 2000; Denzin and Lincoln, 2003). This section, therefore, outlines why the philosophy of critical realism has been

adopted in this study. This involves briefly critiquing some of the other conventional paradigms, whilst also elucidating the pertinence of critical realism itself. In this respect, Alvesson and Skoldberg (2009) argue there are now three overarching philosophies to the social sciences, which pertain to (i) positivism, (ii) social constructionism, and (iii) critical realism. Each of these paradigms will therefore be briefly reviewed, with particular emphasis on the research process. As positivism has been the historic paradigm for many social science fields over the past century, this is the first paradigm to be reviewed and evaluated.

Positivism

Positivism, or indeed post-positivism, as a paradigmatic belief system that guides researchers (Guba and Lincoln, 1994), has been pervasive in disciplines of employment studies since research in this area emerged. Indeed, notwithstanding some growth in qualitative research within the discipline, and the call for more 'interpretive perspectives' over recent years (Coyle-Shapiro and Parzefall, 2008), the hard-nosed roots of positivism linger steadfast. As Mearns (2011) notes about employee relations, and Herriot and Anderson (1997) about organisational psychology:

> *"[E]mployment relations has been dominated by quantitative studies in an effort to understand individual behaviour by quantifying and interpreting statistics … this is not adequate because this approach fails to understand the underlying emotions and actions of both the employer and the employee" (pp. 359-360).*

> *"The maturation of personnel psychology as a scientific discipline, whilst reaping the benefits of increasingly robust and sophisticated empirical research, has led to a predominant cultural code of mass epistemological conformity[:] … positivism" (p. 13).*

Whilst the positivist perspective of course has a much deeper pedigree than employment studies and social science more generally, the paradigm characteristically represents the notion that 'reality' exists independent of the human mind, and that researchers are able to access and postulate empirical knowledge about the epistemological truth of such a reality in an 'objective' and 'corresponding' way (Lincoln and Guba, 1985). In this sense, the tradition assumes the researcher or subject to be

dualistically separate from the object of investigation, with the relationship between them being value-free and largely distinct from the motivations and procedures of research investigation (Johnson and Duberley, 2000). Analogous to the natural sciences, therefore, such an outlook has led social science researchers to search for cause and effect relationships, to strive for stability in phenomena about individuals and society, and to do so with the eager tendency for the hypothetico-deductive form of enquiry and statistical modes of analysis (Burrell and Morgan, 1979; Lee, 1991; Alvesson and Skoldberg, 2009).

However, while the positivist assumptions may be appropriate for empiricist investigation into the natural sciences, there are clear tensions in their application to the social sciences (Baert, 2005). On one level, this is because social phenomena are the products of human action, with human actions also being intimately embedded in the production of social knowledge. That is, the claim of value-free enquiry seems untenable as social phenomena cannot be objectively observed or explained except through the conceptualisations and interpretations that social researchers tacitly provide. On another level, the critique of positivism goes deeper than the issue of value-free enquiry, and relates to the problem of idiosyncrasy in human experience itself. Kierkegaard (1974) recognised the epistemological significance of human subjectivity to individuals and society because for him it was the foundational meaning of human existence (Cohen et al., 2011). But positivism, in assuming an objectivity and generalisability about social phenomena creates the upshot of reducing individuals to passive receptacles of the social world and hence provides little appreciation into the idiosyncratic meanings that people experience (Ashworth, 2003; Darlaston-Jones, 2007). On a related point, the tradition of positivism also typically fails to account for the context in which phenomena takes place – something that is surely important if employment settings and organisations are to be appropriately 'known'. Naturally, to richly account for meaning and context in social phenomena is inextricably difficult when using methods of quantitative observation or survey research, but this is the demand of the constructionist researcher.

It is against this background that beliefs about the socially constructed nature of reality and knowledge came to emerge (Berger and Luckmann, 1967; Searle, 1995). Although there are many variants within the social constructionist paradigm, the overarching ontological assumption is that 'reality' is constructed in the human mind of individuals through the meaningful experience of social phenomena: the social interactions, processes, languages and discourses of societies and culture. As noted by Fletcher (2006), the result of this subjectivism for epistemology is that the imperative becomes solely associated with the value-laden process of seeking to understand the 'multiple realities' that individuals experience therein, whether this be through focusing on the processes by which individuals construct their worlds with categories (e.g. social constructivism, *see* Vygotsky, 1981) or through concentrating on the links between individual constructions of sense-making and the social structures and processes with which they interact (e.g. social constructionism, *see* Berger and Luckmann, 1967). The implication of this activity is that researchers veer towards the methodological confines of in-depth and open-ended qualitative research, such as ethnography, phenomenological research, and discourse analysis, and advocate reflexivity to outline personal backgrounds, values and political beliefs within a given project (Willig, 2013).

Ostensibly, such an approach to research seems to counter many of the problems borne out in positivism, particular the disapproval of meaning and sense-making and the lack of recognition for the research process containing some degree of subjectivity and interpretation. However, the social construction stance also retains criticisms which lead to questions about its soundness. On one level, this is because of the relativism that the 'strong school' of social constructionism implicitly or explicitly advocates (Burr, 1998). That is, by veering towards a relativistic position about reality and knowledge there is an assumption that 'truth' itself is a socially relative notion and this potentially brings the philosophical problem of self-refutation – at least in the linguistic sense. For, if epistemic privileges about the nature of truth are discounted, how can statements about the socially constructed

nature of reality and knowledge themselves be true?[19] On another level, albeit intimately related to the last argument, some scholars believe the rejection of positivism has simply been take too far – particularly in relation to ontological claims about socially-derived entities. As Fleetwood (2005) highlights regarding employment and organisational studies,

> *"To suggest that discourse, language, or some other conceptual or cognitive activity, creates (or whatever verb is implied) socially real entities like organizational structures, is to engage in what I call ontological exaggeration. Simply put, social constructionism exaggerates the consequences of activities like speaking and thinking to the point where it is hard not to define this as an example of subjective idealism"* (p. 6).

In contextualising these evaluations of positivism and constructionism to the phenomena of the present study there appear to be clear arguments as to why neither of them fully suffice the nature of the topic being investigated – and nor the authors personal view. Investigating how employment relationships change during outsourcing transitions surely demands an approach which appreciates the subjectivity of meaning and experience for the individuals and organisations involved[20] – which leaves positivism inadequate. However, to suggest that the reality of experiencing such phenomena is simply a product of 'discourse, language or some other conceptual or cognitive activity' seems to fail to recognise that there may be deeper explanations, or independent ontological mechanisms, that generate, or at least influence, those experiences – leaving strong notions of social constructionism ambivalent.

In light of this, the paradigm of critical realism, which Alvesson and Skoldberg (2009) call the third main paradigm in social science, is tendered as the philosophical basis of the present study. And while by no means flawless, it is argued that critical realism offers an appropriate philosophy for understanding changes in the employment relationship for leisure workers going through the process of outsourcing, and may offer some degree of higher explanation for those experiences as a result.

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[19] Of course, this is a rather abstract criticism, and researchers within this paradigm might simply argue in return that constructionism is more a paradigmatic guide for 'understanding' rather than developing inerrant statements of truth.

[20] Certainly extant research suggests that 'being outsourced' produces different meanings and different outcomes for different workers in different contexts in this regard, as Chapter Two alluded to (ibid).

According to Bhaskar (1986, 2008), the core of the critical realist position is the belief that there can be a fusion between ontological realism and epistemological relativism (*see* Figure 3). In other words, there are realities in the social world that exist independent of our knowledge of them, but any knowledge and conceptualisations of these realities are inherently socially constructed.

Figure 3: Bhaskar's Thesis (Johnson and Duberley, 2000)

"To be a fallibilist about knowledge, it is necessary to be a realist about things. Conversely, to be a sceptic about things is to be dogmatic about knowledge."

(Bhaskar, 2008, p. 43).
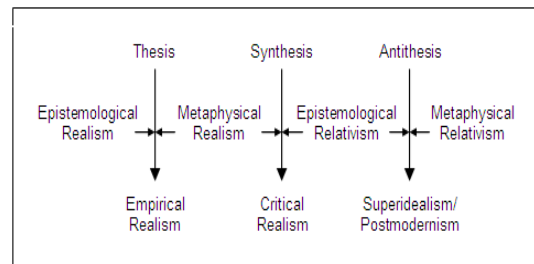
By clearly demarcating the realms of ontology and epistemology, critical realism is able to circumvent the problem of what Bhaskar calls the 'epistemic fallacy' often found in empiricism – that is, to confuse our knowledge of that which exists with the ontological reality of that which exists. To this end, critical realism outlines the idea that social reality operates at three levels of stratification: (i) the empirical level, (ii) the actual level, and (iii) the deep level. The first level, the empirical level, relates to the perceptual experience or subjective observation of events or processes that take place as social phenomena. The second level, the actual level, refers to the ontological 'actuality' of those events or processes (thus suggesting perceptions may not always or necessarily depict the actual). The third level, the deep level, relates to the structures and mechanisms that come together to generate events and processes that effect human behaviour and experience – mechanisms that individuals may or may not be aware of. In this sense, for example, ontologies of employment, performance, pay and training would all belong to the level of actuality, but the experience of those things would reside at the empirical level. The deep forces that produce or lie behind such experiences and actualities might include, for instance, capitalist economies, employment law, public policy, organisational structures, performance management, and psychological human needs – to mention just a few.

In stratifying reality into these three levels, therefore, critical realism puts forth an attempt to both 'observe' and 'explain' social phenomena. This is not merely through the reductionist Humean approach of trying to find inferential statistical patterns between a small number of variables, as is often the case in positivism. Rather it is through understanding phenomena (e.g. outsourcing experiences and the employment relationship) in its context (e.g. the setting surrounding the public leisure sector) and searching out the deep and complex 'generative mechanisms' that come together to produce contextualised outcomes for individuals, organisations and societies (e.g. such as the factors engendering outsourcing and the changes to the employment exchange relationship). For critical realists, the goal of social research is therefore centred on both the analysis of experience and the level of the deep so that those experiences can be explained. The challenge in this respect, however, is that searching out 'mechanisms' is no meagre task, as empirical insights may not always or easily point to the causal mechanisms. Indeed, perhaps one of the areas of critical realist research that might benefit from more scrutiny is the processes by which those deep mechanisms can be uncovered – for example, perhaps by developing a 'methodology for mechanisms'.

On the back of these tenets, it is perhaps unsurprising to note that critical realism accepts the nature and pursuit of knowledge to be an evolving and fallible endeavour. This is because knowledge is recognised to be constructed by humans and subject to continual development as societies and contexts change and as new ideas and theories emerge (Kuhn, 1970). In this regard, the critical realist perspective also propounds the view that social researchers bring a raft of assumptions and biases to the process of research which are difficult to relinquish – e.g. in the process of interpretation. However, there is also a belief that researchers can use more suitable methods of enquiry depending on the unit of analysis and phenomena under investigation. Thus, when it comes to matters of methodology, the critical realist perspective is to some extent pragmatic in that it recognises that many research strategies and data collection methods may be appropriate for social research – with their application being contingent on the context of the research questions being asked (Ackroyd, 2009). Hence, for the present research the methodological choices were made with the critical realist paradigm in mind, and driven by the methods that seemed most useful for addressing the study's

research objectives. In this respect, the following sections delineate the methodological choices made in the present study, and allude to why they fit with the critical realist perspective.

4.3 RESEARCH STRATEGY

The design of any research project should, and most probably will, be influenced by the underpinning paradigmatic assumptions of the research and those conducting it (Johnson and Duberley, 2000). This study is no different. However, within critical realism there are numerous methodologies and research designs that can be used in social research, particularly as the traditional tension between the quantitative and qualitative types of research is not considered problematic. As Sayer (2000) points out, for critical realist research the emphasis is on using the appropriate strategies and methods for the phenomena in question, based on whether this will provide an appropriate level of description and explanation of events. However, he also argues this depends on whether the research is 'intensive' or 'extensive' in its purpose (or a mixture of both).

According to Sayer (2000), intensive research is that which involves an intensive investigation of a social phenomenon in order to explore substantial relations and connections and seek out understanding and explanation. The tendency here therefore is to study a case or 'several cases' in order to appreciate the context of the phenomena being investigated and the patterns and mechanisms that lie therein. Extensive research, on the other hand, relates to studies that search for the extent to which there are descriptions of phenomena across a larger population. In this, the preference is therefore for strategies such as surveys or experiments.

In many ways, the work of Yin (2003) fits reasonably well with the ideas of critical realism in relation to research strategy. Like Sayer (2000), Yin argues that the choice of strategy fundamentally depends on the nature of the question being asked, and thus suggests different research strategies fit better to particular sorts of questions. Specifically, the choice of research strategy should depend on whether the question being asked is a 'who', 'what', 'where', 'how' or 'why' question. However, Yin (2003) also argues two other conditions are necessary to narrow the search for the appropriate research

strategy. The first of these relates to whether the researcher has control over the events being investigated – which would lead to experimental research. The second pertains to whether the phenomenon is current – which would lead to historicity if this was not the case. In this regard, Yin's (2003) list of research strategies with their respective typologies are demarcated below in Table 4.

Table 4: Research Strategy Conditions (Yin, 2003)

Research Strategy	Type of Research Question	Control of Events	Current
Experiment	How, Why	Yes	Yes
Survey	Who, What, Where, How Many	No	Yes
Archival	Who, What, Where, How Many	No	Yes, No
Historical	How, Why	No	No
Case Study	How, Why	No	Yes
Ethnographic-Interpretative	How, Why	No	Yes

4.3.1 A CASE STUDY STRATEGY

Given that the purpose of this research is to investigate the worker experience of activities, events and processes over time – i.e. exploring changes in the employment relationship as workers are outsourced to Leisure Trusts – the study naturally veered toward the 'intensive' form of research design and therein the case study approach. For this allows real-life experiences to be captured 'in' the situation, whilst also giving recognition to the laden context found therein (Naumes and Naumes, 2006). As Easton (2010) notes,

> *"A critical realist case approach is particularly well suited to relatively clearly bounded, but complex phenomena such as organisations" (p. 123).*

Additionally, as the questions being asked in the present research are primarily of a how and why nature, the case study approach also fitted well with Yin's (2003) ideas about research strategy choices – certainly compared to others. The survey strategy, for example, would be of less use when aiming to capture the nested arrangement of processes and mechanisms which shape the interpretations and perceptions of the worker experience, even if a qualitative form of data collection was enacted (Pettigrew, 1990). And while there may have been some merit to more ethnographic approaches, such

deeply immersed studies were perhaps unnecessary given the theoretical lens being adopted. Such approaches may have also been difficult practically given the time-context of the study (i.e. a PhD project – though it is important to note that the present study was fairly in-depth with data being collected longitudinally).

Although a common criticism laid against case study research relates to the potential lack of generalisability or representativeness[21], the argument here is that multiple case studies provide some pertinent findings about 'what is happening' in the broader public leisure sector in relation to the outsourcing process for workers. Moreover, the case study research strategy allows for deeper exploration of the experiences and social processes associated with outsourcing to be garnered in the leisure context – which is necessary if this group of workers is to be better understood and their outsourcing experiences tentatively explained.

4.3.2 APPLICATION

In terms of decisions around the design of case study research, Yin (2003) highlights the issues generally centre on choices about (i) the number of case studies to research, (ii) whether to conduct holistic or embedded case research, and (iii) the time dimension of the investigation. For the purpose of this study, the decisions were made to conduct three embedded case studies longitudinally – the rationale for which is detailed below[22].

Three Comparative Case Studies

In terms of how many case studies to conduct, Stake (1995) distinguishes between the intrinsic, instrumental and multiple case study designs and identifies that they essentially serve different purposes. The intrinsic approach is the singular case study conducted for 'intrinsic' interest in itself (e.g. if it is a unique, unusual or a critical case). The instrumental approach is also a singular case

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[21] It is recognised the case study strategy embraces a range of other criticisms.
[22] As noted in Chapter One, The Introduction, each case study in this research represents a public leisure organisation transferring to a non-profit Leisure Trust in an outsourcing scenario.

design, although this is carried out not because of 'intrinsic' interest, but rather to take an in-depth look at a particular problem of a 'typical' case. The multiple approach is where 'multiple case studies' are carried out to build a collective understanding of a research problem. For the present study, although conducting multiple case studies can be a more time consuming and arduous process than a single study, the belief was that adopting this option built up the verifiability and transferability of the findings across the organisations involved.

Certainly Ackroyd (2009) outlines the significance of case study research from a critical realist perspective and elucidates the value of multiple case study settings that engage in comparative analysis. He argues that comparing multiple case studies facilitates a better chance of building explanation because the similarities and differences are able to be drawn out. Herriott and Firestone (1983) note that by conducting multiple case studies the evidence is likely to be more compelling – for example, leading the conclusions to be more robust and 'verified'. Meanwhile, Yin (2003) has observed that by conducting multiple case studies the research gains the benefit of 'replication logic'– i.e. where the findings of a first 'case' study are built upon or tentatively verified by replicating the research with further case studies – providing the setting is broadly comparable. By replicating case studies researchers are thus able to build up the 'transferability' of the findings because of their repeat similarity. Hence, in the end, *three case studies* were conducted in the research as this allows the benefits of multiple case studies to be garnered, whilst staying within the temporal confines of a PhD thesis.

An Embedded Approach

In relation to whether to conduct a holistic or embedded case study, the decision largely centres on the unit of analysis being focused upon within the case organisations. That is, whether the focus is on analysing the 'whole' organisation (i.e. holistic) or multiple parts of the organisation (i.e. embedded) (de Vaus, 2001). Although this is perhaps not the most significant decision in the design of this research, the present study sought to conduct embedded case study research so the voices of different occupational roles were considered (e.g. supervisors, fitness instructors, receptionists etc).

In organisations, according to de Vaus (2001) the embedded approach to case study research is likely to generate a richer understanding of the phenomena being explored, and is useful for exploring different levels of the hierarchy.

Longitudinal Research

Finally, in relation to the time-frame of data collection, although case studies regularly embrace a cross-sectional nature (Saunders et al., 2011), literature often underscores the significance of longitudinal data collection in case study research – and its capacity to capture in-depth 'process' data over time (Yin, 2003; Carson, 2009). Huber and de Ven (1995) specifically advocate the use of longitudinal research in studies that are investigating changes in attitudes and behaviour in the context of organisational transitions. This is because longitudinal research enables the changes to be mapped more clearly. However, it is also because exploring attitudes at different 'stages' of the transition can be helpful in generating more *trustworthy* data. Thus, as the present research has sought to explore changes in the employment relationship in relation to the outsourcing process, the longitudinal approach was considered to be a desirable one for enhancing research quality.

Thus, for the present research, data were collected at two points in two 'waves' at each case study (see Figure 4). The first wave in each case was collected around three months after the official (legal) outsourcing transfer. This was to allow 'initial post-transfer' experiences of the new outsourcing employer (i.e. the Leisure Trusts) to be captured, whilst not being too long after the 'pre-transfer' time when they worked for the local authorities (to enhance memory recollection). The second wave of data collection occurred twelve months after the official outsourcing transfer – the 'post-transfer' period. This was to allow time for changes in the employment relationship to take place. Capturing insights about the 'pre-transfer', the 'initial post-transfer' and the 'post-transfer' periods was thought to be important if the events and experiences associated with the outsourcing processes were to be adequately mapped out and compared – particularly if done so through utilising social exchange theory as the framework of analysis.

Figure 4: Data Collection Waves
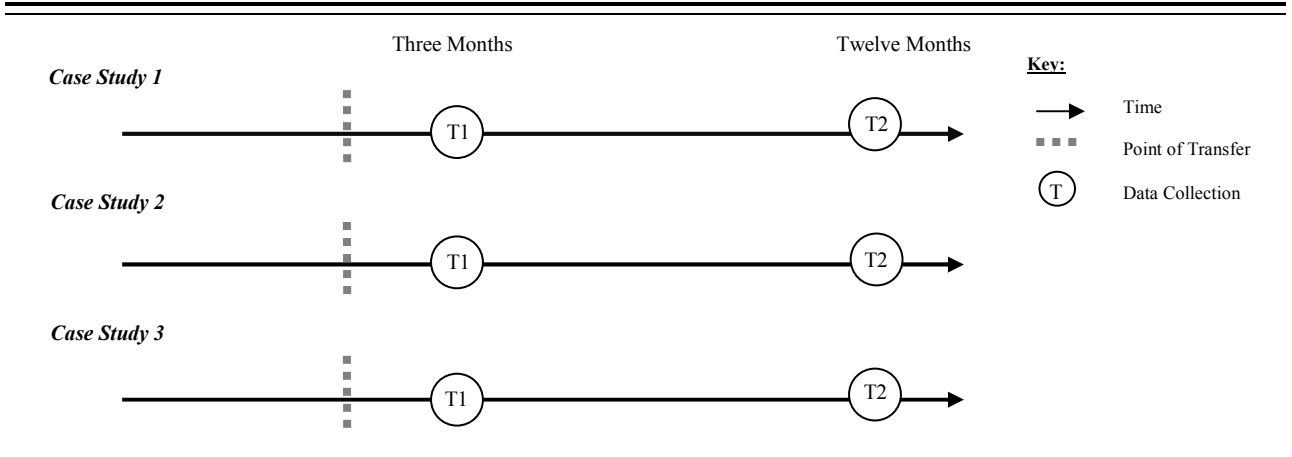
4.4   DATA COLLECTION METHODS

As with research strategy, the decision over which data collection methods to use in a given study arguably lends itself to the nature of the research question being asked, within the confines of the research paradigm being assumed (Miles and Huberman, 1994). However, for the purpose of the present study there were a variety of potential data collection methods that could have been used, each with their own benefits and drawbacks. Clearly from the research strategy, and indeed the critical realist perspective, there was a natural tendency towards the adoption of in-depth qualitative methods, in order to capture some of the complexity and context of the experiences investigated. And in the end, the decision was made to collect most of the data through semi-structured in-depth interviews. Yet, this was not a totally straight forward decision, and other options were considered as well (and in some instances conducted, although not formally included in the thesis[23]).

4.4.1   SEMI-STRUCTURED IN-DEPTH INTERVIEWS

The decision to use in-depth interviews for the present study mainly centred on the relative advantages the method embraced in relation to helping answer the research objectives and questions of the thesis. According to numerous literatures (Warren, 2002; Hesse-Biber and Leavy, 2011), in-depth interviews

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[23] A survey was conducted for the present research but disregarded because of methodological problems in the data generation.

allow researchers to 'tap' or access 'rich' descriptions about an individual's experience of events and activities. As noted by Carson (2001, p 77),

> *"In-depth interviews can provide an open, flexible, experiential and illuminating way to study complex, dynamic interactive situations".*

In addition to rich data, the attractions of using semi-structured in-depth interviews also related to (i) the face to face contact that interviews provide, (ii) the opportunity to clearly explain the topic being investigated and ensure participants understood what was being asked, and (iii) the level of flexibility available when collecting the data (Mahoney, 1997; Saunders et al., 2011). Indeed, the matter of flexibility was particularly pertinent for the study as the semi-structured interviews enabled the capacity to change the format, order and wording of questions when necessary and probe and follow-up on issues of interest and relevance as well. As the primary data collection was informed by existing research, and at times drawing on 'a priori' notions (e.g. elements of the content of social exchange such as aspects of pay, training, development, involvement, support etc), the use of unstructured interview would have been incongruous to the conceptual framework being applied. But having the semi-structured interviews seemed to allow for a healthy degree of focus and flexibility: allowing existing notions to be tapped, while facilitating the space for new insights to 'emerge' inductively. On the back of this, although like all qualitative methods (and to a less extent quantitative methods) there remains the potential criticism for 'bias' in the process of collecting data in this way (Kaar, 2009), the argument here is that by collecting data in a fairly systematic and reflexive way, these biases are able to be reduced and/or openly acknowledged (*see* Chapter Ten for reflexivity).

Compared to other data collection methods, semi-structured interviews also seemed to encapsulate fewer limitations for the present research. For example, while questionnaires may have garnered a more 'objective' means of generating data, they would potentially only gather superficial snapshots of outsourcing experiences – even if a host of variables were included and a longitudinal design adopted. Certainly they would not offer much in the way of explanation or context for the critical realist perspective. Furthermore, there is also the practical problem of collecting meaningful 'before' and

'after' data on the specific phenomena being investigated in this thesis. That is, it would have been practically very difficult to get accurate 'before' snapshots of worker attitudes of the employment relationship in the outsourcing setting because the survey questionnaires will almost always be conducted with workers after they have knowledge that the outsourcing transition is being considered or actually happening (by which time, as some participants told me during the field work, their perceptions of the employment relationship would be altered).

Focus groups were also discounted owing to the lack of privacy they provide participants. Indeed, although focus groups would have facilitated the benefit of inciting and eliciting ideas and issues which may not have arisen in one-to-one interviews (Hesse-Biber and Leavy, 2011), sensitivty was seen as a significant problem owing to the nature of the topic being researched. And, in relation to participant observation, although this method would have no doubt provided some interesting and contextualised findings on the experience of outsourcing, the problem here related to access, as well as the lack of benefits of such research. In terms of access, participant observation is acknowledged to be notoriously difficult owing to its intrusive nature, particularly in sensitive situations (Bryman, 2012). The lack of benefits related to the argument that many social exchange interactions are difficult to 'observe' in the direct sense (and over such a long period of time), and so would inevitably require interviews to extract perceptions of any changes, and the meaning attributed them for the individual workers.

Consequently, on the back of this, the primary form of data collection used in the present research was semi-structured in-depth interviews – and 85 interviews were conducted in total. Most of these were conducted with workers for the main data analysis into changes to the employment relationship. However, interviews were also conducted with senior managers of the Leisure Trusts and, on occasion, Local Councils, in order to capture broader contextual insights and inform the explanations that emerged from the wider study.

On the back of this, it is worth pointing out two further points regarding data collection though. The first point to mention is that seven interviews were conducted with senior managers from other

local authorities, leisure organisations and trade unions prior to the case study research – i.e. as a sort of 'preliminary study' (as well as discussions with academics in the field). These interviews were not part of the official data analysis, though they did help me get a better grasp on the nature of the study during the initial year as a PhD student, and offered some useful direction as to what to investigate.

The second point is that when 'conducting' the research at the case study sites there were many opportunities for 'conversations' with workers outside of the formal interviewing processes. For example, I quite regularly spoke to employees who did not have 'formal' interviews, and I often held 'off-record' chats to those who did. To recognise the significance of such conversations, the 'off-record' chats sometimes lasted up to 20 minutes and often included discussions relating to the topics of the study. Silverman (2011) discusses the importance of 'naturally occurring talk' and 'naturally occurring data' for qualitative research, and argues that qualitative researchers should take seriously the data found in 'natural' settings, as well as the 'formal' settings, as this can be a gateway for deeper insights. Moreover, Richie and Lewis (2004) note that being aware of the insights garnered from natural settings may provide a more complete picture of the phenomena and context being explored – and in case study research such a position is likely to be particularly valuable, especially if the phenomena in question is quite sensitive. Hence, it seems important to recognise that such conversations took place in order to outline the extent of research carried out during the field work and to note that this was in fact quite useful for gaining a deeper impression of the culture and context of the case studies being investigated.

4.4.2 APPLICATION

In terms of practicalities for the formal interviews, the details below offer some insight into how the interviews were organised, how they were managed, and the way in which the interview questions were developed.

Organising the Interviews

The process of gaining access to each of the case studies typically consisted of emailing and/or telephoning senior managers at the leisure centres or local authorities to explore the possibilities of conducting the research. Subsequently, visits were then made to the respective organisations to deliver a presentation to the senior managers about the nature of the study, what participation would involve, and what the study was being used for. After they granted access, I then pursued possibilities to see if there was a supervisor who might be kind enough to act as a 'research co-ordinator' – i.e. to organise and recruit participants. In each case there was, and the research co-ordinators were very helpful in this respect, and I remain thankful for each of their support.

At each data collection wave, the research co-ordinator placed a letter/advert on the staff notice about the study that asked employees if they were interested in participating. Employees then registered interest with the research co-ordinator who would organise a time for them to have an interview. During a wave of data collection, a whole working week would typically be spent at the leisure centre, whereby I would be open to have interviews with employees at most times. This also allowed me to get time to chat to other workers who were not formally having interviews, and get a better 'feel' for the organisations and their cultures.

Interview Questions

In terms of planning and conducting good qualitative interviews, Mason (2002) elucidates that it requires "hard, creative, active work" (p. 67) to get it right. She consequently shares that the significance of planning and preparing for the interviews cannot be overstated. For the present study, and in line with the semi-structured approach, developing a relevant guiding set of questions to ask participants was deemed important in order to be adequately prepared to tap the topics and themes under investigation. In general, these were largely developed from the objectives of the study (p. 12), and the reviews of literature that had taken place before the time of data collection. However, as the interviews and waves were conducted, new topics and themes emerged as the study evolved, in line

with the critical realist paradigm (Ackroyd, 2009). Power and identity, for example, were not initially intended to be studied but emerged in the first wave of data collection as important notions to consider. At the same time, many of the original themes remained steadfast throughout the entire data collection process. For the list interview questions please see Appendix 1.

Managing the Interviews

In terms of managing the interviews, Miller and Crabtree (1992) note the importance of this for building a climate of trust and open communication. It could be argued there is also significance in letting individuals 'tell their own story' at the beginning of interviews in order to get a better understanding of individuals and their perceptions. Thus, in terms of the actual interviews themselves, each interview always opened with a light informal discussion first, in order to build rapport and make the participants feel at ease – particularly given the interviews were being recorded via electronic Dictaphone. Reassurance was also given around confidentiality and anonymity. Some of the initial questions about the participants' experience were intentionally broad, allowing participants to give their own accounts of events that they perceived to have happened for themselves. This proved quite useful because it allowed participants to talk about what was important to themselves first, whilst also allowing new insights to emerge before I asked participants about specific topics. After the broad questions, participants were then asked about a range of specific topics relating to the employment relationship – e.g. how and why terms and conditions, training and development, job designs, job security, support, trust, commitment etc changed during the course of the transition (*see* Appendix 1). When it came to closing the interviews, the aim was to always end on a positive note and offer a sincere thank you to the interviewee[24].

Other points to mention about the management of the interviews relate to (i) the environment, and (ii) demeanour of the interviewer. In relation to the environment, the interviews were typically carried out in an office at each of the leisure centres I was based at. Occasionally, they were conducted in more

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[24] I remain immensely grateful to all the participants who took part, as without them this research project would simply not have been possible.

open spaces such as leisure centre cafés, but this tended to be rare. The office locations appeared to work well, as they seemed to give a professional feel to the interviews, but also provide a level of privacy so participants felt they could freely discuss their thoughts and feelings.

Mason (2002) offers some advice about the interviewer demeanour, and suggests a few factors that can enhance the willingness of participants to be more open. These include: (i) being meaningful to the interviewees; (ii) being able to relate to the interviewees circumstances and experiences based on what one already knows about them and their situation; (iii) being able to ensure the flow of interview interaction – 'the conversation with purpose'; being sensitive to the needs and rights of the interviewees in accordance within one's own ethical position (and that of the research establishment); and being able to empathise with interviewees when discussing sensitive and emotionally charged topics. All of these things I sought to do in the interviews. In doing so, I presented myself as a 'researcher' to participants, explaining that I was collecting data for a PhD project (participants were also given full information about the study – *see* p. 94 and Appendix 2). Giving a warm sense of professionalism also felt important for building trust with participants, and was something I always tried to do.

4.5   SAMPLING

Although the significance of sampling in quantitative research lies in the ability to define a finite population and thereafter select representative case units through probability sampling, the purpose of sampling is rather different in qualitative research. For, as a starting point, the goal of qualitative research is typically not based on statistical generalisibility to broader populations (Garson, 2002). As Cresswell (1994) notes, the intention of qualitative research is about the transmission of 'trustworthy' findings that offer contextualised insights about social phenomena. Similarly, Lincoln and Guba (1985) suggest that researchers should be more pre-occupied with ensuring credibility, trustworthiness and dependability in qualitative research – i.e. making sure the study gains adequate data from the field from those being investigated, gaining rich and contextualised forms of data, and being open and reflexive about how the data was collected. To this end, the logic of sampling in qualitative research

is conspicuously different from quantitative studies (Patton, 2005), and usually involves non-probability techniques such as purposive, snow-ball and quota sampling.

4.5.1   PURPOSIVE SAMPLING

Morrow (2005) argues that by nature qualitative research typically has a purposive dimension, as participants are deliberately selected to serve a particular purpose. Barbour (2001) elucidates that purposive research can be particularly useful as it provides researchers with a clear direction as to whom to recruit data from, whilst simultaneously allowing space for researchers to seeks out 'outliers' when necessary. Miles and Huberman (1994) further explain that purposive sampling is particularly useful when researching 'typical cases' (the norm of those being studied), 'deviant cases' (unique participants who have a specialist account of the phenomena for certain reasons), or 'negative cases' (participants who 'buck the trend'). For the present study, therefore, purposive sampling was applied to both the case organisations and the individuals within the case organisations. This was to enable the sampling choices to be pragmatic and deliberate about which organisations and participants to include in the research, in order to enable the research objectives to be most appropriately addressed (Devers and Frankel, 2000).

4.5.1   APPLICATION

In terms of application, pre-defined 'inclusion' criteria were developed for both the organisations and the participants in order to enhance the plausibility and trustworthiness of the data and thus the conclusions being drawn (Le Compte and Preissle, 1993). The criteria employed are described below, along with details of the final samples.

Outsourced Leisure Trusts

The criteria used for sampling the case study organisations in this sector were based on four overarching factors. Firstly, the organisations had to be located in the UK public leisure sector (prior

to outsourcing). Secondly, the organisations had to be planning to outsource or recently outsourced from a local authority. Thirdly, the 'acquirer' of the public leisure organisation had to be a non-profit Leisure Trust. Fourthly, the organisations needed to be able to provide research access to workers in line with the timeframes outlined earlier in the chapter (i.e. at approximately three months and twelve months after the transfer).

The characteristics of the final sample of case study organisations are given below in Table 5. Further details of each of the case studies can be found in Chapter Five. More specific details have been withheld owing to anonymity promises to the managers of the leisure organisations.

Table 5: Characteristics of Case Study Organisations

	Case Study 1	Case Study 2	Case Study 3
Location			
Country	England	England	England
Type of Local Authority	District	Borough	City
Service			
Type	Leisure Centres	Leisure Centre	Leisure Centres
No.	One	One	Five
Workers			
No. of Staff Transfers	108	65	300

Leisure Workers

The guiding criteria for the employee participants related to the following factors. Firstly, the participants would have to have experienced working for the leisure service under the Local Authority and the Leisure Trust - and experienced the transition of outsourcing[25]. Secondly, it was the endeavour to recruit participants from all levels of the hierarchy (e.g. team members, supervisors, managers) and a diversity of departments (e.g. the leisure, administration, reception, food and beverage, and housekeeping departments typically found in leisure centres).

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[25] On this point, while this typically was meant to be directed at those experiencing the 'legal transfer' from the local authority to the Leisure Trust, it is worth noting that six participants from across the case studies had interviews in the second wave of data collection, although they were recruited and employed by the Leisure Trust after the transfer had taken place. These could be enlisted as 'unique' (i.e. deviant') cases.

Table 6: Characteristics of Participants

	Case Study 1	Case Study 2	Case Study 3
Participation			
Total No. of Research Participants	*16*	*21*	*19*
Gender			
Male	*10*	*13*	*13*
Female	*6*	*8*	*6*
Position			
Managers	*3*	*4*	*4*
Supervisors	*5*	*7*	*9*
Team Members	*8*	*10*	*6*
Interviews			
Total No. of Interviews	*25*	*32*	*28*
No. at First Interview Wave	*14*	*19*	*17*
No. at Second Interview Wave	*11*	*13*	*11*
No. of New Participants at Second Wave	*2*	*2*	*2*

4.6   DATA ANALYSIS

The process of bringing order, structure and interpretation to qualitative data is not as linear and neat as many theoretical descriptions of data analysis might suggest. But this does not mean it should be without organisation and rigor (Marshall and Rossman, 2010). As Gibbs (2007) notes, qualitative data analysis involves some form of 'transformation', and this means taking a mass of data and analytically processing it into intelligent and understandable pieces of work. However, there are different forms of qualitative data analysis, and how one goes about this process depends on the nature of the research and the preference of the researchers involved. Some forms of qualitative data analysis emphasise the importance of scientific-like rigor in the sorting and indexing and ordering of data systematically (e.g. Miles and Hubermann, 1994; Richie and Lewis, 2003). Others focus on the significance of narrative deconstruction to convey meaning from the data (e.g. Denzin, 1997; De Fina and Georgakopoulou, 2012). This study sought to embrace rigour in the process of analysing themes and trends in the data. Yet, it also tried to capture something of the participants' stories as well, in order to try to ensure the 'voice' of participants was accounted for.

4.6.1   THEMATIC ANALYSIS

In terms of the data analysis method adopted, although numerous techniques were considered, the study primarily drew on thematic analysis to organise and bring structure to the data. Several authors argue that thematic analysis is at the heart of many forms of qualitative data analysis, and understand it as the process of identifying underlying themes and connections, and drawing out meaning therein (*see* Boyatzis, 1998; King and Horrocks, 2010; Marshall and Rossman, 2010). According to Willig (2013), a theme can be defined as 'the presence of a pattern' within a data set – a recognisable configuration of meanings that says something important in relation to the research questions. Although there is some debate as to what thematic analysis is as a technical method and how it should be applied (Boyatiz, 1998; Attride-Sterling, 2001; Tuckett, 2005), it could be argued that thematic analysis is one of the most effective means of getting to grips with the 'content' of qualitative data, especially in situations where there are large amounts of data (Franzosi, 2004). Joffe (2012) relays that good qualitative research details complex interpretations of socially and historically located phenomena in a meaningful way. And thematic analysis offers a flexible and useful means of organising the findings from a large, diverse body of data whilst simultaneously capturing the richness and complexity of the topic under investigation (Pope et al., 2007, Braun and Clarke, 2006).

Philosophically, as Braun and Clarke (2006) elucidate, thematic analysis, unlike some data analysis methods (e.g. interpretive phenomenological analysis, grounded theory, discourse analysis and narrative analysis) is not necessarily tied to a particular epistemological or theoretical position. Indeed, thematic analysis is a flexible approach to qualitative data analysis that transcends a broad range of meta-frameworks. Moreover, although some authors (e.g. Willig, 2013) dispute the epistemological independence advocated by Braun and Clarke (2006), there nevertheless remains an underlying pragmatist-like consensus that the use of thematic analysis is to be directed by what the research questions are essentially asking – i.e. applied in a way that facilitates the research questions to be appropriately answered.

One of the issues in the application of thematic analysis, however, is the extent to which themes are driven by theory or data – that is, whether the identification of themes follow an *'a priori'* or *'a posteriori'* logic (Willig, 2013). This may depend on the philosophical position of the given research project and thematic analysis is flexible to particular inductive/deductive assumptions in that respect. However, in general, rather than being restricted to either investigating pre-defined propositions based on a strict conceptual framework (e.g. pattern matching or explanation building), or commencing data analysis with limited appreciation for the concepts under investigation (e.g. ethnography), thematic analysis provides a useful opportunity to be both 'guiding' and 'open' in its technique. It allows the process of identifying themes in the data to be informed by previous research and areas of interest, whilst at the same time offering a platform for inductive insights to emerge.

For the present study, although other forms of data analysis were considered (e.g. template analysis, grounded theory, analytic induction, pattern analysis, explanation building and interpretive phenomenological analysis), thematic analysis seemed to offer the most useful means for analysing the data obtained on the employment relationship. The research was, for example, often exploring fairly well defined concepts from literature (e.g. pay, training, involvement, support, commitment, trust etc), which made the process of using 'a priori' themes rather fitting. However, the study equally wanted to have space for new insights to emerge and so thematic analysis ensured there was an opportunity for 'a posteriori' themes to be explored from the text (e.g. as happened around aspects of identity and power). The study also collected a hefty mass of data, and so wanted to have a way of getting to grips with such a large amount of data, whilst at the same time retaining an 'in-depth' quality. In a practical sense the 'process of thematising' also allowed for themes to be 'filtered' through the interview data in a more cohesive manner than would have probably been possible if approaches such as interpretive phenomenological analysis or conversation analysis had been adopted (though the thematic analysis itself still took a very long time!).

4.6.2   APPLICATION

Wolcott (1994) suggests qualitative data analysis operates at three distinct albeit inherently related levels. Firstly, there is the descriptive level, which provides the foundations for the qualitative enquiry, and depicts the events and contextual settings and base level experiences. Secondly, there is the analytic level, which involves using careful procedures to identify and order themes and connections within data. Thirdly, there is the interpretive level, which aims to make sense of what is going on, and provide meaningful explanations of the phenomenon being investigated. In general, the present research endeavoured to capture each of these levels through the application of the thematic analysis technique and the subsequent write up of the findings. To do this, each of the case studies were first analysed individually, with the comparative analysis between cases being undertaken at the interpretation stage.   The process of transcribing the interviews occurred before any of these levels of analysis took place.

Stage 1: Describing the Setting and Events

The identification of context and setting seemed reasonably straightforward compared to the other two parts. In this, the story of the each organisation was plotted out as a sequence of events in order to give markers and context for the participants' experiences to be mapped against. This involved entering into an analysis of the formal interview data gathered from both senior managers and workers, as well as considering the 'naturally occurring talk' from meetings with the senior managers and non-interviewed workers, in order to capture the important 'pieces' of information about what happened. The factors considered in the mapping of context followed the thematic analysis format in that similar themes were explored across the case studies – e.g. organisational size, structure, timelines of events, critical incidents and employee relations climates. Chapter Five presents a descriptive analysis of the context of the organisations and the key events and activities that occurred during the outsourcing processes.

Stage 2: Analysing Experiences

The analyses of how the workers' experienced changes in the employment relationship during the outsourcing transitions were completed on a case by case basis. In this, the process began by reading and codifying the transcribed experiences of individual participants across both waves of interviews (which included comparing the interview transcripts of individuals). Notes were made about what each participant was saying in order to try and avoid one of the core limitations of thematic analysis, which is losing the voice of individuals. However, the key focus at this stage was to codify and investigate themes. The first step in this respect was to analyse the aspects that were specifically enquired about in the interviews – e.g. how aspects of pay, benefits, training, development, support, trust, commitment etc. had changed as a result of, or during, the transition – as this allowed for patterns about *a priori* concepts to be identified in a systematic manner. The second step was then to consider the *a posteriori* concepts that emerged from the text – such as the roles of power and identity. Although in practice the above took place in a more iterative way (i.e. new insights were certainly being noted if they were spotted in the *a priori* concept analysis), the process of coding and thematising in this way seemed to be particularly useful as it allowed the examination of concepts in previous outsourcing research while also giving voice to the data itself. After this, the last part of this stage was to compare the extent to which there were trends and themes within each case study – looking for overarching patterns, but also investigating individual accounts that were sometimes different from the broader trend.

Stage 3: Interpreting the Findings

A key criticism that can be laid against thematic analysis is the possibility that it produces a list of descriptive findings without giving much interpretation or explanations to the data. Hence, this was particularly important to circumvent given the critical realist approach underlying the work, and the adoption of multiple case studies as the research strategy. Thus, once the descriptive analysis of the case study settings had been undertaken, and the analysis of trends within each case study completed, the next step was to embark on the comparative analysis of the case studies, and the interpretation of

the findings. This involved comparing and contrasting the findings from across the case studies, trying to figure out the extent of similarities, but also why differences transpired and what they meant. The intention was to draw out how the leisure workers experienced the process of being outsourced, and identify what the mechanisms were for experiencing it in particular ways. Chapters Six to Eight outline the findings of the cross-case analysis, with each chapter covering changes to particular dimensions of the employment relationship.

4.7   ETHICS

Many research methods textbooks highlight the importance of formulating and conducting social research in a way that abides by moral principles and norms (Israel and Hay, 2006; Veal, 2006; Saunders et al., 2011). They also illuminate that ethical concerns can potentially arise at every stage of the research process, from the choice of topic here, to the collection of data, to the presentation of findings. Although a comprehensive analysis of every potential ethical possibility is not given here, some of the key ways in which the research tried to maintain a high standard of ethics are listed below. These relate to informed consent, confidentiality and anonymity, and sensitivity.

Informed Consent

Israel and Hay (2006) note the significance of informed consent and relate it back to Western traditions of freedom and primacy for the individual. They note that there are two key activities for informed consent. The first is that participants have comprehended and understood what the study is about. The second is that participants have thereafter voluntarily agreed to take part in the research. For the present study, therefore, it was important to get informed consent from (i) the managers of the organisations before they granted organisational access and (ii) the research participants before they took part in the study. To do this, the managers were written to about the nature of the study and received an 'in-person' PowerPoint presentation about what was required of the participants and the organisation, which also facilitated the opportunity to ask any questions before agreeing to take part. In relation to the interview participants, although the recruitment process was not fully controlled by

myself, I did stress the importance of 'voluntariness' to the 'research co-ordinators' at the leisure organisations. Before the first waves of interviews, the research co-ordinators would advertise (and at times) ask workers if they were interested in taking part, and then give details of the study if they said yes. And directly before any interview commenced, all participants would receive a 'Participant Information Sheet' which gave a comprehensive breakdown of the study and its purpose and guarantees of confidentiality (*see* Appendix 3). Participants would also sign a standard Oxford Brookes University 'Informed Consent Agreement' form in order to formally agree they were willing to take part (*see* Appendix 4). In the second waves of interviews, the process was less formal, with only those (very few interviewees) who had not had an interview in the first wave completing the form.

Confidentiality and Anonymity

Wiles et al. (2008) make clear that the notions of confidentiality or anonymity in social research are underpinned by the principle of respect for autonomy. In employment research, Lefkowitz (2003) also notes that ensuring confidentiality and anonymity is an important part of building trust with research participants and thus gaining more 'trustworthy' data. However, while attempting to offer confidentiality and anonymity ought to be essential endeavour for researchers, the absoluteness of guarantees can sometimes be quite difficult in practice (*see* Green and Thorogood, 2004; Saunders et al., 2011). In the present study it was the aim to ensure a high degree of confidentiality and anonymity for both the organisations and the participants, particularly as many managers and participants were very concerned about this owing to the sensitivity of the topic – and especially in the first interviews. All information provided from the organisations and individual participants remained confidential to the researcher (and supervisory team) throughout the research process, as was promised to them before the interviews took place. Naturally, as is often the case with qualitative research, segments of text from the interviews were utilised in the presentation of findings, however all those used were consented by the research participants. In terms of anonymity, all organisations were anonymised in the analysis as much as feasible possible, as per the access agreement with the senior managers of the local authorities and Leisure Trusts. In this regard, although some industry experts from the public

leisure sector might be able to narrow down the possibilities of identifying the case study organisations, steps were taken to de-identify the organisations as much as possible without compromising the contextualisation of the findings. With respect to the participants, while anonymity could not be guaranteed in the recruitment process of participants within the organisations because of practical considerations, steps were taken to ensure participants were de-identified in the presentation of findings.

Sensitivity

Lee (1993) offers detailed explication around ethics of conducting research into sensitive issues, noting its significance throughout the research process. For the present study, it was important for the researcher to be aware of the emotional and political sensitivity surrounding the investigation – the political sensitivity owing to the ideological and historical nature of outsourcing experiences, the emotional sensitivity owing to the forced nature of the employment changes and transitions. In this light, alongside all the confidentiality and anonymity procedures, I sought to remain sensitive and empathetic throughout the interviews, ensuring participants knew they did not have to answer every question, and could leave at and time without reason.

4.7 CONCLUSION

The purpose of this chapter has been to map out the methodology of the present thesis. The chapter commenced by discussing the philosophical basis of the study, exploring which paradigm best represents the views of the researcher, and moreover the research. In this, after a critical analysis of some of the more established paradigms in social science research – namely, positivism and constructionism – the argument was made for why critical realism seems to be most pertinent. That is, because of the researchers belief about ontological realism and epistemological relativism in social phenomena, and the importance of searching for explanations. The paradigm of critical realism thus leads to a method of searching for empirical trends and patters in research, but also for why things happen in the way they do. On the back of this, therefore, along with searching out experiences of

workers going through the process of outsourcing, the study will also be exploring the mechanisms that seem to cause changes in the employment relationship.

After the research paradigm was considered, the chapter then sought to outline the research design for the present thesis. In this, it was highlighted how the case study seemed to be an apt research strategy, and thus how it was applied in the form of three longitudinal (relatively homogeneous) case studies. Although this strategy has the limitation of generalisability, it provides an in-depth way of exploring the leisure industry context – a context currently under-researched in outsourcing research. In terms of methods, it was argued that qualitative semi-structured interviews seemed to be the most appropriate method for investigating the employment from a social exchange perspective during the outsourcing process. Quantitative techniques may offer an appearance of scientific credibility, but for the present research it was about digging deeper into changeable experiences, and the underlying causes of why things happen – something the quantitative methods often struggle with. In the end, 85 interviews were conducted in total, and these were analysed through thematic analysis.

Overall, the chapter has sought to justify the methodology of the present research. The next chapter, therefore, shifts to consider the findings of the study, and this starts by outlining the background of the case study organisations investigated.

PART FOUR

THE PRESENTATION OF FINDINGS

CHAPTER FIVE

BACKGROUND TO THE CASE STUDIES

To know an object is to lead to it through a context which the world provides.

—— William James

5.1   INTRODUCTION

The previous chapter considered the methodology of the present research and outlined that three case studies were conducted. This chapter shifts attention to the findings part of the thesis by introducing the three organisations from which the empirical research was collected. Principally, the chapter seeks to describe the background story of the case study organisations involved. In this, there are descriptions of the overarching outsourcing narratives and a brief description of the employee relations climate as well. The coverage of the discussions mainly explore the year or two leading up to the transfer, with some brief reflections on the first year of operations with the Leisure Trust.

5.2   SPORTS-ONE

The first case study, 'Sports-One', is a local leisure centre situated in England that provides sport and leisure opportunities to its surrounding communities. Located within a small District Council, Sports-One was run by a local authority until 2009, when it was outsourced to a medium size non-profit Leisure Trust. At that time, Sports-One had around 70 employees working for the organisation, of which approximately 40% were permanent full-time, 35% were permanent part-time and 25% worked on a 'casual' contract basis[26]. The organisation had a relatively flat organisational structure, with a management team of five and a supervisory team of ten.

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[26] Legally, casual workers in the leisure industry are defined by having a zero hour contract, working only as and when required by management.

5.2.1   OUTSOURCING NARRATIVE

Although Sports-One was outsourced in 2009, the prospect of outsourcing had been considered by the local authority for several years prior to the actual transfer. In the early-1990s, for example, the centre was twice put out to tender to private leisure firms. Yet, owing to the financial stability and reasonable revenue streams of the service, and the lack of political appetite for outsourcing from the then Labour run local authority, the tender processes ended with the local authority deciding to keep the services in-house.

By the mid-late 2000s, however, the landscape encircling public leisure provision was changing, and Sports-One encountered a number of external and internal challenges. Rising energy prices, increased private sector competition, and the pressure on local authorities to reduce spending on leisure, meant the external environment for many public leisure services was becoming increasingly hostile. For Sports-One, these challenges were particularly rife because of the health and safety concerns it had and the need to renovate the deteriorating building facility. Thus, as a way of responding to these challenges, the local authority decided to seek 'expressions of interest' from external companies about the prospect of managing its operations on an outsourcing basis. According to the centre manager, the decision to outsource was "purely about finance" – as the local authority was struck with fiscal challenges, and "externalisation was a way out". However, it was also noted that "outsourcing options" were regularly considered at the local authority because of Best Value policy directives.

In 2008, therefore, a tender process commenced with approximately twelve firms bidding for the outsourcing contract. The bidders were condensed from twelve to five during the main part of the tender process, which lasted approximately six-seven months, and then to two final bidders. The two final bidders included a private firm and non-profit Leisure Trust. In the end, the local authority decided to outsource the leisure management contract to the non-profit Leisure Trust, which was apparently seen as a 'surprise choice' given the notable experience from the other private firm. Nonetheless, the Leisure Trust won the contract and took on the management of the full range of

leisure services for a period of ten years. This happened in 2009, several months after the agreement was signed.

Throughout much of the transfer process, the relationship between the local authority, the Leisure Trust managers and the leisure centre managers was generally reported to be positive. Although the Leisure Trust head office was located in another part of England, there was widespread information sharing and a collaborative approach to objective setting within the outsourcing contract specifications. The local authority, for example, was keen for the facility to be refurbished, and also requested performance benchmarks to be set around targeting under-represented and minority user groups. The Leisure Trust agreed to provide both of these things, but was eager to ensure it was guaranteed enough funding to 'justify the investment' over the ten year contract duration. The local authority agreed and reportedly offered a 'fair financial deal'. Hence, at that time, the managers at the local authority and the Leisure Trust were pleased with the negotiated outcome of the contract and looked forward to a 'collaborative' relationship in the future.

After the legal transfer had taken place, therefore, the new Leisure Trust invested £1m into a large-scale refurbishment of the leisure centre – a particularly large investment for this type of service. The refurbishment involved the complete renovation of the fitness suite, the restaurant, the crèche and conference facilities, as well as the partial refurbishments of the pool and administration areas. The majority of the renovations lasted about five months, and started four months after the formal outsourcing contract commenced. Although this caused disruptions during this period, particularly for staff and customers, most parties acknowledged it was worth it in the end, as the quality of the facility and the service 'markedly improved', as did user and membership numbers.

Thus, at the end of the first year of the contract, the financial reports gave for a positive read. The membership base had increased by 400%. The non-member usage had "increased substantially", including increases in under-represented 'target groups'. The Leisure Trust in-house profit target was surpassed by £0.5m. And there was unanimous agreement amongst managers that the quality of facilities had improved dramatically – something I myself can also testify to having seen it before and

after. Although there had been tensions between the centre manager and the Leisure Trust senior managers over decision-making processes during the refurbishment, the strategic-business side of the organisation was also reported to be working fairly well at the end of the first year, with minimal contact from the local authority.

The figure below offers a brief timeline of events of the outsourcing process at Sports-One.

Figure 5: Timeline of Events at Sports-One
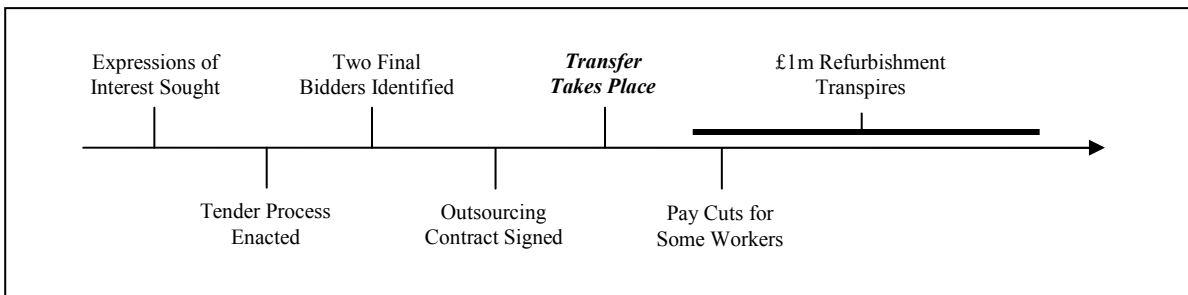
5.2.2   EMPLOYEE RELATIONS BACKGROUND

Before the outsourcing agenda emerged in 2008 there was a reportedly amicable and cooperative approach to labour relations at Sports-One. The local authority essentially left the leisure centre manager to operate the leisure services as an autonomous organisation, with the centre managed in a somewhat removed way from other local authority services. Rarely did the local authority intervene in leisure services decision making before 2008, and this gave the centre manager a strong feeling of independence, but also responsibility, as to how employment relations were managed. According to most participants, the centre manager was considered to a democratic manager, regularly consulting and involving employees, particularly when there were organisational changes taking place that affected staff.

In terms of a union presence, it was apparent that there had not been much involvement prior to the decision to outsource the service. Indeed, there was only one union representative and reportedly just six other workers who were active union members, a proportion of only 10% of the workforce. In general, the centre manager was seen to be supportive of a union presence by the union members,

although he did mention that 'having the unions breathing down our necks' was not something he wanted during the outsourcing process. Despite this, after the local authority decided to initiate a tender process, the unions were invited to take an interest in the outsourcing plans, and platforms for 'information-sharing' were available with leisure centre employees through meetings.

In general, the tender process and broader build up to the outsourcing transfer did not result in much involvement with the unions aside from occasional meetings. There was a slight increase in membership, with several workers joining the unions after the second round of the tender process. This was in part due to employees' concerns that one of the two final bidders (the private firm) had a 'notorious reputation for staff cuts', which made employees anxious about their personal futures at that time. However, when it was announced that the Leisure Trust was the preferred bidder, and that there would be no redundancies, this quelled anxiety amongst staff. It was at this time that employees also had meetings with the local authority HR representatives to be told that all permanent full-time and part-time (although not casual) workers would be granted full TUPE protection, which also included pension protection. Although most participants did not seem to know much about TUPE protection, some workers perceived the legal cover was put in place for the duration of one year.

In terms of the transition itself, the transfer from local authority to the Leisure Trust progressed without much tension in employee relations. Once the guarantees were in place around terms and conditions, most employees were generally 'okay' or 'optimistic' about the outsourcing changes. They were often unsure about what the future would hold in practice, but generally believed the future would be optimistic for them and the service – particularly with the investment coming in. Although the 'reality' of the first year with the Leisure Trust brought many changes that affected the employment relationship in positive and negative ways (which are detailed in the forthcoming chapters), one point to flag up here is that casual workers were reported to receive a pay reduction to their hourly rate soon after the Leisure Trust took over. Although this did not have much impact on the formal employee relations climate, it was reported that those workers felt the changes were unfair and unjustified; mainly because of the 'two-tier' pay framework it created – i.e. whereby staff on former local authority contracts were on different rates to those on leisure Trust contracts.

5.3   SPORTS-TWO

The second case study, 'Sports-Two', represented a small leisure centre located in a large Borough Council in England. Sports-Two was an in-house local authority leisure centre until 2009 when it was outsourced to a small, local, non-profit Leisure Trust. Sports-Two has a relatively flat organisational structure, comprising a management team of three, a supervisory team of five, and a team member base of around fifty (around sixty staff in total). Of the total staff, 30% were full-time and 70% were part-time, with roughly 65% of the part-time staff working on a casual contract. These workers were spread across the four main departments within the leisure centre – the fitness department, the pool and wet area, the reception and administration department, and the food and beverage department.

5.3.1   OUTSOURCING NARRATIVE

In terms of history, Sports-Two was established in the mid-1960s when the centre was first built as a small community focused public leisure facility. Since that time the centre chronicled a fairly stable history until the start of the twenty-first century. It was then, when the funding encircling public leisure provision became progressively hostile, that Sports-Two started to have financial difficulties. Interestingly, as was the case of Sports-One, the local authority at Sports-Two had been pushed to make financial savings in leisure and cultural services at that time, and so, in line with the Best Value policy obligations to review externalisation options, considered outsourcing as a viable option of responding to the business challenges. This was in 2001, and, in the years that followed, the local authority initiated several attempts to outsource the service in order to make financial savings. As one of the senior managers noted,

> *P: It may be dressed up in all sorts of spin but at the heart of it are savings, full stop. That's my experience over half a dozen transfers, that it's driven by finance and, again, in the current climate that's got to increase.*
>
> *(Sports-Two, Male, T1, P17)*

Although the attempts to outsource the leisure services in the early 2000s ended with contractual negotiations breaking down with prospective vendors, the local authority then opted for a more

informal negotiation with a small Leisure Trust about the prospect of outsourcing without going

through any form of tender process. As this was accompanied by several *particular challenges*, the

figure below depicts the main events to transpire that Sports-Two during the outsourcing process to

aid the flow of the discussion.

Figure 6: Timeline of Events at Sports-Two
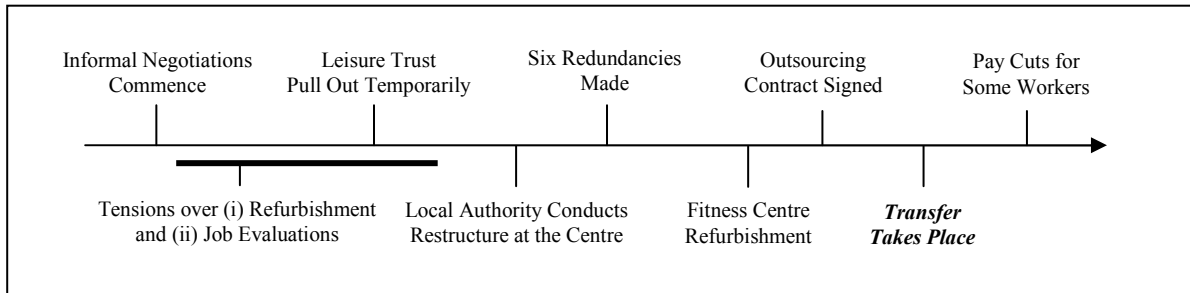
Particular Challenges at Sports-Two

The negotiations between the local authority and the Leisure Trust started fairly well, with open and

frank negotiations taking place, and both parties keen to clinch an outsourcing deal. However, as time

progressed the relationship between the local authority and the Leisure Trust became marred by a few

acute conflicts of interest – conflicts that hampered and, at one point, derailed the outsourcing process,

as depicted above. The first conflict related to the investment for a refurbishment. In this case, unlike

the first one, it was the Leisure Trust pushing for the local authority to refurbish the facilities. The

Leisure Trust argued that it operated a high quality service, and wanted its high standards to be

maintained across its corporate portfolio in order to compete with the growing private sector

competition. It consequently wanted the local authority to provide some investment for the renovation

of facilities, as the conditions of the facility interior were noticeably poor. The local authority, on the

other hand, was unsure what it wanted to do with the facility in the long-term, and it was, in fact,

considering the possibility of knocking the building down after five years, hence being reluctant to

provide the necessary investment. In the end, the local authority did agree to provide a full

refurbishment of the fitness suite, and this was a key step in getting the outsourcing negotiations

moving forward again.

The second conflict arose several months later when the local authority instigated a *job evaluation exercise* across Sports-Two – which proved almost fatal for the outsourcing deal. This exercise occurred in 2009 and involved all leisure centre employees' job roles and responsibilities being benchmarked against national pay averages – something that, when completed, resulted in the 'promise' of pay rises and back-pay for many of the employees at the leisure centre. The managers of the Leisure Trust were not happy and advised the local authority that the new labour costs would simply be too high for them to take on if TUPE was applied (and would also result in those workers being paid substantially more than other employees within the Leisure Trust's existing leisure centres – which was something they did not want because of the two-tier pay differentials it would create).

Consequently, after the job evaluation happened, the Leisure Trust managers decided to withdraw from the outsourcing negotiations: in short, leaving the deal cancelled. This left the local authority in a rather awkward position because it was very keen to outsource the leisure centre owing to its fiscal challenges, yet it had made legal commitments to workers that they would be paid more in their work. It therefore took the unpopular decision to renege the pay rises or back pay to staff (in the end, only temporarily, as a number of months later, after union intervention, it honoured the pay commitments). To make matters worse, however, the leisure centre manager also resigned just before the job evaluation transpired because of concerns about the future of the centre and because of the way in which the negotiations had taken place. Essentially, the outsourcing deal had been stopped, the workers had been promised pay-rises and not given them, and the centre manager had resigned – and this therefore left the local authority with some serious managerial challenges.

Unusually, in the month that followed the local authority decided, perhaps audaciously, to approach the Leisure Trust to see if it would supply a 'temporary centre manager' to Sports-Two while the future of the leisure service was considered. This is unusual in the leisure sector, as leisure services tend not to provide short-term project management contracts for individual leisure managers. Nevertheless, the Leisure Trust agreed and asked one of its assistant centre managers to provide leadership and management support at Sports-Two while the local authority contemplated its future.

He agreed to take on the role and was in fact perceived by employees to have been fairly successful in stabilising the organisation during this time.

After this, the local authority then initiated an *organisational restructure* across the leisure centre in order to garner financial savings. This again took place against the wishes of the Leisure Trust managers, and resulted in six people being made redundant. However, around this time, the local authority also paid for the refurbishment of all the fitness facilities, which was generally viewed as a positive development by the employee 'survivors'.

After the organisational restructuring and redundancies transpired, the local authority and Leisure Trust were again in negotiations about a full-scale outsourcing deal. In the end, they came to a final settlement whereby an outsourcing contract was agreed for the duration of five years. This was the maximum timeframe sanctioned because of insurance doubts over the structural condition of the leisure centre building. Two months later, in 2010, the Leisure Trust then took full legal control of the management and operation of Sports-Two.

During the first year of the outsourcing contract the Leisure Trust reported less than expected financial gains, but maintained a steady increase in membership numbers and operational profit throughout. Indeed, it was typically reported by the participants that the facilities and service quality had significantly improved during that time – and this was something they were pleased about.

5.3.2   EMPLOYEE RELATIONS BACKGROUND

In terms of employee relations, the climate before the outsourcing transition emerged was purported to be cooperative, with minimal instances of disputes that involved unions. However, after the local authority announced it intended to outsource the service to a Leisure Trust there were some noted tensions with staff, owing to the 'reputation of privatisation' and its implications for leisure services and workers. Certainly employees were concerned about their futures. But the main source of tensions in the pre-transfer periods emanated more from the way in which the process was managed

rather than the outsourcing decision itself. More specifically, because of (i) the job evaluations and (ii) the redundancies that took place during that time.

The job evaluation was initially greeted with voices of resistance from staff because of the potential implications for terms and conditions. That is, employees were anxious they were going to be paid less as a result of it. However, despite the voiced resistance, the local authority forced the procedure through, and in the end its results for staff were generally positive. Many staff received the 'promise' of pay-rises and back-pay, and in some cases these financial benefits were substantial. The acute problem was that when the Leisure Trust found out about the scale of these pay-rises it withdrew from the outsourcing plan. And after this, the local authority then attempted to 'nullify' the job evaluation outcomes by telling employees they were no longer going to be given the pay-rises or back-pay. More seriously, however, after the employees expressed their frustration at this, and their unwillingness to let the outcomes be nullified, some employees were reportedly 'threatened' that if they do not allow the nullification to take place, the leisure centre would be closed and all members of staff made redundant. Unsurprisingly, this created anger and uncertainty among employees, and also led to direct union action. Indeed, although the exact figures were not available, it was widely reported there was a 'mass joining of the unions' at that time[27]. Following the union involvement in the case, action was taken to resolve the dispute. Soon after these consultation meetings had transpired, the local authority conceded it had to provide the pay-rises, and did so accordingly in the months that followed.

The organisational restructure was alleged to have transpired in order to try and recover some of the labour costs lost through the job evaluation. Unsurprisingly, therefore, this generated significant resistance and disquiet from employees, and again led to substantial tensions in the employee relations climate. Indeed, the restructuring plan was initially met with significant resistance from employees, as well as a direct threat of union action, as it seemed redundancies were likely. However, in actuality, little union action was taken in the end. The result was that the restructuring review occurred and six members of staff were made redundant, most of who were administration or reception workers. Understandably, by the end of the organisational restructuring and redundancies the employee

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[27] Interestingly, prior to the job evaluation dispute the level of union membership was reported to have been 'fairly low' within the centre.

relations climate between the leisure centre workers and the local authority had worsened and was a far cry from the 'days of cooperation' noted about the years prior. Indeed, by this point most employees were keen for the outsourcing transition to take place; to have a 'fresh start' with a new employer, and to move on from the local authority.

After the transfer to the Leisure Trust, the employee relations climate improved during the first year of the outsourcing contract. Certainly in the first interviews the majority of participants felt the Leisure Trust was a much better employer than the local authority. Although the Leisure Trust was adopting a tighter approach to 'performance management' than had been previously known (e.g. by setting stricter objectives throughout the organisation), employees were pleased with the interpersonal style of management the Leisure Trust managers were additionally adopting. However, not all workers felt this way and one development seemed to create a significant dispute between some employees and the Leisure Trust managers – namely, the implementation of a pay cut to all casual and temporary workers[28]. Further details of this are discussed in Chapter Six, but here it is important to note that this resulted in the unions having several meetings about these pay cuts, which in the end they were unable to stop. Outside of this incident, there was no further union involvement with Sports-Two during the first year of the contract.

5.4　　　SPORTS-THREE

The third case study organisation in the research has been named 'Sports-Three'. Unlike Sports-One and Sports-Two, which each consisted of one leisure centre being outsourced, Sports-Three was composed of five. Four of these leisure centres were similar in size and scope to each other, having up to forty staff each. The fifth was a 'flagship' centre for the area, and employed over one hundred workers. In terms of structure, the organisation embraced a relatively flat hierarchy. They all had one centre manager, up to four department supervisors, up to five duty managers, and a large team member base. In total, there was over three hundred staff across the five leisure centres – all of whom transferred employment in the outsourcing process.

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[28] Similar to Sports-One, the casual and temporary workers at Sports-Two were not granted TUPE cover.

5.4.1 OUTSOURCING NARRATIVE

Although the historical origins of Sports-Three can be traced back to before World War Two (with swimming facilities), the main era of expansion occurred in the 1970s when the four leisure centres were built to address community sport and leisure needs (the 'flagship' site opened in 1999). Similar to Sports-One and Sports-Two, the introduction of CCT meant that the local authority had considered the prospect of outsourcing the leisure centres in the late 1980s. However, unlike Sports-One and Sports-Two, this actually resulted in two of the (then four) leisure centres being outsourced. These centres were contracted-out to former local authority leisure service managers who set up a new 'private leisure firm' to run the services. This occurred in 1992, however the outsourcing contracts only lasted for a (shortened) period of seven years. Indeed, in 1999, the two outsourced leisure centres were 'backsourced' to the local authority because of 'financial problems'[29].

The year 1999 was significant at Sports-Three, not only because of the 'backsourcing', but also because this was the year the new national flagship leisure centre opened as well. The flagship centre was different from the other four leisure centres because it provided a national aquatic and diving centre, and a range of health screening programmes, in addition to the standard range of leisure and sporting facilities and services. When the flagship centre opened consumer interest was strong because of the scale and quality of its provision. Indeed, the centre was consistently awarded excellence in national quality ratings and, at times, was reported as being one of the top public leisure centres in the country. The net result of this was a high customer base and a more financially stable and competitive service to the public, despite the broader challenges existing in the external and industry environments. In the years that followed, the other four leisure centres were also reported to be in reasonable financial shape, despite the challenges in the years prior.

Indeed, the main push for the outsourcing of the leisure centres stemmed less from the financial situation of the leisure centres and more from the financial situation of the local authority. For, while

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[29] Some comments suggested the actual rationale for 'backsourcing' was ambivalent and 'unknown'.

the leisure centres were on aggregate in 'reasonable financial shape', the local authority was encountering significant debts and fiscal instability. As one of the managers noted,

> **P:** ... *"It was all based on cost savings – nothing else. That's the only reason we went to the Trust"*
>
> *(Sports-Three, Male, T1, P38).*

In 2009, the local authority sought 'expressions of interest' from a range of private and non-profit outsourcing firms. This garnered significant interest, with over fifty firms meeting the local authority senior management in an 'open day' event. As time progressed, however, the numbers were soon reduced to 'around a dozen' and then eventually 'to the final few'. Interestingly, the tendering process itself was considered highly secretive by the interview participants, with barely any official details released about the companies involved – even to the managers. The tender process was fairly lengthy, lasting over two years in total. But, unlike Sports-Two, there were no noteworthy disputes between the local authority and the final bidder.

Eventually, in 2010, the local authority outsourced the service and its employees to a Leisure Trust on a ten year contract. During the first year of the outsourcing contract there was some minor refurbishments at several of the leisure centres. This included, for example, the refurbishment of a reception area and investment in fitness and pool equipment. The Leisure trust also invested heavily in the re-branding of the centres and in broader marketing campaigns.

After one year of the outsourcing contract, the belief at the senior management level was that the first year's results were less optimistic than had been expected. The leisure centres were, by and large, rated very highly in terms of quality prior to the transfer, and the Leisure Trust wanted to reap the financial benefits of this while also expanding its vision for exercise participation. However, with the economy in recession and leisure funding by the local authority being reduced, the Trust struggled to achieve the financial, membership and social objectives it initially planned. Nevertheless, at the same time, it is perhaps important to note the vision championed for the centre by the Leisure Trust managers was reported to have inspired many of the staff who worked there, and many performance

outputs were reported to improve. The only problem was that they did not at the rate the local authority or Leisure Trust expected.

The figure below offers a brief visual account of the outsourcing process at Sports-Three.

Figure 7: Timeline of Events at Sports-Three
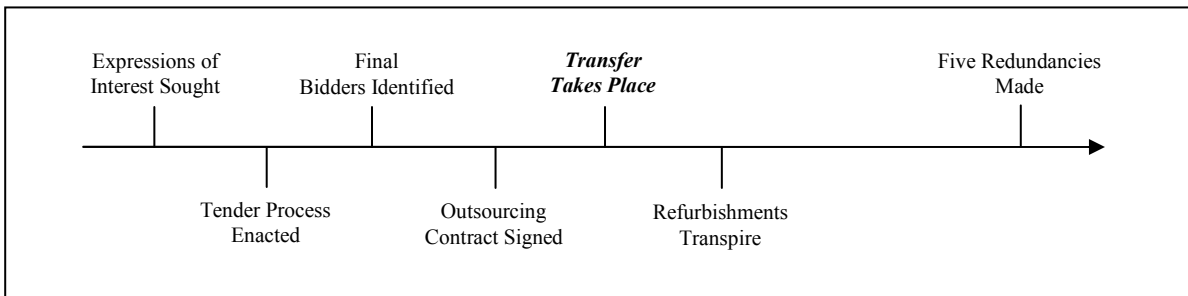
5.4.2   EMPLOYEE RELATIONS BACKGROUND

Since the prospect of outsourcing initially emerged at Sports-Three in the early 1990s, employment relations between the workers and local authority management contained a history of tension, sometimes involving union action. For example, the outsourcing of two of the leisure centres in 1992 was initially resisted by employees, with unions trying to halter the transfer, or at least ensure terms and conditions remained the same if any transfer did take place. Despite this, the outsourcing transfer actually went ahead and the employee terms and conditions were certainly negatively affected at that time. In particular, because there were reductions in pay, holiday entitlement and pension provisions – and significant erosions in perceived job insecurity.

Importantly, one of the consequences of those experiences for the outsourcing transition studied here was that it embedded an 'organisational discourse' about the meaning of how outsourcing affected workers. Indeed, while the vast majority of workers who experienced the second wave of outsourcing had not been employed at the time of the first outsourcing transition, there were a small number of workers who did witness the terms and conditions losses in the previous occurrence – and when the renewed prospect of outsourcing emerged in 2008 they told many workers about those experiences.

Despite widespread worries about the prospect of outsourcing, therefore, the union involvement and response seemed rather benign. There were some minor increases in union membership during the tendering process, which was championed by one union representative campaigning for more union consultation and action. This representative organised a small protest (with less than a handful of other people) outside the local authority offices toward the end of the tendering process, although it did little to stop the outsourcing venture going ahead. Part of the challenge here was that the union representative reportedly had neither the time in her role nor the support from enough other staff to organise any widespread collective action.

Nevertheless, the small protest did result in the union representative being able to participate in meetings with the senior managers from the local authority and the Leisure Trust about the way the outsourcing transfer would affect employees. Here, with the broader backing of the union, the representative was able to ensure that TUPE was fully implemented to the 'letter' for all staff, and a 'no two-tier agreement' put in place[30]. On the back of this, the HR departments at the local authority also had meetings with employees to discuss the protection, though one of the notable challenges throughout the pre-transfer process was the lack of information and communication being provided to staff about the transfer itself (and potential bidders) and what it would mean for them. For workers did not find out they were going to be employed by a Leisure Trust until the outsourcing contract had been signed.

After the outsourcing transfer had taken place, the first year of the outsourcing contract was generally seen as positive in terms of the employee relations climate. Indeed, it was reported by some participants that the employee relations climate was better than it had been 'for years'. The union representative was given regular consultation about wider change plans at Sports-Three, and employees were given information about updates and future plans at the centres and their performances. In this respect, the managers instigated some degree of cultural change on managing and controlling employee performance, becoming more sales oriented and performance driven about worker performance. But overall, the climate of employee relations remained amicable and upbeat.

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[30] The details of TUPE were rarely known by staff, but it was provided for a duration of one-year and did not include 'TUPE Plus' which includes full protection of pension schemes.

That said, one important exception to these positive developments happened ten-thirteen months after the outsourcing transfer when five members of staff were made redundant. These redundancies were mainly the result of the centralisation of administrative and technical roles (e.g. marketing and I.T.), which meant such roles were transferred to the head office (located in another part of the country). One redundancy, however, was the result of the deputy contract manager role and the flag-ship leisure centre manager role being merged into one senior centre manager role. In all these instances, the Leisure Trust managers encouraged the involvement of union support, but made clear that, given the less than expected income and memberships, there was little strategic choice but to take such decisions. The unions were unable to stop any of the redundancies taking place, and unfortunately did not offer much assistance in this regard either.

5.5   CONCLUSION

In drawing these background narratives to a close, it is a clear a number of commonalities and differences existed amongst the case study organisations being studied. In terms of similarities, for example, all three of the organisations were located in the UK public leisure sector and had experienced similar economic challenges in the external and competitive environments. All the local authorities were facing fiscal difficulties in the years leading up to the outsourcing decision and all believed outsourcing was a means of saving on leisure expenditure – and, in one way or another, the decision to outsource primarily emanated from this belief. All organisations also transferred within a few years of each other, against a similar macro-economic and national policy backdrop. All three organisations were local authority leisure services transferring to non-profit Leisure Trusts. All Leisure Trusts received performance benchmarks and desired high quality services.

Yet, along with this, there were some differences too. For example, Sports-Three represented a larger consortium of leisure centres and was located in a City Council, whereas Sports-One and Sports-Two on the other hand were small centres located in District and Borough Councils. Sports-Three had also experienced outsourcing and backsourcing in previous years, and so came with an organisational

'memory' of such prospects; whereas Sports-One and Sports-Two had previously only experienced failed tender processes. In terms of process, whereas Sports-One and Sports-Three went through an official tendering procedures, Sports-Two opted for more informal negotiations and no tender process at all. Also, in terms of key events, workers at Sports-Two encountered some critical incidents in the pre-transfer period that did not occur at Sports-One and Sports-Three, namely a problematic job evaluation process and an organisational restructure that resulted in redundancies before the takeover. Sports-Three was the only organisation to embark on redundancies after the transfer had taken place.

Clearly, then, there were some contextual similarities and differences in how the outsourcing process transpired. However, in terms of the 'attributes' of the employee perspective (i.e. in line with Ashforth's (2001) ideas outlined in the literature review) the experience was broadly similar across the case studies. For example, in terms of similarities, the outsourcing transfer was considered a high magnitude change process for workers across the organisations. All employees were transferring as a collective group of people. All final outsourcing transfers were 'involuntary' to workers, in the sense that the final decision was taken by the local authorities, and often with limited consultation. All the outsourcing ventures were deemed to be largely unpredictable as the transition commenced and all lasted several years. Finally, although there was resistant at all case studies at various points in the run up to outsourcing, all organisations seemed to embrace cautious optimism about its socially desirable nature at the time of transfer (despite varying rationales for such perceptions).

Overall, then, what this chapter has sought to do is to map out the background narratives of the outsourcing transitions at the case study organisations in order to provide a context through which to understand the analysis of the employment relationship in the subsequent chapters. Having thus introduced the case study organisations, attention is now turned to the analysis of the employment relationship itself using the lens of social exchange. As mentioned from the outset, this will first be done through analysing the changing content of the relationship as the outsourcing transitions progressed.

CHAPTER SIX
ORGANISATIONAL CONTRIBUTIONS

People know what they do; frequently they know why they do what they do;

but what they don't know is what 'what they do' does.

—— **Michael Foucault**

6.1   INTRODUCTION

The previous chapter outlined the background context to the case study organisations involved in the present study, and offered an overview of the outsourcing narratives relating to them. This chapter commences the more detailed analysis of the employee implications of outsourcing by examining how the content of employment relationships changed through the course of the outsourcing transitions. Specifically, the chapter is concerned with the way in which the 'organisational contributions' changed as a result of the outsourcing process (the next chapter then goes on to examine the changes in 'employee contributions'). The chapter has one overarching section, but the subsections within it consider a range of organisational contributions (e.g. pay, security etc.) that were found to change for employees during the outsourcing transition.

The analysis follows changes in the employment relationship across the case studies during the pre-transfer stage (i.e. the period leading up the legal transfer), the early post-transfer stage (i.e. the first three months of the legal transfer), and then the later post-transfer stage (i.e. the remaining period of the first year). The subsections aim to present a fairly broad analysis of what happened to the different aspects of the social exchange relationship during the outsourcing process, but at times also capture some of the idiosyncrasies of the changes for the workers involved, and how they affected the workers' emotional responses. The analysis starts by exploring changes in the economic side of the employment relationship, and then progresses to the more socioemotional elements.

6.2 CHANGES IN ORGANISATIONAL CONTRIBUTIONS

During the interviews, participants were asked questions about how the employment relationship had change during the outsourcing transition. More specifically, they were asked how a range of aspects within the employment relationship had changed and were given the opportunity to discuss any factors that were not covered in the interview questions as well. Following the analysis, the main factors identified across the case studies related to changes in (i) pay, (ii) benefits, (iii) work environment, (iv) job security, (v) support, (vi) involvement, (vii), gratitude and recognition, (viii) training and development, (ix) responsibility, (x) autonomy, and (xi) negative social exchange.

6.2.1 PAY

With regards to pay, changes took place in two of the case study organisations shortly after the services were outsourced[31]. In this respect, there were reductions in pay conditions for a minority of workers at Sports-One and Sports-Two, and these were actions that had long-term, almost inexorable, implications for the state of the employment relationship for the workers affected. Indeed, although the number of workers affected by pay cuts was overall quite low[32], the reductions in pay produced significant feelings of distributive injustice for those experiencing them, and certainly impacted how they related to the organisation in terms of trust, commitment and identification (as will be discussed in Chapter Eight). The pay cuts occurred in the first few months after the Leisure Trusts took over in both case studies.

At Sports-One, it was the casual members of staff, who in the main were lifeguards, that reportedly received pay cuts, and these equated to reductions of approximately 10% of hourly pay. At Sports-

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[31] It's important to note that in the pre-transfer periods, Sports-Two initiated changes to pay arrangements through the job evaluation procedure discussed in Chapter Five. In this, the local authority managers at Sports-Two went through the process of reviewing the salaries of staff against national benchmarks. The politics of the job evaluation process was outlined in the previous chapter, and it is not the intention to repeat the information or emotional consequences for the employment relationship in this subsection on pay. It is important, however, to note that the process resulted in the majority of full-time staff at Sports-Two getting substantial pay-rises, sometimes in the region of an extra 20%. However, it is again important emphasise that these pay rises did not primarily emanated from the outsourcing process itself, but from local government leisure policy obligations.

[32] A point to mention here that 'pay-harmonisations' were reportedly planned across all the case studies for the future.

Two, the casual workers were similarly affected by pay cuts, and they received reductions of 15% (approximately £1.25-£1.50 per hour less). As already mentioned, for all those affected, there was a great sense of distributive unfairness, and this was not only because of the act of the pay cuts in themselves, significant though they were, but also because most other staff in the organisation were not subject to reductions in pay owing to TUPE.

Beyond the generic pay reductions for casual staff, there was a particularly stark case of a temporary worker at Sports-Two who received a substantial pay cut as a result of the outsourcing transfer itself. In this instance, the worker's temporary contract was arranged to expire on the day before the outsourcing transfer, with the expectancy that he would continue on a new contract with the Leisure Trust afterwards. However, while he was awarded a new contract by the Leisure Trust, he was also given a pay drop of 25% (his salary going from £1200 to £900 per month). For this participant, the feelings of injustice and grievance and ill-treatment were especially strong, and he experienced severe emotional distress as a result[33].

> *P: All I wanted was equal pay compared to the other two instructors. They turned round, they actually said, 'Well this is the contract, you'll be earning this much. You can take it or leave it.' Because I need the money, I need the job, I took it, but basically I'm doing the same hours, same job as the other two instructors for about £300 less a month, which I don't think is very fair. It's extremely de-motivating and as a result I now can't wait to get out of here. I do enjoy it here, I've got a lot of friends and the staff I work with are great but it's just I think <the Leisure Trust> have come in and they've tried to change things. In my opinion all they're trying to do is try and save a few pennies here, there and everywhere, and they don't really care whose livelihood it affects. I've got a mortgage and stuff like that, to drop from £1200 a month to £900 a month is a big drop for me, so I'm not very happy about that. I've love to take them to the cleaners over it but that's not going to happen because legally I've not really got a leg to stand on.*
> *(Sports-Two, Male, T1, P29)*

Although most staff in the case studies were not affected by pay cuts, this is an important case to highlight owing to the severe implications it had for the participant's life, and moreover the attitudes this participant continued to hold around the employment relationship[34]. Indeed, along with the other

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[33] Some of the contextual factors contributing to the emotional distress related to family situations, both having to pay a mortgage and look after his grandma who was unwell.

[34] Temporary workers are not common across the public leisure sector but were recruited at Sports-Two in order to overcome the potential management uncertainties. That is, in the twelve months preceding the outsourcing transfer the local authority management

casual workers affected by formal pay cuts, there was a conspicuous theme throughout the case studies, as shall be shown, that if employees received a formal pay cut during an outsourcing process, it significantly 'colours' how they evaluate many other aspects of the employment relationship – and always negatively.

Outside of formal contractual pay changes, there were further changes to pay for those who worked on an 'ad-hoc' basis through teaching studio classes or providing customers with personal training. Although these workers tended not to have formal employment contracts, leisure centres often provide non-contractual opportunities for fitness workers to acquire additional, often reasonably lucrative, revenue streams outside of formal or permanent employment. For example, through teaching fitness classes or providing one to one personal training or sports coaching. In this regard, several participants across the case studies noted that the number of weekly fitness classes or personal training sessions they led had either decreased or were brought 'in-hours' following the outsourcing transfer, which meant real pay reductions of approximately £80-£200 per month for those affected. Similar to the formal changes in pay mentioned above, these changes were initiated by the Leisure Trust managers and implemented shortly after the outsourcing transfers took place.

Rationales for Pay Cuts

In terms of the underlying drivers of the pay cuts at Sports-One and Sports-Two, the senior managers at the Leisure Trusts pointed to several reasons for why they 'had' to take place. Firstly, there were pressures being placed on the Leisure Trust from the local authority to make cost reductions – the funding provided by the local authorities was typically significantly less than the Leisure Trusts had been hoping for at the time of contractual agreement, and this was exacerbated by the augmented quality benchmarks and performance targets. Secondly, there was a widespread belief by the Leisure Trust managers that the employees transferring from a local authority employment contract were paid

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took the decision to offer new recruits (or newly promoted employees) temporary contracts until the day of the transfer. In this case, the worker was actually permanent for several years prior, but went on to a temporary contract in order to gain a promotion.

far above the industry rate, and so needed to be 'brought in line with the market average'[35]. Thirdly, again in relation to the financial stability of the Leisure Trusts, there were also growing concerns about the prevalence and intensification of competition in the region, as both Sports-One and Sports-Two had recently witnessed new private sector health clubs and gyms opening in the local areas. Taken together, these factors left the senior management keen to transfer employees to their Leisure Trust terms and conditions (as opposed to the ones workers transferred with from local government), and implement pay changes where possible. As one of the senior managers from Sports-Two noted,

> *P: [The challenge is] trying to get the local authority to understand that we are a social enterprise yes, but we're not doing this for the good of our health, it is a business proposition. The local authority really want to pay [us] as little as possible, want all the risk shifted to the incoming operator and quite frankly that's the sort of relationship we're not really interested in. I think the council's expectations in many cases are totally and utterly unrealistic and that will increase, I'm afraid. They've been managing these facilities, they have financial data and records going back a long time. There's been little investment in a lot of the buildings. How on earth do they expect an incoming operator to come in and deliver the sorts of savings that they expect?*
> *P: ... In some cases, particularly some of the casual staff we've had to cut rates of pay or bring rates of pay more in line with the market.*
> *I: Has that been a difficult process?*
> *P: It's never easy, is it? Particularly when there have been mixed messages. But the financial situation out there is not doing leisure any favours, and so you have to get these things right, and [local authority] clearly hadn't. Certain positions were just so out of kilter with the market... And as for the future, let's face it, pay award-wise in local government we're looking at 0% this year. It was 1% last year and we're looking at 0% in over the coming two years. So I think staff, all of our staff's salary packages are going to be eroded over a period of time.*
>
> *(Sports-Two, Male, T1, P17)*

TUPE Protection

Clearly the increased fiscal pressures from the local authority, and the 'beliefs' of the Leisure Trust managers that pay scales in the public sector were too high, seemed to push the Leisure Trusts to make the pay cuts. However, these pay cuts were only given in instances across the case studies where

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[35] For Sports-Two this was seen as particularly necessary by the senior management as the job evaluations resulted in very high wages compared to the labour market averages.

TUPE protection had not applied. For the casual workers this was perhaps because of ambiguity in the legislation regarding protection for workers on zero-hour contracts. And, in the case of the temporary worker at Sports-Two, as noted above, it was because the local authority oriented the contract to end on the day before the outsourcing transfer (in case the Leisure Trust desired to make them redundant – something the Leisure Trust eventually decided not to do, provided the individual accepted a pay cut). Thus, while TUPE was in the main offering some level of protection to formal pay conditions in outsourcing transfers for those on permanent contracts, it was apparent there remained ambiguity and loopholes in how they applied to those on temporary or casual contracts.

Pay Harmonisations

A last point to flag up about pay relates to the intention of the Leisure Trust managers to implement pay harmonisations to all staff on former local authority employment contracts. Although barely any employee participants were aware of this at the time of collecting the data, the senior managers of each of the Leisure Trusts mentioned that pay harmonisations were a likely possibility, if not already tentatively scheduled, for most staff at the leisure facilities during the second year of the contract. While the timeframes of the data collection meant no further information was collected about whether these pay harmonisations actually transpired, it was reported at the time of the second wave of data collection that they seemed likely. According to the managers, the reason for the pay harmonisations was again predicated on limited funding given from the local authorities, as well as operating in a market with competitive and external challenges.

Table 7: Pay

	Sports-One	Sports-Two	Sports-Three
Formal Pay Conditions	Reductions of around 10%	Reductions of 10-25%	-
Groups Affected	Casual workers	Casual & temporary leisure workers	
Timing	Early post-transfer	Early post-transfer	
Supplementary Pay Conditions	Various losses	Various losses	Various losses
Groups Affected	Class Teachers	Class Teachers/Personal Trainers	Class Teachers
Timing	Early post-transfer	Early post-transfer	Post-transfer

6.2.2   BENEFITS

With regards to benefits, there were not huge changes reported by the participants. No changes were reported during the pre-transfer periods with regards to benefits: rather the changes that occurred transpired after the outsourcing transfers. Those changes that did take place related to holiday entitlement and complimentary gym membership usage.

Changes to holiday entitlement only occurred at Sports-Two and only related to the casual and temporary workers who were 'forced' to transfer to a Leisure Trust employment contract. They transpired at the same time as the pay reductions (in the first months of the outsourcing transfer) and represented a slight reduction in how many days annual leave they were entitled to – reportedly an equivalent of two days less per annum for full-time staff.

With respect to changes in complimentary gym membership usage, these occurred in all the case studies and represented largely positive developments for staff.   Thus, all employees were given extended usage of the sport and leisure facilities, which meant they were able to obtain full use of the fitness suite and swimming and sporting facilities for free. Almost all participants in this study who made reference to this deemed it a welcomed development and considered it a significant perk to the job. At Sports-Three this was especially the case as they were each given three complimentary memberships for immediate family members.

The developments in complimentary memberships allowed the Leisure Trusts to provide a low-cost but high-satisfaction benefit for staff, and try to build a perception that they were 'seeking to offer' enhanced benefits compared to the local authorities.   Although the Leisure Trusts had implemented pay cuts to some staff, the managers were generally very keen to build good relations with staff, and as companies independent of the local authorities they were able to offer such benefits without encountering the challenges of 'red tape'. However, an interesting point to make on the back of this is that the complementary membership benefits generally came with the expectation that staff would offer high performance in their work as a result.

Table 8: Benefits

	Sports-One	Sports-Two	Sports-Three
Holiday Entitlement	-	Slightly reduced	-
Groups Affected		Casual & temporary leisure workers	
Timing		Early post-transfer	
Gym Membership	Complimentary	Complimentary	Complimentary (family)
Groups Affected	All	All	All
Timing	Three-Six months post-transfer	Early post-transfer	Early post-transfer

6.2.3 WORK ENVIRONMENT

In Chapter Five, it was mentioned that all of the three outsourcing takeovers resulted in some form of refurbishment for the leisure centres involved. In terms of refurbishments, Sports-One received a full interior refurbishment of the health and fitness suite, the crèche and the introduction of a new brassiere and café bar in the first six months of the takeover. Sports-Two received a refurbishment of the health and fitness suite from the local authority (in the pre-transfer period), and after the outsourcing transfer received the renovation of a new staff room and the introduction of a new air-conditioning system by the Leisure Trust. Sports-Three received developments in its reception areas and studio facilitates.

These changes were seen by participants as being enacted to enhance the facilitates for members or users of the leisure centres. However, it was also apparent that participants considered themselves to receive 'indirect' benefit from the changes in terms of their work environment. These indirect benefits manifested themselves in several ways. In one way, participants were pleased with the more 'comfortable' work spaces and 'modern' fitness or IT equipment. In another way, participants were able to garner a sense of pride and esteem from the professional image that their workplaces now provided. As one participant noted,

> *P: ... it's like a private health club now, it's pretty awesome for us to be honest... I feel like it's better place, about working and that, it's a good place to be.*
>
> *(Sports-One, Male, T2, P4).*

These changes, thus, seemed to provide indirect ways in which the employment exchange was positively impacted for participants. However, in noting this, an important caveat to highlight is that they often came with temporary disturbances as the renovations were carried out. At Sports-One, in particular, the renovations were seen by many participants as particularly problematic to their working lives during the few months they transpired, as they often resulted in office location moves and health and safety breaches. At the extreme, for example, several of the crèche supervisors at Sports-One spent nearly half a year working in a mobile home outside of the leisure centre while the crèche rooms were renovated. Several of the administrative employees also noted that the builders created huge noise disturbances and additionally left rooms filled with dust at times. Thus, although the participants felt the work environment outcomes were beneficial in the end, they were often accompanied by some temporal disruptions.

Table 9: Work Environment

	Sports-One	Sports-Two	Sports-Three
Centre Refurbishment (s)	Full Refurbishment	New Fitness Suite & Staff Room	New reception areas
Groups Affected	All staff	Leisure workers	Receptionists
Timing	Post-transfer	Late pre-transfer/Early post-transfer	Post-transfer
Refurbishment Disturbance	Relocation/H&S breaches	No staff room (for short period)	N/A
Groups Affected	Crèche workers/administration	All staff	
Timing	Post-transfer	Early post-transfer	

6.2.4 JOB SECURITY

Job security was a factor that participants across all the case studies felt had been negatively affected by the outsourcing process. Across the case studies, the general trend was that the sense of job security reduced substantially during the pre-transfer period, but recovered to some extent after the outsourcing transfer took place.

In terms of the pre-transfer stage, job security was reported by participants in each of the case studies to have been badly damaged. In Sports-One and Sports-Three, the announcements about the prospect

of outsourcing seemed to be a timeframe when job security was particularly reduced, as participants felt unsure about what the future would hold. Some said they felt confused when their managers said 'we're seeking expressions of interest', and did not understand what might happen to the organisation if the outsourcing moves went ahead – especially at Sports-Three, where information about the outsourcing process was kept very secretive. However, most common across the cases was the perception that outsourcing might lead to redundancies or pay cuts, and this was something that brought feelings of anxiety and a lack of control:

> *I: How have you felt about job security over the last twelve months or so? And how do you feel now about it?*
> *P: Job security hasn't been great to be honest. I mean, it's not gonna be when you're going through a takeover like this…When they told us about the takeover plans, you could see it in people faces that they were worried and just needed to be told that everything's gonna be alright, they needed that more than ever. That would have calmed it all I think. So, ups and downs, maybe. Now, it's not too bad, I'm not thinking about will I have a job next month anymore. Getting on with the job. But they're bringing in new ideas. I've got to get through x amount of calls now to our members, which is kept an eye on. So, it's changed like that. And these days you feel rather lucky to have a job all the same, I know several friends elsewhere who've just been made redundant, so.*
> *(Sports-Three, Female, T1, P53)*

At Sports-Two, the sense of reduced job security was particularly pronounced in the pre-transfer period but related less to the outsourcing announcements and more to the events surrounding the job evaluation procedure and redundancies. When the local authority threatened to close the leisure centre if employees did not accept the nullifications to pay-rises and back-pay (see Chapter Five), the sense of job security was 'completely crushed', according to one participant, and did not start to rebuild until months after the Leisure Trust took over. Indeed, for the participants at Sports-Two, the sense of lost job security was very significant, and this had notable implications for those involved – particularly commitment and morale. The excerpt below is one of many comments made about the loss of job security at Sports-Two:

> *P: … Well, right back, the Council, the Head of Service, came over and said, 'look, we're looking to outsource you if you like. We wanna get a trust involved.' … Before the transfer had even taken place we had someone come and say 'oh you're gonna lose your job because the Leisure Trust haven't got that post in position'. And funnily enough, eight months later, she was made redundant. So it was a bit like, hmmm. We lost six*

people, different receptionists and admin assistances. And you're thinking, 'what's gonna happen?' It was quite hard, having been here for quite a while, five plus years. You're thinking 'what's happening with me? Am I gonna be made redundant? Am I?'
I: How did that make you feel?
P: Scared, insecure. I've obviously got financial commitments which I need to bring money in for, so when something like this happens you obviously feel worried.

(Sports-Two, Male, T1, P28)

After the outsourcing transfers, participants across the case studies reported that job security started to rebuild in the early months with the Leisure Trusts. Clearly the 'fear of the unknown' surrounding the 'prospect of change' was a factor suppressing job security beforehand. But, following the transfers, the Leisure Trusts began communicating messages that 'staffing levels will not be affected', and the sense of job security gained some level of recovery during the first year as a result. This process was enhanced by the reasonable performances that the leisure services garnered during the first year of the outsourcing contracts (even if they were not fully achieving all financial objectives – as in the case of Sports-Three).

Nevertheless, in the second interviews, it was sometimes noted that job security remained noticeably lower than what it had been before the idea of the outsourcing transition emerged, with several participants keen to point out that the change process had left a 'scar on job security', as one person put it. At Sports-Three, the longer-term perception of job security was also affected by the fact that five technical employees were made redundant ten months into the outsourcing contract.

Lastly, a final point to mention about job security after the first year of the outsourcing contract concerns the issue of TUPE protection, and the insecurity this creates, once the term of the protection came to its end. For, at Sports-One and Sports-Two, in particular, there were a handful of participants who 'reported' that the legal protection offered from TUPE had recently finished, and they were stressing that this meant the Leisure Trusts were 'free to do what they want now...which could mean scrapping [our local government] conditions' (Sports-One, Male, T2, P8). Thus, although part of the aim of TUPE is to reduce insecurities around employment security about terms and conditions, in a

sense it prolonged it – though this depended on the workers' perception of the legal length of the cover to start with.

Table 10: Job Security

	Sports-One	Sports-Two	Sports-Three
Job Security	Reduced	Reduced	Reduced
Groups Affected	All	All	All
Timing transition	Throughout transition	Throughout transition	Throughout

6.2.5   SUPPORT

With regards to support, perceptions changed substantially during the outsourcing transitions. The common finding across Sports-Two and Sports-Three was that the levels of support from managers were reduced and inadequate during the pre-transfer stage, they improved slightly during the early part of the transfers, and improved substantially by the end of the first year. Sports-One was slightly different in that most participants felt they had been supported during the pre-transfer period fairly well by the centre manager, although they readily agreed that the local authority managers could have done more to support staff and help them make sense of the outsourcing change and what it would mean for them.

In the pre-transfer periods, many participants at Sports-Two and Sports-Three felt that the local authority had not been as supportive as they had hoped. Indeed, many participants across all the case studies suggested that the decision to outsource was a 'sign' that the local authorities did not really 'care' for its workers. However, more common was the belief that the way the outsourcing process had been managed was unsupportive – especially in the case of some local authority managers. What was interesting here, though, was how such comments were deeply entrenched in other factors of how they were being managed. For example, many participants from Sports-Three replied to questions about support with complaints about the lack of involvement and transparency in communication from the senior managers. At Sports-Two, participants would point to the negative

experiences of the job evaluation procedure and organisational restructure to make their point. In the latter, however, some participants would not just talk of a lack of support, but rather the experience of 'neglect' – something discussed in a later section on negative exchange.

In the first few months after the Leisure Trusts took over, the levels of support seemed to increase at a slow but steady rate for the majority of participants. At Sports-One and Sports-Two there were some exceptions to this, most noticeably those that were forced to change their contracts and receive a pay cut (i.e. the casual and temporary workers). These workers clearly struggled to see the managers as supportive owing to the sense of unfairness they continued to perceive. But, by and large, most participants across the case studies acknowledged the Leisure Trust managers – senior or administrative or general – were more supportive than the local authority management had been. The ability to provide information for answering technical problems swiftly and helpfully was a particular benefit noted for participants across the case studies – for example, in relation to problems with pool plant maintenance, administrative processes or IT systems. And, in this regard, participants would often allude to the expert knowledge in leisure management that the Leisure Trusts had, which allowed them to deal better with operational concerns within their respective centres.

P: ... It's been working well up to now. 'We'll give you help, support and advice where it's appropriate' and I'm happy to receive that. You've got to be, in our line of work. If they've done something well over there and it's worked well and it could work over here, then that's what a lot of leisure and sports development is, taking ideas from other areas and trying to make it fit into your area, if it's appropriate for that area of course.
I: You mentioned support there again. How do you felt about how you've been supported over the last few months if you like, since the transfer?
P: I think it's been good, yeah. They've been very open and we've obviously come across for the customer forums and they've come to some of our managers' meetings to have chats to us. [We] had a chance to meet with her just individually so you could chat about your job if you had any major concerns or anything like that, or any questions, which I found quite useful. It was really nice, the managers are nice like that, they listen, they're good, if there's any problem we have a whole list of numbers to call and there's always someone around to answer your query. That's the difference you see with the Council. Because, along with those snags I mention about the takeover itself, they simply didn't understand sport and leisure, it was just a statutory add-on service for them, it wasn't seen as important I don't think. And if you needed something or had a query you could never an answer. You'd have to go through ten different call transfers to speak to anyone who vaguely knew what they were on about.
(Sports-One, Male, T2, P9)

An intriguing observation in this excerpt is the contrast between the local authority and the Leisure Trust managers. For example, note the references to Leisure Trust managers (*'you could chat about your job if you had any major concerns or anything like that, … the managers are nice'*) compared to the local authority managers (*'they simply didn't understand sport and leisure, it was just a statutory add-on service for them, it wasn't seen as important I don't think'*).

Notice also how the emphasis is placed on the personal and emotional aspects of the relationship with the individual managers (*'the managers are nice like that, they listen, they're good, if there's any problem we have a whole list of numbers to call and there's always someone around to answer your query'*). In this respect, one of the broader themes to come out of the analysis was the notion that the employment relationship became more 'emotionally-based' after the Leisure Trusts took over. Why this happened was to some extent ambiguous, and certainly difficult to pin on any specific management process. But in the minds of the managers the new relationship was all part of getting workers to deliver a professional service. For, as one of the Leisure Trust senior managers put it in a second interview, it was about '*treating them well so they'd deliver a decent service to customers*'.

After one year, the theme that the Leisure Trusts were increasingly supportive was generally maintained in all of the case studies. At Sports-One, the main point of reference for support continued to be the information and assistance they received centrally, though there was recognition that the senior management were much more 'accessible' in the sense that anyone could contact them. At Sports-Three participants were approving of the Leisure Trust managers for the 'conscious efforts' that were being made to place employee well-being in decision making. For example, there were plans to introduce better work-life balance policies and there had been team building exercises for individual departments. At Sports-Two, most participants claimed the contrast between the Leisure Trusts and their former local authority was by now very significant. One of the participants made redundant in the organisation restructure was reinstated and reported that the centre manager had been very caring about the reinstatement process, also offering her several training courses. Even some of the workers negatively affected by pay cuts at Sport-Two were in partial praise for the support of the

Leisure Trust senior managers[36]. For example, one of the temporary workers received time off for stress and had some private counselling sessions paid for by the Leisure Trust. Although, on the back of this, it is important to recognise that these perceptions were not common to many of this group, and the perceptions often remained sceptical.

Table 11: Support

	Sports-One	Sports-Two	Sports-Three
Support	-	Reduced/Inadequate	Reduced/Inadequate
Groups Affected		All staff	All staff
Timing		Pre-transfer	Pre-transfer
	Increased	Increased	Increased
	All staff*	All staff*	All staff
	Post-transfer	Post-transfer	Post-transfer

* Staff affected by pay cuts or disciplinary action did not recognise increases in support in the early pre-transfer period.

6.2.6 INVOLVEMENT

With regards to involvement in decision making, although there were noteworthy particularities within the analysis, there was a common view across the case studies that such processes were less than adequate during the build-up to the transfer, then improved shortly after the transfers, but then reduced over the course of the first year.

In the pre-transfer period, many participants acknowledged that they were not entitled to 'decide' whether their leisure centre should be outsourced or not – that was a decision for the centre manager and the senior management of the local authority. However, they did feel entitled to have some influence on the decision making processes about how the outsourcing transition should transpire, particularly with regards to issues about the way pay and conditions could change, but also about which firm should get the final outsourcing contract. In general, however, the amount of involvement

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[36] This was a minority of participants and the in the main there was still animosity toward the Leisure Trust for the pay cuts – particularly because of the two-tier framework it created.

participants actually received in the early outsourcing process varied considerably across the case studies.

At Sports-One, for example, participants talked of a high involvement strategy. Here, employees were given full details of the bidders from day one, and they also had the opportunity to meet the Leisure Trust managers on occasions prior to any transfer (i.e. as the bidders visited the leisure centre). Moreover, when the final two bidders were announced they were able to visit some of their existing leisure centres and offer their feedback to the local authority *before* the final decision was made. And they also received presentations from these bidders in the final months of the tender process. At Sports-Two, although many participants noted there were regular memorandums about the transition process (something they were grateful for), the information provided was often deemed to be vague and mysterious. It was also seen as a one-way flow of communication of 'what was *going* to happen', as opposed to a formal consultation process. At Sports-Three there were similar experiences to Sports-Two. However employees had the additional challenge of not being allowed to know who the bidders were until after the final outsourcing contract had been signed. This meant they did not know if they were going to be taken over by a private or non-for-profit organisation until, legally, they 'essentially had'. As a result of this, participants at Sports-Three felt great anxiety over the potential identity of the vendor as rumours were transpiring that it might be a private provider who had a notorious reputation for how they treat employees. This, unsurprisingly, had a negative impact on job security and the employees' sense of control.

> *P: I think the worst period was probably leading up to the actual date of completion of contract signage which obviously was when we didn't know what entirely was going to happen. We literally didn't have a clue about who was taking us over and what was going to happen, which I don't think was fair if I might say so, and it didn't do the staff any favours. We did meet with HR and that after and we met with council officials and various agencies so we got some idea of what was going to happen. We were told out jobs wouldn't be touched, which was massively reassuring at the time, relieving that T's and C's carry on the same. But that wasn't really consulting, it was passing on info, handing it down rather than asking us. So, no, I think we needed to know more about the direction we were going in.*
>
> *(Sports-Three, Female, T1, P53)*

At Sports-Two and Sports-Three, the level of involvement reportedly increased as the transfer dates drew near. Similar to what had happened to some participants at Sports-One, a small number of employees from both of these leisure centres were given the opportunity to visit their Leisure Trust's existing sites to meet some of their future colleagues and 'explore their culture'. But, again, this was noted as not providing actual involvement in decision making, which brought a sense of mild frustration. The participants who received the chance to visit the sites were grateful for this opportunity. But they wanted their opinions to have some influence.

In terms of other involvement activities during the pre-transfer stage, all the case studies reported that local authority human resource management representatives arranged one-to-one meetings with staff to discuss the legal obligations and rights around TUPE. In each of the cases, it was reported that the frequency of meetings or consultations or presentations with the unions, the local authority senior management, and the Leisure Trusts, increased. An interesting point about such initiatives at Sports-two, however, was that participants remained inherently sceptical about the intentions of the local authority, often implying that they were merely done as 'a way of keeping staff quiet' so the outsourcing venture 'goes ahead without any more problems'.

After the outsourcing transfers, participants across the case studies reported that levels of involvement in organisational affairs continued to be fairly limited, as this participant's comments captures:

> **P:** ... up to about a couple of months or so before, I was quite excited about moving over and I thought things were going to be quite a bit different and I thought there might have been. I don't know. I think I suppose you build up things in your own mind of what it's going to be like ... but they came in and changed quite a few things, systems and stuff like that and we've had to go over to their systems and procedures without any discussions. They don't seem to have listened to what we do. So we haven't had the option to put our side forward I don't think. We've just had to go with what they say.
>
> *(Sports-One, Female, T1, P5)*

At Sports-One, the belief that decision-making became highly centralised after the transfer came out as a strong theme. Participants here, particularly the supervisors, felt they had their 'hands tied' when changes were being introduced and this continued to create frustration. For example, one supervisor

highlighted that he was afforded barely any say in the decor of the refurbished fitness suite or the content of new fitness machines/equipment. Similarly, the reception supervisor mentioned that changes to the IT/booking system and invoices collections, were introduced without consultation. At Sports-Two, while most participants continued to praise the 'listening' attitude of the centre and senior management, there was much scepticism around how far this went in practice:

> *I: ... what about being involved in decisions? It's kind of related to what we just talked about, but how do you feel about your involvement with [the Leisure Trust] in decisions over this last nine months or so? Do you have voice?*
> *P: This is quite an interesting one, because I'll use an example with this. We had a choice not so long ago with regards to two members of staff, and there was one position because we were looking at cutting hours and they're both on temporary contracts, and one was going to remain on a fulltime contract and one was only going to be offered a part-time contract. And within the management team we all said the same person, but we were ignored and they went for the other person. So I think that's an example of we're consulted, but as a group [...] overruled. I think from my perspective certainly, that I may be asked, but I don't necessarily think my opinion is always valued as such, which is a shame because we get on well but this would better the working relationship.*
> <div align="right">(Sports-Two, Male, T2, P23)</div>

This participant identifies how his involvement in decision-making was not completely overlooked, but that it was just paid 'lip service'. Such views were common to participants across the case studies, particularly the supervisors. The above participant went on to talk about how the 'top-down' style of management and the 'pre-established' policies of the Leisure Trust were key factors in the erosion of employee decision-making.

Interestingly, from the managers perspective, the reason for not providing much involvement and consultation during the first year of the contract often appeared to link back to the pressures of business performance. For the managers, there was a need to prioritise the business needs and this sometimes meant employees were forced to accept the day-to-day decisions the management made without much consultation. However, this was not something the managers seemed to believe was the best way to manage. For example, they often talked about the 'desire' to give more consultation to staff on operational decisions, because they recognised this would enhance commitment. However, they were worried that too much involvement and consultation might result in a highly

bureaucratic organisation, with 'slow' or 'wrong' decisions potentially being made. According to the Leisure Trust managers, this was something the Leisure Trusts had to want to avoid at all costs, as they believed this would have negative repercussions for financial and sales performance, and was something they 'could not afford to happen' owing to the risks involved.

Table 12: Involvement

	Sports-One	Sports-Two	Sports-Three
Involvement	Increased	Gradual Increase	Gradual Increase
Groups Affected	All staff	All staff	Supervisors
Timing	Pre-transfer	Pre-transfer (post tender)	Post-transfer (post-tender)
	Reduced	Reduced	Reduced
	All staff	All staff	All non-management staff
	Post-transfer	Post-transfer	Post-transfer

6.2.7 GRATITUDE AND RECOGNITION

The receipt of gratitude and recognition were aspects of the social exchange relationship which went through a downward and upward cycle during the outsourcing transitions. The common theme permeating all the case studies was the belief that gratitude and recognition reduced during the pre-transfer stage, but improved substantially after the takeover had happened, mainly because of the personal informal contact provided by individual managers.

In relation to the pre-transfer period, there were many comments about the significant lack of gratitude and recognition provided by local authorities around the time of the transfer. Here, one of the key issues across all the case studies was that many participants felt they had given noteworthy effort to the local authority in the preceding years and that this deserved some form of 'public recognition' or thanks – something they felt was 'not too much to ask for'. One participant described that this should have been "a basic sign of respect, an obvious part of managing people" (*Sports-Two, Female, T2, P33*). Hence, they were disappointed and dissatisfied when it did not happen as they wanted.

This sense of disappointment about gratitude was strong in all the case studies, and there was frustration about the lack of a symbolic passage to mark the end of working for the local authority and starting with the new Leisure Trusts. Indeed, participants seemed to want a rite of passage to help them let go of the past and make sense of the future – and gratitude seemed to be a factor which may have allowed this to happen. Participants at Sports-Three expected to have a centre-wide ceremonial opening on the transfer day, but it passed by without much engagement with team members. Some reported that the management were more concerned with implementing the new IT system than saying thank you to staff. Participants at Sports-One noted they received an official opening at the centre which was positively received, but they also mentioned how this was mainly for the managers. They were also frustrated that all the thanks were given to the managers of the centre and the local authority, with little gratitude shown to team members. Participants at Sports-Two noted how they were given a letter on the transfer day which encompassed some level of thanks (it was essentially a formal letter about organisational plans), but many of the supervisory participants (and others) claimed this simply undermined their worth.

> *I: So how do you feel on the day of transfer?*
> *P: Let down, let down. We had no official, 'thanks very much,' apart from a short letter from [Name], the Managing Director. No official, 'come in and shake your hand stuff, thank you very much for all your hard work' ...*
>
> *[Later in the transcript]*
>
> *I: Do you feel like you get more thanks in your work now since the transfer?*
> *P: I do, yeah. If you do your job right, the managers say usually 'hey[name], thanks for your help the other day, good job'. It's good, makes me feel good and wanna work.*
> *(Sports-Two, Male, T1, P28).*

After the transfer there were noticeable shifts in gratitude and recognition. The above excerpt identifies some of the differences of the early 'before' and 'after' comparisons for this participant at Sports-Two and identifies the personalised approach the Leisure Trust managers adopted with gratitude and recognition ('hey[name], thanks for your help the other day, good job'). It also illuminates the positive motivational impact such practices had on staff ('makes me feel good and wanna work'). At Sports-One, a similar approach was reported, with the senior Leisure Trust

managers knowing the first names of almost all the workers, and this was equally viewed with appreciation.

At all cases, the sense of increased gratitude and recognition continued throughout the first year, and was mainly rooted in the personal interaction of the centre and senior managers, as well as the more formal processes. At Sports-One, for example, there were reports of increased appraisals which offered more opportunities for the managers to formally acknowledge the performance of staff. At Sports-Two there were opportunities to take part in Christmas parties which had reward ceremonies to say 'thank you for the year'. At Sports-Three the managers organised a staff community BBQ day to say thank you for the effort and hard work over the first nine months of the contract. The managers here also introduced a 'staff member of the month' to recognise hard working staff, which included a financial bonus.

As to why the Leisure Trust managers were perceived to be offering more gratitude and recognition to staff for their work, the reasons given were intriguing. In one sense, it seemed to come back to the desire the Leisure Trusts held for professionalism, including the human resource management functions and the transcendence of this to the role of the line. However, what was most interesting to note about the provision of gratitude and recognition were the reports that the managers seemed to be giving their gratitude and support as a conscious exchange for 'hard work' and conformity to the new expectations that the managers were trying to instil. In other words, they were using gratitude (and support, for that matter) as a tool for rewarding and reinforcing 'good behaviour'. Numerous participants noted this, claiming that it was as if gratitude was often 'contingent' on conforming to the new culture of intensified work performance. As one participant mentioned,

> *P: ...It's been pretty hectic to be truthful, I'm running around like a headless chicken half of the time 'cos there's so much to do. They've come in and pushed us quite hard, I think, when actually they'd have been more prudent to give the staff a bit of space to get to grips with them first. It's like, they're demanding more from our time, we do the same time but twice the work, and there's not much room for manoeuvre. I suppose on the positive light of things there's definitely more thanks for the work you do though, if you do the job right.*
>
> *(Sports-One, Female, T1, P12)*

Table 13: Gratitude and Recognition

	Sports-One	Sports-Two	Sports-Three
Gratitude & Recognition	Reduced	Reduced	Reduced
Groups Affected	All staff	All staff	All staff
Timing	Pre-transfer	Pre-transfer	Pre-transfer
	Increased	Increased	Increased
	All staff	All staff	All staff
	Post-transfer	Post-transfer	Post-transfer

6.2.8   TRAINING AND DEVELOPMENT

In the first interviews, there was widespread belief across the case studies that outsourcing was going to lead to greater training and development opportunities – whether this was to be in the short or long term.   Interestingly, several participants in each of the case studies mentioned that the pre-transfer messages about prospects of greater training and development were communications persuaded them that the outsourcing transfer would be beneficial to them as individuals in the future. Indeed, even in the pre-transfer period, training and development was reportedly used as an incentive for employees to accept 'being outsourced'. In this respect, it was apparent that expectations had been formed in the minds of participants during the build-up to the transfer that the future was going to be a time of 'up-skilling' and 'career progression'. Those who mentioned there had been promises about training and development usually pointed to the local authority as the initiators of the promises, though it was clear the Leisure Trust managers had on occasion left 'impressions' in pre-transfer presentations about such matters too – i.e. from meetings and formal presentations the senior managers made to workers. As one participant noted in the first round of interviews,

P: ...it's the way they sell it to you I guess in their presentations and that. But I must say it was good in terms of the signals that were being made and I'm not trying to make it sound that it was a complete disaster because it wasn't. And I think moving forward, where we've headed in the right direction. In my mind it's better than in previous employment. When you've got guys like the chief executive spending a half a day down here and then coming back for a full day's training session with everybody and their group interacting, it works well, it adds to what their core message is in terms of getting people active in the nation and in working with colleagues and so on ... I know on a

personal level they want me to look at retail and see what the retail opportunities are within the [Council] contract, so that's good. So we can all share our experiences, they share that with us and so on, so I think moving forward there is great potential to it.

I: Do you feel for yourself there are greater opportunities for you now?

P: Absolutely. I think there's a lot and I think it's not only within the <location> contract, I think it's national. I think once I've embedded myself and got the next financial year out of the way in terms of where the business is going because we're just about to operate an e-shop as well, so that's a big chunk of the business and needs to be managed and delivered but after that personally I'm going to start looking outside my current role and see what's available because I believe that we're a company and they want their employees to go to them and say, 'OK this is what I think we should be doing,' or 'This is a proposal,' and I believe that they're strong enough to react to that and give many people a chance. So I do see a lot of opportunities.

(Sports-Three, Male, T1, P48)

This excerpt illustrates the high expectations that many participants held about training and development in the first interviews. However, despite this high expectancy during the pre- and early post-transfer period, the 'reality' over the course of the first year was often felt to be less than initially predicted. The following excerpts track this overtime, capturing insights from the first and second interview wave with the same person:

P: I'm told there will be more opportunities for us because obviously [the Leisure Trust] have about six or seven sites so there's hopefully there will be a chance for promotion. Like the leisures, there might be senior leisure jobs coming up; for the senior leisures there might be manager posts coming up over in [the Leisure Trust]. Obviously we'd have to move but we've got a much more inside track into a massive organisation, whereas beforehand we've had [Sports-One] so moving up in leisure they have to leave [Sports-One]. There's been very little room for internal promotion in the past because we're only one site. Whereas with [the Leisure Trust], there might be a lot of opportunity for internal manoeuvring as well as training providing people will move and are flexible. And they don't just have the leisure centres but they have the libraries, they have the cemeteries, they have the community centres, they have a lot of things.

(Sports-One, Female, T1, P7)

P: ... I reckon the promotion plans probably haven't come about as we first envisaged. There's not been any promotions since you were here last, that I can remember. That's not to say it won't happen. I just think that with all the change going on around the place there's not been time to worry about career plans. There's too much to do in what we do now – for me anyway with my ordering and checks and stuff. I still think the chances to get promotion are better probably though, because we're now part of a bigger system, which that makes sense.

(Sports-One, Female, T2, P7)

Promotional Opportunities

More specifically, taking the theme of promotional opportunity on its own, the excerpts above capture the wider sense across the case studies that expectations about development had not been met one year into the outsourcing contract. The first excerpt depicts the belief that being part of a larger and more specific leisure corporation would yield greater 'internal job opportunities' and thus more routes for vertical progression. However, in terms of the perceived reality, the second interview illustrates that there were no more promotion opportunities than there had been before, with some participants even considering them to have decreased. Factors contributing to the lack of career progression in some ways might be attributable to the wider UK recession that was taking place at the time. Certainly some people reported there were fewer opportunities elsewhere – and this meant fewer people were leaving and thus fewer internal opportunities available within the centres.

On the back of this, an intriguing comment made by some participants at Sports-Two related to the belief that ex-public sector employees were at a disadvantage compared to others in the corporation when it came to gaining promotion opportunities – and they believed that this was because the managers across the corporation were alleged to deem ex-public service staff to be less professional and with an 'incorrect' mind-set for a Trust enterprise. How far this represented the reality was unclear, but in the minds of those participants it was apparent they sometimes felt like second class workers compared to others in the wider Leisure Trust corporation.

Finally, a last point to make about promotion opportunities is that, despite the lack of fulfilment around development promises, the expectation about future promotion opportunities remained strong. This can be clearly seen in the second excerpt above when the interviewee says '*I still think the chances to get promotion are better probably though, because we're now part of a bigger system*'. The workers at Sports-One tended to make more comments in this regard than the participants from the other two case studies, and this seemed to be because the Leisure Trust were pursuing other leisure and cultural service outsourcing contracts in the local region. But there were participants across all the case studies that continued to hold similar beliefs. It was as if they knew that the promotion promises

had not transpired as they expected, but remained optimistic that this might happen in the future. Certainly the Leisure Trust managers continued to suggest that opportunities may be on the horizon, and perhaps participants did not want to lose hope about this – even if it was becoming more apparent as time went on that the promotional opportunities may not come to pass as they first envisaged.

Training

Moving to the theme of training, the general belief across the case studies in the first interviews was that outsourcing was likely to bring greater training opportunities. There was recognition that as a business the Leisure Trusts had more flexibility to provide this than the local authorities, and there was clear hope that the training would be invested in the future of workers – up-skilling them to enhance organisational performance and career prospects. However, by the time the second interviews, it was clear that, similar to promotional opportunities, the amount of training being offered the Leisure Trusts was less than expected.

> **P:** *...Like I say, there's been no investment put into me because there hasn't been the option I suppose at the moment. Although with the new training budgets being put together for April, as a result of the appraisals and so on, that may change.*
> **I:** *Do you feel that you got more training before with the Council?*
> **P:** *I don't feel it's any different.*
> **I:** *No difference?*
> **P:** *Didn't receive any with the Council particularly other than, for example, appraisal training and so. Other than that, I haven't received anything.*
> *(Sports-Two, Male, T2, P23)*

Although the above comment suggests little change in training, most participants acknowledged that there was more training being provided with the Leisure Trusts post the outsourcing transfers. The problem was that the training provided was commonly 'standardised' training and not aimed at 'developing' employees' skills. At Sports-Two, this trend was particularly strong as the Leisure Trust sought, in the words of the management, to 'shower the staff' with training in the first year of the transfer in order to 'balance' the cuts and negative events that had taken place. However, the training that was given was typically very basic and usually aligned to simply meeting health and safety guidelines, with similar examples being noted at Sports-One and Sports-Three. Lifeguards, for

example, were often given lots more health and safety training, but this was to ensure legal regulations regarding pool management were met. In contrast, providing lifeguards, for example, with training for development, such as taking a fitness instructor or administration qualification, something the participants eagerly wanted, were often ignored:

> *I: How do you feel about training and stuff, development for staff?*
> *P: Yeah, there is more training, and we have to do so many hours, the pool training that is. But it's good I suppose, but the training is boring, it's just pool training, it's not helping us move up or anything like that.*
> *I: Okay.*
> *P: I want also to do the fitness instructor level 3 so I could progress. I've told my manager [name] about that twice. But still waiting I guess.*
> *(Sports-Two, Female, T2, P35).*

One reason several managers mentioned that limited developmental training was given stemmed back to the 'limited resources' available for such activities. Training and development had not been articulated in the outsourcing contract agreements, and the Leisure Trusts seemed unwilling to make long-term investments in staff owing to the pressurised financial situations. Some of the managers mentioned that they were in fact keen to try and develop workers, and tried to do this by offering more functional flexibility. For example, some of the lifeguards at Sports-Two started working on reception duties at times, building skills by on the job training. However, many of the workers did not see it this way, largely believing that the expectation of up-skilling was not really taking place.

Beyond this, one of the more intriguing elements to the stories around the lack of 'developmental training' at Sports-Two was that it did not always extend to the supervisors and managers; indeed a couple of these employees were granted significant developmental training by comparison to other workers. For example, through the completion of professional management certificates or formal leisure management training. This, perhaps unsurprisingly, also contributed to a sense of injustice about the delivery of training and development opportunities for those at lower levels of the hierarchy.

Table 14: Training and Development

	Sports-One	Sports-Two	Sports-Three
Promotion Opportunities	Decreased/Unmet promises	Decreased/Unmet promises	Unmet promises
Groups Affected	All staff	All staff	All staff
Timing	Post-transfer	Post-transfer	Post-transfer
Statutory Training	Increased	Increased	Increased
Groups Affected	Leisure workers/Receptionists	All staff	Leisure workers
Timing	Early post-transfer	Early post-transfer	Post-transfer
Developmental Training	Unmet promises	Unmet promises	Unmet promises
Groups Affected	Leisure workers	Leisure workers	Leisure /Receptionists
Timing	Post-transfer	Post-transfer	Post-transfer
	-	Increased	-
		Managers/Some Supervisors	
		Post-transfer	

6.2.9   RESPONSIBILITY

The amount of responsibility workers had within their job roles was often reported to decrease after the outsourcing transfer took place, particularly during the early stages of the transition. Typically, the process of reduced responsibility tended to happen more with the supervisors and general managers than other workers, though some team member staff also reported a sense of responsibility erosion. The activities that were being taken away from staff were many and varied, and there were overlaps and differences between the case study organisations. For example, take this supervisory manager from Sports-Three:

> *P: Yeah, when I started here I worked for one of the other sites as a duty manager, but was offered the chance to come as the Leisure Department Manager at this site not too long after. Essentially I was here to get the business side of fitness working, get the money in, get the punters through the doors, which was great and it's worked fine, we do really well. But now, since we've moved to [the Leisure Trust], I've had it taken off me. I used to work flexible shifts around my family, that's gone as well. It's like, all the business decisions don't belong to me anymore, they're for head office. I used to monitor the fitness attendance and records, what our income was, that's gone. I lost the crèche as well, which isn't a major thing, but it all adds to it doesn't it?*
> *I: How does that make you feel, about these things being taken from your role?*
> *P: If I wanted to be a fitness instructor, I'd get a job as a fitness instructor. I'm meant to be managing the fitness department, not cleaning running machines.*
> *(Sports-Three, Male, T1, P43)*

Clearly for this participant there was a sense of loss to his job role after the initial transfer had taken place. Notice how he lost responsibility for financial decision-making, membership recruitment, membership monitoring, overseeing the crèche and rota organisation. These job role changes transpired during the course of the first few months of the transfer and left the participant feeling highly unsatisfied and unfulfilled in his work. He felt the changes not only undermined his authority but also fed into a sense of subordination and lower status, something that clearly seemed to be affecting his sense of self-concept. Such experiences were similar for the supervisors across all the case studies, and it was clear that the erosion of responsibility was making them think about leaving. Take another excerpt from a supervisor at Sports-One:

> *P: ... I feel it's affecting me more than most just because basically before ... my job role has changed so before I'd look after here and I would for example do all the direct debit runs, I'd do all the promotional, I'd do all the report writing. But since going into the Trust then obviously there's someone on my level that looks after eight sites over there. Initially I thought I might just get sucked up into them, but now I'm barely involved with anything, the promotions I don't get involved with, I sit in on the meeting but basically it's decided by other people. So we have to run their promotions. Also, the direct debit run, someone else is taking that on board.*
> *I: How did you feel about those changes that you've mentioned so far, to your role?*
> *P:... I love my job, always have, but I did start looking elsewhere, looking at other points, to be honest with you. The main reason was I've been so successful and it just felt like things were being taken away from me as such and I haven't as much control as I did in decision-making.*
>
> *(Sports-One, Male, T1, P2)*

Other examples throughout the case studies included a reception supervisor at Sports-Two being no longer allowed to advertise for, or recruit, new employees, and also being stopped from undertaking other HR administration (which became the responsibility of 'Central HR'). The supervisors at Sports-Two who held responsibilities for delivering welfare training (e.g. COSHH, manual handling etc.) had them taken away, as that service was now completed 'corporately'. Another supervisor at Sports-Two lost the oversight of health and safety checks – which became part of the centre manager's role. The marketing manager at Sports-One became no longer involved with sports development work. The fitness instructors at Sports-Two and Sports-Three were stopped from advertising their own classes or training – the corporate branding was completed by the central marketing teams.

The receptionist supervisor at Sports-Three had numerous administrative responsibilities taken from her due to the new IT system that was put in place.

Many of these changes to job roles and designs were therefore largely the result of the centralisation of management activities. All of the Leisure Trusts had 'head offices' that were already operating activities such as human resource management, health and safety and marketing centrally. Thus, the logic for the Leisure Trusts senior managers was that these activities should therefore be transferred to the head offices in order to create a more efficient business. The problem, however, was that this left the employees who were previously doing these activities feeling a sense of loss to their roles – certainly at the time of the first interviews, which was typically quite soon after the centralisation processes had been enacted.

Intriguingly, by the time of the second interviews, the sense of loss to job roles was noticeably less of an issue for those who had been affected and there seemed to be a clear 'acceptance' of the new status quo. In one sense, this might well have been because of the timing of the first interviews – i.e. that they were conducted shortly after the role changes had taken place and therefore in the 'heat of the moment'. But in another sense, it also seemed to correspond to the changing evaluation of the employment relationship that took place during the intervening period. That is, by the time of the second interviews, although participants remained 'aware' of the lost responsibilities, there was a new sense of corporate identification with the Leisure Trusts, bolstered by the professionalism and organisational support that staff were given – particularly at Sports-Three. This excerpt was taken from the same supervisor at Sports-Three who was quoted above. Notice how his outlook had changed:

> *P: ... I don't know, I reckon it's got better since then. There are, how shall we say, 'things' that I'm well aware of about all the business responsibilities I used to have, and I'm still not that happy with 'em about the changes to some of the supervisors and myself. But you've gotta flow with the change, I guess, you've got to adapt if you gonna survive and thrive. You have to get on with it or move on. But there's some good stuff going on as a centre and the feel around the place is a corporate mind-set which is nice, it's just more professional, so not too bad now.*
>
> *(Sports-Three, Male, T2, P43)*

The change in mind-set was surprising at times, particularly given the feelings of frustration expressed in the first interviews. But this is an important point to reiterate as numerous employee attitudes seemed to become more positive after the first year, as will be discussed in the following chapters.

Table 15: Responsibility

	Sports-One	Sports-Two	Sports-Three
Responsibility	Eroded / Reduced	Eroded / Reduced	Eroded / Reduced
Groups Affected	Various (supervisors particularly)	Various (supervisors particularly)	Supervisors
Timing	Post-transfer	Post-transfer	Post-transfer

6.2.10 AUTONOMY

Although there were barely any comments about autonomy changing in the pre-transfer stage, autonomy was another factor that reduced following the transfer to the Leisure Trusts. The reduced sense of autonomy was manifest in many ways in the interviews, but perhaps most apparently through the repeat references to the new rules and expectations that were being introduced. Clearly there was some clashing of the cultures between the way the former local authorities ran the services compared to the new Leisure Trusts, and it was apparent the Leisure Trust managers across the case studies were keen to 'instil' their approach to work processes and expectations. Indeed, there was even a difference in the language participants used to describe the nature of work at the leisure centres before and after the transfer, which divulged some curious insights about the ways in which autonomy was affected. For example, words like 'relaxed' and 'chilled-out' were commonly used to describe the culture of working at the local authority, whereas words like 'strict' and 'formal' were frequent descriptions of what it was like to work for the Leisure Trusts.

The desire of the senior managers to have more management control over the operations of the leisure services appeared to be one of the driving forces behind the reduced autonomy. For numerous participants, most notably the supervisors and managers, there was a sense in the early post-transfer period that the Leisure Trust senior managers were operating a more 'top down ship' – a more

authoritarian style of management. The Leisure Trusts senior managers wanted more control over decision making and wanted to ensure the performance of workers was increasing. Indeed, they reported themselves that they were not content with the 'arms-length-style' of management that had typically been in place with the local authorities, where centre managers and supervisors were essentially left to make their own decisions and operate a fairly 'easy-going' system of operations. They wanted more centralised control over what was happening in the organisations, and they intervened in several ways to ensure this happened, which often frustrated the centre managers and supervisors. As the centre manager at Sports-One noted:

> *P: I get frustrated, again because I was used to before that what I said wasn't questioned. Because we did everything here, I issued an instruction and it happened. But with [the Leisure Trust] it's so much bigger, so they do have a HR director and they do have an IT senior manager and finance director. So I am finding that they're telling us what to do all the time. I'm not saying I don't make enough decisions, but you know what I mean? There's not the freedom to manage anymore – and I need that, it's my job to have! So personal relationships can sometimes get a bit awkward, I dig my heels, that's enough! They get, no, I'm not having it, that's my budget and I'm controlling how we spend it, because I was so used to just issuing that role. It's difficult though when you're having your authority restricted as a manager, especially when you're expected to exert that authority more so when staff don't follow the book. [...] I can't even use my memory sticks anymore, which is a pain, my email and internet access is restricted and monitored.*
>
> *(Sports-One, Male, T1, P1)*

For this manager, then, the sense of reduced autonomy was engendered by increased top-down instructions and performance monitoring on the management of budgets, IT and human resources – and this clearly led to a high level of frustration in how he experienced his work during the early post-transfer period. A further example this manager gave was how he was stopped from accessing his personal email account at work, and was also monitored in his internet usage (decisions implemented in respect of all workers at Sports-One). What was interesting, however, was that he responded to these restrictions by bringing his own lap-top in and using wireless internet – a sort of 'rebellious but practical' attitude, as he described it.

Examples of reduced autonomy were common throughout most of the supervisors and managers across the case studies, and it was not uncommon to hear comments in this respect from team

members as well. For example, the leisure staff at Sports-One and Sports-Three were restricted on the length and structure of shift patterns. The marketing manager at Sports-One was heavily restricted on the sorts of strategies he was allowed to engage in for membership recruitment and promotions (which had been a core part of his role). The crèche supervisor at Sports-One was held more accountable for the 'booking system' of children's activities, and was also restricted on the oversight she held. The duty managers at Sports-One and Sports-Two were pressed to complete new 'checks' about whether operational tasks such as pool plant monitoring, cleaning and fitness-programme-writing were completed to the 'new standards' and timeframes of the Leisure Trusts.   The fitness instructors at Sports-Three were told to write more general gym programmes that fitted the corporate perspective. And, as mentioned above, all staff at Sports-One were barred from using the internet for personal use.

Interestingly, the sense of reduced autonomy not only became manifest in relation to 'restrictions' and 'prescriptions' around work activities, but also in the 'expectations' of increased workloads. This theme is covered in more detail in the next chapter on the issue of work intensification, but here it's important to outline the intimate relationship that work intensification and reduced autonomy was found to have in the case studies. As one of the fitness instructors at Sports-Three said:

> **P:** *When we were with the Council the expectations weren't too bad. They'd kind of leave us to it in terms of the operational stuff if we did our jobs alright. But since <the Leisure Trust> have taken us over we have to do more I think now. I've got more programmes to write because of the push for new memberships. It has a knock on effect you see, you bring in more members and then we have to look after more customers at the programme writing stage and when they're in the gym. I think they push us to act how they want the image of the place to look. It's all about image with them, image and the sell, a 'conversation' to try and make the customer stay. So we're pushed to speak to customers at every chance and get through more programmes, which isn't too bad, but it's more work in the day and everything's become formal like that, it's not as relaxed as before, I don't think we have much choice in how we do things.*
>
> *(Sports-Three, Male, T1, P52)*

Notice how this participant refers to having less 'choice' in how he completes his work after the transfer, and how this was resulting from the sales drive and professionalism of the organisation. Clearly the employment relationship was being 'renegotiated' in the initial months after the transfer in

a way which was trying to favour the efficiency and effectiveness of the business of the organisations, and largely through the instilling of new rules and performance expectations.

By the time of the second interviews, however, the experience was broadly similar to that of responsibility. The participants that were negatively affected and frustrated by the loss of autonomy in the first interviews seemed to be more accepting of it by the time of the second. They seemed to cognitively recognise that the amount of freedom they had in their job was not as good as it was with the local authority management. Yet they suggested that this was almost part of having professional status and business-like operations – factors they very much liked.

Table 16: Autonomy

	Sports-One	Sports-Two	Sports-Three
Autonomy Groups Affected Timing	Eroded / Reduced Various Post-transfer	Eroded / Reduced Supervisors & Leisure Staff Post-transfer	Eroded / Reduced Supervisors/Line Mgrs Post-transfer
	-	-	Increased Centre Managers Post-transfer

6.2.11 NEGATIVE SOCIAL EXCHANGE

An intriguing finding to emerge in the interviews was the way in which negative social exchanges sometimes occurred between senior managers and employees during the outsourcing transition. Negative social exchange was not massively widespread, and usually confined to a small group of participants and workers at particular times. Nonetheless, it was a theme to arise in the interviews and seemed significant to those who experienced it. The aspects of negative social exchange discussed in this section include: (i) intimidation and bullying, and (ii) organisational obstruction.

Negative exchange behaviours are those which go beyond instances of breach and violation and embrace an element of unkindness. In this regard, the most extreme form of negative social behaviour noted during the outsourcing transitions was what might be termed 'intimidation' or 'bullying'. These were not prevalent themes in the case studies, and only occurred at Sports-Two for a short while. Nevertheless, they were reported to occur in some instances, and did bring notable consequences for the participants affected, hence why they are discussed below.

At Sports-Two, the perceptions that intimidation or bullying had taken place largely related to the ongoingness of threats made by the local authority about pay-rise nullifications and redundancies. In these instances some participants affected made striking comments about how they had been 'threatened', 'victimised', or made to feel 'powerless' by the local authority managers. And while the meaning of the term bullying seemed to mean different things to different participants, the direct words of 'we've been bullied' came out from several participants, sometimes denoting the perception that bullying took place on a broader scale.

Others references made to personal intimidation or bullying usually related to the temporary and, on occasion, casual workers who had received targeted pay cuts. The case of the temporary worker receiving a pay cut by Sports-Two shortly after the Leisure trust took over was alluded to in one of the first sections in this chapter (*see* p. 118), and was an instance where intimidation or bullying was strongly felt by the participant himself, especially as this coincided with reduced hours of work and a difficult family situation. He felt he had no option but to accept the pay changes, else he would lose his job, and this was something he could not afford given his personal financial commitments, and the lack of job opportunities in leisure in the local area.

> *P: ... about three months before my contract was due to end they told me that I'd have to have a <Leisure Trust> contract which turns out earns about £300 less a month than what I was on. Now, for me, I got <Name of Union> involved and all this business, well, I tried to, they didn't really give as much support as what I wanted. All I wanted was equal pay compared to the other two instructors. They turned round, they actually said,*

'Well this is the contract, you'll be earning this much. You can take it or leave it.' Because I need the money, I need the job, I took it, but basically I'm doing the same hours, same job as the other two instructors for about £300 less a month, which I don't think is very fair. It's extremely de-motivating and as a result I now can't wait to get out of here. I do enjoy it here, I've got a lot of friends and the staff I work with are great but it's just I think <the Leisure Trust> have come in and they've tried to change things. In my opinion all they're trying to do is try and save a few pennies here, there and everywhere, and they don't really care whose livelihood it affects. I've got a mortgage and stuff like that, to drop from £1200 a month to £900 a month is a big drop for me, so I'm not very happy about that. I've love to take them to the cleaners over it but that's not going to happen because legally I've not really got a leg to stand on ...What really annoyed me was also the fact that they had a lifeguard start as well, and they pushed it through so that he could have a <Council> contract <that was TUPE protected> ...
I: *How did you feel about that?*
P: *I was really annoyed, really, really annoyed. I was so tempted to hand my resignation in right there and then, I really was. The way I feel is that I've done all the courses, I've worked my way up the ladder and I should now be one of the most senior members of staff here, but it turns out I'm now back down right at the bottom which I can't justify. I really can't, it's got no way of justifying doing the same job as the other two instructors for this much less money, just can't do it. It's de-motivating, I don't want to come to work anymore. Like I say, I just can't wait to get out of here now. I can't.*

<div align="right">

(Sports-Two, Male, T1, P29)

</div>

By and large, however, it should be noted that such experiences were not widespread when accounting for all three of the case studies – they were generally limited to a handful of people. Yet what is clear from the experiences at Sports-Two was that outsourcing process, when not accompanied by formal tender processes, may engender opportunism that has the potential to activate nasty political tactics – and this is clearly a toxic influence on the employment relationship, as the above participant made clear.

Organisational Obstruction

The second issue to be discussed in this section relates to another form of negative exchange behaviour – that of organisational obstruction. Organisational obstruction relates to the notion that the organisation (or its representatives) obstructs or hinders the accomplishment of the employees' goals to the detriment of their well-being.

In general, similar to intimidation and bullying, experiences in this regard were also not widespread across the case studies, but when they did occur they usually related to the time shortly after the Leisure Trusts took over. Interestingly, the consistent theme throughout most references to obstruction was that they coincided with employees not 'conforming' to the new expectations of the Leisure Trust managers or procedures. At Sports-One, for example, there was an incident where one employee posted a negative comment about the leisure centre on a social networking website. He and several other employees who were involved with the post were subsequently suspended for six months – because the comments were 'incongruent' with the Leisure Trust's 'image'. At Sports-Two, in a different example, one participant noted that he was held back from a promotion (a promotion he had been promised by another manager before the takeover) because he was resistant to one of the senior managers' intentions to change the rotas of staff (to make the rotas less flexible). Another participant at Sports-Two reported how he had been 'held back' from taking part in a summer school 'sports programme' for young children in the local community; an aspect of his job he had completed for many years and thoroughly enjoyed. Several other participants mentioned that some staff members had been 'publically reprimanded' because they did not conform to the new behavioural and/or performance expectations of the Leisure Trust. At Sports-Three, there was one manager who showed resistance to some of the ideas the Leisure Trust had for the vision of the leisure centres, and as a result, he felt was frequently excluded from management meetings and decision-making. Curiously, this participant was also made redundant thirteen months into the outsourcing contract. Clearly, then, while instances of organisational obstruction were not widespread, they sometimes had detrimental effects on the staff that experienced them.

Table 17: Negative Social Exchange

	Sports-One	Sports-Two	Sports-Three
Bullying and Intimidation	-	Occurred	-
Groups Affected		Some team members/supervisors	
Timing		Pre-transfer/Early post-transfer	
Obstruction	Instances	Instances	Instances
Groups Affected	Various	Various	Various
Timing	Post-transfer	Post-transfer	Post-transfer

6.5   CONCLUSION

This chapter has presented the first part of the analysis of how the content of the employment relationship changed for leisure workers going through the outsourcing process. In particular, it has sought to describe the ways in which the 'organisational contributions' changed, and allude to some of the similarities and differences across the case studies.

Broadly speaking, the findings from this analysis suggest that the experience of being outsourced in the public leisure sector is a difficult transition to go through for workers, with mixed drawbacks and benefits being associated with it. On the negative side, employees were given limited opportunities to participate in the decision to outsource, and had to endure times of pervasive uncertainty and insecurity, and, on occasion, incidents of bullying and intimidation, as the build up to the transfers commenced. When the transfers had taken place, there were instances of substantial pay cuts and the emergence of two-tier pay frameworks, and these largely took place as a result of the financial pressures that the Leisure Trusts were under. There were also instances of diminished responsibilities for supervisory job roles because of centralisation processes, and common trends of workers experiencing less autonomy within their work. Finally, after one year, there were clear indications that the initial promises around improved training and development opportunities were not fulfilled as employees had first envisaged; with training often lacking the developmental component and promotions rarely transpiring at all.

Nevertheless, it is important to reiterate that these experiences did not always apply to all staff in every case. For example, the pay cuts were confined to a minority of workers (lifeguards and casual workers), and not all workers felt they were losing responsibility and autonomy (that was mainly confined to supervisors and managers). More broadly, it is significant to reiterate that the outsourcing process brought some positive developments in the employment relationship too. For example, participants felt they received lots more support from their new senior managers, and were given more gratitude and recognition and encouragement within their work. There were also perceptions that the leisure centres were becoming noticeably more professional, and there were tangible benefits of a

better work environment and complimentary gym memberships given – things the participants saw as significant benefits.   Overall, therefore, whilst the process of outsourcing had many negative aspects, particularly in the build up to the legal transfers, it was not all negative for leisure workers, and had some noteworthy longer-term benefits as well.

The following table depicts the findings in a collective analysis to aid synthesis.

Table 18: Collective Analysis of Changes to Organisation Contributions

	Sports-One	Sports-Two	Sports-Three
Formal Pay Conditions	Reductions of around 10%	Reductions of 10-25%	-
Groups Affected	Casual workers	Casual, temporary & leisure workers	
Timing	Early post-transfer	Early post-transfer	
Supplementary Pay Conditions	Various losses	Various losses	Various losses
Groups Affected	Class Teachers	Class Teachers/Personal Trainers	Class Teachers
Timing	Early post-transfer	Early post-transfer	Post-transfer
Holiday Entitlement	-	Slightly reduced	-
Groups Affected		Casual, temporary & leisure workers	
Timing		Early post-transfer	
Gym Membership	Complimentary	Complimentary	Complimentary (inc. family)
Groups Affected	All	All	All
Timing	Three-Six months post-transfer	Early post-transfer	Early post-transfer
Centre Refurbishment (s)	Full Refurbishment	New Fitness Suite & Staff Room	New reception areas
Groups Affected	All staff	Leisure workers	Receptionists
Timing	Post-transfer	Late pre-transfer/Early post-transfer	Post-transfer
Refurbishment Disturbance	Relocation/H&S breaches	No staff room (for short period)	N/A
Groups Affected	Crèche workers/administration	All staff	
Timing	Post-transfer	Early post-transfer	
Job Security	Reduced	Reduced	Reduced
Groups Affected	All	All	All
Timing	Throughout transition	Throughout transition	Throughout
Support	-	Reduced/Inadequate	Reduced/Inadequate
Groups Affected		All staff	All staff
Timing		Pre-transfer	Pre-transfer
	Increased	Increased	Increased
	All staff*	All staff*	All staff
	Post-transfer	Post-transfer	Post-transfer
Involvement	Increased	Gradual Increase	Gradual Increase
Groups Affected	All staff	All staff	Supervisors
Timing	Pre-transfer	Pre-transfer (post tender)	Post-transfer (post-tender)
	Reduced	Reduced	Reduced
	All staff	All staff	All non-management staff
	Post-transfer	Post-transfer	Post-transfer

Gratitude & Recognition	Reduced	Reduced	Reduced
Groups Affected	All staff	All staff	All staff
Timing	Pre-transfer	Pre-transfer	Pre-transfer
	Increased	Increased	Increased
	All staff	All staff	All staff
	Post-transfer	Post-transfer	Post-transfer
Promotion Opportunities	Decreased/Unmet promises	Decreased/Unmet promises	Unmet promises
Groups Affected	All staff	All staff	All staff
Timing	Post-transfer	Post-transfer	Post-transfer
Statutory Training	Increased	Increased	Increased
Groups Affected	Leisure workers/Receptionists	All staff	Leisure workers
Timing	Early post-transfer	Early post-transfer	Post-transfer
Developmental Training	Unmet promises	Unmet promises	Unmet promises
Groups Affected	Leisure workers	Leisure workers	Leisure /Reception
Timing	Post-transfer	Post-transfer	Post-transfer
	-	Increased	-
		Managers/Some Supervisors	
		Post-transfer	
Responsibility	Eroded / Reduced	Eroded / Reduced	Eroded / Reduced
Groups Affected	Various (supervisors particularly)	Various (supervisors particularly)	Supervisors
Timing	Post-transfer	Post-transfer	Post-transfer
Autonomy	Eroded / Reduced	Eroded / Reduced	Eroded / Reduced
Groups Affected	Various	Supervisors & Leisure Staff	Supervisors/Line Mgrs
Timing	Post-transfer	Post-transfer	Post-transfer
	-	-	Increased
			Centre Managers
			Post-transfer
Bullying and Intimidation	-	Occurred	-
Groups Affected		Some team members/supervisors	
Timing		Pre-transfer/Early post-transfer	
Obstruction	Instances	Instances	Instances
Groups Affected	Various	Various	Various
Timing	Post-transfer	Post-transfer	Post-transfer

Having described the ways in which the 'organisational contributions' changed during the outsourcing transition. The following chapter moves to consider the other side of the content of the employment relationship, the 'employee contributions'.

CHAPTER SEVEN
EMPLOYEE CONTRIBUTIONS

**Slaves lose everything in their chains, even the desire of escaping
from them: they love their servitude.**

—— **Jean Jacques Rousseau**

7.1   INTRODUCTION

The previous chapter analysed the ways in which the 'organisational contributions' were perceived to change for employees as they experienced being outsourced. This chapter now shifts attention to provide an analysis of how the 'employee contributions' in the employment relationship changed as the outsourcing transitions progressed. The chapter follows a similar format to the previous chapter, encapsulating one overarching main section, with subsections to detail the main changes in employee contributions.

7.2   CHANGES IN EMPLOYEE CONTRIBUTIONS

In the interviews, participants were questioned on whether they had made any changes to how they behaved at work, and particularly the contributions they made to their organisations. The questions were initially asked openly, with specific factors followed up on during the interviews. The responses given clearly indicated that individual participants changed numerous attitudes and behaviours towards their work and organisation during the outsourcing process, and many of these were in response to the way they had been treated by their managers. This section considers the way in which the following factors changed as the leisure workers went through the outsourcing transition: (i) work intensity, (ii) citizenship behaviour, (iii) loyalty, (iv) absenteeism, and (v) negative social exchange.

When talking about their experience of being outsourced, participants regularly framed their experiences of working for the Leisure Trusts, at least in the first interviews, by contrasting it with what it was like when they worked under the local authorities. This divulged some pertinent findings about the nature of the employment relationship before and after the outsourcing transfer, but also drew attention to changes taking place in the wider culture, and how this affected the content of the employment relationship. In this respect, one of the central findings to emerge in relation to the changes of employee contributions in the employment relationship was the increased intensity of work performance, and this was an aspect deeply embedded in wider changes taking place in the organisational culture, and more specifically, the dynamics of the employment relationship.

The interviews highlighted that the pre-transfer period had been characterised by a 'status quo' climate with regards to work intensity and performance – particularly at Sports-One and Sports-Three. Indeed, the team members at these case studies were not generally expected to work harder by completing more tasks, and few reported they reduced their performance because of resistance to the outsourcing plans. However, a few supervisors and managers reported they had put in 'longer hours' and undertaken extra work in the preparation for the outsourcing transfer in order for the process to go through more smoothly. For example, by writing procurement agreements, making financial forecasts, updating standard operating procedures, and making plans for refurbishments.

At Sports-Two, however, the pre-transfer stage was significantly different from Sports-One and Sports-Three with regards to work intensity. Here, there was a clear sense that work intensity reduced substantially, and because of the job evaluation 'threats' had been enacted. Participants would often talk about the 'lazy culture' that set in at this time. For example, lifeguards mentioned that they didn't bother cleaning the poolside. Fitness instructors talked about having few pressures to complete fitness programmes or membership inductions. And receptionists alluded to the general relaxed attitude 'around the place'.

However, this changed when the Leisure Trusts took over. As one of the supervisors highlighted,

> *P: ... they [the employees] had an easy ride under the Council and they haven't necessarily liked it being tightened up, a tighter ship. They don't necessarily see the benefits from the customer perspective and the income perspective, the centre benefit, they're only looking at it from their own employee benefit ...*
>
> *The biggest change has been in attitude. From staff, as I said earlier, being able to get away with blue murder initially to doing things the way we wanted them done because they will worry that they'll get in trouble if they didn't, to now beginning to realise actually that's the right way to do it and just change it to 'That's the way it's done.' It's been quite a gradual process, we've had to use a stick from time to time but everybody's accepted it now, I think, and we can be looking at developing people.*
>
> *(Sports-Two, Male, T1, P23)*

After the outsourcing transfers, the experience across all the case studies was highly consistent in the sense that the intensity of work increased for most participants during the course of the first year. The Leisure Trust managers came in with new organisational targets and performance expectations and this meant they expected employees to work harder within their roles. The timing of when the work became more intensified varied slightly from case to case, with the high performance driven early in the contract at Sports-Two and Sport-Three and slightly later in Sports-One (owing to the longer refurbishment). However, the theme remained consistent:

> *P: It's a different way. They're really for the sale. That they have a different outlook on the memberships. Our first month's target for the memberships was 80 direct debits and 20 annuals and we all went, 'what? Christ! We sold 20 annuals in the whole of last year. So we sold 20 annuals the whole of last year and this is the sales target for this month. Oh my god! We're never gonna make that!' I don't have a lot to do with sales, other than in charge of reception and they transact you there, but the sales lad was absolutely stress city, but we made it and we exceeded it. And I was actually really shocked, until October came and guess what? 80 direct debits and 20 sales. 'We can't keep going like this, surely to god!' So they have adjusted it, but it really is about the sale.*
>
> *(Sports-Three, Female, T1, P45)*

> *P: Yes. I think as a receptionist, I just think we've got a lot more workload, and not enough hours in the day to do it. So I honestly thought ... we were all bit like oh, are our jobs safe, and with all the new system, is there going to be a job for us because it's all self-service? But we've got more to do now than we ever had to do.*
>
> *(Sports-One, Female, T2, P12)*

The above excerpts depict some examples of work intensification across the case studies. However, the amount of examples in this regard was significant. For example, receptionists across the case studies told of how they had to deal with lots more face-to-face interaction with customers in their working day as a result of increases in new memberships (which also involved extra administration and required more effort). They were also pushed to be more active in selling user memberships as well as sport and leisure products (e.g. swimwear, goggles), and they had to make more 'low user' calls to customers not using the leisure centre enough. The fitness instructors told of how they had to write more 'fitness programmes' and give more 'fitness 'inductions' per daily shift – one reported a jump from an average of 'one or two' to 'seven or eight' fitness consultations per shift. Fitness instructors were also required to clean the fitness suites more regularly – something they generally disliked, and they were required to spend more time speaking to members – what Sports-Three termed 'engaging the fitness conversation with customers' (a reported strategy for membership retention). Similar to the fitness instructors, lifeguards also reported having to spend more time cleaning and speaking to members, as well as increases in daily health and safety and operational checks. Interestingly, many of the lifeguards and fitness instructors additionally reported having to work longer and more frequent shifts. Indeed, one lifeguard at Sports-Two told how he had not had a day off for twenty-one days before his interview – and there were others with similar examples too.

The above excerpts and examples are primarily from team members; however the intensification of work extended to the supervisors as well. For these participants, although they had typically received reductions in some of their responsibilities (e.g. through having health and safety or marketing or HRM practices taken from them), they were required to undertake more operational activities and tasks, which seemed to act as a form of work intensification. Certainly many supervisors admitted they were 'busier' in the second interviews. However, as noted in the previous chapter, the undertaking of operational duties was also a source of dissatisfaction for supervisors, as they were being paid to act more as team members, and less as duty managers with supervisory roles.

More broadly, the feelings about the work intensification were quite mixed. On one hand, for example, it was perceived by some to be a threat to terms and conditions, and therefore something to

be opposed to in the first few months after the outsourcing transfers. There was a clear sense of frustration around the new expectations of work intensity, and this was not simply because of the increased intensity in itself, nor the new expectations that surrounded it, but because of the ways in which the Leisure Trust managers were trying to bring about changes in work expectations and performance as well. For instance, by the recurrent ways in which they were trying to 'renegotiate' the rules of the employment relationship, and the sometimes coercive mechanisms of power they were using to do this. Nevertheless, there were also some participants who seemed to welcome the increasingly intensive working cultures, as this made them feel they were working for a more prestigious and professional organisation. Certainly, longer-term, the fact that the 'cavalier' working life of the local authorities had disappeared was not a major problem for some participants because they were buying into the 'private sector' style of management.

The Process of Intensifying Work

A striking theme throughout the interviews, therefore, was how the Leisure Trust managers were 'renegotiating the rules' of the employment relationship in relation to work intensification and performance. Many comments were made about how the Leisure Trusts were 'serious' and 'pushy' about the work expectations they desired, highlighting the increasingly rigid cultures that initially transpired after the outsourcing transfers. A key theme underpinning this was the 'business style culture' that the Leisure Trusts were adopting, which had an increasingly 'privates sector feel' to it, as numerous participants mentioned. Moreover, the managers felt they needed to increase the employee performance if they were going to be able to compete with local competitors, and survive, whilst making some sort of profit margin. And this was especially significant given the limited funding and strict targets being placed on them from the local authority.

Interestingly, the Leisure Trust managers were using a variety of 'tactics' to reshape the dynamics of the employment relationship and increase the performance of workers. At one level, this often linked to the way in which the Leisure Trust managers sought to instil a more overt 'carrot and stick' style of management. For example, with regards to reward, as noted in the last chapter, the senior (and centre)

managers often gave significant gratitude and support and encouragement to employees who 'conformed' to the new work rules or expectations. They also introduced schemes such as 'team member of the month' for high performance (and conformity), and generally offered more support to staff with the hope they would reciprocate in kind. As one participant noted,

> *P: ... <name of managers> do come round and say thanks a lot more, which is good I think, gets people on side and that ... They're wanting to work at the relationship with you and offer encouragement, as long as you're stepping up to the bar.*
>
> *(Sports-Two, Male, T1, P27)*

Note how this participant elucidates the way in which the provision of social rewards like gratitude and encouragement is predicated on the conformity to the new culture of performance ('*as long as you're stepping up to the bar*'). It was interesting to note that the Leisure Trust managers appeared to be consciously using social rewards as a means of changing the dynamics of social exchange relationships – something the Leisure Trusts managers themselves viewed as an 'effective' style of management.

However, it was clear throughout the cases that managers were also utilising coercion as a means for intensifying work performance as well. For example, at Sports-One and Sports-Two there were examples of employees being 'made examples out of' or being given disciplinary warnings if they did not follow new procedures properly (or if they engaged in workplace deviance). As this supervisor noted,

> *P: ... It's been, I'd say at times, difficult, and different to how working under the Council was.*
> *I: What was difficult?*
> *P: I wouldn't say necessarily for myself, but it was for other people. Their disciplinary procedures are ... how would I word it, would I say more strict, possibly. That's not from my personal feel, because I've not been affected, but a few people got their hands slapped. And I think the way it was all done was well out of order personally.*
> *I: Do you feel they've come down, that they're very much stricter?*
> *P: I think they should've given the six months of the settling in period to see how we got on, I think one thing went on, bang, let's get them, let's prove that we actually are the bosses. I think that's the way they came in. And I think the way they handled it was wrong.*
>
> *(Sports-One, Female, T2, P5)*

This excerpt is taken from a second interview but was actually a reference to an event that happened shortly after the first interviews. It illuminates the coercive means by which the Leisure Trust managers at Sports-One were initially seeking to bring about changes to work expectations. Such comments were frequent across the case studies – particularly in the period shortly after the transfers. As this comment from Sports-Two further illustrates,

> *P: ... people were very anti-[the Leisure Trust], they were very anti some of the people that came in, they didn't like the way some things were done. They didn't like, not necessarily the strictness of it but certainly things they didn't see the point ... I don't necessarily think everything was explained particularly well in the early days and there wasn't very much give and take ... We went through a stage where we had no choice but to look into the disciplinary process for a number of staff which of course affected morale across the board, it always will do but there was no other choice, really. I think most of the staff understand now what they've got to do and why they've got to do it. Well, no that's not true, they don't necessarily understand why they do it, they do it because they've been told, 'This is the way we do it at the [Leisure Trust] and whether you agree with it or not is tough luck.*
>
> <div align="right">(Sports-Two, Male, T1, P23)</div>

Clearly the stricter expectations that the Leisure Trusts were introducing were at times being pushed through rather forcibly and coercively. However, an important point to make about such comments on coercive power is that they were much more prevalent in the first interviews, which was around the time when the 'rules of exchange' seemed to be 'renegotiated' – e.g. when performance expectations increased etc. It seemed that by the second interviews, as exemplified in the previous chapter, that participants had largely accepted the changes as part of a culture for 'how things are' – which is an important point to note when seeking to explain changes in employee attitudes.

Finally, in conjunction with the formal and informal systems of discipline that were being introduced, another important theme to emerge about how the Leisure Trust managers were intensifying work performance related to surveillance. On one level, this related to the use of overt mechanisms such as CCTV cameras, which were introduced in Sports-One and Sports-Two. Participants in these case studies often viewed the installation of the CCTV as a means of 'watching' the conduct of staff, despite each of their Leisure Trust managers claiming it was for either 'health and safety' or

'standardisation' purposes. Indeed, in one case, the CCTV footage was even used in a disciplinary hearing to show how one of the lifeguards was caught 'misbehaving on poolside', highlighting how in practice it was in fact being used as a sort of 'panoptical' means for control. On another level, the use of surveillance was emergent in the increased performance monitoring and accountability that was introduced across the case studies in relation to numerous job-related expectations. For example, two of the case studies invoked new mechanisms to monitor lateness and absenteeism. Another example is the increased monitoring supervisors across the case studies were expected to do. That is, by checking whether tasks such as pool plant duties, cleaning, fitness programmes or reception administration duties had been completed and to the 'new standards'.

Clearly, then, the process of accepting and submitting to the new expectations of performance seemed to be part of a normalisation process, and this was conspicuously underpinned by both reward and coercion and surveillance across all the case studies. Yet, it was clear that the managers from the Leisure Trusts also held a strong degree of 'expert' power in the minds of the participants, which was having an effect in this respect. The view was generally that the Leisure Trust managers decisions were to be trusted and accepted, and, interestingly, not challenged too much, for they were perceived to be the experts in delivering leisure services.

Lastly, to finish off this section, a final but nevertheless important point to mention about the re-working of work intensity and performance expectations was how they were largely made on the 'terms' of the Leisure Trusts managers. That is, it was the Leisure Trust managers who were principally demanding the 'renegotiation' of expectations – which were clearly very different from those of the local authorities. The excerpt below is from a Leisure Trust manager, and this shows how it was the aspirations of the managers that were driving the changes in social exchange rules. It also depicts how the balance of power in the employment relationship clearly favoured the managers when they were implementing the changes in the relationship.

> *P: ... the staff had been messed around a fair bit by, from how I understand it, the council. That's just what I've been told from them. It was a shame, really, because I think it was supposed to be [the Leisure Trust] are coming in and then they weren't,*

coming and they weren't, there was all to-ing and fro-ing as to what was going on. So the relationship with the staff was very fragile because by the time I'd come in we'd been in a good six months and because we know that certain things worked well at our other centres, implementing that was a big change for them. It was completely different because whereas before they were effectively left to their own devices now there was someone there, i.e. me or (name of manager), who's my boss, keeping tabs and saying, 'This is the kind of standard that we want' and that's what it was, which was raising that standard. I can totally see from their point of view that that is quite difficult when you're used to a certain standard where you're basically left to do your own thing and all of a sudden some other people come in and say, 'This is what you're supposed to do now.'

(Sports-Two, Male, T1, P20).

Table 19: Work Intensity

	Sports-One	Sports-Two	Sports-Three
Work Intensity	Increased	Increased	Increased
Groups Affected	All	All	All
Timing	Post-transfer	Post-transfer	Post-transfer

7.2.2 CITIZENSHIP BEHAVIOUR

Organisational citizenship behaviour, or 'going the extra mile', was generally reported to reduce during the pre-transfer and the early post-transfer stages, but increase during the first year of the outsourcing contract – and, in some instances, quite substantially.

In the pre-transfer period, although there were some noted reductions in citizenship behaviour across the cases, it was at Sports-Two where there were significant reports of reductions. Indeed, it was common for participants at this organisation to illustrate how they were less willing to engage in activities beyond their formal job descriptions or roles, and this was often linked back to the way they had been treated during the job evaluation procedure. As a participant noted,

> **P:** *... I think not in terms of effort and things, because I do take pride in my work, I don't like to not. But I might not go out of my way anymore. I will go the extra mile for the customer if I'm with them, sometimes, but when the supervisors used to say to me right, I need you to clean, whatever, if they don't tell me specifically how to do it I'd just not do it to the greatest of standard maybe I think now ... so I just feel like, 'Well, you won't do anything for me, so why put the effort in for you?' Kind of like that.*

An interesting feature about this excerpt is the reciprocal nature of citizenship behaviour ('I just feel like, 'Well, you won't bother with me, so why put the effort in for you?''). Certainly attitudes of reciprocity was a theme found throughout many of the comments on citizenship behaviour across the case studies, which seemed to be acting as a way of justifying the reduced pro-social behaviour.

Pertinently, however, notice in the above example about the practice of not cleaning poolside to a very good standard unless he's had specific instructions. For this participant, this was a prime example of reducing extra-role effort, and was one also reported by other lifeguards. In general, the details of reduced citizenship behaviour at Sports-Two naturally varied from participant to participant depending on the nature of their job. For example, some of the receptionists said they were less willing to help colleagues out during busy periods on the front desk if they were engaging in their 'administration duties'. Several fitness instructors said they were less willing to arrive early or stay late at work, even if there were tasks to be completed (e.g. packing fitness equipment away). Some also mentioned they were less willing to engage in unscheduled fitness reviews with members, regardless of whether or not they had the time to do so.

At Sports-One and Sports-Three there were also suggestions of reduced citizenship behaviour during the pre-transfer stage, though it was clear these changes were not as widespread or severe as those occurring at Sports-Two. Indeed, more prominent at Sports-Three were reports of changes in the 'mentality' (i.e. attitude) toward citizenship behaviour, than actual changes in the behaviour itself. Here, participants certainly seemed uncomfortable with identifying themselves as individuals who did not engage in extra-role behaviour, as this seemed to be an 'unspoken but expected' part of the culture.

In the second interviews, a year after the outsourcing transfers, it seemed apparent that citizenship behaviour increased across all the case studies to some extent. This was an interesting finding given the unwillingness reported in the first interviews, but undoubtedly significant as it showed a development in how workers were relating to the Leisure Trusts and their jobs. At Sports-One and Sports-Three, the increases in citizenship behaviour were especially palpable:

P: Eye, I reck[on] staff are up for going that bit more nowadays. The gym's impressive, so folk want to stay here now and work like.
I: Do you yourself feel you're giving more, how could I say, effort, perhaps than a year ago? Doing more extra things to help <the Leisure Centre>, going the extra mile?
P: Eye, I do. I'm often working an extra fifteen minutes half hour nowadays, and I don't get nought for it neither <laughs>. If we've got to do some checks with the pool, or show customers round, like for a tour and that, I often stay and do it. It's loads busy though, it needs doing.

(Sports-One, Male, T2, P7)

P: I just feel like want to do that bit extra in my job these days, it's part of working for a company like <the Leisure Trust>.

(Sports-Three, Male, T2, P49)

These excerpts point to change in mentality and behaviour of staff after a year with the Leisure Trusts. Many participants reported a 'renewed' desire to help the organisation through extra-role effort. For example, similar to the first of the two excerpts above, numerous participants identified that they regularly stayed later than their contract hours demand. Others told of how they were more flexible to the demands of the business – for example, swapping shifts with colleagues. Many participants were also emphasising they gave more effort to dealing with customers in an 'extra-professional' manner. In this respect, some of the fitness instructors mentioned they wanted to give customers 'an experience' rather than a mere fitness programme, which was an interesting development in the language being used.

Finally, increases in citizenship behaviour were also evident to some extent at Sports-Two. At Sports-Two the 'willingness' to do extra-role activities certainly increased for those who had benefitted from more training or a promotion (i.e. some of the supervisors). However, for those who received pay cuts or disciplinaries shortly after the Leisure Trust came on board there was a clear reluctance 'go the extra mile' at all, even if general attitudes seemed to be slightly more positive than the year before. These participants remain filled with feelings of injustice and were unwilling to offer in the way of pro-social behaviour, even if they spoke positively about some of the managers from a personal angle.

Table 20: Citizenship Behaviours

	Sports-One	Sports-Two	Sports-Three
Citizenship	Mild Decrease	Significant Decrease	Mild Decrease
Groups Affected	All	All	All
Timing	Pre-transfer	Pre-transfer	Pre-transfer
	Increased	Increased	Increased
	All	All – except workers with pay cuts/disc	All
	Post-transfer	Post-transfer	Post-transfer

7.2.3   LOYALTY

The idea of loyalty seemed to hold a variety of different meanings for the different participants, which made analysing trends quite difficult. To keep a consistent analysis therefore the 'theme' of loyalty presented here relates to examples of support for the organisation, including promoting the organisation to stakeholders and defending it from criticism. This definition follows the work of Niehoff et al., (2001) and distinguishes it from affective commitment and intentions to leave, which are covered in Chapter Eight. The general trend with regards to loyalty was that it reduced during the pre-transfer stage, but increased throughout the first year of the outsourcing venture.

In the pre-transfer period, the levels of loyalty reduced in the build up to, and around the time of, the legal transfer. In the first interviews many participants from Sports-Two and Sports-Three indicated that their loyalty toward the local authorities and their colleagues had reduced significantly. Some participants at Sports-Two told how they came to have little interest in 'doing what's best' for their leisure centres as a result of the job evaluation procedure and restructure. Moreover, many highlighted that they freely explained to customers and people in their local communities about the problems that they had encountered from the outsourcing process, despite being conscious that this was portraying a negative image of the local authority and the leisure centre to those people.

After the transfer had taken place, most participants across the case studies reported a sense of 'confusion' around matters of loyalty to their organisation. They were reluctant to share they felt fully supportive of the Leisure Trusts. Indeed, most participants felt it was simply 'too early' to make

judgements about whether they could say positive things about the Leisure Trusts at that stage, as not enough time had passed to know what they were really like. As this participant mentioned,

> *I: Do you feel loyal now?*
> *P: Yeah, yeah, I think my commitment's OK, I feel like I'm committed. Like I say, it's early days isn't it? Couple of weeks' time could say something completely different but at the moment I do 'cause I see everything's slowly coming together. It'll be interesting when they start knocking the building to bits, how it's gonna work.*
> <div align="right">(Sports-One, Male, T1, P6)</div>

For those who received pay cuts or disciplinaries (formal or informal), however, the differences in loyalty in the first interviews were striking. Here, participants would often claim they had 'absolutely no loyalty' to the Leisure Trust, or to defend them from criticism. Indeed, these participants frequently mentioned they would tell customers why they felt 'de-motivated', which usually painted the Leisure Trusts in negative light.

In the second interviews, the general development was the sense that loyalty increased toward the Leisure Trusts. The language participants used to talk about 'their' organisation was much more positive and there were numerous examples of how they wanted to actively help the Leisure Trusts to do well – often with regards to presenting a 'professional image', achieving the 'social directives' or delivering a 'high quality service'. Some participants at Sports-One and Sports-Three, for example, talked about the importance of telling customers about the 'social vision' that their Leisure Trust had. Several participants at Sports-One and Sports-Three mentioned how they had encouraged their friends to join the fitness suite. One participant mentioned,

> *P: ... honestly, <the Leisure Trust> doesn't need to invest in marketing anymore, as we're all carrying the <Leisure Trust> flag <laughs>. We walking adverts <laughs>.*
> <div align="right">(Sports-Three, Male, T2, P41)</div>

At Sports-Two the shifts in loyalty were similar for participants who did not receive pay cuts or disciplinaries, albeit less intense. However, for those who had received pay cuts or disciplinaries the shifts in loyalty were much more benign. These participants, while usually acknowledging they were not out to do the organisation harm in any way, often said their active verbal support for the

organisation was difficult to maintain because of the 'memories'. In particular, those who received pay cuts felt they were unable to 'move on' from the event because most of their colleagues were paid more for doing the same job.

Table 21: Loyalty

	Sports-One	Sports-Two	Sports-Three
Loyalty	-	Significant Decrease	Mild Decrease
Groups Affected		All	All
Timing		Pre-transfer	Pre-transfer
	Increased	Increased	Increased
	All	All – except workers with pay cuts/disc	All
	Post-transfer	Post-transfer	Post-transfer

7.2.4 ABSENTEEISM

With absenteeism, the general trend across the case studies was that it increased during the pre-transfer stage and then declined throughout the first year.

Although official statistics were unavailable at any of the case studies, the interviews with the managers gave valuable insights into absenteeism behaviour. Interestingly, even in the first interviews many of the supervisors or managers were pointing to noticeable reductions in absenteeism following the transfer to the Leisure Trusts. As the following excerpts detail:

> *P: ... we've had problems with people phoning sick over this last year; it's a shame and causes us to be out put by having to cover everything. I think it's been a worrying time if I had to give an honest opinion. We've tried, but inevitably you get people needing to have time off from it all, sometimes change like this, even if we do our best, take it's toll on folk.*
>
> *(Sports-One, Male, T1, P1)*

> *P: ... I think a lot of times people got away with a lot of things, lateness and absences and stuff, because the Council was based over in...they didn't really...you could get away with stuff, whereas with [the Leisure Trust] they're much firmer. They'll track your absences and your lateness and your sickness and if you do it, you do get warnings and disciplinaries. Like you should, you should toe the line ... So I think at that point, people*

know where you stand with [the Leisure Trust], which is a good thing for the organisation.

(Sports-Two, Male, T1, P23)

These excerpts were from the first interview wave. At this point, many of the comments about why absenteeism had reduced centred around the 'new rules' that the Leisure Trusts implemented after they took over the leisure centres. For example, at Sports-One and Sports-Two, there were informal and formal processes implemented around disciplinary action if absenteeism was taken without formal approval. At Sports-Two, for instance, there was a new system introduced whereby employees had to speak to the centre manager if they were going to be absent from work, and explain their circumstances with evidence. Outside of the new rules, however, other comments also alluded to the sense of wanting to 'give a good impression' during the first few months of the transfer, though these were predominantly limited to Sports-Three.

In the second interviews, the main theme was that absenteeism problems were significantly reduced. At Sports-Two, for example, the centre manager reported a fifty percent reduction over the course of the first year. No other figures were given in the interviews, but several of the supervisors and managers at Sports-One and Sports-Three were clear that there had been reductions as well.

Table 22: Absenteeism

	Sports-One	Sports-Two	Sports-Three
Absenteeism	Increased	Increased	Increased
Groups Affected	Various	Various	Various
Timing	Pre-transfer	Pre-transfer	Pre-transfer
	Decreased	Decreased	Decreased
	Various	Various	Various
	Post-transfer	Post-transfer	Post-transfer

Similar to the previous chapter on organisational contributions, there were instances where behaviours included expressions of negative social exchange. The common theme that emerged from the interviews in this regard related to the notion of 'workplace deviance'.

Workplace Deviance

According to Bennett and Robinson (2000), workplace deviance is defined as voluntary behaviours that violate significant organisational norms and threaten the well-being of the organisation[37]. In general, the nature and scope of workplace deviance varied significantly across the case study organisations, with Sports-Two reporting substantially more workplace deviance than Sports-One and Sports-Three. Indeed, at Sports-One and Sports-Three, there was generally only a small number of comments about isolated incidents than any widespread reports across the organisations.

At Sports-Two, however, during the pre and early post-transfer stage, numerous participants acknowledged that the leisure centre had problems with behaviours such as social loafing and a general lack of conformity. More than this, there were also instances reported of organisational sabotage, whereby some workers were reported to steal or damage organisational equipment with intent. As one of the managers noted,

> **P:** *... It was incredibly difficult to keep control because you'd have all these staff that were all over the place, hiding away. Some of them were skiving off, you inevitably have your good staff and your bad staff ... We did encounter a few issues [with making staff wear radios], in particular a lot of the radios were damaged. A select few of the staff did graffiti them and intentionally damaged them. A radio costs about £200 per unit and when someone was intentionally damaging it in some way it's quite annoying and not conducive to what we want to do here. It was only a small minority but I think inevitably when you do take on a place like this, particularly when the staff had been messed around, for want of a better word, by the previous employer.*
>
> *(Sports-Two, Male, T1, P23)*

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[37] To some extent, the notion of workplace deviance has already been touched upon in the previous sections, for example, in instances when employees spoke negatively about their organisation or when there was unwarranted absenteeism. This subsection is not going to repeat such examples, but rather highlight the broad trends about workplace deviance.

Clearly workplace deviance was a problem at Sports-Two in the pre-transfer stage. This excerpt highlights the prevalence of 'skiving' and 'social loafing' and 'organisational sabotage', and was reflective of other example in the other interviews as well. For example, one participant mentioned that a colleague (fitness instructor) used to go home during part of his shift and have a 'three hour lunch break' where he would watch television or a film – all without any of the supervisors or managers being aware.

In the above excerpt, however, notice the 'becoming' of such behaviours. Several participants suggested behaviours such as lateness or social loafing or sabotage were not prevalent before the outsourcing 'idea' was being implemented but emerged in response to the negative treatment from the local authority – although, this seemed to be more associated with the job evaluation procedure than the outsourcing process itself. Interestingly, it was not uncommon for participants to view the workplace deviance – by themselves or by others – as justifiable responses to how they had been treated by the local authority. For example, the instance above suggests the negative behaviours reported were linked to the way in which the 'previous employer' treated them ('*I think inevitably when you do take on a place like this, particularly when the staff had been messed around, for want of a better word, by the previous employer*').

After the outsourcing transfer at Sports-Two, there was, it would seem, a substantial reduction in workplace deviance. Participants commonly acknowledged that behaviours such as skiving, lateness and social loafing almost stopped when the Leisure Trust took over, mainly because of the stricter rules the Leisure trust managers expected staff to adhere too, as well as a stronger approach to disciplinary action that the Leisure Trust adopted. Thus, the Leisure Trust managers took 'strong disciplinary action' against numerous employees who were found to be loafing or turning up for work late as a means of 'mak[ing] an example out of people when they weren't performing right' (Sports-Two, Male, T1, P20).

Table 23: Workplace Deviance

	Sports-One	Sports-Two	Sports-Three
Workplace Deviance Groups Affected Timing	-	Prevalent Various Pre-transfer	-
	Isolated Incidents Various Post-transfer	Decreased Various Post-transfer	

7.4 CONCLUSION

To conclude, this chapter has presented the findings of how the leisure centre employees' contributions to their organisations changed as they experienced the process of being outsourced. Breaking down the analysis into different stages of the transition, the data offers some interesting insights into the experience of outsourcing, particularly in regard to the way attitudes and behaviours changed during the course of the first year with the Leisure Trusts.

In general, the pre-transfer stages seemed to depict a rather downbeat picture of the process of outsourcing, with employees often experiencing mild reductions in citizenship behaviour, loyalty and presenteeism. Clearly, the build up to the outsourcing transfers was difficult for employees emotionally, as they seemed to feel out of control and uncertain about what the future might hold for themselves. The lack of support and information from the local authority managers were often seen to be general factors for why attitudes towards loyalty and citizenship behaviours reduced, but for some so was the symbolic act of the outsourcing announcement in itself. At Sports-Two, the experience in the pre-transfer phase was substantially more intense than at Sports-One and Sports-Three, especially with regards to the way in which loyalty, citizenship behaviour and absenteeism changed. This was predominantly down to the negative managerial behaviours associated with the job evaluation process and redundancies, and had a long-term impact on the state of the employment relationship for the workers at Sports-Two, despite some recovery when the Leisure Trust took over.

Nevertheless, it could be argued that one of the most interesting findings in this research is how these behaviours seemed to change a year into the outsourcing contracts. Naturally, not all workers were reporting significant shifts in loyalty and citizenship behaviours, particularly those who had been negatively affected by pay cuts or disciplinary action. But there were noticeable changes in the language most participants used to describe their attitudes and behaviours towards their organisations; with these becoming much more positive. Given that workers experienced significant work intensification during this time, such attitudes were in part surprising.

So what were the explanations for such changes? The reasons why work intensified for workers (and absenteeism reduced) seemed to be embedded in a range of mechanisms of power that the Leisure Trusts were using to manage performance – often expressed through informal and formal management control mechanisms and 'cultural change'. However, the question then emerges as to why workers became increasingly loyal and offered more citizenship at the same time too? The increased support that workers received from the Leisure Trust managers may be one explanation for the shift in attitudes. But, as the above analysis alluded to on occasion, there was more to this than just support, and it was apparent that notions of professionalism and organisational identity were also noteworthy factors. The next chapter considers this idea more deeply, and also explores more generally how the quality of the employment relationship changed as workers went through the outsourcing transition.

Table 24: Collective Analysis of Changes to Employee Contributions

	Sports-One	Sports-Two	Sports-Three
Work Intensity	Increased	Increased	Increased
Groups Affected	All	All	All
Timing	Post-transfer	Post-transfer	Post-transfer
Citizenship	Decrease	Significant Decrease	Mild Decrease
Groups Affected	All	All	All
Timing	Pre-transfer	Pre-transfer	Pre-transfer
	Increased	Increased	Increased
	All	All – except workers with pay cuts/disc	All
	Post-transfer	Post-transfer	Post-transfer
Loyalty	-	Significant Decrease	Mild Decrease
Groups Affected		All	All

Timing		Pre-transfer	Pre-transfer
	Increased	Increased	Increased
	All	All – except workers with pay cuts/disc	All
	Post-transfer	Post-transfer	Post-transfer
Absenteeism	Increased	Increased	Increased
Groups Affected	Various	Various	Various
Timing	Pre-transfer	Pre-transfer	Pre-transfer
	Decreased	Decreased	Decreased
	Various	Various	Various
	Post-transfer	Post-transfer	Post-transfer
Workplace Deviance	-	Prevalent	-
Groups Affected		Various	
Timing		Pre-transfer	
	Isolated Incidents	Decreased	-
	Various	Various	
	Post-transfer	Post-transfer	

CHAPTER EIGHT

THE QUALITY OF THE RELATIONSHIP

All this is simply to say that all life is interrelated. We are caught up in

a network of mutuality.

— **Martin Luther King Junior**

8.1   INTRODUCTION

The previous two chapters analysed how the content of the employment relationship changed for public leisure workers as they were outsourced to the Leisure Trusts. This chapter aims to build on this analysis by exploring the consequences of these changes, and the broader experiences of the transition, for the quality of the employment relationship. In Chapter Three, a basic tripartite framework was established for how the quality of the employment relationship might be understood. This highlighted three key elements: (i) trust, (ii) commitment and (iii) identification. This chapter therefore seeks to analyse the experience of outsourcing for the leisure workers in this study in relation to each of the constructs, beginning with the notion of trust.

8.2   TRUST

In relation to trust, there were some important developments during the course of the outsourcing transition. In general, the common patterns were that the pre-transfer period led to noticeable erosions of trust in the local authorities and their managers, and this created challenges for the Leisure Trusts in terms of how it could be rebuilt – although, strangely enough, rebuilt it often was. Indeed, although participants were 'wary' about trusting the Leisure Trusts to begin with, there were some notable developments in trust by the end of the first year.

A common theme to emerge across the case studies was that the outsourcing transition had led to a conspicuous erosion of trust in the local authorities. The extent to which trust was eroded varied across the three case studies, as did the reasons why this erosion seemed to happen in the first place. However, the belief that the local authorities were less trustworthy and less trusted remained apparent in all of the cases:

> *P: ... to be honest, I'm still not that impressed by what the Council did. Do I trust them now? Yes, they've been supportive; but you know this whole transfer thing has been 'cos they've ran out of money. Yes, its strategic decision, and I understand that. But does that feel better about trust? A bit, but I feel the little relationship we had with them has been damaged.*
>
> *(Sports-One, Male, P6)*

> *P: I imagine you ask anybody the question here, 'do you trust the Council?' They would say, I think, 'no.' I would be very surprised if you get any yeses. I don't trust the Council as far as I could throw them. I think it's a quite badly run organisation, <the local authority>, in my own personal opinion. I think they're very concerned about themselves, but in terms of anybody else, they'll just trample all over you to get to what they want. I don't really trust <the local authority>, I much prefer working with <the Leisure Trust>, 'cause they're a leisure trust, they know what they're doing.*
>
> *(Sports-Two, Male, T1, P25)*

> *I: Do you trust the Council? Was there a reduction in trust?*
> *P: Oh yeah, definitely, definitely. Because it was so secretive, everything was secretive. It didn't need to be secretive. Whether we knew it was <Leisure Company> or whatever, just made no difference whatsoever.*
> *I: And what about <the Leisure Trust>? How do you think about them?*
> *P: So far, so good. <Senior Manager> has overseen, we've seen him a lot more than we've seen <Senior Manager>. But, I've got nothing but positive things from him. And we ask questions, you don't always get an answer. Originally it was, yeah, obviously he's a busy man. It's like, 'come on, answer me.' But the few meetings we've had, he'll come up with an answer. It's always been positive and it's worked really well, so I think there's probably more, at the moment, more job security now, certainly, than there would have been with the Council.*
>
> *(Sports-Three, Female, T1, P45)*

Although there were variations in the reasons why trust became eroded with the local authorities in the pre-transfer periods, they broadly related to the way the process was managed. In this respect, Sports-Two was the case study to have the greatest deterioration of trust in the pre-transfer period. Here, it was not simply that trust reduced, but that notions of 'distrust' became highly embedded.

For example, the experience of bullying, intimidation and political conflict around the pay disputes and redundancies left staff feeling that the local authority and its managers had behaved in malevolent and highly self-interested ways that were 'exploitive', 'unjustified' and to the 'detriment' of trust. At Sports-Three, although the erosion of trust with the local authority was less intense, it was again rooted in the way the process was managed. Here, it was the lack of transparency in the tender process that created the problem. Employees were not allowed to know important information about the transfer, such as the identity of the new employer, until after the final outsourcing negotiation had been completed, and this left many participants feeling suspicious about the intentions of the local authority and its managers because information was perceived to be 'hidden' from them. At Sports-One, the erosion of trust was generally less apparent than at both Sports-Two and Sports-Three, and this was perhaps because of the high involvement and information flow that they were given in the pre-transfer which left them feeling that the local authority were being frank and open. Yet, despite this, numerous participants still mentioned concerns about whether the local authority could be trusted after the outsourcing transfer, with the theme of 'self-interest' again emerging in the analysis. As one participant put it, the decision to outsource 'showed their true colours'.

On the back of these beliefs, it was interesting to discover the way in which employees thought about trust with the Leisure Trusts in the first interviews. In general, most employees felt they had not had enough time to be in a proper position to judge whether the Leisure Trusts and their managers could be trusted. But most participants still offered their initial feelings, and from this two particular themes emerged.

The first theme was that employees felt 'wary' about trusting the Leisure Trusts and their managers. At Sports-One, there was the promise of a £1m refurbishment throughout the centre and participants were wary about whether the Leisure Trust would deliver on this. There were also common signs of wariness emerging from the work intensification, and the hard-line disciplinary action that the senior Leisure Trust managers were advocating. The installation of CCTV cameras also generated atmosphere of distrust. Indeed, although participants were warming to the individual managers on a personal level, they also felt that the 'Leisure Trust' was trying to catch people out with its systems.

At Sports-Two, the wariness was largely rooted in the introduction of forced pay cuts and employment contract transfers for the casual and temporary staff. Those that were affected by this held strong views that the Leisure Trust and its managers could not trusted at all. However, the introduction of CCTV and use of disciplinaries also contributed more generally to the wariness at Sports-Two. At Sports-Three, in contrast, the wariness seemed to emanate less from actual events and more from organisational discourses. Perhaps as a result of the outsourcing that took place during the regiment of CCT reform, and as a result of on-going job insecurity, participants felt unsure and worried about what the outsourcing transfer would mean, notably in terms of how the Leisure Trust would treat staff as time progressed, and for them this uncertainty left unanswered questions about whether the company could be trusted.

The second theme from the early post-transfer period was that, despite pervasive wariness, participants generally maintained a sense of hope and optimism about the prospect of trusting the Leisure Trusts and their managers. At Sports-One, participants talked about the 'desire' to trust the Leisure Trust, as if they were keen to have a healthy employment relationship with the Leisure Trust managers. Participants also reported a trusting sense because of the expert knowledge and support that the Leisure Trust provided – things that brought feelings of reliability and assurance. At Sports-Two, despite the problems around the pay cuts, participants generally acknowledged that the Leisure Trust managers behaved with more consistency and professionalism, which brought upbeat feelings about the prospects for trust. Participants also appreciated the integrity of the Leisure Trust managers' character, and the willingness they had to support staff through what had been a difficult time. At Sports-Three, the notions of support and professionalism were similarly pervasive in terms of their impact on trust. Indeed, although participants remained unsure about the future, they felt the individual managers were 'on their side' and that the company functioned 'like a proper business'. Both of these factors seemed to give participants confidence that the Leisure Trust could be trusted.

In the second interviews, although there was some variation amongst participants, the dominant theme to emerge from the transcripts was how the participants were more trusting of the Leisure Trusts and their managers.

P: ... to be honest, I can't fault them really, it's a decent company to work for. I trust them, definitely, I've got no hesitation with saying that. I'm trying to think of an example, <pause>. I can only say that they deliver straight, and you know where you are with them, the managers that is, they're friendly and easy to approach, and that goes a long way with building a relationship. There have been some minor operational errors here and there, but overall, it's been a good year <laughs>.

(Sports-Three, Male, T2, P48)

This excerpt above is useful as it starts to tap some of the overriding reasons why participants across the case studies felt the Leisure Trusts could be trusted.   More broadly, at Sports-One, for example, participants were immensely pleased that the Leisure Trust had delivered on the promise of a £1m refurbishment – which generally exceeded the expectations of the staff. They also felt justified in saying they trusted the Leisure Trust managers because of their supportive management style. The managers knew everyone by name and created a strong vision about the business goals which resonated with employees. At Sports-Two, the belief that the Leisure Trust managers were more consistent and approachable continued throughout the first year, despite there being some questions about the competence of one of the managers. Participants retained a belief that things were procedurally fairer, which brought feelings of trust, despite continued recognition that some employees had been treated unfairly because of the pay cuts that happened as a result of the transfer. At Sports-Three, participants felt there was more communication and involvement in decision-making, which held extra significance after the lack of communication and transparency experienced in the pre-transfer period. At Sports-Three there was also widespread recognition that the Leisure Trust managers were more capable and professional in their delivery of leisure services, as well as in the execution of charitable goals.

Notwithstanding these generally positive developments in trust, it is important to note that there were some participants from across all the case studies that retained feelings of wariness or distrust. Interestingly, the wariness usually related to concerns about what would happen to terms and conditions given that the TUPE protection had recently come to an end (in all cases it was sometimes reported that the legal protection lasted only for one year). However, there was also some disquiet in trust over the lack of developmental opportunities (i.e. for training and promotions). In this, such

comments were confined to only a few participants in each case, usually those who reported being keen to progress their careers, but it was clear these were emerging as more important issues as participants looked to the future.

Table 25: Trust

	Sports-One	Sports-Two	Sports-Three
Trust in Local Authority	Reduced	Reduced	Reduced
Groups Affected	All	All	All
Timing	Pre-transfer	Pre-transfer	Pre-transfer
Trust in Leisure Trust	Wary with some optimism	Wary with some optimism	Wary with some optimism
Groups Affected	All	All	All
Timing	Early post-transfer	Early post-transfer	Early post-transfer
	Increased	Increased	Increased
	All	All (except staff with pay cuts)	All
	After twelve months	After twelve months	After twelve months

8.3 COMMITMENT

The issue of affective commitment and intentions to stay working at the organisation frequently surfaced in the interviews regardless of whether participants were asked a question about it or not. Clearly how individual participants related to their organisation in terms of commitment in these respects was important to them, and something they wanted to communicate in the interviews when retelling their experience of the outsourcing transition. The overriding pattern was that affective commitment and intentions to stay working at the organisation reduced during the build up to the transfer, but increased during the first year after they transferred to the Leisure Trust. Beyond this, there was some suggestion that participants were reporting increased feelings of commitment because they considered themselves to be better off with the Leisure Trusts (i.e. suggesting a calculative view), but few insights into obligatory commitment emerged.

In reference to the pre-transfer period, numerous participants across the case studies highlighted how their affective commitment to the organisation, and their intentions to stay at their organisation, had

been damaged in the run up to the outsourcing transfer. At Sports-One, for example, although there had been a high involvement strategy on the part of the local authority, which was generally appreciated by participants, there was still a sense that workers felt they were being pushed out by the outsourcing decision, which made them want to look for alternative employment – often out of a sense of insecurity and need for control. At Sports-Two, the negative experiences were typically associated with experiences of the job evaluation and redundancy processes, which were manifestly entwined with issues of uncertainty and procedural and distributive unfairness. In this case, many participants highlighted how they 'went through a phase' of actively seeking to leave the organisation but were forced to stay because of their lack of alternative employment opportunities. At Sports-Three, the issue of reduced job security and uncertainty also led to reductions in affective commitment in the pre-transfer period, and was particularly underpinned why participants were looking for employment elsewhere. At Sports-Three, participants also cited the frustration around the lack of involvement and poor communication as issues surrounding their reduced commitment.

Interestingly, on the back of all these reasons why participants reduced commitment, it is important to note that many participants across the case studies noted the key reason that made them stay was 'the people' was something that made them want to stay at their leisure centre. This appeared curious in the analysis, as there were frequent feelings of lost belonging mentioned about this time. But most participants still recognised that they got on well with team colleagues and enjoyed the 'social side' of working in the leisure industry – hence perhaps alluding to the role of continuance commitment and how participants appreciated the social ties they had within the organisation. Although it was seen as difficult to leave because of the lack of alternative job prospects, several participants said that their colleagues and the gym members were the reasons why they did not just leave outright without any job to go to.

When it came to talking about perceptions of commitment in the first months after the transfers, there were mixed feelings across and within the case studies. Usually participants suggested their commitment had become at least a little more positive, as most acknowledged they were no longer looking for alternative employment outside the organisation. However, there were some exceptions to

this, and it was clear that while some participants were hopeful of a 'brighter future', there remained caution in their voices.

> *P: ... yeah, that's sort of okay now, but it's very early days with <the Leisure Trust>, who knows where we'll be in a few months' time? But things seem just about alright at the moment, I think, they've definitely got better with morale over the last six months. I know there've been some 'keeping their eye out', if you know what I mean. There's been a lot of uncertainty around things with the transfer plan, which comes down and makes you think should I stay or what. But yeah, there's been some disruption and that, nothing so unexpected, but let's see. I think the new investment's going to be a step upward.*
>
> *(Sports-One, Female, T1, P13)*

In this first interviews, most participants at Sports-One were enthusiastic about the £1m refurbishment and business aspirations (even if they were ambivalent about its likelihood), and this incentivised employees to want to stay – highlighting how continuance commitment may have increased as promises about future investments were made. Yet, the lifeguards negatively affected by pay cuts said they would leave straight away if another job came up, and some of the supervisors continued to look for alternative employment owing to their loss of responsibility and autonomy. Other participants also noted their frustration about the way the managers were trying to change the behaviour of employees when discussing commitment.

At Sports-Two, the participants were also hopeful of a better future owing to the more supportive relationships they had with the Leisure Trust managers, and because they saw the Leisure Trust as more competent and professional. However, at times, some people felt unwilling to recognise that their commitment increased *per se* because of the way they dealt with the casual and temporary workers, and because they still felt 'scared' from the incidents in the pre-transfer period. At Sports-Three, there was considerable excitement about the vision that the Leisure Trust was conveying, particularly about exercise and health participation, but also the corporate expansion, which was usually linked to career prospects. The fact that the former local authority had recently introduced an organisational wide pay cut to all local authority employees also generated feelings of commitment to the Leisure Trust, as they were protected from this. Yet, commitment remained mixed in the first

interviews at Sports-Three; with supervisors reporting their frustration over lost responsibility, and other participants noting their dissatisfaction with the increasingly rigorous work intensity, as factors hindering the development of affective commitment and intentions to stay.

In the second wave of interviews, there was a common theme that commitment had increased throughout the remainder of the first year of the outsourcing contracts. Interestingly, the comments sometimes suggested a rather calculative view of commitment in the interviews, with participants noting how they felt themselves to be now benefitting from the outsourcing transfer. For example, at Sports-One participants commonly noted the refurbished leisure centre and free membership, the increased support and gratitude from the managers, and the collegiality and belonging that employees generally felt within the centre. At Sports-Two, although commitment was less pronounced in this case than the other two, participants sometimes cited some positive shifts because of the personal support from managers, and their approachability. In the first interviews, the notions of support and approachability were acknowledged but they were rarely linked to commitment – at least not affective commitment or intentions to stay. Yet, in the second interviews such linkages were often made. At Sports-Three, the increases in affective commitment usually related to the sense of belonging and support that workers were now feeling, along with feelings of greater job security and greater career prospects. Across the cases, therefore, it seemed at times that participants were in some respects reporting their increases in commitment from a social exchange perspective. Moreover, it was apparent that the role of support and professionalism were having notable influences on how employees evaluated this.

Importantly, interwoven in the comments on increased commitment was also a theme about the role of identification; and while the topic of identification is covered in more detail in the following subsection, it is nonetheless important to briefly mention this linkage. Although the overlap between organisational commitment and organisational identification is widely acknowledged literature (ibid), the relationship between the concepts in this study seemed to be rooted in the sense of professionalism and status and goals that working for the Leisure Trust brought. For example, participants in each of the case studies talked about factors such as the 'private sector feel', the 'business mentality', the

'professional image' of the brand, or simply the 'consistency' of the Leisure Trust managers in terms of how they treated customers and staff that made them identify more with the organisation – and this was clearly impacting affective commitment. Some participants also reported an increased identification with the social values that the Leisure Trusts were espousing. As one participant noted,

> *P: ... for me personally, I'm really enjoying working for [the Leisure Trust]. I'm very much on the bus if you like, I'll be campaigning for [the Leisure Trust]. I'm keen to stay here, if I can, and move on internally. The vision is to get the nation active, regardless of who you are, and that strikes a chord with me. [The CEO's] brilliant too, he's a salesman by background, but he says things in a way which kind of inspires you, about the vision and so forth for the future and the plans we now have as a wider organisation. So, my loyalty's really very high with [the Leisure Trust] now. You're part of what's being done in terms of getting people active, and that's a big motivator.*
> *(Sports-Three, Male, T2, P41).*

For this participant, as for many others, the renewed emphasis on social causes was motivating him to feel more committed to his organisation. The values and goals around exercise participation and health were particular motivators. This participant went on to talk about how these goals were things he had always believed in whilst working for the local authority but also felt they were not realised in practice – but clearly that changed when the Leisure Trusts came on board, both in terms of the communication of these espoused goals and values, and how they were manifest in practice.

Finally, a last point to mention about commitment in the second interviews was how there was little change for those who had undergone substantial negative experiences from the Leisure Trusts at any point during the first year. For example, at Sports-Two, those who received a pay cut or disciplinary action as well as those who felt bullied or obstructed, generally retained rather low feelings of commitment to the organisation, particularly in terms of intentions to remain at the organisation. What was also interesting, however, was that even these participants did not want to break the social bonds they had with other leisure centre staff. As in the case of the temporary worker,

> *P: ... I wouldn't feel guilty leaving this place. The only thing I'd feel leaving this place is like I'd left loads of friends behind and the customers as well, I get on really well with the customers and I would miss a lot of the social side of things but as far as working, I wouldn't miss it at all to be honest with you. I don't feel any degree of loyalty or anything like that. The only thing is if I did leave this place, I probably would join the*

gym but that's purely because I'd want to see the people that work here and the customers. That's not because I think it's the best gym around, it's [because] I get to see my friends and that's it.

(Sports-Two, Male, T2, P29)

Table 26: Commitment

	Sports-One	Sports-Two	Sports-Three
Commitment	Reduced	Reduced	Reduced
Groups Affected	All	All	All
Timing	Pre-transfer	Pre-transfer	Pre-transfer
	Increased	Increased	Increased
	All	All	All
	After twelve months	After twelve months	After twelve months

8.4 IDENTIFICATION

Although there is sometimes confusion noted between the concepts of organisational commitment and organisational identification, this is primarily because of the theoretical overlap with the notion of emotional attachment. Hence, as 'emotional attachment' was captured in the analysis on affective commitment in the previous section, this section focuses primarily on how employees 'categorise' themselves in relation to their organisation (Kippenberg et al., 2005), rather than the affective feelings they held towards the organisation.

In terms of the generic findings, the transfer of employment to the Leisure Trusts brought some noticeable changes in organisational identification for the participants. The research suggested the events associated with the pre-transfers, and the losses to organisational contributions therein, seemed to take their toll on participants, and there was typically a decline in identification with the organisations during the pre-transfer – something that changed little during the initial months following the transfers. Longer-term, however, after a year with the Leisure Trusts, there were

developments in identification in some cases, mainly at Sports-One and Sports-Three, with participants sometimes showing clear signs of greater internalised association.

In the pre-transfer periods, there were clear suggestions of decreased identification with the organisations. Indeed, although the topic of identification was not originally intended to be investigated in the study, it came out as a noticeable theme during the first interviews, and hence was incorporated into the remainder of the study. Perhaps most clear in the data was the sense that participants lost an association with the leisure centres, and this was conspicuously rooted in the declining sense of belonging, although variations across the case studies were evident. At Sports-One, for example, a sense of lost belonging and association was perhaps least apparent, and this may have been down to the fairly high-involvement strategy of the centre, and the motivational management style of its manager; although many did comment that the act of outsourcing itself, regardless of how well it was managed, left workers feeling 'unwanted and no longer part of it'. At Sports-Two, at the other extreme, participants reported significant feelings of dis-identification and lost belonging. In this case, it was again clear how the tensions and intimidation experienced over the job evaluation, restructure and redundancies often left employees feeling barely any sense of attachment to the local authority, and not much towards the leisure centre as well. They felt unwanted and de-valued by the job evaluation and redundancy processes, and the 'us and them' mentality was striking, particularly when participants talked about the political tactics the local authority and 'other' employees had been engaging in during this time. At Sports-Three the sense of an 'us and them' mind-set was also evident. In this case, the feelings of lost membership were manifest in feelings of lost control, which were perhaps caused by the lack of communication and involvement. Participants felt they were 'being pushed out by the Council' and this created uncertainty and a sense of being devalued, something that often continued throughout the early months with the Leisure Trusts, as the following observation illustrates:

> *P: ... I didn't feel that I was part anything for a while, and probably still don't. Being pushed out by the Council it makes you feel like you don't belong, isn't it? To me it's a message that the money's more important than the people, and that makes you lose interest, eh. There has always been a reasonable team spirit around the place, but with*

all the uncertainty and change, if you'd have been here last year you'd of knew something weren't feeling right.

<div align="right">*(Sports-Three, Female, T1, P50)*</div>

After the transfers, most participants exhibited few signs that anything had changed, as the above participant captures ('*I didn't feel that I was part anything for a while, and probably still don't).* Participants generally suggested they were more 'open' to the possibility of becoming more integrated into the Leisure Trusts as a corporate group, but few felt this had actually happened with any meaning. The provisions of new uniforms and branding went some way to 'suggesting' to participants that they were now part of a new team or group, some certainly internalised these images in a positive way. For many, the whole situation was seen as ambiguous, and there were clear signs of confusion about 'who' they belonged to – i.e. the local authority, the leisure centre, the Leisure Trusts or no-one. There was also confusion about where the leisure centres fitted into the corporate groups of the Leisure Trusts. At Sports-One and Sports-Three, for example, the central offices of the Leisure Trusts were based in other parts of the country. This distance seemed to add difficulty to developing identification for some participants, as they felt the Leisure Trusts were representing other local authorities.

After one year, participants clearly felt a stronger association with the Leisure Trusts than they had at the time of the first interviews. This was not the case for all participants, nor was it overly evident as a theme at Sports-Two. But it was something to emerge at Sports-One and Sports-Three, and may offer some level of explanations for why participants' attachments and behaviours had changed during this time. Take, for example, this excerpt from the same participant above in her second interview:

> **P:** *... I do feel I belong here. I mean there are some frustrations from time to time, don't get me wrong, which ain't surprising because there's been something of a culture change, but on the whole the morale's much better and there's a belief about what we're doing, there's purpose behind what we do ... The memberships have gone up massively since we transferred, and you know you're doing your bit for the local region, getting people healthy and that, which is nice to be in on. <The Leisure Trust> are ambitious as an organisation, so it's kind of like you're only doing a little thing but you're working toward tackling important national issues like obesity and health.*

<div align="right">*(Sports-Three, Female, T1, P50)*</div>

In the above excerpt, notice how there is the term 'we' is used rather than just 'I' when the participant refers to herself and her organisation, particularly in relation to the Leisure Trust. In the first interviews, participants rarely used the term 'we' to describe themselves in relation to the Leisure Trust; the Leisure Trusts were usually described as 'them' or by their official name. Clearly there was some degree of merging that took place in the first year with regards to how these participants perceived themselves within their employing organisation, even if this idea continued to be ambiguous for some.

In many ways, the increasing sense of identification seemed to be rooted in the new values that the Leisure Trust were bringing in to the organisations that they managed – and in this two central themes emerged. Firstly, was the increased sense of purpose and belonging that the participants reported from being part of the 'social causes' that the Leisure Trusts were promoting. At Sports-Three, in particular, there was a noticeable 'reworking' of the vision for the leisure centres that was focused on exercise participation. In the past, the mission at Sports-Three had included some endeavours to increase sport and exercise participation, but participants told how the social emphasis was not highlighted much in the culture or communications from the managers when they were the local authority. However, the senior management of the Leisure Trusts at Sports-Three communicated strong messages about the 'charitable mission' to 'get the nation active' – for health and social benefits to the local and national community – and this impacted how participants were orienting themselves in relation to the organisation. For example, note in the excerpt above ('*there's a belief about what we're doing, there's purpose behind what we do. The memberships have gone up massively since we transferred, and you know you're doing your bit for the local region, getting people healthy and that, which is nice to be in on ... you're working toward tackling important national issues like obesity and health'*). This was one of the stronger quotations found in the data, but others were making equally strong commitments, and not just at Sports-Three. At Sports-One, for example, there were numerous participants acknowledging the increasing sport and leisure participation from under-represented groups – something they believed was a very positive step for the community.

Secondly, another way in which participants were coming to identify more with the organisation was through the 'professionalism' they encountered in how the Leisure Trusts managed – which was an espoused value across each of the case study organisations. In this, the analysis across the case studies showed that what 'increased professionalism' meant for different participants seemed to contain a variety of meanings for individual participants. Some, for example, particularly at Sports-One and Sports-Two, talked about a new 'private sector feel' from working for the Leisure Trusts where standards were higher and customers could expect better quality facilities and services. In this respect, the financial investments in refurbishments and the increasingly sales driven approach to fitness memberships left participants thinking the service was more 'service oriented' and 'business-like', something that many acknowledged they preferred (although, pertinently, something that several of the supervisors and managers questioned whether this should be the goal of outsourced public leisure services). Others, particularly at Sports-Three, emphasised the sense of professionalism from the 'shiny new uniforms' and increased expectations around staff conduct and behaviour; whilst some at Sports-Two linked the increased professionalism to the greater sense of consistency in management policy and style (i.e. procedural justice). However, regardless of how professionalism was understood, it was generally seen in a positive light, and something the participants seemed to receive greater internal feelings of pride and status from:

> *P: ... I think the systems are better. I think the organisation is so more professional than it was before ... I think the staff generally are into the more professional way too; because, I think, obviously, <the Leisure Trust> expect a certain standard, and they run all the centres pretty much the same. So yes, I think so, which is a good thing ... like the gym, obviously is the bigger and they've got a lot of staff behind that, and they've got new uniforms and everything. ... But to be fair I think the transition has been amazing.*
> *I: In what way?*
> *P: Just the whole transformation of the building, the more professional attitude, the better support, the whole thing has been good. Overall it's been good, there's been glitches obviously, but yes.*
>
> *(Sports-One, Female, T2, P7)*

On the back of these developments, however, an important theme to reiterate was the comparatively weaker sense of identification the participants at Sports-Two showed in the second interviews with regards to themselves and the Leisure Trust. Here, participants did suggest some developments had occurred in their sense of identification, with a few participants reporting a 'we' stance. But they were

much less frequent and clearly weaker than in the cases of Sports-One and Sports-Three, where there had been a mild sense of transformation in relation to the notion of 'person-organisation-fit'.

Table 27: Identification

	Sports-One	Sports-Two	Sports-Three
Identification	Mildly Reduced	Reduced	Reduced
Groups Affected	All	All	All
Timing	Pre-transfer	Pre-transfer	Pre-transfer
	Increased	Modest change	Increased
	All	All	All
	After twelve months	After twelve months	After twelve months

8.5   CONCLUSION

In conclusion, this chapter has given an account of how the quality of the employment relationship changed for leisure workers as they transitioned to a non-profit Leisure Trust. In doing so, the chapter has reiterated the trends already noted in previous chapters that outsourcing transitions can be difficult to go through and create challenges for employees and managers alike. It showed how the build-up to the outsourcing transfers were often associated with reductions in trust, commitment and identification to the organisation. However, as in the case of Sports-One, how far managers seemed to recognise the challenges that employees had in the build to toward the outsourcing transfer seemed to play a role in determining the extent to which the quality of the employment relationship reduced. Certainly it seems managers need to pay attention to the importance of communication, re-assurance, support and involvement if the quality of the relationship is to be kept in a reasonable condition as the transfer itself takes place; though the research also elucidates how declines in the quality of relationships seems almost inevitable in the process of outsourcing staff, as the symbolic meaning of outsourcing typically makes workers feel 'unwanted'. The research also highlighted how negative experiences such as the critical incidents found in Sports-Two – i.e. attempted reneging on pay-rise promises, or

pay cuts – can have detrimental effects on the temporal and long-term quality of the employment relationship for employees.

Depending on how the Leisure Trusts manage the transition, therefore, will also have a significant impact on the quality of the employment relationship. In these cases, it was apparent that the Leisure Trusts had the potential to develop a new, more positive, employment relationship with employees. However, it is clear employees seemed to embrace substantial wariness about trusting the Leisure Trusts and their managers in the early socialisation period after the transfer, and thus were be most probably unwilling to offer any immediate commitment. Furthermore, if changes are made to pay or job designs, those affected may well want to leave. Certainly those who receive pay cuts or disciplinary action are likely to struggle to identify with the organisation in the short and long-term, and have significantly reduced feelings of commitment and trust.

Longer-term, however, the research in these case studies suggests the quality of the employment relationship can be recovered for many workers, if not improved, if Leisure Trust managers engage staff in more socioemotional ways. Of particular note in this research was the change in values that the Leisure Trusts brought, and this may have signified one of the key reasons why participants were able to return to a state of reasonable commitment as time went on. Naturally, the issue of increased commitment was embedded in a range of other factors too, such as the increasingly personal and supportive relationships that were being offered by managers. But the increased sense of 'social mission' and 'professionalism' that the Leisure Trusts brought to the leisure centres were also significant aspects. Indeed, it seemed that if Leisure Trust managers are able to create strong visions around social objectives and espouse strong values around charitable mission and professionalism, it may be the case that transferring leisure workers will buy-into these ideas and potentially even accept other 'breaches or losses' in the employment relationship as well. This last point is of course in part speculation, but the research did suggest that, as time went on, the increased identification and attachment may provide one explanation for why participants were willing to 'go the extra mile' and offer more commitment at the same time as receiving less training, development, autonomy and involvement and other social exchange currencies.

Having considered the main findings of the present thesis, the next chapter reflects on their meaning in relation to extant literature and research.

PART FIVE

THE DISCUSSION AND CONCLUSION

CHAPTER NINE
THE DISCUSSION

Take care to get what you like or you will be forced to like what you get.

—— **George Bernard Shaw**

9.1   INTRODUCTION

The core objectives of this thesis have centred on investigating the employee experience of outsourcing transitions in the public leisure sector. To do this, the research has utilised the social exchange framework as a lens for exploring changes in the employment relationship as leisure workers transfer to non-profit Leisure Trusts. In the findings chapters, the research has focused on examining changes in the social exchange content of the employment relationship, and the implications of these for relationship quality. Building on this, the purpose of this chapter is to reflect on the meaning of these findings and ask questions about their significance for extant research. In line with the philosophy of critical realism, the chapter also seeks to explore explanations for why employment relationships occurred in the way they did. To achieve this, therefore, the chapter is organised into three overarching sections. The first section contemplates the implications of the main findings for outsourcing research. The second section considers the implications of the research for social exchange theory. The third section then seeks to explore the possible mechanisms that led to the changes identified in the previous findings chapters.

9.2   IMPLICATIONS FOR OUTSOURCING RESEARCH

The purpose of the first section of this discussion is to explore the meaning of the research findings in relation to extant literature on the employment relationship and public sector outsourcing. The section reviews the topics and themes outlined in the findings chapters and explores what has been learned about experiences in the public leisure sector. In general, the discussion highlights how the experience

of outsourcing is likely to lead to substantial changes in the content of the social exchange relationship, with employees receiving both temporal and permanent losses in terms and conditions, and in some instances socioemotional dimensions as well. However, the discussion challenges the notion that 'all' post-transfer outsourcing implications are negative for employees, especially with regards to the more socioemotional and quality sides of the employment relationship. Indeed, the review of post-transfer changes suggests employees can, after the course of a year, benefit from outsourcing in terms of an increasingly socioemotional relationship with their new managers and employer, and hence, under certain conditions, potentially garner better relationship quality than what they had with the local authority.

9.2.1 THE CONTENT OF SOCIAL EXCHANGE

One of the objectives in the thesis was to explore the ways in which the content of the social exchange relationship changed for leisure workers as they were outsourced to a non-profit Leisure Trust. In general, the findings support the view that outsourcing leads to a mixture of changes in the content of the employment relationship for leisure workers, some of which may be construed as negative (certainly in the pre-transfer and early post-transfer stages), others of which may be considered to be more positive. This subsection discusses these changes in relation to extant research within the broad headings of (i) terms and conditions, (ii) the softer side of the employment relationship, (iii) employee responses, and (iv) negative social exchange.

Terms and Conditions

The debate about how public sector outsourcing affects the terms and conditions of workers has remained unremitting since marketisation expanded in the 1980s (Walsh, 1995). Engaging in this debate, the case study research from this thesis suggests that outsourcing to non-profit Leisure Trusts is likely to lead to a variety of temporal or permanent changes in terms and conditions, many of which could be construed by external observers as 'losses' or 'breaches' in the exchange relationship.

In relation to pay, the general experience across the case studies was that most workers did not receive losses to pay; at least not while the TUPE protection was in force. However, there were some groups, most notably the casual and temporary workers (but also some full-time permanent staff who engaged in supplementary overtime), who were vulnerable to pay cuts, which thus supports ideas that outsourcing can lead to reductions in remuneration (Rubery et al., 2002). Part of the problem for casual and temporary workers was that the employers 'opted-out' of offering TUPE cover to such employment contracts, despite the transferring employees having perhaps worked regular shifts for the organisation for a number of years – something that is perhaps questionable to how TUPE ought to be applied (Morris et al., 2009). Beyond the limitations in the application of TUPE, a further challenge relates to the prospect of pay harmonisations that the Leisure Trusts were intending to implement once the outsourcing contracts were beyond their first year. Although pay harmonisations had not taken place at the time of conducting the research, their implementation would mean the pay of 'TUPE'd workers' becoming matched to the Leisure Trusts corporate pay scales – something that would generally involve noticeable reductions in pay. Consequently, although the research found many workers' pay to be protected in the short-term, the longer-term picture for all workers seems to be precarious, particularly because the Leisure Trusts were struggling to find adequate funding arrangements and revenue generation.

Outside of pay, the research found strong support for the idea that outsourcing in the leisure sector may lead to an erosion of the more objective notion of 'employment security' as well as the subjective perceptions of 'job security' in the short (and to some extent, the longer-term), supporting the work of Cooke et al. (2004) and Cunningham and James (2009, 2011). The process of being outsourced is a time when employees often feel greater psychological needs for job security and reassurance owing to the inherent uncertainty involved with the tender and transfer processes. However, rarely were such assurances given by the management of the local authorities or the Leisure Trusts. The local authorities, in particular, reported to know little of what the future might hold after the transfer for employees and so were often unwilling to communicate guarantees to staff. Sports-One was perhaps one example that slightly bucked the trend in this respect, with local authority managers giving assurances of pay and pension protection to TUPE staff early on in the transfer process – whereby

perceptions of job security seemed to be less affected compared to the other case studies, perhaps because this case was also marked by a relatively high involvement strategy on the part of the local authority and an absence of redundancies. But overall, job security was still negatively affected in all case studies.

On the issue of job security and employment protection, therefore, it was apparent that TUPE offers only limited protection to this aspect of the employment relationship during the process of outsourcing (Rubery and Earnshaw, 2005). Indeed, aside from the 'subjective feelings' about job security noted above, the TUPE protection was shown to have limitations in haltering redundancies at two of the case studies. For example, at Sports-Two, redundancies were initiated before the transfer date (and hence prior to TUPE cover coming into force), and at Sports-Three redundancies were made under the legislative justification of 'organisational reasons'. After the first year of the outsourcing contract – what some perceived to be the 'lifecycle' of TUPE – the 'feelings' of lost job security again became prominent, as potential changes to terms and conditions and contracts emerged. Although not all participants felt this way because they did not know, or at least claim knowledge of, specific details about TUPE, this 'double wave' of reduced job security does beg questions about the long-term effectiveness of TUPE in stopping feelings of job security in outsourcing situations (Rubery and Earnshaw, 2005). Hence, clearly the ambiguity and apparent loopholes need to be considered in future by research on employment security and policy legislation – and longitudinal research may be helpful in this respect.

Finally, a last important theme to mention about changes to terms and conditions relates to the intensification of work after the outsourcing transfers transpired. The findings from this research support the widely held view that outsourcing leads to work intensification, regardless of the context being investigated (Rubery et al., 2002; Cunningham and James, 2009; Zuberi and Ptashnick, 2011; James, 2011). Ironically, however, although the workers in this research often initially felt, for the most part mildly, aggrieved by the intensification of work, there were numerous instances across the case studies where this was not necessarily perceived as 'bad' practice by the end of the first year with the Leisure Trusts. Perhaps owing to reportedly cavalier working cultures under the local authority

before the transfer, as well as the new sense of professionalism afterwards, the employee response to work intensification was often aligned with the management perspective. However, whether or not the positive orientation to work intensification is something that lasts beyond the first year or two of the outsourcing contract must remain open to question. Participants seemed to accept the work intensification because it was accompanied by reward and attachment processes. But what happens if the rewards or attachments stop? What happens if the Leisure Trusts continue the work intensification to a point where it becomes seen to be 'too much'? Although local authority run leisure services may have questions to answer about cavalier work cultures, there are clearly fairness concerns about work intensification in the longer-term for at Leisure Trusts, even if the general belief from transferred employees is not so resistant.

The Softer Side of the Employment Relationship

In terms of the softer side of the employment relationship, current research on these factors is fairly limited in the context of outsourcing, although there are some noted exceptions to this (e.g. training and development). The research in this thesis suggests outsourcing is likely to lead to mixed outcomes for aspects of the employment exchange associated with the softer side of the employment relationship, with employees losing out in some ways (e.g. training and development and job designs), but benefitting in others (e.g. support and recognition and gratitude).

On the pessimistic side, the present research depicts a rather bleak outlook for training and development opportunities, supporting the work of Hall (2000). The research repeatedly found that, for low-skilled workers in particular, there was a standardisation of training and a noticeable lack of training for career development (Grugulis and Vincent, 2005). For example, lifeguards received increasingly regular training on safety standards, as did receptionists on IT systems, but they were unable to obtain training that would benefit their personal careers, which thus contrasts with other research on these themes (e.g. Kessler et al., 1999). Curiously, the participants in these case studies generally retained a sense of hope about training and development, even in the second interviews. However, there was noteworthy evidence that the promises made in the pre-transfer stage by the local

authorities were not being fulfilled by the Leisure Trusts. Part of the problem in this respect seemed to be the lack of communication between the local authority and Leisure Trust managers in setting expectations about the post-transfer realities in relation to training and development. Employees had been persuaded by the local authority managers that training and development opportunities would abound with the outsourcing transfer, but clearly there had been little more than lip-service paid to this in the actual contract negotiations (Rubery and Urwin, 2011).

Career progression followed a similar story to training, with few promotion opportunities being provided by the Leisure Trusts despite the promises made in the pre-transfer stage. This therefore challenges the view that career trajectories may be more favourable in outsourcing firms than the broader public sector owing to the business flexibility within the outsourcing firms (Kessler et al., 1999; Grugulis and Vincent, 2005; Cox, 2008). In the present research, it must be acknowledged that a key contextual factor affecting training and development related to the recession and the 'credit-crunch' that was taking place at the time of data collection, which meant less business expansion and less labour turnover. Yet, the fact that promises were made to employees in the pre-transfer periods by the local authority managers still leaves questions about the management of pre-transfer communication and post-transfer realities.

Job designs were another area affected by the outsourcing transfers for some employees, especially in relation to responsibility and autonomy. Interestingly, the research does not support existing studies that suggest that autonomy and responsibility and skill variety increases in outsourcing situations, as was noted by Cooke et al. (2004) and Fisher et al. (2008). Indeed, in the present research, the trends were the opposite for some groups of employees, most notably the supervisors. As the Leisure Trusts already employed staff at their head offices to undertake specialist activities such as health and safety, marketing, recruitment and selection, supervisors were no longer required to carry out such duties. For the supervisors, therefore, the reductions in skill variety, responsibility and autonomy were manifestly entwined with a process of 'centralisation', and to some extent underpinned by the Leisure Trust managers attempt to garner control and efficiency savings. The problem, however, was that, for the supervisors affected, these managerial activities played an important role in how they perceived

themselves within the organisations, and the level of job satisfaction they obtained in their work – at least at the time of the first interviews. Thus, although by the time of the second interviews most supervisors were starting to accept the job design changes, and embrace the 'new ways of working', perhaps partly because they still had other managerial responsibilities to attend to which were increasing in intensity (e.g. duty managing operations), the process of losing these activities was initially very difficult, and clearly raises questions about the implications of such practices for skills.

With regards to involvement, there were variations across the case studies, particularly in the pre-transfer stage. Although the research generally suggested communication and involvement were rather poor at times in the majority of cases, the variation nevertheless provided an opportunity to compare the cases and draw out evidence of good practice. In this respect, an important finding was how a reasonably high amount of involvement in the pre-transfer (as was evident at Sports-One) seemed to lessen the amount of resistance and scepticism employees held about the outsourcing change itself (and hence perhaps created a 'readiness for change'), at least in the pre-transfer period, which has been shown in mergers and acquisitions (Nguyen and Kleiner, 2003). In the post-transfer period, the findings on involvement were again mixed, but generally suggested less optimistic outlooks. Indeed, although in one case study there was some evidence of 'passing-on' information and actively engaging employees in decision-making, the general belief was that employees were consulted less about decisions and changes being made in their workplaces. And this therefore contrasts some extant research about post-transfer communication and involvement (Cooke et al., 2004).

Beyond involvement, perceived support (Eisenberger et al., 1986) was an important aspect that changed in a positive way after the outsourcing transfers, as happened in a study by Kessler et al. (1999). Employees felt that even despite the sometimes gradual decline in working conditions the Leisure Trust managers were highly supportive. The level of interaction between the managers and workers increased substantially following the outsourcing transitions and the type of relationship they had with them became more personal. For example, the Leisure Trust managers got to know employees by their first name very soon after the transfer, would take time to listen to the concerns of

employees, and operated 'open door' policies. In addition, the Leisure Trusts more generally, through their 'head-office' systems, provided better capabilities in addressing operational issues. Although the perceptions of support typically did not extend to the individuals who received pay cuts, it was clear the remaining employees were genuinely pleased with the more supportive approach from management and often considered it a significant development on the sort of 'de-personalised', 'slow', and 'bureaucratic' relationship they had previously had with the local authority managers before the outsourcing transfers.

Finally, gratitude and recognition were also found to be impacting perceptions of support in the present research, supporting the work of Eisenberger et al. (1997) and Shore and Shore (1995). For the managers, rewarding staff with gratitude and recognition when they were working hard was about 'being professional' as a leisure manager, which they saw as coming with the territory, particularly when they were trying to stimulate increased work performance. For employees, the sense of gratitude and recognition was certainly welcomed development, particularly in cases when management-employee relations had been strained in the build up to the transfer, as was the case in Sports-Two. In this regard, the value of gratitude and recognition in this research has clearly been shown to be important for motivating leisure workers, and seems to be embedded in the wider notion of perceived organisational support.

Behavioural Employee Responses

The present research supports the view that outsourcing is likely to lead to changes in employee work behaviour, as has been mentioned above in relation to work intensification. However, beyond work intensification the findings outlined highlight that outsourcing is likely to bring changes in other ways too – e.g. in relation to absenteeism and citizenship behaviour.

In relation to absenteeism, the research in the case studies provided evidence that it is likely to increase during the pre-transfer stage. The occurrence of increased absenteeism in the pre-transfer period is perhaps not surprising as there is ample evidence that large-scale organisational change

programmes can lead to high absenteeism (Sims, 2002; Firns et al., 2006; Johns, 2009). What is more surprising, though, is the finding that absenteeism reduces after an outsourcing vendor takes over, as this challenges the assumption that outsourcing necessarily leads to increased absenteeism (Kakabadse and Kakabadse, 2000). Indeed, although official absence figures were unavailable for the research, the comments by the managers suggested that there were substantial declines in absenteeism by the end of the first year, with Sports-Two, in particular, reporting declines of around fifty per cent. Nevertheless, it is important to use caution when interpreting this finding as the research also elucidated that the trends may have been driven less by the employee desire to attend, but rather by the new systems that the Leisure Trusts were introduced for monitoring and penalising absent behaviour – which were introduced as a way to increase the efficiency of the business.

With regards to citizenship behaviour, the present research suggests that the change process associated with outsourcing is likely to lead to initial losses in citizenship behaviour, but that in the longer-term these behaviours may improve for many participants given the right conditions. In the transfer stage, the reductions of citizenship behaviour were often entwined with losses or breaches in the social exchange relationship, thus corroborating the idea that such behaviours are predicated on social exchange behaviours (Coyle-Shapiro and Kessler, 2002). Although pinning down exactly what caused these changes was difficult, there did seem to be associations with reduced support, insecurity and the perceived experiences of bullying, intimidation, obstruction or pay cuts. In the longer-term post-transfer period, there were more positive changes in citizenship behaviour and these seemed to be associated with the development of an increasingly socioemotional relationship with the Leisure Trust managers, and an increasing sense of identification with the Leisure Trusts espoused values of charity and professionalism. In this regard, it was clear that it was the roles of organisational support and identification – potentially underpinned by the mechanism of attachment – which were influencing increases in citizenship behaviour, as suggested by Kickul et al. (2002) and Christ et al. (2003) respectively in previous research.

Finally, a last theme to mention before moving on to consider the changes in the quality of the employment relationship concerns the presence of negative social exchange during the outsourcing transitions. In relation to this issue, it is important to reiterate that some of the local authority managers, Leisure Trust managers and employees engaged in negative social exchange behaviours during the outsourcing transition in one of the case studies. On the part of the local authorities, this related to the instances of intimidation and bullying at Sports-Two when managers tried to coerce employees to rescind their pay-rises. The problem was that this led to huge feelings of lost control and stress for the employees affected, and tarnished their willingness to cooperate during the pre-transfer period with the local authority. Moreover, it led to hefty resistance and counter-productive work behaviours – i.e. the reciprocation of negative social exchange. In other instances, there was evidence that some of the Leisure Trust managers at Sports-Two would engage in negative social exchange at times as well. Although this was not widespread, there was some evidence that organisational obstruction transpired when employees did not conform to the aspirations or new culture of the Leisure Trust: this again resulting in counterproductive workplace behaviours from the employees affected. Consequently, on the back of these findings, there are questions to emerge, and lessons to learn, about the management of employees during the outsourcing process. An important question is how widespread are negative social exchange behaviours in outsourcing situations? Rarely has research explored such negative exchanges in outsourcing work arrangements, but if they are common then research is needed to find out why. More broadly, there is the questions of whether local authorities or Leisure Trusts engage in these sorts of practices regularly in change situations? The speculation is probably not, but when they do occur there is a need for more research into why and how they can be stopped. For the lesson from the findings at Sports-Two is surely that they have corrosive effects on the employment relationship, and probably damage organisational performance as well.

A further objective of the thesis was to explore the way in which the quality of the employment relationship evolved for leisure workers as they were outsourced to Leisure Trusts. Broadly speaking, the findings support the view that the outsourcing process is a difficult time for employees emotionally, particularly in the pre-transfer period, and this manifests itself in the quality of the employment relationship. Indeed, all aspects of relationship quality seemed to be affected by the early part of the outsourcing process in a negative way, though they equally seemed to improve after the outsourcing transfer had taken place (provided the workers were not affected by pay cuts). In this respect, in some cases, the quality of the employment relationship seemed to be in a stronger state after the outsourcing transfer than had been the case prior to any hints about outsourcing, as the following discussion of trust, commitment and identification illustrates.

Trust

The results of the present research showed that organisational trust is affected in many ways as employees experience an outsourcing transition. In previous studies on outsourcing, very rarely has the concept of trust been specifically investigated from the employee perspective, though it is often assumed to be negatively affected by the outsourcing process (Benson, 1999). This research supports this view in that the transitions led to some noticeable erosions of trust in the local authorities, and temporal 'wariness' about the Leisure Trusts when they first took over the management of the leisure centres.

Although the reasons why trust eroded in the local authorities varied in the pre-transfer period across the case study settings, there were clear linkages to poor communication (including a lack of transparency), poor perceived organisation support and perceived intimidation tactics, as has been noted elsewhere (Mishra, 1996; Saunders and Thornhill, 2003). The regular flow of open information and involvement, in particular, seemed to be important, as was shown by the contrast between trust at Sports-One and Sports-Three in the pre-transfer period (Sports-Three providing limited information

and involvement compared to Sports-One, and having noticeably worse perceptions of trust as a result). In the case of Sports-Two, where perceptions of organisational support were substantially violated because of the job evaluation procedure and redundancies, the consequences for organisational trust were particularly striking in the build-up to outsourcing.

With regards to the development of trust with the Leisure Trusts, the present research contradicts extant literature (Benson, 1999) by showing that trust can develop with new outsourcing vendors. This process does nonetheless take a reasonable amount of time to take place, and also involves a significant period of 'wariness' and 'vigilance' (Shore et al., 2009) on the part of employees before trust is established. Employees need time to make sense of their new senior managers and employer, and their practices, before they are willing to trust them. Also, an important finding from Sports-Two was how the experience of negative critical incidents in the pre-transfer phase of outsourcing can adversely affect the process of trust development with the new employer. Trust did start to develop for a number of participants at Sports-Two as time went on, but the general willingness to trust took much longer to develop, and was accompanied by long-term wariness and vigilance, in part because of the unfair way employees had been treated by the local authority in the job evaluation and restructuring processes.

More broadly, the development of trust with the Leisure Trusts was 'helped' and 'hindered' by several factors aligned to the post-transfer management. Although not surprising, factors such as open communication, fairness, involvement and support seemed to 'help' enhance perceptions of organisational trust (Whitner, 1997; Whitner et al., 1998; Morgan and Zeffane, 2003; Aryee et al., 2002; Hopkins and Weathington, 2006). The role of interpersonal support from the managers was especially important, and again highlights the critical role that the centre and senior managers played in establishing the quality of the employment relationship after outsourcing transfers take place. As for the factors that 'hindered' the development of trust, again the results were not out of line with extant research in non-outsourcing contexts (Mishra, 1996). The experience of pay cuts and the receipt of disciplinary action were strong inhibitors to the development of trust, typically associated with the experience of procedural and distributive fairness (Aryee et al., 2002). Important for

outsourcing research was that when such pay cuts took place, trust in the Leisure Trusts remained embryonic at best. Thus, if the future pay harmonisations were to take place (which were to involve real pay reductions), as the Leisure Trust managers indicated in the interviews (at all of the case studies), the impact on organisational trust would most likely be detrimental.

Commitment

The present research tends support the view that outsourcing is likely to have a considerable impact on employee perceptions of commitment to their organisation both in the short and longer-term (Benson, 1999; Connelly and Gallagher, 2004). During the build up to the transfers, for example, there were declines in commitment across the case studies, manifest in terms of reduced attachment to the organisation and higher intentions to leave. This commonly emanated from the feelings surrounding a lack of certainty, control and belonging associated with the outsourcing decision and the way employees were managed during the pre-transfer period. Although there was some variation across the case studies, it seemed that managers need to provide open and transparent communication (Allen, 1992), interpersonal support (Eisenberger et al., 2002), procedural fairness (Gopinath and Becker, 2000), and a high involvement strategy (Lines, 2004) in outsourcing decision-making if commitment to the organisation is to be reasonably retained during the build up to transfer. On the back of this, however, it might be the case that establishing high commitment to the 'old organisation' in the pre-transfer may inhibit the desire or development of commitment with the 'new organisation' after the transfer takes place. This is because employees may not want to 'let-go' of the 'old employment relationship', which might have been the case for some workers at Sports-One.

Interestingly, in the present research, the post-transfer periods showed some notable signs of recovery in terms of commitment to the organisations involved, challenging the notion that outsourcing employment relationships necessarily lead to a long-term state of reduced commitment (Hall, 2000). Outside of the employees affected by pay cuts or disciplinary action, many employees showed evidence of high commitment to the Leisure Trusts, which supports the view that outsourcing takeovers can lead to higher organisational commitment (Benson, 1999; Indridason and Wang, 2008).

However, in this regard, it is important to note that these perceptions were not strictly 'comparative' in the sense that they did not offer an objective comparison of before and after outsourcing had taken place. Thus, how far commitment actually changed for the better was ambiguous in practice, with the positive evaluations being judged against a recent history of difficult change experiences.

Finally, the present research produced some evidence of higher commitment to the Leisure Trusts a year into the outsourcing contracts and this seemed to be for a variety of reasons. From a social exchange perspective, it could be argued that participants evaluated their relative position in terms of the relative costs and benefits of working for the organisation and often felt they were benefitting. The additional support and gratitude and involvement seemed to feature heavily in this respect and hence highlighted the importance of 'emotional' factors in obtaining commitment post major organisational change. However, the research also showed how factors such as the refurbished facilities and the increased sense of purpose and professionalism, entrenched in the increasing sense of identification, also seemed to influence how employees evaluated their commitment to the organisation. Whether or not this means that the 'sense of purpose' or 'professionalism' should be included as dimensions of 'content' in the social exchange relationship is a question to consider in future research. However, what is clear is that there is some support for the idea that managers who give workers more interpersonal support, involvement and professionalism are likely to generate more organisational commitment in the process (McElroy et al., 2001).

Identification

The research from this study supports a view that the processes surrounding identification contribute to how employees understand and make sense of their experience in outsourcing transitions, as well as how they have been affected by it from a social exchange perspective. More specifically, it was found that the employees experienced a 'de-identification' with the organisation – at least the employer – as the outsourcing transition progressed through the pre-transfer period, whereby the affinity with the organisation was reduced (Ashforth, 2001). The findings therefore seemed to challenge some of the literature on transitions which suggests employees struggle to 'let go' of their past sense of

organisational identification as they exit one role or organisation and enter another (Morgan, 2010). De-identification is, however, not uncommon in organisational transitions (Ashforth, 2001), and in this study the underlying reasons often seemed to stem from the lack of control and sense of reduced belonging that the employees experienced. Perhaps the lack of information about the outsourcing venture and lack of support hindered the sense-making process for employees, and this left them struggling to understand their sense of self within the change context – a sort of 'identification ambivalence'.

Nevertheless, during the post-outsourcing experience, although identification naturally takes time to change, the research suggests that public leisure workers may well develop an increased, albeit still ambivalent, sense of identification with the Leisure Trusts as time progresses, which again challenges existing research that identification may reduce 'after' an outsourcing transfer (Cooke et al., 2005). Perhaps one of the most important findings in this regard was how the sense of identification was heavily connected to the values of 'professionalism' and 'social causes' that the Leisure Trusts were espousing. Often in employee relations literature the notion of 'professionalism' in outsourcing situations is viewed with an air of suspicion because it tends to translate into increased work intensification and less support. In the present research, however, although suspicions for work intensification are clearly supported, it seems leisure is a context in which workers in part welcome an increased sense of professionalism in the organisational culture.

With regards to 'social causes', this again was an interesting finding as it suggested the Leisure Trusts were being more active in their devotion to social objectives than the local authorities had been – which again provides a contrast with existing literature (Hodgkinson and Hughes, 2012). The positive implication of these findings therefore is that the strong vision and focus on social objectives meant employees found a renewed sense of purpose in the work they did. They felt their work had greater meaning to the local community and this seemed to increase their identification, which aligns with the ideas of Thompson and Bunderson (2003).

On the back of this, however, a critical perspective might suggest that the implication is that the stronger sense of identification may also be a form of organisational control which could be used as a way of gaining conformity to eroding terms and conditions through 'processes of normalisation' (Ashforth, 2001).

9.3 IMPLICATIONS FOR SOCIAL EXCHANGE THEORY

Having contemplated the meaning of the research findings in relation to the literature on outsourcing, the purpose of this next section is to consider what can be learned from the present research for the realm of social exchange theory. The themes discussed relate to (i) the parties in the exchange relationship, (ii) negative social exchange, (iii) the processes of exchange, and (iv) the power of identification.

Parties in the Exchange Relationship

Specifying the parties in the employment relationship (or employment relationship) has been an issue to plague social exchange research since it emerged in the organisation psychology domain (Arnold, 1996; Shore et al., 2004; Conway and Briner, 2005; Coyle-Shapiro and Shore, 2007). In particular, there is debate over who employees perceive themselves to have a social exchange relationship with. Do employees consider themselves to have social exchange relationships with multiple parties who are representative of the organisation or do they perceive a global, overarching relationship with an amorphous organisation? Although the research in this thesis did not set out to address this issue, it was clear that the data offered some tentative contributions to the debate surrounding it. Interestingly, the research showed no signs of anthropomorphisation, thus casting doubts on the work of Levinson (1962) and others who support this idea. The tendency in the research was for interviewees to refer to specific parties when they talked about their relationship with the organisation, as is described implicitly in the findings, supporting the work of Shore et al. (2004). Employees frequently talked about the way in which 'the local authority' or 'the Leisure Trust' had treated them yet also made clear they received social exchange contributions from senior managers, centre

managers, administrative support, and other colleagues.   In this respect, there was some support for the idea that senior managers tend to be seen as the representatives of 'distal resource' (i.e. terms and conditions) (Coyle-Shapiro and Shore, 2007).   However, the idea that supervisors/line managers are the main representatives of the 'socioemotional side' of the employment relationship is debatable. For, as the present research showed, senior managers as well as centre managers and technical support staff were clearly 'noted' as providing of involvement, training and development, support and gratitude to workers.

Negative Social Exchange

Extant employment literature has frequently focused on problems in social exchange relationships, namely through the investigation of psychological contract breach or violation (Robinson, 1996; Robinson and Morrison, 2000; Johnson et al., 2003).   However, barely any studies have investigated the presence of outright 'negative' exchange relationships.   A negative social exchange relationship can be described as going beyond the notions of breach and violation to the realms of harmful or adversarial exchanges, something hinted at by Gouldner (1960), and very few studies have explored the presence of this in the employment relationship, or considered its potential consequences. The research in this thesis, while not intending to investigate such themes, nevertheless showed that negative social exchanges may warrant more attention than scholars currently recognise.   The main example of negative exchange in this study was when the local authority of Sport-Two engaged in what was reported as bullying and intimidation tactics to force the employees to accept the nullification of promised pay rises.   The response of many employees was to thus engage in counterproductive work behaviours, such as absenteeism, low performance, and reputation damage – hence supporting the idea that negative exchange may have a reciprocal basis. More importantly, the research suggested that the presence of such exchange may have significant implications for the wider relationship.   Indeed, the dynamics of the relationship, it would seem, become increasingly self-interested and negotiated, and there is an almost complete erosion of trust in the behaviours observed. At the same time, the employees were often able to move on from these experiences because the pay-rises were eventually given and the outsourcing transition brought a new employer and a 'fresh start'.

However, what about in cases when there is no 'pay-rise' or no 'new employer'? What happens then? Future research is thus needed to explore how widespread such relationships may be, why they occur, and what the psychological implications are for individuals and the wider performance of organisations.

The Processes of Social Exchange

There is generally widespread acceptance that the norm of reciprocity is fundamental to social exchange relationships (Settoon et al., 1996; Coyle-Shapiro and Kessler, 2002). Indeed, it has been shown to underpin a number of attitudinal and behavioural outcomes in response to either positive inducements such as perceived organisational support (Eisenberger, et al., 1986), and negative experiences in the form of psychological contract breach (Shore and Tetrick, 1994). Recently, however, several scholars have begun to question the processes underpinning social exchange, and in particular the idea that social exchange relationships are purely based on the 'obligatory norm of reciprocity' (Cropanzano and Mitchell, 2005). In this research, there was some support for the norm of reciprocity in employment relationships, however it seemed there were other important factors driving reciprocal behaviours as well. For example, there was evidence that reciprocal behaviours may be underpinned by changes in 'attachment' – as the next section on mechanisms will discuss. Another factor identified was the role of 'culture'. For instance, some of the lifeguards and fitness instructors reported reduced performance to the organisation because 'everyone else was', drawing attention to the influence of culture or community in social exchange relationships (Cropanzano and Mitchell, 2005). Related to this, was also the role of social exchange 'rules'. For example, in the case studies there was evidence that employees started to work harder and increase their performance output because of an array of power mechanisms, including threat of punishment, surveillance and social reward – consequently highlighting the governing role of power in social exchange relationships (Molm, 1997). Although the present research is at best exploratory on these themes, it does nevertheless validate the concerns scholars are currently raising about the pervasiveness of the norm of reciprocity. Clearly the processes underpinning social exchange go beyond the reciprocity norm, apparent though it is, and further research would be beneficial to understand the range of exchange

norms that exist within the employment relationship. Culture, community and rules seem to be the possible starting place for such enquiries.

The Power of Identification and Attachment

Recent developments in social exchange research have suggested the role of 'ideology' may influence the orientations and responses of employees in psychological contract relationships (Thompson and Bunderson, 2003). Although the present research was not significantly focused on the theme of identity, it can be speculated from the findings that the strength of identification and attachment an employee has with their manager and organisation will influence how employees evaluate their social exchange relationship. That is, employees with greater identification and attachment seem to be willing to tolerate, and perhaps forgive, losses and breaches to the social exchange relationship much more than those with weaker orientations in this respect. Flynn (2005) takes such an idea further and suggests that employee 'identity orientations' will influence the nature of social exchange relationship workers have with their employer, and he draws out individual, relational or collective 'identity categorisations' to illustrate the point. If employees have stronger individual identities they are likely to be more self-focused and will tend to have highly negotiated employment relationships. If employees have stronger relational identities they are likely to be more mutualistic and open-ended sorts of employment relationships. If employees have collectivist identities they are likely to put their departmental or employers' interests above their own. While the present research was not extensive enough on the theme of identity to draw much in the way of conclusions in this respect, this may be a valuable area for future research to pursue on social exchange theory and organisational change research, as there may be evolving patterns in the way workers identify themselves in relation to their organisation during large-scale organisational change situations.

9.3   UNDERLYING POTENTIAL MECHANISMS

Having discussed some of the empirical findings in relation to extant literature, the intention of this section is to now go beyond the 'empirical domain' in search of mechanisms and explanation.

For, as Porpora (1998, p.344) elucidated, the critical realist researcher aims "to explain the occurrences of particular events in terms of conjunctures of the causal properties of various interacting mechanisms" – i.e. to search out underlying explanations for why things happen in the way they do. In this study, the explanatory focus is therefore about why the employment relationship changed for leisure workers in the ways described in the previous chapters. To do this, the section identifies a tentative 'causal chain' of mechanisms that seemed to generate changes to the employment relationship within the process of outsourcing. Although the mechanisms discussed undoubtedly overlap and intertwine, they have been grouped together into three overarching categories to aid the flow of the discussion. The categories are: (i) the 'politico-economic mechanisms' that gave rise to the outsourcing of leisure services; (ii) the 'managerial mechanisms' that emerged from the process of outsourcing the leisure services; and (iii) the 'relational mechanisms' that transpired from changes in the nature of the employment relationship.

9.3.1   POLITICO ECONOMIC MECHANISMS

To begin the discussion of why the employment relationship changed for the leisure workers as they were outsourced to Leisure Trusts it is pertinent to go back to the mechanisms early in the causal chain and consider what engendered outsourcing to take place in the first place. Although there may be deeper structures that exist beneath the mechanisms identified here (for example, neoliberal capitalist economies), the 'politico-economic' factors identified in this section seemed to point to prominent factors that gave rise to the process of outsourcing, and the subsequent 'managerial mechanisms', that in the end significantly impacted the employment relationship. The factors discussed below include: (i) the role of policy and (ii) the disciplinarity/frugality of resource use (and the role of tendering).

Neoliberal Public Service Policy

The significance of policy was mapped out in Chapter Two and is arguably a central mechanism that generates outsourcing in public services (ibid). The Local Government Act 1999, in particular, in conjunction with national sport and leisure policy, was shown to be a key impetus for outsourcing in

the public leisure sector, particularly in relation to Leisure Trusts. Under the previous Labour Government the 'Best Value' regime pressurised local authority managers to generate economic value and efficiency savings in leisure services (Hodgkinson and Hughes, 2011), and this remains the case under the Coalition Government, if not indeed more so. In the present research, there is support for the view that policy is at the heart of the causal chain of mechanisms that leads outsourcing, and its subsequent consequences for the employment relationship, to transpire. However, while policy causes pressure to generate economic value, efficiency and effectiveness (and force local authorities to review externalisation options), there are other policy-context interactions at play as to why outsourcing to Leisure Trusts continues to be the most popular choice amongst local authority managers.

Simmon's (2004) notes the pragmatism that flowed out of Best Values led to a 'creative defence' of leisure provision whereby local authorities preferred outsourcing their leisure services to Leisure Trusts than to private sector firms (Audit Commission, 2006). And this arguably happened as a result of the charitable tax breaks that non-profit Leisure Trusts are entitled to, as well as the re-investment of profits that comes with that mode of provision (Reid, 2003). Although in the present thesis the local authority decision making regarding outsourcing took place prior to the onset of the Coalition Government, the research supports the view that the pragmatism of Best Value, and the 'creative defence' of sport and leisure, continue to be prevalent in stimulating leisure services outsourcing to Leisure Trusts. Moreover, there is argument to suggest this is likely to intensify alongside the Localism Act 2011, which seeks to expand the use of social enterprise in the running of public services (Cabinet Office, 2010). How far the Localism Act 2011 will go to addressing the underlying challenges that Leisure Trusts face around capital and funding limitations is ambiguous as the policy is still in its infancy. However, it seems the Coalition Government are keen to further utilise the charitable tax breaks that the Leisure Trusts are entitled to whilst at the same time continuing to reduce the local authority funding to these services. The belief in government is that the Leisure Trusts bring entrepreneurship and professionalism to these fiscal challenges. However, as Houlihan and Lindsey (2012) note, the reality in practice might be a continued decline in public sport and leisure provision, as well as erosion in the terms and conditions for those who work for these companies.

Disciplinarity and Frugality of Resource Use (and the Function of Competitive Tendering)

According to numerous commentators (Hood, 1991; Boyne, 1998; Grimshaw, et al., 2002), changes to governmental policy on public service delivery have resulted in an increasingly disciplined and frugal approach to resource allocation within local authorities in an attempt to streamline spending and generate efficiency savings in service provision. Moreover, in leisure services, in particular, it is widely acknowledged that the disciplined and frugal approach to resource use within the local authorities has been a central mechanism embedded in the decision to marketise and outsource services (Henry, 2001; Robinson, 2004; Torkildsen, 2005). For, by utilising the function of quasi-markets, local governments have the power to drive down costs through a lowest-bid wins system – i.e. through the discipline of the market (Walsh, 1995). Hence, against the backcloth of policy, the interaction between the disciplined/frugal approach to public spending and the opportunities for cost reduction presented by the function of competitive tendering generates the conditions where outsourcing is a likely strategic option for local authorities to utilise.

The research in this thesis certainly supports the belief that local authorities are under particular pressures to outsource leisure services as a result of disciplined budgetary controls, as has been noted by Robinson (2004) and Torkildsen (2005). Furthermore, in the case studies, the significance of disciplined budgetary control took on extra venom because the costs of delivering leisure services had notably expanded in the previous years (which, for this section, illuminates the relationship between the 'mechanism' and 'context'). For example, the external environment was producing record increases in energy costs, which were particularly stifling for the leisure centres, as they were delivering swimming pools and wet services (which require vast quantities of energy to run) (Mintel, 2008). There was also a progressively competitive environment in the local regions from the rise of private leisure and health club delivery, some of which were directly targeting the local authority leisure services for their market base – and this competition seemed to be impacting on projected user numbers and revenue generation in the minds of the Leisure Trust managers. Add to that the fact that the case study leisure services themselves were operating in out of date buildings that demanded

increasingly high maintenance costs, and the rationale for local authority managers to consider marketising and outsourcing the service becomes highly apparent.

In each of the case studies in this research, therefore, outsourcing was reported to be underpinned by an increasingly disciplined and frugal approach to resource use within the respective local authorities. And in two of the cases this was undertaken through the process of competitive tendering, as this was seen as the key mechanism for cost reduction. However, along with this, it is important to recognise further contextual factors that seemed to further stimulate the decision to outsource. For example, leisure services are one of the few services within local government that have potential to raise standalone revenue streams from user memberships and commercial sales, and hence are likely to be of particular interest to commercial providers. Also, unlike many other public services, leisure services suffers from a limited amount of political weight in both local and, particularly, national, elections, and hence in times of austerity or streamlining it becomes a service that is inherently vulnerable to funding cuts, as Henry (2001) alludes to.

As for the implications for the employment relationship, the mechanisms of resource disciplinarity/frugality and competitive tendering were clearly associated with the implications they brought to the Leisure Trusts in terms of limited funding[38]. In one sense, the lack of funding reportedly stimulated the decision at Sports-One and Sports-Two to implement pay cuts to temporary and casual workers shortly after the takeovers; and it also impacted the decision at Sports-Three to make several people redundant ten-thirteen months into the contract. In another sense, the limited funding fed into the amount of investment the Leisure Trusts were 'passing on' to workers in terms of training and development. For, with limited funding arrangements, the Leisure Trusts became squeezed on the long-term pay and developmental commitments they could or are willing to offer to staff. Thus, while the mechanisms of resource disciplinarity/frugality and competitive tendering in part explain the decision to outsource (though the cost savings that the local authorities tend to

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[38] It is perhaps important to recognise here that the process of competitive tendering also had an immediate negative impact on feelings of job security for workers, as the unknown of the process of marketization brought conspicuous amounts of uncertainty and feelings of lost control – feelings that remained with workers throughout the pre-transfer period.

generate), they also show themselves to bring some negative repercussions for employment relationships post-transfer.

However, on this point, it is also important to note one curious finding about the role of competitive tendering that seemed to emerge in the research about how the process may in fact help workers as well. That is, by bringing formal procedures and guidelines to the practice of managing workers through the process of employment transfers. At Sports-Two, for instance, there was no competitive tender process, and this led to informal negotiations taking place with the Leisure Trust without much formal accountability. The local authority was therefore able to push through significant organisational changes in the pre-transfer period (e.g. the job evaluation procedure, the organisational restructure, and the redundancies) without much legal accountability to the outsourcing arrangement which had enormous impacts on the experience of work for employees. Given that competitive tendering comes with many guidelines on how to manage contracts and indeed staff through the process of outsourcing, these problems may have been circumvented if the competitive tendering model had therefore been followed.

9.3.2 MANAGERIAL MECHANISMS

The discussion above alludes to the central politico-economic factors that seemed to cause outsourcing to take place in the public leisure sector. This section builds on this by exploring the subsequent implications they have for management – both for local authorities and outsourcing providers – and thus how employees become affected by them as a result. The mechanisms discussed here encompass: (i) the measurability and benchmarking of contract performance, (ii) the management of performance and informal management control, and (iii) the role of centralisation.

Measurability and Benchmarking of Contract Performance

Emanating through governmental policy, the role of measuring performance and laying down certain 'benchmarks' in outsourcing arrangements has become an essential and intensifying feature of

modernising public services (Bouckaert et al., 2000; Bouckaert and Peters, 2002). Understanding the functions of public leisure services and developing lists of 'objective' measures on which outsourcing providers can be targeted has become a way in which local authorities can garner some level of accountability and management control over externalised services – particularly, though not exclusively, in the realm of service usage, social inclusion, exercise participation, and quality. By drawing on a range of sources – e.g. Audit Commission guidelines[39], Comprehensive Performance Assessments, and contractual benchmarks and targets – local authorities are able to impose performance agendas on the outsourcing vendors, and such practices are likely to trickle down to the tasks of workers and impact the culture of these organisations.

In the case studies in this thesis is seemed clear that the measuring and benchmarking of contractual performance affected the way in which the Leisure Trusts managed their service provision and, indirectly, their workers. The carefully carved-out benchmarks that each of the local authorities put into the outsourcing contracts meant that expectations and performance accountability were high for the Leisure Trusts and this affected how they invested resources and how they managed employees. For, if the targets were not achieved in the timeframes specified, the Leisure Trusts risked losing their outsourcing contract, and this was something the Leisure Trusts sought to avoid at all costs.

For employees, the implications of the measurability and benchmarking of contractual performance seemed to bring a range of indirect outcomes after the outsourcing transfers had taken place. For example, in a positive sense, the targets driven culture, underpinned by mechanisms of performance management, seemed to add to the sense of 'professionalism' that workers came to feel at the Leisure Trusts, which at times increased their sense of identification to their work and organisation. In addition to this, it was also through the benchmarking and contractual negotiations that investments in faculty refurbishments from the Leisure Trusts and local authorities were often formed – factors that also left a positive impression on employees. However, such targeting also feeds into the ways in which workers were managed in terms of the strict expectations and control mechanisms that were placed on them. Clearly, then, in line with Grimshaw et al. (2002), it seems

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[39] It is acknowledged that the Coalition Government has put into place plans to disband the Audit Commission.

that while it is difficult to draw definite connections on the way in which employees are affected by performance measurement and benchmarking in outsourcing contracts, it is apparent that there are both positive and negative indirect implications to the experience of work after the transfers take place.

Performance Management and Informal Control

Although performance management has been established in public services in various guises since the onset of marketisation in the 1980s (Boland and Fowler, 2000), it has yet to be subject to extensive scrutiny in relation to outsourcing (Grimshaw et al., 2002), despite the significance it may have for workers. Interestingly, the finding from the present research was that, although some form of performance management (and informal managerial control) was undoubtedly present at the leisure centres prior to the outsourcing transfers, it developed in a more competitive manner afterwards – and this had notable impacts on the employment relationship. Certainly the research supports the view that the Leisure Trusts adopted a more strategic and systematic approach to achieving 'business-like' organisational effectiveness once they had taken the services and staff over (and largely because of the limited funding and heightened contract performance measures they were subject to).

Although the purpose of this thesis was not to investigate the processes of performance management, the research supports the view that Leisure Trust managers are likely to set increasing numbers of objectives and targets for the leisure centre staff in order to enhance organisational performance. In the present research, these related to a range of performance objectives, from membership sales (for marketing departments), to phone-call targets (for receptionists), fitness programme numbers (for fitness instructors), and cleaning standards (for lifeguards and domestic staff). And while these processes did not embrace pay-for-performance, they included some cycles of review and feedback – for example, through appraisals and paper-based check-lists – which thus leads to the suggestion that outsourcing may increase the use of 'surveillance' in order to generate increased output from workers.

Beyond formal performance management, the research in this thesis also suggested that the increased pressures to manage efficiently and effectively generate a change in the style of management in relation to how Leisure Trusts 'controlled' workers and the employment relationship. Although there are various perspectives as to what management control is in literature (*see* Hutzschenreuter, 2009), 'informal managerial control' is defined here as the informal processes used by management to bring about conformity from employees in their work behaviour to the aspirations of management. Within the case studies of this research, the mechanism of informal management control became particularly manifest in the way the Leisure Trust managers sought to create 'stricter' cultures of work performance through re-negotiating the 'rules' and 'expectations' of the employment relationship – i.e. in order to get workers to increase work intensity, improve customer service attitudes and reduce instances of absenteeism.

More specifically, the ways in which informal managerial control was utilised can be understood through some of the bases of power outlined by French and Raven (1959). For example, in terms of reward power, although there were few tangible reward programmes implemented, the Leisure Trust managers were shown to be using gratitude and support of individuals in exchange for hard work and conformity to managerial expectations. In relation to coercive power, there were examples of the Leisure Trust managers formally disciplining workers who did not follow the new procedures properly in order to 'make examples' out of them so that others would be deterred from making similar 'errors' (even though these 'errors' may not have been disciplinary offences). With respect to expert power, the Leisure Trusts seemed to be persuading workers that as they were 'specialists in leisure' they had the knowledge base and experience to 'improve' the leisure centres and knew what standards employees 'ought' to have – the implication of course being that this provided a justification for altering the rules of exchange (e.g. intensifying work, reducing autonomy and responsibility etc), which in turn garnered 'conformity' to the cultural change.

Centralisation

Beyond performance management and control, another managerial mechanism identified in the research that had an impact on changing the employment relationship was centralisation. In literature, the extent to which an organisation is centralised or de-centralised is an important factor for understanding the relative structure and, to some extent, values of an organisation (O'Toole and Maier, 1999). Indeed, for organisational theorists, as Andrews et al. (2007) point out, the extent to which an organisation is centralised or de-centralised is underpinned by the amount of hierarchical authority in the organisation and the level of influence workers have over decision making and tasks. Thus, the process of centralisation – or becoming more centralised – is marked by an increased level of hierarchical control and workers becoming less influential over the work they undertake.

The present research supports the view that some forms of centralisation are likely to occur when leisure services are outsourced to Leisure Trusts and that this has a direct impact on the employment relationship. It also supports the view that this is likely to transpire as a result of financial and efficiency pressures, although also as a result of the Leisure Trusts drive for professionalism and procedural consistency. In the main, the reality of centralisation played out in terms of changes to operational responsibility and decision making workers had at the leisure centres. That is, when the Leisure Trusts took over the leisure centres they came with established systems or departments in place that tended to operate from a 'central office'. In this, a broad range of activities were affected by transferring work to other areas of the business – for example, I.T. systems, health and safety tasks, and marketing planning and promotions. However, in addition to the centralisation of activities, there were changes to employee voice as well, whereby employees were given less formal opportunities to participate in broader decision-making.

9.3.3   RELATIONAL MECHANISMS

So far, the attempt to build explanation about why the employment relationship changed for leisure workers as a result of the process of outsourcing has focused on politico-economic and management

mechanisms. These are important to consider as they underlying factors that generate effects to the way employees are treated by managers pre and post outsourcing. However, the mechanisms identified above only offer part of the explanation for the changes discussed in the findings chapters, and mainly focus on explanations for changes in organisational contributions[40]. This section, therefore, moves beyond this to explore some of mechanisms that may lie behind the changes to the employee contributions and the quality of the employment relationship as well. Although it is likely that more factors lie behind a full explanation, the factors considered here relate to: (i) reciprocity and (ii) attachment.

Reciprocity

Reciprocity has been deemed one of the underlying mechanisms that drives employee behaviour in the employment relationship, although it could be argued the precise nature of this phenomenon has yet to be fully understood (Coyle-Shapiro and Shore, 2007). While the present research does not add greatly to solving this problem, it provides some support for the idea that reciprocity is a key mechanism in the employment relationship, and moreover, emerges in various 'forms'. That is, it is not just 'positive reciprocity'. In this study some workers reported behaving in reciprocal ways not only when they received something they considered beneficial (e.g. support or gratitude) but also when they experienced losses (e.g. to pay) and adverse behaviours (e.g. intimidation or obstruction). Taking Sports-Two as an example, participants noted they worked harder when the Leisure Trust managers gave more support and gratitude for the work they did (which is an increase in positive reciprocity); some noted they their stopped engaging in citizenship behaviours when the Leisure Trust managers introduced pay cuts (which is a reduction in positive reciprocity/a response to breach); others reported engaging in counterproductive work behaviours (e.g. absenteeism etc) because of pre-transfer intimidation and bullying (e.g. from the job evaluation) (which was a trigger for negative social exchange). Although there were not huge amounts of direct comments about reciprocity in the findings, which suggests other mechanisms are likely to be driving the employment relationship as well (Coyle-Shapiro and Shore, 2007), the above list of examples about reciprocal connections could

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[40] Discussions of work intensity are an exception to this.

certainly be expanded. The important point was that across the case studies, and throughout the transitions, there were some participants reporting to act in reciprocal ways when the managers introduced changes to the 'organisational contributions' regardless of the positive or negative nature of that change.

The reasons why participants behaved with such reciprocal intentions however were nonetheless more difficult to pinpoint. The notion of obligation was sometimes implied as one reason for changes in employee behaviour, which in part supports the work of Gouldner (1960), as there were sometimes reports that employees felt less obligated to 'give' when they were treated poorly. However, more often it seemed the reciprocal responses were more automated and unconscious than carefully considered moral reactions. Certainly that was how participants described it, and in some cases it was as if participants changed their behaviour more as a result of how other colleagues were behaving (i.e. changes in culture), or because of how they 'felt', which brings some concurrence to Greenberg's (1980) work on reciprocity and emotion. For example, as noted in the findings, many of the lifeguards and fitness instructors at Sports-Two noted they reduced their 'cleaning performance' on poolside in the pre-transfer periods because they felt they 'could not be bothered' or because 'other leisure staff were not bothering'. Others, for example the fitness instructors in the second interviews, described their willingness to engage in pro-social behaviour because they 'felt' they wanted to because of the support from their managers.

Organisational Attachment

Attachment theory has been noted as one of the underlying processes that explains interpersonal relationships, particularly in respect to relationship quality (Simpson and Rholes, 1998). As Simmons et al., (2009) point out, how securely attached employees are to their employer is likely to be both an indicator of how 'healthy' the relationship is, as well as a factor impacting the amount of 'commitment' behaviours in the relationship. The research in this thesis supports this view and in doing so suggests that emotional attachment may function as an underlying psychological mechanism for why employees behave in particular ways. For example, in Sports-Two and Sports-Three, there

was clear evidence that reductions in work effort and citizenship behaviour are associated with reductions in affective commitment and identification.

More broadly, in the present research, the role of attachment as an explanatory mechanism becomes increasingly significant when trying to account for the positive changes to employee attitudes and behaviours over the course of the first year with the Leisure Trusts. For, why did employees generate more positive work attitudes and behaviours against a backcloth of beliefs that the Leisure Trusts were providing less training and development opportunities and less responsibility and autonomy and involvement? The suggestion here is that this occurred as a result of increased attachment to the managers (the organisation) as a result of the more positive ways in which managers were treating staff. For example, at a general level, the case studies illuminated how the Leisure Trust managers were articulating clearer organisational visions for the leisure centres, investing in facilities, presenting a brand image, providing staff with new branded uniforms, and espousing and practicing values of professionalism. At the interpersonal level, the Leisure Trust managers were giving more support, encouragement, gratitude and recognition to the work that staff completed. All these behaviours seemed to encourage workers to feel more committed to their organisations and develop stronger senses of organisational membership, and this seemed to impact citizenship behaviour and work performance despite some losses in organisational contributions like those mentioned above. Thus, it seems plausible to suggest that organisational attachment serves as a central mechanism in generating positive organisational behaviour in the employment relationship, even when there are social exchange losses or breaches. Furthermore, the research also leads to the idea that the emotional aspects of the employment relationship are potentially more significant and powerful in organisational change scenarios – e.g. in terms of generating commitment or acceptance to change – than literature currently acknowledges.

9.4   CONCLUSION

The purpose of this chapter has been to draw out the main themes from the case studies and reflect on their meaning against the backdrop of existing literature. The first section considered the implications

for public sector outsourcing research, and in doing so explored some of the research objectives of the thesis. The chapter started by discussing the findings on the content and quality of the employment relationship, and then discussed the mechanisms underlying why these changes may have come about. In general, the research seemed to support much of the critical perspectives on the way terms and conditions and training are affected by outsourcing, but showed a much more mixed outlook for the more socioemotional aspects of the employment relationship. Indeed, the section challenged existing literature that post-transfer outsourcing experiences are 'all' negative for employees, especially in relation to the potential for support, gratitude and involvement, which seem to get better as a result of Leisure Trust intervention. The research also both supports and challenges extant ideas about how the quality of the employment relationship changes in post-outsourcing transitions, and offers a more in-depth analysis of these concepts than has previously been given.

Further to this, the chapter additionally considered some of the ways in which the present study sheds light on new developments in social exchange theory. Although the contributions in this regard were modest, the section added some insights to several contemporary debates and questions within the literature. These included the question of who employees share an employment relationship with, the existence of negative social exchange, the processes of social exchange, and the power of identification and attachment.

With regards to explanation, seven key mechanisms were outlined to try to account for why the leisure workers experienced changes to their employment relationship as a result of outsourcing. At the beginning of the causal chain was the policy and economic mechanisms that were largely responsible for stimulating outsourcing to transpire in the first place, and which also generated particular funding and delivery restrictions for the Leisure Trusts. In one sense, these mechanisms seemed to directly inform the decisions the Leisure Trusts made on redundancies and pay cuts, yet in another sense they generated many further implications by impacting the way the Leisure Trusts managed. Here, the mechanisms of benchmarking, performance management, control and centralisation seemed to be particularly influential in leading to changes in the employment relationship, particularly with regards

to 'organisational contributions' in the relationship. The mechanisms of reciprocity and attachment were then outlined as factors that seemed to account for changes in how employees responded to this.

Having discussed the findings of the thesis in this chapter, the next chapter now moves on, by way of concluding, to briefly outline the contributions of the thesis, the limitations of the study, and the recommendations for the future.

CHAPTER TEN

THE CONCLUSION

10.1   INTRODUCTION

The purpose of this thesis has been to investigate, from a social exchange perspective, the experience of outsourcing for public leisure workers as they transfer to Leisure Trusts. To achieve this, the research reviewed literatures on the topics of public sector outsourcing and social exchange theory, and conducted three case studies on leisure organisations that had recently been outsourced to a Leisure Trust. In terms of the findings, Chapters Five–Eight described changes in the employment relationship as leisure workers experienced 'being outsourced'. Chapter Ten, the previous chapter, then discussed the meaning of these findings in relation to extant research and literature. Following on from this, therefore, the purpose of this chapter is to briefly review the objectives of the thesis and outline the contributions the research has made to our current knowledge on public sector outsourcing and the employment relationship. On the back of this, the chapter also seeks to provide future recommendations for research and theory, and recognise some of the broader limitations of the present research. The chapter finishes with some reflections on reflexivity.

10.2   REVIEW OF OBJECTIVES

The aim of this study was to contribute knowledge to the related fields of employee relations and organisational psychology by investigating the employee experience of outsourcing in the public leisure sector using a social exchange perspective. To do this, four objectives were outlined:

i) To critically review the literatures on public service outsourcing and social exchange theory.

ii) To use the social exchange framework to investigate changes in the content of the employment relationship as public leisure workers are outsourced to Leisure Trusts.

iii) To explore changes in the quality of the employment relationship as public leisure workers are outsourced to Leisure Trusts.

iv) To consider the implications of the present study for theory and research.

This section considers the ways in which these objectives were fulfilled in the present thesis.

Objective One

The purpose of objective one was to critically review the literatures on public service outsourcing and social exchange theory. Chapter Two provided the review of public service outsourcing through (i) offering an introduction to the background context of public service outsourcing in the leisure sector, and (ii) giving an analytical appraisal of extant research on the implications of outsourcing for workers. The chapter explained how the public leisure sector has gone through a period of transformation over the last few decades as a result of the political and economic pressures to marketise services. Moreover, it raised questions about the implications that such changes have had for the services, communities and workers involved. Concentrating on the worker perspective thereafter, the analysis of the employee implications of outsourcing then illuminated a diverse research base that drew on a range of rather mixed, albeit mostly pessimistic, conclusions about the ways in which employees become affected by outsourcing. It also highlighted how there has been barely any research to focus on the employee perspective during the process of being outsourced, and no research to explore the outsourcing implications for public leisure workers – thus providing the research agenda for the present thesis.

Chapter Three then offered the review of literature on social exchange theory in order to provide a conceptual framework on the employment relationship for the present study. The present research intended to focus on the implications of outsourcing for leisure workers, with the employment

relationship (explored through the framework of social exchange) being the unit of analysis investigated. The chapter on social exchange theory, therefore, provided a critical review of social exchange theory in organisations, and in doing so identified some important dimensions to explore. These were, namely, the content of social exchange and the quality of the social exchange relationship, which formed the main areas of investigation in the empirical part of this thesis. Beyond this, the chapter also raised questions about the limitations of applying social exchange theory to the employment relationship and suggested some conceptualised areas that the present research might explore while investigating outsourcing experiences.

Objective Two

The underlying nature of objective two was to use the social exchange framework to investigate changes in the content of the employment relationship as the public leisure workers were outsourced to Leisure Trusts. In this respect, research was conducted in from three case study organisations and involved the collection of 85 semi-structured interviews across two waves of data collection. In keeping with social exchange theory, the findings that emerged about changes to the content of the employment relationship were presented in terms of (i) changes to 'organisational contributions' and (ii) changes to employee contributions. Broadly speaking, the research showed mixed findings about the relative benefits or drawbacks of outsourcing on the employment relationship, with different case studies reporting slightly different experiences at times. However, in general, there was a fair degree of consensus about the way many organisational contributions and employee contributions changed, and where there were differences these seemed to be in part explainable from explorations of the wider context or the individual circumstances.

The research showed how the experience of an outsourcing transition is initially a difficult process to go through, and can involve numerous temporary or permanent losses to 'organisational contributions'. In the pre-transfer period, in particular, the study demonstrated how employees feel they lose out on job security and are often not given the support or communication they need to understand the meaning of outsourcing transfers for themselves. The research showed how high

involvement strategies and caring attitudes from managers can help relieve these symptoms, though equally it showed that these practices tend not to be widespread. Indeed, in one instance it showed the opposite, with local authority managers essentially threatening employees with redundancy and organisational closure if they did not agree to follow their orders on employment arrangements.

In the post-transfer period, the research depicted the Leisure Trusts' endeavour to cut the wages of workers so they became equivalent to the (comparatively lower paid) private sector, although the restrictions from TUPE, meant this was only applied to a minority of workers in the organisations investigated. These changes were largely the result of frugal funding arrangements with the local authority combined with a challenging external business environment. Whether or not 'downward' pay harmonisations eventually came to the organisations investigated remained to be seen, but the reports from the Leisure Trust managers in the second interviews certainly indicated this was likely to happen. The research also depicted how there was significant work intensification after the outsourcing transfers, some of which, paradoxically, was deemed positive by workers owing to the cavalier work cultures that existed prior to the Leisure Trust takeovers. These changes were often brought about through wider 'cultural changes' to performance management in response to the limited funding and tough benchmarks set by the local authority. However, there was also evidence that managers were utilising coercion and surveillance to achieve the conformity of workers, which resulted in a particularly negative effect on employee trust. Outside of pay and work intensity, some of the other significant findings throughout the first year with the Leisure Trusts were that opportunities for training and development were often less than expected, and job designs were sometimes negatively affected (largely by centralisation processes, particularly for supervisors, which impacted their autonomy and responsibility).

From this perspective, therefore, the experience of 'being outsourced' seems to be, to some extent, stifling for workers. However the research showed that this is only part of the story. Indeed, in contrast to much of the broader extant literature, the research found evidence that outsourcing can in many ways be a positive step for the workers involved. In this respect, one of the significant findings was how the employment relationship became increasingly socioemotional by the end of the first year.

The Leisure Trust managers were generally seen to be more supportive, encouraging and grateful to workers, and to be in positions to provide expert knowledge and advice when necessary. They offered workers enhanced gym memberships, and the investments in facilities, uniforms and systems meant workers felt they were working for a more 'professional' organisation. Consequently, the net result of this was that employees tended to develop stronger attachments to the organisation and reciprocate with positive organisational attitudes and behaviours.

Objective Three

Objective three set out to explore the changes in the quality of the employment relationship as the public leisure workers were outsourced to the Leisure Trusts. In Chapter Three, the quality of the relationship was defined as comprising three core elements – trust, commitment and identification. In the present research, the findings revealed that each of these constructs tended to evolve during the course of an outsourcing transition, largely in response to how the local authority or Leisure Trust managers were treating them.

The research indicated that the quality of the employment relationship in the pre-transfer period is likely to weaken between workers and the local authority, especially in relation to trust. The local authority managers were rarely seen as effective agents of change during the process of outsourcing, and they often made decisions that hampered feelings of trust. Although this was not the case in all of the case studies, there was one case study where trust was severely affected by political intimidation tactics and redundancies in the pre-transfer period, and the knock-on effect to organisational commitment and identification was significant. The extent to which local authority managers recognised the emotional challenges that employees faced during the build to the outsourcing transfer seemed to play a role in determining the changes to the quality of the employment relationship. Certainly it appeared that managers need to pay attention to the importance of communication, re-assurance, support and involvement if the quality of the relationship is to be kept in a reasonable condition; though the research also elucidated how declines in the quality of relationships seems

almost inevitable with outsourcing, as the symbolic meaning of the process is typically associated with feelings of being 'unwanted'.

The 'new' employment relationship with the Leisure Trusts was symbolic as it offered a platform for trust, commitment and identification to re-develop. In the early post-transfer period, however, the research showed how workers were intrinsically 'wary' about the Leisure Trusts and how they might treat workers. They cognitively recognised the support and encouragement and gratitude that the managers gave to workers, but were equally concerned by some of the performance management mechanisms that were being introduced, as well as decisions to implement pay cuts to casual and temporary workers. In time, however, it seemed the quality of the employment relationship can improve over the course of the first year given the right behaviours of management. Alongside the interpersonal role of support and gratitude, the sense of professionalism and non-profit corporate culture brought about a heightened level of attachment and identification with the Leisure Trusts, and this meant workers were at times willing to 'overlook' some of the other breaches and losses they were experiencing, for example, around responsibility or training and development. Yet, on the back of this, it is important to remember that when workers received pay cuts or disciplinary action, such positive attitudinal outcomes for the quality of the employment relationship were rarely observed. Indeed, any reductions in pay haltered developments in attachment and identification substantially, both in the short and long term.

Objective Four

Beyond the empirical dimension, the fourth objective was to consider the implications of the present study for research and theory. Chapter Nine, the Discussion, was the chapter that primarily embarked on this objective, and in doing so considered the meaning of the findings in relation to extant literature and research. The chapter showed how the present research in the public leisure sector both supported and challenged extant literature on the employee implications of outsourcing in other contexts. Indeed, the research supported much of the 'critical' literature about outsourcing having a negative impact on the terms and conditions of employees, particularly in relation to work intensification and

job security. The areas that the research contrasted with some extant literature on more tangible aspects of the employment relationship included the potential of outsourcing to limit opportunities for training and development and skills. However, the research also seemed to contrast with extant research by illuminating that not 'all' post-transfer outsourcing experiences are negative in the leisure context, especially in relation to the socioemotional side of the employment relationship. Indeed there were numerous positive post-transfer associations with support, gratitude, trust, commitment and identification. Overall, therefore, while there is some overlap with research from other contexts, there is some support for the proposition outlined at the start of this thesis that it is important to investigate the leisure sector on its own terms and not merely assume that research from other contexts will yield the same results. There is also support for the view that it is important to explore such phenomena using longitudinal research methods and focusing on the transfer process itself.

Whilst exploring the meaning of the findings, the discussion chapter also outlined a number of mechanisms that seemed to be responsible for many of the changes that were taking place in the employment relationship during the process of outsourcing. Although the philosophy of critical realism has been developed in a theoretical way of recent decades, there is generally a limited application of it to empirical research – hence, it could be argued this thesis also offers a modest contribution to methodology in this respect. In the present research, the mechanisms at the politico-economic level included the role of policy in engendering the agenda for outsourcing in local government, as well as the disciplinarity and frugality of resource use of the local government in triggering the decision to marketise. At the managerial level, they included the role of benchmarking in the outsourcing contracts, alongside the increasingly intensive approach to performance management and control, and the process of centralising activities to head-offices. At the relational level, they included the roles of reciprocity and attachment, which seemed to account for why employees responded more positively in terms of attitudes during the course of the first year.

Finally, outside of the outsourcing scenario, a last way in which this thesis brought implications for research and theory related to the findings on social exchange theory. In terms of content, for example, the research reiterated the fluid and complex nature of social exchange relationships, as well

as the importance of integrating 'negative social exchange' into current conceptualisations. In terms of process, the research alluded to the role of power in bringing about changes in the content of the relationship, demonstrating how mechanisms of reward, coercion, surveillance and expert knowledge can all be used to re-negotiate the 'rules' of exchange through management control. Significantly, however, the research further suggested that identification and attachment may be at the heart of reciprocal behaviour, and moreover influence how employees evaluate the state of their social exchange relationship with their employer. Overall, therefore, although these findings only offered modest contribution to the field of social exchange theory, they do nonetheless propose some interesting avenues for further research to pursue.

10.3   RECOMMENDATIONS

From the above conclusions, therefore, a number of recommendations might be suggested for how future research and management practice might progress.

Future Research

For employment and organisational scholars, there seems to be a variety of ways in which research could be developed. Firstly, it is suggested that more research be conducted on the UK public leisure sector to see the extent of such findings across a wider breadth of organisations. In this respect, it may also be useful to compare the experiences of workers being outsourced to the private as well as non-profit sectors. Undertaking further longitudinal research on transitions seems important in this regard, as differences between the sectors may arise from the various funding and tax arrangements. However, exploration of the long-term implications will be important as well if a fuller picture of the employee perspective is to be obtained about the leisure context.

More broadly, it seems important that future research tries to reconcile the similarities and contradictions within other outsourcing contexts in the wider UK system. Although this research has advocated the importance of 'contextualised' research in order to get more 'intensive' insight, the

mechanisms that generate the changes to the employment relationship in outsourcing situations may transcend context. Currently, there is a growing amount of research on the empirical implications of outsourcing for employees, and the present research has brought some level of illumination for the leisure context. However, future research should 'dig deeper' to try and build further explanation of the phenomena from a range of contexts – for it is in that way that the applicability of the mechanisms can be tested. Moreover, it is from such research that explanations will be able to be built as to why some outsourcing research depicts positive outcomes from outsourcing and others very negative. This is a crucial question within the outsourcing research as the impact on people's lives can be substantial, and because policy has a role to play in how these transitions take place. However, to do this well it apparent that more in-depth longitudinal research is needed.

On the back of the above, a further recommendation for outsourcing scholars is to adopt broader frameworks of investigation when considering the employee implications. At present, the research generally centres on a number of commonly used concepts, such as those outlined in the literature review of this thesis. There is a strong tendency towards terms and conditions and skills, with only a limited number of studies exploring more socioemotional constructs. This research has gone some way to integrating new ideas into what might be useful for investigation, and the role of socioemotional outcomes seemed to be significant. Thus, more research on the socioemotional side of the employment relationship is needed in outsourcing research. Beyond this, notions of organisational culture and organisational identity might be further areas which could garner important results about employment relationships in outsourcing scenarios, particularly during the times of transition, as existing literature tells us these are likely to have significant impacts on individual employee orientations in change situations. Other concepts such as power, control, and sense-making seem to be important areas for further research on outsourcing too.

Finally, beyond outsourcing research, there are several ways in which research on social exchange theory may be usefully developed as well. Firstly, more insight on the content of different forms of social exchange relationships would be helpful, linking notions of process and dynamics together, and considering the implications for relationship quality. The economic-socioemotional distinction is a

useful heuristic in this respect, but it seems logical to assume that there are 'better' ways of conceptualising the employment relationship. The integration of 'negative' forms of exchange may be at least one avenue to pursue in this respect, though more are needed. Further research into the process and dynamics of social exchange is an important topic to pursue as well. Cropanzano and Mitchell (2005) call the process of social exchange the 'black-box' of social exchange theory, and it is clear the field would benefit from more insights on the social and psychological factors governing employment relationships, particularly outside of the 'norm of reciprocity'. This research shows how rules and power seem to have a significant part to play in these processes, but so does identification and attachment. Indeed, attachment may be a further area for social exchange researchers to explore, as well as how this might be used by managers as a form of managerial control.

Practice

In terms of practice, the research seems to point to a number of recommendations for (i) local authority managers and (ii) Leisure Trust managers. For local authority managers, it seems the baseline point is to seriously consider the impact of outsourcing for employees. Before the outsourcing decision is communicated to staff, there should be a clear strategy for managing the human experience. Moreover, it is suggested that such a strategy be integrated into the contractual negotiations and funding arrangements as well – i.e. so aspects such as training and development are proactively accounted for.

In terms of managing the pre-transfer experience, the present research illuminates that the significance of communication and employee voice not being under-estimated. Providing justification for the outsourcing decision, and reassurances about terms and conditions seems essential, as these were some of the key issues in the minds of the workers transferring. The recommendation, however, is that local authority managers go beyond merely describing a brief outline of TUPE regulations. Employees need information about how their jobs may or may not change and what the organisation may look like twelve/twenty-four months post-takeover. The new service providers therefore need to be involved in these processes and share information in the pre-transfer stage. Interestingly, in the

present research the Leisure Trust managers seemed to be keen to 'get-in' to the leisure centres they were taking over and talk to staff, but the local authorities seemed to hold them back – local authority managers may be prudent to give potential bidders access to employees early in the tender process. In this respect, employee voice and support is also significant. Although allowing employee participation in the decision to outsource in the first place may be difficult, giving employees some voice about whether they want to work in a private or non-profit firm is likely to enhance the sense of control and commitment that employees feel towards the change and the new organisation.

While the research makes clear that having formal tender processes is likely to be a positive step because of the formal consideration it typically brings to worker terms and conditions, it could be suggested that long-drawn out speculation and tender processes should be avoided. Although employees need time to make sense of the outsourcing plan themselves, drawn out tender processes are likely to be the time when uncertainty and insecurity pervades, particularly when there is a lack of information. In addition to the timing of tender processes, it is important that negative critical incidents such as threats or redundancies are avoided or prevented, as the short- and long-term consequences of this are severe. Employees need to feel supported and reassured and have a sense of control; if negative experiences like those aforementioned transpire there is little chance of such outcomes.

For the Leisure Trust managers, the important recommendation in the pre-transfer period is to get access to employees early and to build relationships and provide reassurance during this time. Although there may be a desire to portray a 'brighter future' with the Leisure Trust in order to 'sell' the transfer, it is important that expectations are not over-sold in doing so – particularly around training and development, for example. Support for employees is obviously necessary, and allowing employees to visit existing leisure sites and to meet new colleagues will help employees make sense of the change. As the post-transfer stage commences, encouraging a symbolic transfer will be central for allowing employees to 'move-on' from their past organisation. In this respect, local authority managers should ensure there is plenty of gratitude given to staff for the contributions they have made over the previous years, but the Leisure Trust should take ownership for furthering the 'rite of

passage'. Embedding a sense of corporate identity would seem important for developing the employment relationship with employees and establishing commitment attitudes, and it appears this can be achieved through highlighting the professional and charitable values that the Leisure Trust holds. Involving employees in potential changes is also important for making staff feel part of the organisation and showing a sign of support. Senior managers are therefore encouraged to not take a stand-off position, but get involved in knowing the transferred employees, and demonstrating they are valued and very much part of the corporate 'family'. Finally, terms and conditions changes should be avoided as much as possible, particularly in the realm of pay, as this clearly has a detrimental long-term effect on the employment relationship, and this is likely to weaken organisational performance.

10.4   LIMITATIONS AND BIAS

Recognising the limitations of any given research project is important for appreciating the value of the research and the challenges that may be encountered for scholars investigating similar topics. A critical evaluation of the research methods for the current research has already been presented in the methodology chapter, and the intention is not to repeat these points here. However, from my own experience, I want to highlight a number of further limitations and biases that appeared to me in the 'reality' of 'doing the research'.

Access Bias

One of the first limitations that was encountered from conducting the research related to the selection bias in the recruitment of case studies. Primarily, this relates to the fact that numerous organisations were invited to participate in the current research project but only a few responded with a willingness to take part. In one sense, this highlights the sensitivity of the research topic to managers, as they may have felt fearful about what their employees may have said about them (despite my honest efforts to assure full confidentiality and anonymity). However, in another sense it draws attention to the potential selection bias in recruiting organisations, as more confident or competent managers may have been more likely to allow access. As I recall the centre manager at Sports-One saying to me in

an initial phone conversation about access, 'it's not been too bad here actually, so yes I'm interested' (*paraphrased*).

Once 'in' to the organisations, however, a further potential bias arose with regards to the recruitment of participants. Owing to logistical difficulties and worries about low interview response rates, it was decided that a supervisor at each of the case studies should organise the recruitment of individual participants. Although I chose the supervisors as coordinators (believing they would be less biased than managers), and emphasised the desire to have an equal mix of people with positive and negative attitudes, there was of course room for the research coordinators to selectively choose who they wanted to include in this study, and also be potentially influenced by the aspirations of the Leisure Trust managers.

As part of my access agreement with the Leisure Trust managers, a further bias arose with my promise to deliver a research presentation to the Leisure Trust managers about the general themes from my research in their organisation. These presentations usually took place several months after the first round of interviews in each of the cases, and were an important 'incentive' for allowing access. The limitation for the research, however, was that such presentations may well have influenced the way managers behaved in terms of management practices in the months to follow (i.e. over the course of the first year). Although I avoided offering any recommendations to the managers in the presentations, concentrating on some of the general descriptive findings, clearly the managers had potential to learn from the presentations and this may have influenced how they managed workers, therefore influencing the data collected in the second round of interviews.

Data Collection

In terms of the data itself, a practical limitation encountered was the sheer amount of it. Initially I set out to conduct a relatively large number of interviews because of the belief that this would enhance the validity of the research. In practice, I found collecting and analysing this amount of data a very arduous process. Many authors discuss the question of how many interviews and cases is enough in

qualitative research, and generally speaking it is often suggested this depends on whether the research questions can be answered with enough sufficiency and saturation. In the present research, it may be have been the case that two case studies would have been enough. Certainly this would have saved time, though my belief remains that the three-case studies with longitudinal design enhanced the quality of what was conducted.

Another practical limitation about the interviews was the ability to tap every single themes or topic in every interview. Part of the problem with the present study was the breadth that it sought to cover – i.e. because it sought to tap such a large variety of concepts in the employment relationship with so many people. Other problems associated with 'tapping the concepts' related to (i) the time-bounded nature of the interviews, with numerous participants restricted to 50-60 minutes because of work commitments, and (ii) the challenge to always explain or ask the questions in ways that some of the younger participants could appreciate.

Building on a point from the last paragraph, a final limitation relates to the preoccupation in the presentation of the findings with the broader trends on changes to the employment relationship rather than the appreciation for individual phenomenological accounts. Owing to the large amount of data collected in the study the capacity to explore individual accounts in great detail naturally became difficult, hence there was a decision made to focus more on the 'general experiences' of occupational groups and cases than individuals. Moreover, given the number of participants and the amount of themes covered in the present research, it would have been almost impossible to represent every individual story in phenomenological way.

10.5   REFLEXIVITY

Along with identifying the limitations of the research, it is also arguably important for qualitative research to acknowledge some of their views and past experiences that may have influenced the research they conduct in order to appreciate the role of the researcher in that process. In this respect, although this is not an extensive account of reflexivity, there are a couple of points I would like to

acknowledge in order to be transparent and open about my own personal background in relation to the present research. These relate to (i) my past experience in the leisure industry and (ii) political views about outsourcing itself.

The first point I would like to mention is about my past experience in the leisure industry before I became involved in academia. This included spending five years working within the leisure industry. During this time I naturally developed sympathies towards the challenges of working conditions in the industry during those five years – regardless of the sector or occupational group involved. Hence, in one sense, this could be perceived as a positive attribute for the present research, as having knowledge of the context and people being investigated seemed to be helpful for building rapport with participants and understanding particularities in the findings. However, in another sense, it may have meant that I came with preconceived assumptions about the work and people involved (despite strong intentions to remain 'objective' when analysing and writing up).

Another important point for reflexivity in a study such as this relates to the acknowledgement of personal political views. Although I would rarely consider myself as someone who champions a particular political ideology, it is important to mention that I have always held sympathy towards the ideals of social justice – ideals that I believe certainly extend to the rights and responsibilities of workers and employers. In reality, these probably stem from my sympathies and identity within the Christian faith, and potentially informed why I find researching workplace issues very interesting. And while I did not start the study of outsourcing entrenched in political assumptions about the costs and benefits of the process, my general view from personal experience and academic study was that it was economically beneficial, but problematic for the workers involved.

Since undertaking this study, my views about outsourcing and its impact on workers have undoubtedly become more attuned to the potential benefits as well as the costs involved in the outsourcing process for workers – at least in the leisure industry. And generally speaking, I still hold a critical perspective about outsourcing, particularly around the way terms and conditions are affected. However, in conjunction to this, I have come to believe that outsourcing can in some ways be quite positive for

workers as well. Indeed, given the right management attitudes, processes and conditions, outsourcing seems to have the potential to offer socioemotional benefits to workers, and economic benefits for the organisations involved – which are indeed good things. However, the problem with this, paradoxically, is that I also believe that through suitable investment and leadership within the public sector, these benefits can also be achieved through local authorities retaining the services 'in-house' – and so remain on the fence about whether the process of outsourcing is ultimately necessary in the first place.

PART SIX

REFERENCES AND APPENDICES

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APPENDIX 1: INTERVIEW SCHEDULE EXAMPLE

Interview Schedule Themes

<u>Introduction</u>

- Preamble to the study, including Participant Information Sheet
- Complete Consent Form

Ask participants about their role at the leisure centre.

- What do you do as a job here?
- How did you get involved with that?
- How long have you been working for the company?
- Do you enjoy your job?

<u>General Outsourcing Experience</u>

Ask participants for their interpretation of the outsourcing process.

- What has happened over the last year?
- How has the outsourcing transfer affected you?
- How have you felt about the outsourcing decision and transition?
- What has changed at the organisation since the Leisure Trust took over?
- What has changed in your job role?
- Have there been changes to the culture here? That is, the way things work and are around the place?
- What have you liked about the outsourcing transition? What has been good?
- What have you disliked about the outsourcing transition? What has not been so good?

<u>Employment Relationship</u>

Have the following aspects change in any way – at any point …

- Terms and Conditions
- Pay
- Benefits (inc pensions, holiday entitlement)
- Training and development
- Job security, belonging
- Communication/participation – (i) about the outsourcing decision, (ii) general communication throughout

- Support from managers
- Work performance/intensity

Outcomes

What happened to the following (i) during the build-up to the transfer, and (ii) after the Leisure Trusts took over:

- Job satisfaction, enjoyment from work
- Commitment, loyalty
- Trust in managers – (i) local authority and (ii) Leisure Trust
- Dedication to work, work effort
- Intentions to leave the organisations to find another job
- Going the extra mile, taking on extra work, doing more for managers voluntarily (citizenship behaviour)

Psychological Contract Issues

- What promises did the Council make to you in the build to the transfer?
- What expectations did you have about the transfer?
- Have those expectations been fulfilled or not?
- Does the Leisure Trusts managers expect more of you? In what ways?

Wider questions

- How have other staff been affected by the transfer here?
- Has it benefited the services?
- Has it benefited the users?

The Future

- Where do you see yourself in a year or two time?
- Do you think you will still be here?
- Do you anticipate promotions or other jobs?
- What do you think the future will be like with the Leisure Trust?

Close the interview with thanks and appreciation. Also, ask participant about the possibility of a second interview after twelve months.

APPENDIX 2: LETTER/POSTER TO PARTICIPANTS

OXFORD BROOKES UNIVERSITY

Ivan Mitchell
Business School
Oxford Brookes University
Oxford
OX33 1HX

Dear Sir or Madam,

As part of on-going research into the employee experience of change within the public sport and leisure sector, we are hoping to talk a number of staff from <Name of Leisure Centre>, to find out about your experiences of work during the recent outsourcing transition.

You are, therefore, warmly invited to take part in a relaxed research discussion in which you will be able to tell us about some of your thoughts and feelings regarding the recent change at your workplace. In general, we will just be interested to ask how you and others you work with have been affected by the recent change and what that has meant for you. The research discussions are designed to be informal and straightforward and should last no longer than 60 minutes. All information we collect will remain strictly confidential and anonymous between yourself and the researcher.

If you think you might be interested in speaking to us, or wish to find out more information, please contact the research co-ordinator from <Leisure Centre Name> who is informed about the availability of the research timetable. Also, if you have any other questions regarding the study, please do feel free to contact myself directly through the information below; I would be happy to hear from you.

Other than that, may I wish you all the very best and hope to meet with you soon.

Ivan Mitchell
Oxford Brookes University

XXXXXXXXXX@brookes.ac.uk
Tel: XXXXXXXXXXXX
Mob: XXXXXXXXXXX

APPENDIX 3: PARTICIPANT INFORMATION SHEET

(Sent on OBU headed paper)

Oxford Brookes University

Business School

Wheatley

OX33 1HX

Dear Sir or Madam

Ref: Experiences of public sector outsourcing

Firstly, please allow me to introduce myself. My name is Ivan Mitchell and I am a research student from Oxford Brookes University. As part of the research, you are being warmly invited to take part in a research interview. However, before you decide whether or not you would like to take part, it is important for you to understand why the research is being undertaken and what it will involve. Therefore, please read the following information carefully.

Purpose of the study

The purpose of the study is to investigate the employee experience of employment transfer within the public sector and to explore how perspectives towards work, organisations and employment relationships may change throughout the transfer process. By investigating such themes it is hoped that we can better understand the issues and management practices during such transitions and have a deeper comprehension of the employee perspective.

Participation

Research for this study is being conducted in several organisations around the United Kingdom. As your organisation has recently experienced such change, it has been identified for part of our preliminary investigations. You are therefore warmly invited to take part in the research and have the opportunity to discuss your experiences of the employment transfer, and give your opinions about any changes to your working life which have subsequently occurred.

Participation in the research study is voluntary. It is up to you whether you decide to take part or not. If you are interested in taking part, your contribution would be valued. By participating, you will be helping to deepen academic understanding of employment issues at a time when public sector outsourcing is happening more and more. Anyone participating in this research will not be identified in any subsequent reports or publications. If you do decide to take part, the interview will last no more than 60 minutes and would be conducted at your place of work.

Benefits and Drawbacks

A benefit of this study is that it will provide you with a way of expressing your opinions about employment transfers. Anything that you chose to discuss, could inform policy changes in the future and might help researchers to make constructive suggestions based on reliable research to policy-makers. Throughout, to guard against any potential drawbacks, the information that you provide will be held in the strictest confidence. You are moreover free to withdraw from the study at any time and without giving any reason, if you do not feel comfortable or are concerned about the study questions.

Confidentiality

All information obtained within the interviews will remain strictly confidential (naturally, subject to legal limitations) and anonymous. Any data gathered from the interviews will be retained in accordance with Oxford Brookes University's policy on academic integrity. Please note that the study has been reviewed by the Oxford Brookes University Research Ethics Committee, and if you would like any further information in this regard, please contact the committee chair.

The Findings

The results of the study will contribute towards a doctoral thesis and thereafter the publication of several academic articles. In addition, the general findings may also be put in several management presentations/reports for you or your organisation to view.

Organisation of the Research

The research is funded by Oxford Brookes University, and organised by myself, a doctoral research student and associate lecturer at the university. My contact details are listed at the bottom of the page. My PhD supervisors are Professor Phil James (XXXXXXXX on XXXXXXXX) and Dr Karen Handley (XXXXXXXX on XXXXXXXX) - please feel free to contact them if you have any concerns or questions about the conduct of this study or the information provided.

Thank You

Other than that, may I offer a sincere thank you for reading this letter and considering the possibility of taking part in the research. And, if you any have other enquiries, queries or just general questions please do get in contact at anytime.

Wishing you all the very best,

<Signature>

Ivan

Contact Details

Ivan Mitchell
Business School   Email: XXXXXXXX
Oxford Brookes University   Tel: XXXXXXXX
                                                            Mobile: XXXXXXXX

APPENDIX 4: CONSENT FORM

OXFORD BROOKES UNIVERSITY

CONSENT FORM

Full title of Project: 'Workers experiences of public sector outsourcing'.

Name, position and contact address of Researcher:

<XXXXXXXXXXXXXXX>

Please initial box

1.   I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions. ☐

2.   I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason. ☐

3.   I agree to take part in the above study. ☐

Please tick box

             Yes   No

4.   I agree to the interview being audio recorded   ☐ ☐

5.   I agree to the use of anonymised quotes in publications   ☐ ☐

_____   _____   _____

Name of Participant   Date   Signature

_____   _____   _____

Name of Researcher   Date   Signature