The Changing Nature of the Management of Social Housing: A Processual Approach

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**Introduction**

The paper reviews the major changes apparent in the provision and delivery of social housing in the UK as well as recommending the need for future empirical and theoretically informed research on the management and the governance of Social Housing organisations, with an emphasis on the application and understanding of generic management techniques. Australian housing researchers have carried out very little analysis of housing management practices, choosing to concentrate on policy issues (Marston 2004). Some work can be identified in the UK but this is again limited in its scope and dated (Clapham 1997, Saugeres 1999). Successive UK Government’s have been criticised for ‘privitising’ the public or council housing in the UK (Walker 2001; Gruis and Nieboer, 2003; Forrest and Murie, 1991), with some commentators suggesting that this has led to social polarisation (Forrest and Murie, 1991). The old model of council housing provision is almost extinct, together with the associated managerial and other practices. The majority of changes in the sector are the result of government policy, particularly new funding arrangements. Within the social housing sector an internal debate has been taking place around the nature, role and place of professionalism within the occupation of housing management (Furbey et al, 2001, Casey, 2008). The Chartered Institute of Housing is the professional body representing housing professionals in the UK, throughout Europe as well as Australasia.

The UK social housing sector is facing challenges to develop additional and new provision on a scale not seen since the 1940s, with government plans to support the building of three million new homes to rent or buy in England by 2010, and with a pledge from the Minister for Housing and Planning that they will be, as stated in the title of the government’s Green Paper, ‘Homes for the Future: more affordable, more sustainable’. New Zealand has seen a decade of reforms and
endeavoured to re-vitalise social housing provision with income related rents (Davidson 1999, Murphy 2003, Thorns 2000).

An effective and appropriate response to these challenges at the sectoral level will require, amongst other things, new and different forms of leadership and management (Alban-Metcalfe and Alimo-Metcalfe, 2006; Van Wart, 2003) and a willingness to seriously engage with partnership working (Mullins et al, 2001).

Given the above, there is an urgent need for research which can inform practice, yet to date there has been little research within the UK social housing sector. As Mullins et al (2001) observe, research in the social housing sector has tended to centre around public policy issues and debates:

> Close scrutiny of the way in which social housing organisations have ‘modernized’ over the years has been underplayed in most housing policy and practice research. Research has instead tended to be dominated by central-local relations and the public administration paradigms…..

(Mullins et al 2001: 602)

Franklin and Clapham have noted that housing management ‘has engaged little interest in the world of academic debate’ (1997:1), although the 1970s did witness a developing research interest in what was in the process of becoming the new field of housing studies. Some have said housing managers form an invisible and marginalised profession (Casey 2008). To date, apart from public policy concerns, research has focused on ‘the task that housing managers perform and on what may be termed professional skills and knowledge’ (Clapham, 1997: 763). Notwithstanding this, there has been little empirical and theoretically-informed research on the management and governance of housing organisations and the application of generic management techniques. Yet there is an urgent need for such research, not least because, as Ackroyd et al (2007) and Boyne and Walker (1999) have observed, compared with Social Services and the National Health Service, Social Housing is the least professionalized occupation. This does not bode well for the quality of the response that can be anticipated from within the sector to the significant outer
contextual (Pettigrew, 1985; see ‘Studying and theorizing organisational change’ section below)
pressures for change.

The next section of the paper outlines and discusses the nature of social housing and social
housing management; we then outline the perspective we have adopted for studying change; this
is followed by a section which considers the recent changes which have taken place in the sector,
and the implications for practice, in particular those relating to matters of governance. The paper
concludes with suggestions for a research agenda which would address some of the present
lacunae with regard to our knowledge and understanding of current social housing practice and
developments.

**What is ‘social housing’ and ‘social housing management’?**

‘Social Housing’ is an umbrella term used to describe a range of housing provision, traditionally
offered by local authorities and housing associations in the UK. Other language used is welfare
housing in the US and public or state housing in Australasia. The occupiers of this housing are
typically and increasingly those who are the most vulnerable and disadvantaged within society
(Clapham et al, 2000, Murphy 2003).

Housing Management in the UK, *per se* dates back to the 1840s, to the work of Octavia Hill. Her
work was of considerable importance at it was the first time that:

- housing management was considered to be both a primary activity and have a strong
  social orientation. She placed emphasis on decentralised management and on putting
  responsibility for tenant welfare as well as property maintenance in the hands of the
  housing manager. (Clapham, 1997: 763).

Following the First World War, housing management became a core activity of local authorities
with a surge in widespread council house building. ‘Management’ at that time referred to the
management of property and not people (Power, 1987). It is generally accepted that in the UK the
emergence of social housing and social housing management has formed and shaped today’s context as illustrated below: (see Harriott and Matthews, 1998; Ravetz, 2001)

Challenges facing housing managers in the first decade of the 21st century….. will require housing managers to have a good understanding of the past in order to inform their future actions. (Harriott and Matthews, 2004:3)

Social housing management has been defined as: ‘…the set of all activities to produce and allocate housing services from the existing social housing stock’. (Priemus et al, 1999: 211) and ‘…the management of organisations and people to deliver services to customers’. (Walker, 2000: 281). As Kemp (1995: 782) notes, ‘housing management is a complex and heterogeneous service’. Clapham and Franklin (1997: 1) observe that although the occupation of housing management has existed for over a century, ‘it has never received an adequate definition, and its scope and emphasis have varied over time’. They go on to note that there has been relatively little academic/researcher interest in housing management per se, and very limited use of and discussion about the applicability and potential for the sector of management theory/thought/ as understood in the mainstream academic literature. The focus of interest has continued to be on the ‘task-based nature of housing work’ (Walker, 2000: 284). Clapham (1997: 769) has noted that the ‘general management literature is not well known amongst housing managers and is not included in the syllabus for the professional qualification. There is a little application of the general literature to the housing context’. Perhaps the closest the social housing literature comes to the latter is in the current debate about professionalism in housing management, partly influenced by the discussions around the impact of ‘New Public Management’ (NPM). As Walker (2001: 283) has noted: ‘Housing Management developed as a public sector profession much later than many of its counterparts and its claim to professional status has always been weak.’ Clapham (1997) argues that the lack of research into the management of social housing organisations has in turn exacerbated its already weak
professional status. Mullins et al (2001) discuss changes at a sectoral and organisational level and this will be discussed further in a later section. Before we move on to review the key contextual changes which have occurred in the social housing sector in recent years, it is important to briefly say something about the theoretical perspective on organizational change which has informed our analysis.

**Studying and theorizing organisational change**

The perspective on change which we draw upon has in summary terms been referred to as a ‘contextual/processual’ approach to the study of change. We now outline what this involves.

Andrew Pettigrew has commented:

> …the real problem of strategic change is anchoring new concepts of reality, new issues for attention, new ideas for debate and resolution, and mobilising concern, energy and enthusiasm often in an additive and evolutionary fashion to ensure these early illegitimate thoughts gain powerful support and eventually result in contextually appropriate action (1985: 438).

And Pettigrew and Whipp (1991: 30-31)

> …it is the limits to managerial action which are as telling in understanding the outcome of strategic changes rather than the assumed width of their discretion. Many views of strategy and competition emphasize the complexity of the firm’s environment. We give equal emphasis to the intricacy not only of the environment but also of the firm itself. The processes by which strategic changes are made seldom move directly through neat, successive stages of analysis, choice and implementation. Given the powerful internal characteristics of the firm it would be unusual if they did not affect the process: more often they transform it -seldom is there an easily isolated logic to strategic change. Instead, that process may derive its motive force from an amalgam of economic, personal
and political imperatives. Their interaction through time requires that those responsible for managing that process make continual assessments, repeated choices and multiple adjustments.

Pettigrew’s strategic change model can be expressed summarily as comprising three main dimensions: contexts (the ‘why’ of change), content (the ‘what’ of change) and process (the ‘how’ of change). Contexts refer to both the ‘outer’ social, economic and political external contexts, and ‘inner’ or internal contexts of the organization; the latter can be broadly defined as comprising the so-called ‘softer’ dimensions such as culture(s), meanings, orientations to work and employment, and the ‘harder’ structural, job design and working practices, etc. dimensions. ‘Content’ refers to the nature of the changes taking place or intended, such as quality management, corporate culture, and technical change, whilst ‘process’ refers to the means of change-communication programmes, training and education, negotiation (in both the more specific employee relations sense and a wider sense, not necessarily involving collectivities), consultation, cooption, etc.

Pettigrew emphasises, on the basis of his findings from his ICI (Imperial Chemical Industries plc) studies and other later case studies, the importance of simultaneously addressing and managing all three main strategic change elements, linking one to the other- for example, attempting to mobilize support for change through appealing to contemporary changes in the organization’s contexts, such as the moves of competitors or the (changing) demands of customers. Internal change should not be seen, however, as merely or only a response to outer context changes, for managerial perception, choice and action are equally important. At the same time, however, it should be remembered that the influence of external contexts varies, but can be significant.

For Pettigrew, then, change is an ‘untidy cocktail of quests for power, competing views, rational calculation, manipulation, combined with subtle processes of additively building up a momentum of support for change and then vigorously implementing change’ (1985: xviii). Five key factors for ‘managing change for competitive success’ are identified- Environmental assessment;
Leading change; Linking strategic and operational change; Human resources as assets and liabilities; Coherence. Each factor has between seven and ten components or ‘primary conditioning features’, which must be in place for the ‘secondary actions and mechanisms’ to take effect. This can be illustrated by taking environmental assessment - the primary conditioning features are: (i) availability of key people; (ii) internal character of the organization; (iii) environmental pressures and associated dramas; (iv) environmental assessment as a multi-function activity. The secondary mechanisms are: (i) role of planning and marketing; (ii) construction of purposive networks with main stakeholders; (iii) use of specialist taskforces.

As Buchanan (1992: 96) has observed ‘the argument turns on the ability of an organisation to integrate action across these five factors over time. Timing is critical (in the sense of) the need for the appropriately phased implementation of primary and secondary features. The key factor in the model is therefore coherence’). Coherence is defined by Pettigrew and Whipp as ‘the organization’s ability to hold a firm’s strategic thinking together, while at the same time carrying out the reshaping and adjustments which new or emergent strategies demand’ (1991: 243).

Why is the focus on process seen to be so important? The answer in essence lies in the exigencies of implementing change for, even if the means of doing this could be clearly specified and controlled (which is extremely doubtful), the responses of employees are unpredictable, there are always new challenges emerging, unintended effects, compliance, commitment and opposition from all parts of the organization, and unexpected developments both within and outside the organization. Whilst these responses and changes may be of an incremental nature, when they are added up they may have significant implications for the organization.

Whilst Pettigrew’s is perhaps the best known and most influential emergent-contextual-processual change model, it is by no means the only one. Dawson’s framework (1994; 2003a; 2003b; see also Preece et al, 1999) has much in common with Pettigrew’s. He identifies three main timeframes associated with organizational change: conception of a need to change; process of organizational transition; operation of new work practices and procedures. Dawson emphasises
that the above should not be read in a rational-linear way, and that change should be studied as it unfolds over time. A recognition of the need for change may come about as a result of external or internal developments (‘reactive’), or be the result of a recognition of a need to change to meet anticipated pressures (‘proactive’). Managing the organizational transition ‘will comprise a number of different tasks, activities and decisions for individuals and groups both within and outside of the organization’ (Dawson 1994: 37). At the third stage ‘a number of novel developments or contingencies may arise which may compromise the “success” of management’s implementation strategy, as a result, this may cause conflict and confusion among staff and management and threaten the establishment of new working relationships’ (ibid.: 40). Dawson further distinguishes between what he terms the three major ‘determinants’ of change, which are then located in his temporal framework: substance, context and politics of change. The former can be read as Pettigrew’s ‘content’, whilst the latter is a specific instance of ‘process’. It is worthwhile pointing out that the ‘politics of change’ can occur at various locations both inside and outside the organization, and involves consultation, conflict, negotiation and resistance. Finally, we may note that Dawson argues for a decreasing influence of external factors, and an increasing influence of internal considerations as the organizational transition unfolds, albeit that the strength of these influences will vary across different organizations and within given organizations over time (1994: 46).

The next section of the paper draws upon the processual/contextual change perspective in overviewing some key changes and developments which have taken place in the social housing sector in recent years.

**Change in Social Housing**

What is happening in social housing on the ground? There is a very limited amount of empirical material, as we noted above (see also Talbot, 2001; Mullins et al, 2001). However, from the 1980s the ‘New Public Management’ debate has stirred up some controversy and disagreement
regarding the role of the housing manager. What can be said with confidence is that an extensive amount of outer and inner contextual change has occurred, with a range of linkages evident between the two, and the changing political (outer) context has been particularly influential and important in triggering internal change and restructuring.

Mullins et al (2001) have identified three main changes (or ‘facets’, as they prefer to call them) associated with the modernization of social housing: (i) the redefining of social housing organisation roles and responsibilities, (ii) an increase in the number of partnership arrangements, which have changed the nature of the outer context, (iii) activities which cross public service boundaries, for example between health services and housing. The latter have been associated with new financial and structural arrangements, which have in themselves amounted to significant organisational changes, and have in turn triggered other inner contextual changes.

Other triggers for inner contextual change include changes in governmental welfare policies, and demographic, social and technological changes (Berg, 2006, Murie 1997). It is government policy changes, however, which have been most influential in (re)shaping social housing in the UK. The government has stated that, by the year 2010:

> Everyone should have the opportunity of a decent home at a price they can afford, in a place in which they want to live now and in the future, that promotes opportunity and a better quality of life in a secure and attractive environment. (Communities and Local Government website http://www.communities.gov.uk/housing 5th May 2008)

Councils and housing associations (social housing providers) have been challenged to achieve this standard, and various means of raising the necessary finance to achieve this have been outlined by government. As a direct result a variety of types of social housing provider have emerged in the UK, whereas in New Zealand “the creation of new forms of housing provision,…as yet have not emerged” (Thorns, 2000:137).
Whilst the main impetus for reform has come from the New Public Management, which dates back to the late 1970s under the then incoming Conservative government, there is disagreement as to when public services reform first emerged (Butterfield et al., 2004). Walker (2000: 286) has stated that ‘…it is important to stress the ongoing attempts to reform public services since the mid-1960s to increase the level of management within services.’ Similarly, the reform of public services in New Zealand and Australia can be traced back until to at least the 1980s, when the NPM began to feature (Groot and Budding, 2008). Groot and Budding (2008) note that in New Zealand the government adopted a centralised approach to introduce changes; it is worth noting that, as countries faced different challenges, it is hardly surprising that somewhat different stance is adopted.

New Public Management involved the introduction of private sector management practices into public service provision. Walker (2000) talks about the impact this has had upon social housing in terms of what he calls the ‘sectoral domain’ and ‘the practitioner viewpoint and managerialism’. The former is to do with the changing nature of social housing, as discussed earlier, and the second can be illustrated by the appointment of managers to senior posts in the public sector who lack previous experience in that sector. He claims that ‘new management practices together with ongoing sectoral restructuring has served to create a more uncertain organisational climate and one based around ongoing change’ (2000: 291), and goes onto note how externalisation and managerialisation have had a profound impact on social housing in terms of the (changing form) of the management of local authority housing and the mode of ownership. Walker sees the former (‘externalisation’) occurring at a number of levels. Firstly he links changes that Conservative governments have introduced, such as the ‘Right to Buy Scheme’ (where council tenants were given the power to buy their rented homes from the council) with CCT (Compulsory Competitive Tendering) of housing services to other (non-council) contractors. Then, moving into the late 1980s, the enhanced role of Housing Associations in the provision of affordable homes. A number of Local Authority departments voluntarily relinquished their housing stock over to such
Associations. From the late 1990s, the Housing Associations themselves faced major upheaval due to extensive merger and alliance activity (Mullins and Craig, 2005). Mullins et al (2001: 601) note that the organisational-level responses to partnership working have been both ‘sophisticated and far more diverse’, citing examples of the formation of coalitions and alliances, as well as the formation of inter-organisational project teams, networking, and the creation of ‘arms-length’ agencies. In this ‘cross-professional and inter-organisational working’, private-sector originated managerialism and strategic management are seen as central to organisational effectiveness. As to the quality and impact of these managerialist practices in social housing organisations, there exists sparse but conflicting evidence, albeit rather dated (Clapham, 1991; Maclennan et al, 1989), but Clapham et al (1995) and Walker (1998) have felt able to claim that large scale change has not been well managed in social housing.

With regard to Social Housing in Australia and New Zealand our secondary research has to date revealed that, in so far as the matters concerned, the focus appears to be much more upon the implications of change for the client/customer, rather than the producer/service provider, as our work will hope to highlight (Thorns 2000).

**Conclusion**

The debate around change and restructuring in social housing has to date been dominated at one level by a macro-level polemic associated with the so-called ‘New Public Management’, and at another by assertions about the ‘new managerialism’ to be found in the sector. What is largely missing is a theoretically and empirically-informed detailed examination of the inner-contextual responses and implications to the changing outer contexts. This, in our view, requires a much more sophisticated perspective and cognate methodology than has hitherto been deployed to examine organisational change in the sector. In order to capture the complexities, nuances, and internal political behaviour, and matters such as collective mobility projects, the
professionalization agenda and motivation, the nature of the ‘new managerialism’ and its sensemaking implications, then a longitudinal, in-depth, study is required, one which, inter alia, involves contact with a range of actors and repeated visits to given social housing organizations, where a variety of methods are employed to ‘capture’ empirical data, including interviews, participant observation, documentary analysis, and focus groups.

This constitutes the next stage of our research project which will begin in the autumn of 2008 with the collection of primary data. So at the time of the conference in December 2008 we will be in a position to present further findings.

References


