The Governance of Quality: The case of the Specialist Care Organization

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Abstract

This paper describes a two-year intervention within an organization providing residential care for men and women with mental health disabilities. This intervention took place during the time when the UK Government was engaged in de-institutionalisation, making the transition to Community Care and instituting internal market reforms. The paper draws conclusions for consulting practice in the light of events during the course of the following five years. The intervention itself was concerned with supporting changes in the way the work of the organization supported the lives of its residents.   Three issues emerged from this intervention: firstly, the nature and complexity of the client system in its context and the challenge this presented; secondly, the consulting approach involved in responding to this challenge, and thirdly, the implications the approach had for the governance of the client system. The paper's conclusion considers the implications of the change in the relationship to anxiety that was being expected, and the kind of courage that this demanded.

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Preface

This paper describes my consultancy to a British not-for-profit organization, which I shall call the Specialist Care Organization (SCO). SCO was set up to manage the transition out of the public sector of seventeen managed houses. These houses provided accommodation and care for adult men and women who had severe learning disabilities, were chronically mentally ill, or who were elderly and mentally infirm. The consultancy arose out of prior consultations between Barry Palmer(Palmer 2000; Palmer 2002) and the Chief Executive of SCO. During the course of this consultancy, Barry also undertook supporting interventions with sub-systems of SCO during the consultancy. The work was carried out between May 1994 and March 1996. The text in italics was written by the Chief Executive of SCO:

> *The entry of Philip Boxer into the consultancy relationship between Barry and myself marked a change in the way anxiety was to be understood and mobilised in the organization. Historically, anxiety had been perceived as a personal response, in part reflecting concerns in the organization that could be articulated and worked with via a process of interpretation.*
>
> *Working on this basis, this consultancy would say something about me, about me in the role of CEO, and in the light of all that, about what might be going on in the organization. The underlying assumption was that relief from this anxiety, gained through the consulting process, would make it easier for me to be a decisive and effective CEO. In general terms there was an unspoken contract within the organization between employee and employer that this anxiety would be kept to a minimum.*
>
> *The work with Philip and Barry was to raise a fundamental question about this – in fact to turn it on its head. For whom had this way of managing and understanding anxiety been? Was there a sense in which the organizational systems (e.g. line management, supervision, care planning) designed on the back of this assumption had been for the benefit of staff? Insofar as this proved to be the case, then interpretations about what was going on were likely to be used to reinforce the culture surrounding the implied employer-employee contract, rather than to 'out' it for critical evaluation.*
>
> *The ethic of the intervention then, as it developed, was to provide an infrastructure and explanatory text which could support a different way of working with anxiety – a way of working with anxiety that was mobilised primarily to transform the experience of SCO's clients rather than to limit the exposure of its staff.*
>
> *Throughout the rest of this paper, I have interspersed some comments in italics which I hope will enable you, the reader, to retain a perspective which reflects something of my own experience.*
>
> *Chief Executive Officer*
> *22nd April 1997*

Introduction

A letter to house staff

Rather than lead you circumspectly into this work, I shall parachute you into the heartlands. Here is part of a letter from Barry Palmer to the staff of one of the houses in 1995, in which he summarised what he had been told in a series of one-to-one conversations with five members of staff.   He had been asked by the manager of the house to give the staff an opportunity to say what they wanted from their management in order to be able to meet the needs of the four male residents.   These men had been resettled from a large institution, Greystone Manor, into a three-story terraced house in a lower middle-class neighborhood.   In the discourse of residential social work, they had varying degrees of learning disability and exhibited challenging behaviour.   The names used here for the men and their former home were fictitious.

> "You are aware that these four men - Ahmed, Robert, Tom and William - are more alive and less conflicted when they are doing what they want to do, exploring new places, doing new things, and meeting new people. And you have found that most of the opportunities for this are outside this house. This house is of course an important place for them: it provides safety, company, care and the necessities of life, in a more personal way than was possible in Greystone Manor. You are good at providing a home for these men which is not like Greystone Manor, but if they are confined to the house for too long, they become bored, irritable, depressed, passive, and dependent, as we do too under similar circumstances, and sometimes they become violent. (Their challenging behaviour may be a sign of life. They are still able to express their anger at the restrictions under which they have to live). So all of you talked about the importance of being able to go out with clients, on day-to-day errands, on trips and expeditions, and for longer holidays. This is good for various reasons, but most importantly because being confined in the house increases their disability: it "makes them worse". It also undermines your expectations of them, so that you come to think of their character and behaviour in the house as normal for them. One obvious restriction on your scope for going out with them is the number of staff available. So all of you also talked about being understaffed. If there are only, say, two people on duty at a particular time, there is limited scope for working with clients, inside or outside the house. It is only too easy for everyone to be fully occupied, dealing with the demands of the house and the sponsoring organizations, and escorting residents on routine trips to the day centre, the post office, the hospital and the shops. It seems to me that the restrictions of being short-staffed are real and require attention. But you are drawing attention to a more profound challenge. This cannot be met simply by appointing any number of additional staff. The challenge is:
>
> – how to create conditions for these men, in which they are free to explore and discover what they want, what they like, what they can do, and what they have to give;
> – and how to do this within the constraints of their own physical and mental limitations, and within the constraints of the world they live in.
>
> As you are well aware, the world in which your clients are required to live - the house, the neighbourhood, the society, the economy - are in many ways unfriendly to them. This fact, as well as their disabilities, makes the challenge what it is. It is of course a challenge not only to the staff of the house, but to SCO, to the Health Trust, and to the society we all represent."

This letter encapsulated several elements of the larger intervention.

i.   The letter is an 'interpretation', in the sense that the meaning every listener makes of what he or she hears is an interpretation (taken up on Part II).   And no staff member said all this - the interviews lasted a total of five hours or more. But everything that was said in the letter had been said by staff members. Thus the 'interpretation', although shaped by the

way Barry Palmer sought to understand what was 'going on' in Greystone Manor and by his own desire as a consultant, was in essence a re-punctuating of their own words.

ii. The letter implied a direction: towards enabling the residents to engage in the process of determining the future organization and practice of the house. It was not actually written in the form of a statement by the residents, although it could have been.   But it reformulated as a conscious proposition the awareness of some staff members: that Ahmed and the others were more lively and more content on expeditions outside the houses; that the men wanted conditions in which *they were free to explore and discover what they wanted, what they liked, what they could do, and what they had to give;* and that the life of the house, on which the staff expended so much labour, could not on its own provide this. In fact it *'made them worse'*.   No one said this 'out loud', but the consultant had a go at articulating what could not quite be said within the discourse of the house.

iii. It was not possible to say whether this letter *per se* was effective in situating this implied direction for the task of the house staff within their ongoing conversations about their work.   When Barry Palmer met the house manager to discuss the report she made no reference to the above statement, and Barry left without having drawn attention to it himself. Neither was apparently willing at that moment to admit the implied re-evaluation of the work of the house into their conversation. This direction was nevertheless congruent with the direction of change being addressed within SCO as a whole.

How, then, did this letter fit within the context of the larger intervention?

> *Barry's letter to the house manager captured the whole challenge – to bring together what the staff had said but had not brought together as a coherent statement. What the staff could not say was what they had been told to keep secret from SCO managers: that one client had a criminal history and another had been abused in the hospital where some of the staff had worked.The confidentialities in this situation meant that Barry could not talk with the house managers about the letter, I could not talk to my managers about competence, and the clients were not in a position from which they could influence what was being done 'for' them either by the house managers or by the staff.*

The client system and the challenge of the intervention

SCO was an organization which was, as its name implies, set up jointly by the local Health Authority and the local social services department, to manage the transition of the seventeen houses into the not-for-profit sector, and to provide professional oversight of staff who were initially still employed by the Health Authority. The CEO had been appointed as Acting Chief Executive after less than a year with SCO, after his predecessor had been abruptly suspended and then dismissed.   The CEO had no previous management experience, having started life as a mental health nurse and subsequently worked as an internal consultant within a Health Authority, during which time he had met and entered into a series of consultations with Barry Palmer, which continued into his time with SCO.

The CEO inherited a tangle of problems, which included the whole problematic of Community Care, its funding, and its relationship to both the Local Authority and the Health

Authority. 'Community Care' was the whole process of de-institutionalization put into law by the National Health Service and Community Care Act 1990, which introduced an internal market. This process made the state an 'enabler' rather than a supplier. The demise of the previous Chief Executive was symptomatic of this tangle in some way, even though the suspension and dismissal came as a result of a lack of performance in the job.

In the first months of his appointment the CEO not only used the consultations with Barry Palmer to examine these problems, but also to articulate his concern for the clients of the service for which he was responsible.   He imagined one of them on their deathbed, looking back over their life and asking 'What the f*** was that all about?'. The question of the good of the client was thus explicit in the CEO's leadership from the beginning.

The challenge of the intervention was that the CEO needed a strategy for the development of the organization and services of SCO as a totality. This challenge had two aspects: firstly establishing processes whereby the organization could address the good of its clients one-by-one; and secondly, doing this in a way that secured SCO's long-term viability. At Barry's suggestion, the CEO engaged me as consultant. What follows is a selective track through an intervention which, for the purposes of this paper, started in May 1994, and ended formally in March 1996, although informal contact continued.

Key events in the intervention

The initial process of the intervention involved a number of phases of work, punctuated by what appeared in retrospect as key moments:

- The initial process of engagement (May to August 1994):
    - **Interviews**: Meeting with 5 individuals, both from within and outside SCO, involved with different aspects of the charity's work.
    - **Workshops**: meetings with the senior staff, formulating initial hypotheses around dilemmas and development challenges confronting SCO, and exploring issues around cost structures, organization and constitution.
- Tackling the basics (September 1994 to March 1995). This period culminated in the CEO's confirmation as Director by the Trustees.
    - **Systems**: The role of IT and the development of a strategy for developing IT systems.
    - **QAGs**: The setting of four levels of development agenda in terms of 'Quality Assurance Guarantees'. Negotiation of QAG I and QAG II.
    - **House Managers**: Enabling the managers of the houses to begin to develop their own voice and position in relation to senior managers. This laid the foundations for a different kind of working relationship with House Managers; and a recognition of their need to be able to hold problems which they had not got solutions to instead of pushing them up the hierarchy as a 'crisis'.
    - **Activity Based Costing**: an examination of how the way costs were analysed could be aligned with the 'logic' of the actual activities in the different kinds of house. This was an approach to analysing costs which looked at overheads and indirect costs from the point of view of the activity, rather than vice versa. It was therefore consistent with what I later called an 'edge-driven' approach, as

distinct from the top-down approach of absorption costing (Johnson and Kaplan 1987).
- o **Constitution**: how could the constitution be modified to make it more congruent with a needs-driven culture?
- Beginning to develop a third level of Quality Assurance Guarantee (QAG III), culminating in a re-organization. (May to October 1995):
  - o Development of the 'red route' and 'green route' concepts of organization, and implementation of the 'green route' model.
  - o Examination of authority issues in relatedness between the CEO, Barry and myself: what was the ethic of our mutual engagement?
  - o Conversations with the staff of one house, leading to the letter quoted at the beginning the Introduction, and with the CEO about what kind of concept of 'the clinic' lay at the heart of SCO's work.
- Working with the forensic process, (November 1995 to March 1996)
  - o **Establishing Service Management Meetings**: <u>Forensic Process</u> emerging in the Houses. This was a process which built on Barry's work and was aimed at 'outing' the assumptions that drove the way SCO habitually responded to its service users.

Subsequent Developments

During the remainder of 1996 and into 1997, a number of financial and operational issues had to be addressed culminating in a business plan being agreed with the Trustees for 1997 to 2000. At the heart of this plan was agreement that SCO should develop as a demand-led service.

The issues surrounding this approach came to a head in 1998, during the course of which there was a police investigation of misconduct in one of SCO's houses. This led to the development of a Handbook for House Managers which became agreed policy by the end of that year. Concurrent with this, the expected changes in the way the Government commissioned Community Care began to impact on SCO, clients being expected to become more actively involved in defining their own care needs rather than being defined by the houses providing the services. The result was a need to establish a new business plan going forward based on policies appropriate to the new environment:

- Business Planning process, which involved facing up to the 'crunch' of how to secure long term viability in an environment in which there was increasing variation in the services needed by clients (May 1999 to November 2000)
  - o **Examining the 'competitive environment'**: who was SCO competing with, and on what basis could it remain viable given the change in funding?
  - o **Governance by the Trustees and Management Team**: what changes would be needed in the relation between direction and management in order to run the organisation in this new environment?

A proposed plan was put forward at the end of this period based on three business units oriented to the emerging commissioner demands. This changed organisation was needed both to reduce the cost base in the new environment and to deliver on becoming a demand-led service. At this point, the Trustees embargoed any further use of external consultants, and asked for a detailed business case for the proposed new structure. This was delivered in

January 2001. Not long after this, the heads of Human Resources and Finance left, followed shortly after by the CEO. In 2002, SCO was subsumed within a charity of which SCO's Trustee Chairperson had been a Director since 1991. This charity was then taken over by another care service provider in 2005, within which some of SCO's houses continued to provide residential care.

In what follows, Part I describes the approach taken to developing the QAGs and the nature of the process by which these QAGs were realized. Part II then describes the governance issues that emerged in the period leading up to 2001. The conclusion then draws out the implications of what was learnt for consulting practice.

Part I – Intervening in practice

The initial process of engagement

In the initial workshops, I worked with the senior staff to articulate critical dilemmas that they encountered in managing SCO. The origins of this approach lay with the Milan method and the epistemology with which it worked (Cronen and Pearce 1985). A dilemma is a strange loop with the characteristics of a 'moebius strip', directly affecting strategic behaviour (Hampden-Turner 1990), which can be elaborated in terms of an impossibility around which behaviour oscillates.

The dilemmas facing senior staff were formulated in terms of two mutually exclusive propositions which offered alternative resolutions to the situation in which the dilemma was encountered. Proposition could be an explicit ideal or policy but could also be undeclared and implicit (Argyris and Schon 1978). Staff were said to be caught in a dilemma when they found that acting upon either one made them vulnerable to contravening the other. The value of this type of analysis was that it provided a framework within which senior staff could discuss their acutest worries, opening up impossibilities or gaps in their current conception of SCO. The first workshop identified the following dilemmas that captured something of the difficulties faced:

- 'We are crisis managers of a process of transferring staff into the private sector' (our history) *versus* 'We are managers of an organization delivering particular kinds of care into the community' (our future).
- 'We are running a room-centred service' (health service culture) *versus* 'We are running a person-centred service' (local authority culture).
- 'We manage through exercising control' *versus* 'We manage through creating collaboration'.
- 'We are managing assets' *versus* 'We are managing care'.
- 'We are driven by the demands of complying with regulations' *versus* 'We are driven by the real needs of residents'.
- 'We will bring about gradual change' *versus* 'We will bring about step changes'.
- 'We are aiming for independence and autonomy as an organization' *versus* 'We are going for 'cover' within the local [community care] cartel'.

Surfacing these dilemmas, and the feelings surrounding them, enabled senior staff to identify the position SCO habitually took, whether implicitly or explicitly. This laid the

foundations for considering how they could develop new ways of working together that would be better able to 'hold' these dilemmas.

Distinguishing the 'red' and 'green' routes

The second workshop pursued the question of how dilemmas could be held. It closely examined the technologies of care, work group processes and formal organization of SCO from the point of view of one of the houses. This analysis led to the formulation of two alternative architectures for the governance of SCO, which were referred to colloquially as the 'red route' and the 'green route'.
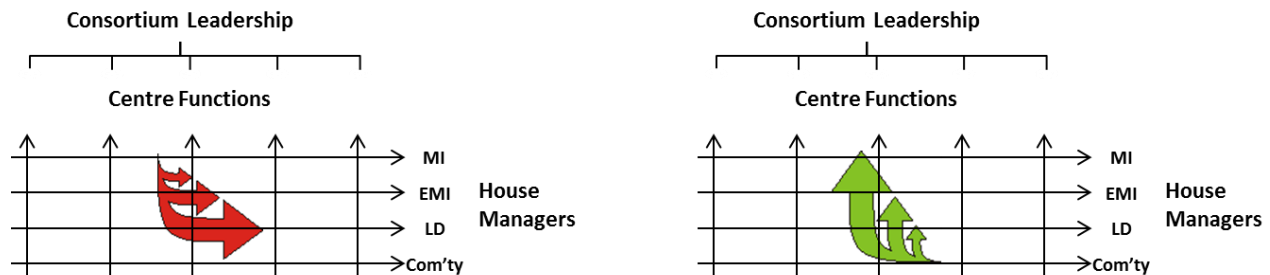
Figure 1: vertical (red) and horizontal (green) axes of accountability

- The vertical axis had the center-based functions of: Advocacy; Intensive Care, Training and Development; Support Services; and Compliance.
- The horizontal axis comprised the House Managers, grouped according to the major types of service being provided by them to their clients: Mental Illness (MI); Elderly Mentally Ill (EMI); Learning Disability (LD); and Community Team (a team serving clients living independently).

The 'red route' reflected the existing governance system and was dominated by the vertical axis, in which the house managers were subordinated to the center-based functions. The 'green route' represented an alternative to this approach and was dominated by the horizontal axis, in which the House Managers had direct access to the Chief Executive, and the centre-based functions were there to provide services in support of the services provided by the House Managers to their clients.

This second workshop led to a commitment on the part of the senior staff to move towards a 'green route' approach to governance, in which the interests of the horizontal axis could become dominant. This was felt to be necessary if the needs of the residents were to be given priority in the design of services. This in turn led to the development of Quality Assurance Guarantees.

Quality Assurance Guarantees

The senior management team agreed, in the light of the Community Care Act, that the essential purpose of SCO had to be to help the residents migrate through the care regimes it provided towards the greatest possible autonomy. One of the first issues to be tackled, therefore, if the change was to be sustainable, was that of the standards of performance which would be required of different parts of SCO in support of this migration. Quality Assurance Guarantees (QAGs) were evolved as a way of giving practical form to the process of developing quality.

A <u>QAG</u> was a promise or commitment by one part of the organization to another, to deliver its services in a specified way and to standards (of speed, accuracy, etc) agreed with the recipient (Hart 1995). Four levels of QAG were identified by SCO, to be fleshed out and introduced over a period of time. These QAGs were based on making two kinds of distinction: firstly, between distinct behaviours and the relationships between those distinct behaviours, and secondly, between supply-side and demand-side definitions of how behaviours were to be aligned to the demands of clients. A key insight was that the Type II supply-side combinations of behaviours by a supplier became the Type III distinct behaviours that were the building blocks of alignment on the demand-side. This would later raise key issue for SCO about how its Type I and Type II services should be defined:
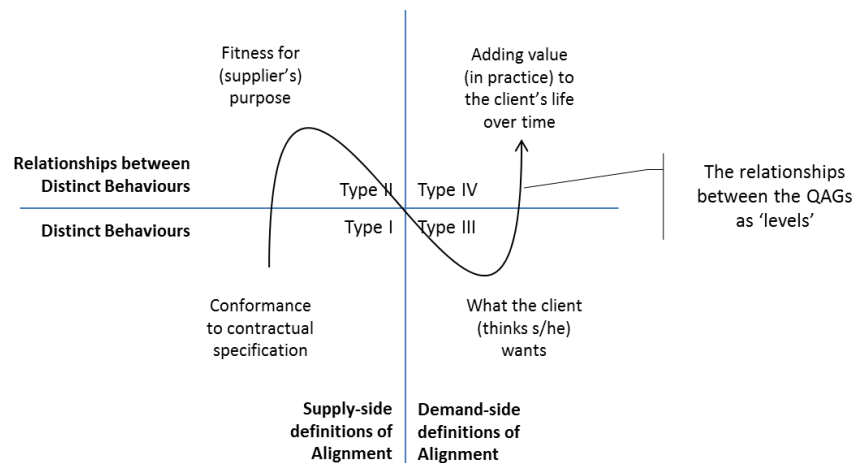
Figure 2: The Quality Assurance Guarantees and the relationships between them

Thus each QAG implied different assumptions about who was the recipient and who was the provider of a service, and what governed the way the service should be provided. These assumptions about the purchaser-provider relationships associated with internal markets made it possible to give greater priority to the relationship between residents and their communities. The QAGs provided a means of measuring how far the different parts of SCO were able to go in supporting the migration of its clients towards the greatest possible autonomy. The four QAGs were:

1. <u>QAG I</u> (between SCO and Government): conforming to the standards of safety, hygiene, care etc laid down by law. It defined the minimum operational requirements.
2. <u>QAG II</u> (between the Centre and the Houses): the Centre provided agreed standards of service to the House Managers and their staffs (e.g. the Personnel Manager specified the period within which advertisements for new staff would be placed, and how the advertisement would be compiled). In arriving at these standards, the Centre had to balance the sometimes conflicting demands upon them from inside and outside the organization, and make them work in the interest of the residents. QAG II defined the minimum levels of efficiency of the Centre.
3. <u>QAG III</u> (between the Houses and their residents): standards of care developed in the houses in response to residents' needs, as conveyed by care staff to House Managers and thence to the Centre. QAG III included an explicit concept of the role of each house in relation to the needs of its particular residents.

4. <u>QAG IV</u> (between residents and their communities): standards of work by all the staff of SCO, in facilitating the process by which it anticipated and responded to the changing needs of each resident, as he or she articulated them. Strictly, each resident's 'community' was different and dynamic: it included his or her family and friends, and all the people and institutions in his or her life space. Ahmed's community included the local College of Further Education, in which he was enrolled on a cookery course.

The development of SCO's ability to sustain this progression of QAGs became a core concern of the CEO and senior management.

> *In the transfer of staff and gearing up for market change, the risk had been to lose sight of the purpose: to migrate people closer and closer to their communities or to live through to the end of their lives in a way that respected who they had been. I think there was a struggle a few years ago when staff collectively attempted, albeit unconsciously, to keep their frames of reference intact. They had already had to move from the hospital to the community. A second move into SCO must have felt like a move too far.*

> *Behind this human struggle there was another one going on. Patients had moved into community based housing. But such was the preoccupation with staff anxiety that it was difficult to engage with the client's experience. Simply working with staff anxiety and thinking this would change client experience was a belief rather than an observable reality.*

The authorisation of the consultant

For SCO, the critical factor determining what it was possible to do was not its formal organization or constitution, though these had limitations, nor the defences which the staff had developed to contain the anxieties of the work, though it was possible to articulate the organization as such.

The critical factor was the axiomatics of SCO's discursive and non-discursive practices (Foucault 1972; Argyris and Schon 1974; Dreyfus and Rabinow 1983): the axiomatics underlying the way management and staff conducted their conversations and evoked the 'realities' with which they had to deal. People had invested themselves in these axiomatics to the extent that SCO's task structures acted as a support to their personal identities. Barry's letter was a glimpse of how difficult it was to bring new distinctions into these axiomatics, working through the way the house staff understood the mostly non-verbal communications of their residents. The approach developed was to form the basis of a reflexive way of working (Boxer and Eigen 2005).

Taking up an orthogonal position

The following dialogue was extracted from interviews with the CEO at that time (Du Ry 1995), conveying something of the approach taken to the CEO's axiomatics:

> CEO: "*One of the things in looking for a consultant was that I felt I couldn't capture what felt like an enormous task, I didn't have the language to make sense of it, and one of the things I was immediately confronted with by Philip was his language*". A key part of the approach was a theory of speech and discourse and their role in organizations. CEO: "*He stressed the importance of*

conversations, and the positions people would take in relation to them, especially ways of improving the quality of conversations and getting clarity about who needs to talk to whom about what."

The CEO found that this: "*supports this idea which I've always believed in, that there have to be lots and lots of stories about what is going on*." This involved not shying away from "*uttering the unutterable, of what is not being said, which Philip could do, and then just standing there, of being there to live with it, dealing with the projections that arose, working them through, it was good to see him do that*." It was an ethic in which interpretation aimed at action, not just understanding.

The CEO felt that as an ex-Tavistock person and consultant he was often only concerned with finding the right interpretation. The problem for the manager, however, remained performance, meeting the demands of reality. Using this approach, while the CEO struggled hard to take on board new terms, he found that everything sank in after a while, and as it did so, it enabled him to get a new handle on what had previously seemed an ordinary process. Understanding coincided with the actual use of the concepts.

This approach to intervention was based on taking up an <u>orthogonal position</u> (Boxer and Palmer 1994), the position of being in a workgroup while not being part of it, both inside and outside at the same time, called upon by each member to prevent it from getting bogged down in non-work problems. This demanded that the consultant never spoke from a position identified with the interests of SCO as a whole. CEO: "...*this is the 'orthogonal' position that he talks about. And that's where I want him, to be quite honest, otherwise I'm not learning, just getting stuck in dependency, and that's not why I'm doing this job*". The use of this approach, while starting from the identification of dilemmas facing staff, enabled the axiomatics implicit in SCO's practices to be surfaced. This in turn led to a questioning of SCO's existing system of governance.

The approach can be understood in terms of the following diagram, in which a distinction is made between the forward movement through time of speaking, and the retroactive movement inherent in listening to what-is-being-said (Lacan 2006[1966]). In effect, listening imposes punctuation on the chain of speaking:
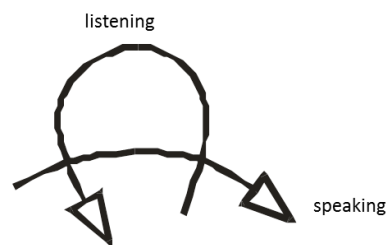

Figure 3: speaking-and-listening

Reduced to its barest minimum, this listening can be said to have the structure of a <u>metaphoric</u> act, in which the listener 'superimposes' meaning on what-is-being-said. In contrast, the speaking has the characteristics of <u>metonymy</u> relative to the listener, insofar as it is always taking the listener outside and beyond the meanings previously constructed (Boxer 1999).

The axiomatics implicit in SCO's existing governance system privileged particular ways of listening, and the aim of taking up an orthogonal position was to emphasise the metonymic over the metaphoric through pursuing the questions of demand on SCO through the articulation of the needs of SCO's residents. Thus while the axiomatics of SCO's discursive practices privileged particular ways of listening, privileging the differentiation of behaviours in

relation to the differing demands of its clients produced metonymic effects on these particular ways of listening (Eigen and Boxer 2009).

Forensic Process

An example of the importance of orthogonality could be seen in the events leading to the letter quoted at the beginning of the introduction. In October 1995, the CEO had asked Barry Palmer to consult to one of the houses. Barry was too busy to do it himself and his first reaction was to propose that another consultant should be introduced.

In his earlier consultations, Barry had been modeling the process of holding an orthogonal position in relation to a group's working with dilemmas, a process which came to be referred to as a forensic process. When he looked back at the interviews with the house managers and the later conversations with house staff, he could see/hear himself doing something which most other people would probably not do. This was hard to characterize, but had to do with listening not only to people's articulate views and feelings, but also for *how* they listened to the clients (Boxer and Eigen 2005). So he was constructing an account of what they (seemed to) know about the clients and what the clients wanted, even though they did not know that they knew this. Barry had been fulfilling a crucial role in carrying a forensic process to the houses by articulating what they did not know they knew about what was implicitly authorised in how dilemmas were held.

In discussion with the CEO and myself, it became apparent that this forensic process of questioning authorisation would be lost if SCO used someone who was unfamiliar with the approach. It was therefore agreed that the forensic process should instead be internalized by SCO. More importantly, however, the importance of this role had been triggered by the interviews with the CEO (Du Ry 1995) in which Barry had role had also remained all but invisible.

This invisibility was linked to the way Barry was keeping confidential his one-to-one consultations with the CEO that antedated my intervention, and which were still continuing. Barry came to see himself as caught in a dilemma that he identified in this way:

> "How was I to talk to Philip about issues which the CEO and I had discussed which I thought were relevant to the consultancy to SCO without destroying the sessions between the CEO and me as a space in which the CEO could feel free to articulate any aspect of his experience of acting as Chief Executive in SCO? Or conversely, how could I provide the CEO with spaces in which he could feel free to talk about any aspect of his experience of acting as Chief Executive in SCO without destroying the collaboration between Philip and me in providing consultancy to SCO?"

Implicit in this dilemma was the question of the CEO's own authorisation and mandate to lead change within the organization. The CEO had been treating his sessions with Barry as a kind of 'safe haven' from the challenges that his work in SCO were facing him with.   At the same time, Barry was acknowledging the importance of the orthogonality inherent in his interviewing role. By extending the principle of orthogonality to his prior role with the CEO, the implications of the 'safe haven' and the problematic basis of the CEO's authorisation to act as Chief Executive became an explicit part of the overall intervention.

> *In my exchange of letters with Barry concerning my request for consultancy, I saw Barry running it past Philip. Philip's response to both Barry and I was to make a distinction between existential and performance anxiety; and to suggest that the*

request could lead to working off a frame of reference that moved further from the 'truth' of the existential anxiety that surrounded working with the client's experience. This was a key moment that went un-celebrated and un-brawled over.

I have to say that at this point I was pretty fed up with the intervention. I was in trouble and it felt that what I got was a kick and a being told that I didn't understand. A low point. The effort of listening and learning the new stuff and translating it into a form that could be understood by others (who I hated a lot of the time because they were using old and known frames of reference) was at times seemingly beyond endurance.

Part II – The governance issue that emerged

When the CEO took over, the way SCO was organized was similar to that of many such organizations in the public and voluntary sectors in Britain. The consultancy was to help the CEO consider changes that would enable the senior staff to develop strategies and working practices that could respond to the new environment of Community Care in which clients were to be responded to one-by-one. The challenge was to do this in a way that was sustainable in the long term.

Responding to clients one-by-one

In order to understand what type of challenge this was, four different aspects were considered:

i. **Demand – what did the client want?** From the point of view of the clients of the service and their families, how were their needs to be understood and characterised? For any of the client groups, a statement of aim like, 'To provide care and accommodation for men and women with learning disabilities', skated across the surface of the problem. SCO needed to provide a way of understanding what, say, an elderly and demented man or woman wanted.

ii. **Vertical accountability.** From the point of view of the need for formal accountability, SCO was situated within a matrix of accountability, which included not just the accountability hierarchy within SCO, but employment relations with other Local land Health Authorities, professional accountabilities within a number of disciplines (e.g. Nursing), and complex legal requirements imposed by Government regulators. Staff, who were working directly with residents, were therefore required to comply with a multiplicity of statutory and procedural requirements. The way they did this functioned as a defence against the anxiety induced by this matrix of accountability (Menzies-Lyth 1988), but the matrix was itself changing. Staff needed to work through how those anxieties were changing, extricating themselves from the deadening effects of the matrix without falling foul of it.

iii. **Role expectations.** From the point of view of managers and staff, what did they need to know in order to be able to monitor the performance of the parts of the organization for which they were responsible, and how could they be provided with access to this information in such a way that SCO could develop beyond functioning as seventeen semi-autonomous cottage industries? For example, the CEO inherited a situation in which, in effect, all income was put into one pot, out of which all salaries and other expenses were

paid. Early on in the intervention, and on the basis of available data, activity-based costing was used to show how different were the costs of providing the different categories of service. Yet referring authorities were being charged the same amount for each service.

iv. **Practical support.** Finally, from the point of view of the working experience of managers and staff, there were many moments in which sophisticated work group functioning was in jeopardy (Bion 1959). These were moments in which they found themselves facing unresolvable dilemmas. For example, the organization defined the residents as tenants subject to legally binding tenancy agreements. Yet the very reason the residents were in the care of SCO was that they were unable to understand or voluntarily conform to agreements of this kind. The staff encountered radical impossibilities at the heart of their work for which there were no practical solutions. It was not helpful to describe how these impossibilities led staff to adopt primitive and dysfunctional mechanisms of defence. SCO needed to develop practical ways of enabling staff to 'hold' these dilemmas.

These four points of view reflected four different aspects of the axiomatics built into SCO's discursive and non-discursive practices, the effects of which were like the normal assumptions of a paradigm (Kuhn 1962). "Governance" was a way of referring to the processes by which these axiomatics were kept in place, and each of these aspects was being challenged by the new environment:

- **Demand:** the dilemmas that SCO faced in achieving its ultimate goal of becoming demand-led in a way that related to the needs of each client one-by-one,
- **Vertical accountability:** the multiple models from 'above' about what SCO should be doing for its clients,
- **Role expectations:** how would staff know that they were 'succeeding' insofar as they responded to what the clients wanted, and
- **Practical support:** the practical support that SCO going to provide given the nature of its funding.

This process for questioning each aspect of SCO's governance became known as a forensic process because most of the answers were 'in the woodwork' and not explicit. What emerged as a result was a consideration of whether alternative forms of governance were needed, capable of being more responsive to what clients wanted. This forensic process produced Barry's letter, in which the first question had a particular force in SCO, given that residents were severely limited in their capacity to articulate demands on their own.

As this work progressed within SCO, therefore, during the following years, a number of new assumptions began to emerge that were crucial to its achieving its goal of becoming demand-led.

The emergent assumptions

The core 'framework' within which the intervention came to be understood was based on the distinction between primary task and primary risk. This schema provided a way of distinguishing the different forms of governance implied by the 'red route' and the 'green route', and involved addressing two particular drivers of change: the extent to which SCO's behaviours in relation to its clients were needing to become increasingly differentiated; and the extent to which this differentiation was dynamic making dynamic alignment of differentiated behaviours necessary.

Differentiating behaviours

Individuals may have depended on an <u>agency</u> to provide them with a paid job and a sense of who they were within their larger world, while the agency's customers were provided with known services. The loss of such a job was expected to cause an individual anxiety, through not having a job, not having his or her work valued, and not having a role in the larger world. In these terms, the organization of jobs within an agency could be viewed as providing a defense against anxiety, not only for the individuals who worked within it, but also for its customers. This was the view of an agency within the Tavistock tradition (Hirschhorn 1988; Menzies-Lyth 1988; Kets de Vries 1991; Obholzer and Roberts 1994; Palmer 2002), which placed the emphasis on the interactions between the defenses and the primary task of the agency as a whole, in terms of which primary task its boundaries were defined. This view was complicated, however, by different customers wanting different services from the agency, so that it had different primary tasks with different customers.

An organization that provided differentiated services had to have a correspondingly more complex way of integrating those services (Lawrence and Lorsch 1969). Based originally on the law of requisite variety (Ashby 1956), the argument was that there had to be a congruence between the forms of differentiation of behaviour necessary for an agency's viability; and the forms of integration of those differentiated behaviours needed to maintain the agency's identity as a whole. The policy of Community Care, focused on individuals' needs, was clearly driving SCO in the direction of increasingly differentiated behaviours.
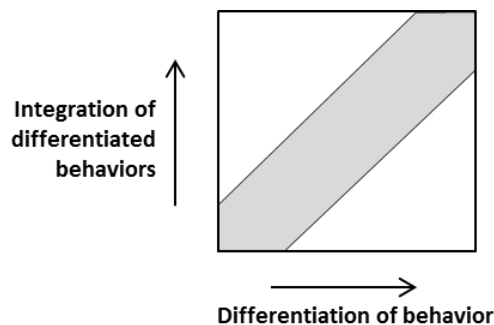
Figure 4: the integration of differentiated behaviours

Dynamic alignment of differentiated behaviours

A further distinction was then over whether or not those differentiated services needed to be dynamic in a way that reflected the changing situations of its client-customers, requiring the agency's services to be dynamically aligned. Different forms of 'causal texture' in the environment could be described reflecting the extent to which an agency had to differentiate its behaviours, three of which could be planned independently of its individual customers but dependent on competitors' responses to essentially stable forms of demand. This was the familiar form of agency defined as a whole by a 'vertical' relationship to a primary task. One environment, however, involved dynamic alignment to changing client-customer situations, called a 'turbulent' environment (Emery and Trist 1965). This 'turbulence' was apparent with SCO's clients, given the multiple and changing needs of their residents, requiring SCO to respond to them one-by-one. An agency in such an environment had to be defined by its horizontal relationships to its client-customer situations (Boxer 2013).

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The changing demands of these horizontal relationships meant that planning could no longer be done in terms of average customers, but had to become an integral part of how each relationship was managed. Referring to a lack of appropriate alignment of services across a boundary as primary risk (Hirschhorn 1997), the dynamic nature of a turbulent environment meant that an agency had to hold a tension between vertical constraints imposed by hierarchy, limiting the ways in which the primary task for any given client relationship could be defined, and horizontal linkages imposed by the nature of each client's situation determining the nature of the primary risk in each case. The result was that an organization was no longer operating in a single environment, but in many different environments across many different boundaries (Boxer 2013b). For example, when local authority cuts led to the closure of day centres in the borough, too restrictive assumptions made by house managers meant that it was difficult for them to imagine any other way of occupying many residents during the day. The forensic process used by the staff within SCO's houses enabled them to think through the obstacles to managing primary risk in order to create new options (Boxer 2013c).

Vertical dominance versus Horizontal dominance

The domain of relevant behaviours by SCO was still defined by the nature of its clients' needs, but the governance of SCO determined the way this tension between the vertical and horizontal dimensions of task and risk was held. This tension could be described in terms of the relationships between four quadrants labelled below as the four points of the compass (Boxer 2013):

North: The larger ecosystem of individuals and organizations within which the agency was operating

East: the client contexts-of-use within which individuals' demands arose.

South: the underlying repertoire of behaviours of which the agency was capable

West: the forms of know-how available for aligning available behaviours to individuals' demands.
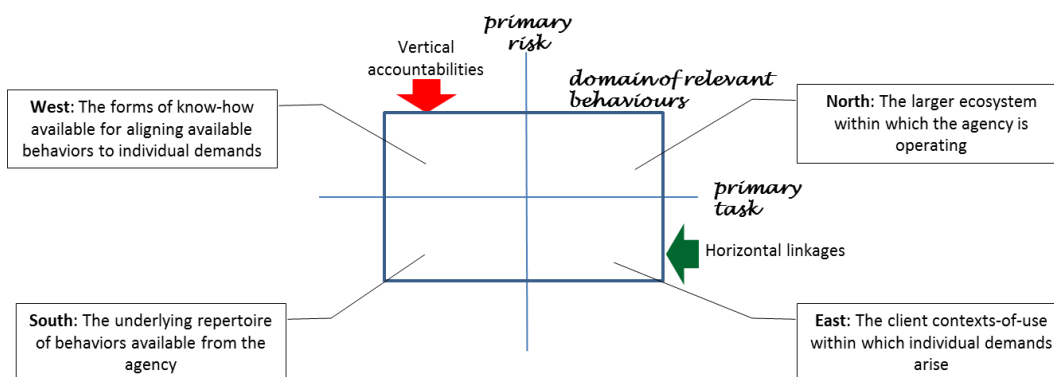
Figure 5: Primary Task and Primary Risk

Thus the question about the needs of the residents in terms of what they wanted from life came from the North ('What the f*** was that all about?'), while the actual demand of a resident at any moment was met in the East, these two quadrants demanding Type III and Type IV responses from SCO in terms of Figure 2. This contrasted with the 'old' way of running houses solely in terms of how the Type I and Type II South and West quadrants were organised.

Viewed in this way, it was clear that the 'green route' required SCO's governance to engage with the dynamic balance between all four quadrants. Solely vertical accountabilities governing how a house should be run would no longer be sufficient once horizontal linkages were needed to each resident's situation. Thus in order to move from the 'red route' to the 'green route', the Trustees needed to authorise a different way of pursuing the vertical-horizontal balance that privileged the horizontal over the vertical.

Confrontation and Resignation

It was in the economic logic of the 'red route' and the 'green route', therefore, that the CEO ultimately encountered the limiting constraint on the change process itself. By 2000, the business planning process had shown that the old 'red route' way of running SCO was no longer viable, as a result of the changes taking place in Government commissioning. If it was to move to a 'green route' way of running, however, it had to increase the scale at which it was operating, taking it well beyond its original geographic scope as a service.

There was an opportunity to do this by merger, facing the Trustees with a whole new set of challenges that up until then had been contained by the CEO and senior staff. This opportunity was declined. The alternative, in order for SCO to remain viable at its current scale of operations, was to reduce the size of its senior management team (SMT). The consequences of this were that the Directors of Finance and of Human Resources had to take redundancy.

The catalyst for the end of the CEO's time in his role was a meeting in one of the services for elderly people with serious mental health problems. The meeting was with the Trustees and the CEO's SMT, to talk about plans to change SCO's governance along the lines of the business plan towards having three business units. During the meeting, the Chairperson challenged the DoF in a way that the CEO felt unacceptable in the presence of staff. The CEO confronted the Chairperson and proceeded to have a row in front of the SMT and staff. Other Board members became involved, but neither the Chairperson nor the CEO were prepared to back down and the CEO tendered his resignation.

The row occurred in the context of uncertainty about the difficult transitions in the economics of the service. In effect, the choice was between following the clients by uncoupling the buildings (of which SCO had many) from the services to its clients, or falling back on providing buildings with services. The Trustees had chosen the latter.

Conclusion

Was this outcome inevitable? In retrospect, the thinking by the CEO and SMT had got ahead of the interests and capabilities of the Trustees. But the choices facing the Trustees only became apparent as the thinking of the CEO and SMT had progressed. The intervention needed to have started where it ended up for there to have been a different outcome.

The outcome was also, however, a consequence of the way the learning was able to be shared with the Trustees during the early stages of the intervention. Here, the 'private space' provided by Barry to enable the CEO to contain his anxiety in his role was also a 'flight to the personal' (Trist 1977), which enabled the existential anxiety facing the organization not to be

shared. The result was that the CEO's learning process was also not shared. Barry's eventual taking up of an orthogonal relation to this work 'outed' the CEO's anxieties, but the parallel process between Barry and myself within the consulting team and between The Trustees and the CEO did not get worked through in time (Boxer and Eigen 2005). The consequence was that when the 'crunch' came as a result of changing commissioning behaviours by the government, the Trustees were unable to deal with it, instead passing the residential care homes to be run within the larger context of a housing association.

It was a matter of courage

The consequences for the consultant of maintaining orthogonality were to take on a level of personal risk that included being called into question as a consultant. It was easier for the consultant to work interpretively within a known framework than have his own axiomatics called into question. Maintaining orthogonality included being prepared to question the consultant's own authorisation and the interests that it served (Boxer 1994).

This approach to Intervention was primarily about being edge-driven rather than centre-driven, the main points of difference being summarised as follows:

Table 1: Comparing Centre-driven and Edge-driven approaches

	Centre-driven	Edge-driven
Purpose	'Working through' anxiety in terms of personal valencies	Engagement with 'gaps' giving rise to anxiety
Object	Anxiety in taking up roles within the Client System	Demands at the edges of the Client System
Method	By Interpreting relation to personal experience and history	By Problematizing relation to demand through examining dilemmas
Focus	Relation to existing governance assumptions	Discursive practices through which dilemmas may be held

Thus, with the centre-driven approach, the aim was to enable members of the client system to contain their personal anxiety in order that they could engage creatively with whatever was problematic about pursuing the agency's primary task. This involved working interpretively to contain and work through the anxieties engendered by pursuing this task. This worked through the personal defences mobilised by the way the agency worked, but did not challenge the organizing assumptions implicit in its existing system of governance.

For the edge-driven approach, the aim was to engage with the gaps emerging in the existing system of governance through examining the dilemmas being faced by an agency's current ways of working in relation to its clients. This demanded courage to face the anxiety aroused in problematizing existing discursive and non-discursive practices. Here the aim was to metonymise along the horizontal linkages to clients' experience both within and outside the organization (Boxer 1999; Palmer 2002). The consultant's job was to enable the interventions to work on the underlying assumptions by maintaining a position that remained orthogonal to the leadership of the agency. The courage that this demanded of the Trustees was to recognise the economic logic of the situation faced by their agency, and holding open the space in which new ways of working could be developed.

Acknowledgement

Glossary

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