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ABSTRACT:

This paper suggests the task strategists now face in further education colleges is to reduce the balance of disadvantage created by increased government regulation. To outline the effect of regulatory compliance on those working in further education colleges this paper focuses on a study of three further education colleges, which monitors the process as they become corporate entities. A comparison is made using a study of a private sector college over the same time period. The research captures the principals' transformation in their management styles, and reveals some information about the depth to which government regulation can penetrate organisational space.

An uncertainty tolerance zone is used as a way of evaluating different, and contradictory, state-of-the-art strategic management approaches. This captures two distinct, polarised, philosophical stances and offers a range of management beliefs. Reviewing management models and methods, five current key factors are highlighted as significant to the management of organisational change in dynamic environments. These five factors are used as benchmarks against which governmental regulation can be evaluated.

The story is told through the principals' perception of their management styles, how they believe their colleges should be managed and the way in which they perceived their organisations to operate. These findings are evaluated against the benchmark. This process is repeated after incorporation and a comparison made. This process reveals an unintended consequence of increased regulation in these colleges is an increase in the principal's risk adverse management behaviour. Using a customer focus as an alternative way forward is explored using the findings from the private sector college. In the final analysis it is argued, the principals' shift towards regulatory compliance renders them less able to manage the competitive environment in which they are now placed. It is argued, the quasi public sector colleges, in particular, are left managing with a balance of disadvantage as a consequence of their regulatory compliance.

A Balance of Disadvantage: an outcome of regulatory compliance in further education colleges.

The part that Government does, should, or could, have in organising social action within a democratic system, has provided a forum for many controversial debates in social policy circles. To accept that a democratically elected government simply exists to serve and act in the public interest relies on a considerable amount of faith in human kind. Nevertheless, some do believe that government decisions are generally representative of the majority's wishes, even though the formal democratic process often involves the polity in indirect decision making, because their views are represented through political parties or interest groups. Any social system, however, can also be viewed as driven by structural power inequalities, where government, state and its institutions simply exist to reinforce that power (Foucault, 1977). At worst, the state could simply serve the interests of the most powerful (Etzioni, 1961).

In one of the early studies of the implementation of Government policy, the legitimisation of the right of Government to act was found to limit its power to move policy making into practice (Hall et al, 1975). Yet, Government may be able to redefine the limits of that legitimacy. If this is the case, investigations in social policy need to help us better understand if, or how, such legitimacy could be influenced or changed.

This paper thus sets out to provide some insight into the depth to which Government regulation can penetrate an organisation's space and influence its systems and practices. The paper follows three further education colleges through the process of becoming incorporated bodies. It tracks the consequences of increased Government regulation within those three colleges on the principals' management styles, and compares this with the management style of a principal in a private college over the same period.

The system of education we know today was set in motion by a coalition government in 1944, who had the vision to create a complex system of state-funded education. Breaking with tradition, Government set in motion what has become an entrenched system of social intervention to right the unfairness of adhoc historical development and to compensate for the economic market system, which had consistently failed to generate the level of trained and educated personnel needed. In the 1980s, however, reduction in state involvement and an increase in market orientation became a significant part of the New Right agenda (Dunn, 1980). Political correctness once again supported the idea of a universal market, subordinating the emotional context that had come to underpin various aspects of welfare provision (Schwartz, 1993)¹. Indeed, it became popular to express contempt for any action based on the belief of the common good; there was a general paucity of moral concepts in the public sphere (Bottery, 1992). Debate in the 1980s was about whether state intervention could be justified on moral, or any other grounds. Central to this discourse was the role of the state and its responsibilities. The 1980s thus became a watershed for the progress of creeping socialism expressed through government interventionism.

New Right philosophy highlighted nationalisation and welfarism as casual to the economic decline in Britain (Tullock, 1993). Nevertheless, rhetoric, led by Mrs Thatcher, did not directly challenge the right to welfare services, adopting a less

¹Schwartz suggests political correctness works by denying the right to privacy and gains power over controversy through the introduction of shame. Failure to conform, he argues, creates a fear in the deviant that something is wrong with them - this he sees as an expression of the power of consensus, part of the metric of morality. Fearful the deviant participates in the public ritual of consensus.

confrontational approach New Right discourse drew attention to the inefficiency of state machinery and its ineffective service. Mirroring these beliefs, the Education Act 1988 marked the beginnings of a radical change to the systems and practices of further education colleges. In 1991 it became clear that these colleges were to become independently managed incorporated bodies, the process for the shift from public sector provision was refined in the Further and Higher Education Act 1992 (DES, 1991).

In 1944, further education colleges had been targeted to play a key part in righting the wrongs of the poor education provision. Whilst their growth had been haphazard, it had been firmly connected to industrial/service skill development. Those studying within the colleges thus tended to be rejects from the academic system and/or working class, starved of opportunity. The academic content and the student population fitted comfortably with some key aspects of the new vision for education provision. In the event, however, further education colleges have progressively been pushed to the periphery of education provision and slowly but surely had become distanced from government's mind.

The way Government asserts its political ideology within institutions is dependent on the way it manages compliance with its policy at the organisational level. For some time the arena of education policy making had become almost sacrosanct because its institutions and its professionals had become established and powerful in their own right. This Government, however, were more confident than most because they had succeeded in bringing about changes to the curriculum in schools, despite the fact that these changes had been publicly sensitive (Maclure, 1988). Government saw the potential to further increase its political capital if it could also challenge and change the culture and remit of its further education institutions, along with its professionals.

Nevertheless, steering society in a different direction in a democratic system requires support from the polity. To put this differently, the Government's right to change existing patterns of behaviour has to be legitimised, otherwise it could be political suicide. In this case, the 1970s onwards had witnessed growing concerns expressed, by the politically left and right, that the system of state education was failing to reach a wide audience. Fortuitously, the growth in a general dissatisfaction with the existing system provided the justification for Mrs Thatcher's government to introduce a change agenda, not surprisingly they took the opportunity to launch a system more closely aligned to market needs. They suggested the systems and processes of education provision were now old fashioned thus in need of radical reconstruction. Determined to reduce government intervention in the system, what could be afforded out of the state purse, and how this should be apportioned, became central to the discourse.

To carry out its policies at the institutional level and bring them in line with its policy objectives in this case, however, Government had also to alter the behaviour, and the power base, of the educational institutions and its teaching professionals. Any organisation is an inter-active system with a culture of its own, bringing about change is never an easy process. Added to this, professionals are a special class of social actors who are given dispensation in society to govern themselves (Barrett and Fudge, 1981).

Professionals are guided in their behaviour by their membership to a professional body, who are responsible for creating the ethical codes that bound and control the professional/client relationship. Ethical codes are heavily determined by emotional and moral values thus it is possible for those codes to clash with the principles of bureaucratic rule (Wilding 1982, Larson, 1982). Indeed, it is not unknown for professionals to circumvent, or break, imposed rules (Foucault, 1990). Society endorses the autonomy of professionals to act differently because of the core competencies that they hold and because their professional bodies externally monitor each individual's professional performance.

A professionals' operating task tends to be very complex because the decisions that need to be taken alter according to the client's needs and environment. Decentralised decision making, where power is devolved to the professional, has thus proved to be more practical way of managing thus a decentralised reporting has become the norm for professional organisation within state institutions (Mintzberg, 1973). In the 1980s, however, New Right rhetoric, challenged the growth in the discretionary powers given to professionals and their freedom from bureaucratic constraints. Rhetoric focused on the need for increased accountability and control of professionals so that they would be forced to better meet the needs of their clients (Widing, 1982)². It is clear that the potential existed for a battle for power to take place between professionals and Government. In any case, the validity of Government public policy making is tested at the point where that policy becomes practice, at the organisational level (Crozier, 1964, Gouldner, 1964).

In order to be successful, the Government's educational policy had to influence the internal operational process within further education colleges, creating a new strategic direction for them in line with its policies. If the Government's discourse was powerful, my assumption was that any implementation deficit would be controlled (Bachrach and Baratz, 1963). A demonstration of such power would be evident if the colleges' social value systems and organisational style changed in line with the direction desired by the Government. I thus set out to test whether the Government's policy themes were reflected in the Principals' own language, in the four further education colleges, and whether they saw their tasks differently and were trying to change organisational tradition accordingly.

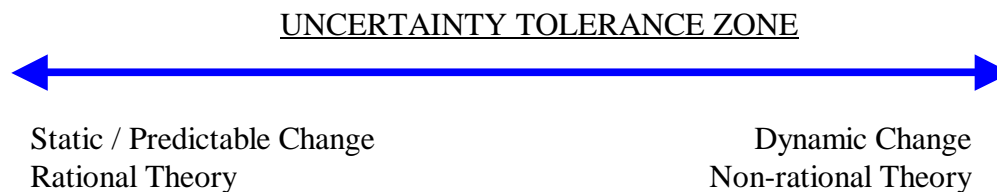
To evaluate the impact of government policy on organisational success, the first task was to establish a bench-mark against which the Government's approach could be evaluated. Since further education colleges were to become more market oriented, it was clear one significant need was a greater level of uncertainty tolerance in management policy and practice. I thus set out to evaluate management theory in terms of uncertainty tolerance, my aim was to develop from the discourse factors considered significant to uncertainty tolerance, against which the Government's policy could then be evaluated. To reveal something about the depth, or not, to which Government regulation could penetrate organisational space, I set out to capture information before and after three of the colleges transformed to corporate entities using the story as told by the four Principles.

² Wilding outlines professional status as based on the nature of the task, the expertise required to carry it out and manner and spirit in which the tasks are undertaken, all these aspects were subjected to criticism.

The Management of Change

Sadly, management theory cannot provide a definitive answer to how organisational change should be best managed. A plethora of explanations abound, not helped, it would seem, by some confusing myth with reality. Nevertheless, the notion of a clear mission, a vision of the future, a direction for growth and a means of achieving those objectives typify strategies for better matching an organisations objectives to the market place. The approaches taken to the application of control over these processes encapsulates the discourse about how change should best be managed, these vary from tight central control at one extreme to very loose at the other.

A zone of uncertainty tolerance is used to link management discourse. One extreme of the uncertainty tolerance zone assumes certainty, stability and rationality, thus reinforces traditional ways of doing things. The other extreme of the uncertainty tolerance zone accepts uncertainty, instability and irrationality thus embraces change as endemic. Both extremes aim to create sustainable competitive advantage in the market place but other factors vary³.



At the left-hand side of the uncertainty tolerance zone, it is assumed that change phenomena can be identified and plans created and implemented to meet it, thus underlying the low uncertainty tolerance position is the assumption that the change organisations' face is fairly predictable. An organisation's objective, in this case, is to manoeuvre in the market place so as to outdo the enemy, the competitor. The aim of the organisation is to maximise profit to sustain its growth. An organisation acts as if at war with its competitor when creating its strategic plans, indeed, the language of battle is used⁴. The rules of the game, the boundaries of possibility, are set by the invisible hand of the market thus the game and its outcomes are distanced from any moral obligation to society (Freidman,1962). Organisations set their strategies in order to do battle with their competitors and either win or loose. It is based on a scientific approach to the analysis of the work task. It distinguishes between managers of organisations, who are responsible for systematic planning, and workers, who are simply an input to fit a pre-destined organisational role (Taylor, 1911)⁵.

To enter combat management creates a mechanistic operating system, so that they can control through a chain of command (Burn and Stalker, 1961). Five key management tasks became important to the chain of command namely, planning, control, command, co-ordination and organisation (Fayol, 1916)⁶. All combat moves are based

³ Competitive advantage describes a distinct advantage a firm has in the market place that enables it to add more value than its competitors. Roots of competitive advantage include price; product range; manufacturing quality; product differentiation; resources external and internal; culture to name but a few.

⁴ Strategies are "indefensible," companies are "attacked at every weak point," competitor s "he'll wipe you out LAKOFF, G. and JOHNSON, M. 1980.

⁵ Scientific management developed from the philosophical roots of economics, it emphasises planning, standardisation and management by exception. A division of labour separates management from the production/service task. The manager plans and manages strategic developments. Workers rights, choice and discretion are limited by managerial control.

⁶ A manager's ability to carry out their tasks, Fayol argued, was dependent on the link between authority, responsibility and fair discipline. Formal rules

on rational, unemotional, decisions thus all action is identified as impersonal and estranged from emotion. Any ambiguity or evidence of incongruent goals is denied. The manager is thus “believed” to be capable of, and employed in, rational, systematic, reflective planning.

Moving along the change tolerance zone, Mayo (1960), critical of the scientific approach, began to develop what became known as the social psychology approach. Mayo's approach to management and control highlighted the informal communication process within the structure of an organisation as a significant contributor in determining organisational behaviour⁷. Maximising the potential of the human resources in the organisation, he argued, was the key to success. How to maximise such potential has proved to be a tricky management issue. Nevertheless, moving along the uncertainty tolerance zone, significant factors for success were now thought to include an employee's relationship with the formal and informal parts of getting the job done. Emerging management techniques now focused on maximising individual employee's growth potential in various ways (Maslow, 1959, Argyris, 1987, McGregor, 1960).

Research into what managers did revealed that they were involved in face to face communication, horizontal and lateral transfers of information, fragmentation and constant interruption (Mintzberg, 1973). Contradicting the assumptions made in the scientific model, managers were now thought to have a preference for action rather than reflective activities, that they favoured gossip, hearsay, speculation and intuition as a basis for making their decisions. This caused another shift to the right along the uncertainty tolerance zone. A reduction in innovation and flexibility was now thought to be the unintended consequence of tight management control techniques (Lindsay, 1967). Indeed, where formal planning was linked to a system of penalty and rewards, it was discovered that individuals became increasingly risk adverse because they were afraid of failure. More emphasis was now placed on understanding the qualitative issues implicit in decision making (Quinn, 1980). Organisational decisions became viewed as emergent processes, consequences of interactive alliances (Quinn, 1980)⁸.

Moving along the change tolerance zone, planning became identified, as a necessary, though not sufficient, management tool. The informal sub-systems within organisations began to be recognised as necessary complements to the formal analytical management process. Strategy making began to be considered as a consequence of the emergent and non-directional organisational process. Indeed, some thought at best managers were simply muddling through (Lindbloom, 1968)⁹. Strategic decisions could no longer be seen as part of a grand plan, strategies appeared to emerge from the implicit consequences of small decisions taken as a consequence of doing day to day business. Indeed, Etzioni (1961) suggested such decisions could comprise a random walk leading nowhere.

imposed through a division of labour, monitoring of tasks and impersonal relationships of participants were essential, he believed, to the maintenance of a manager's authority to act.

7 In 1924 Mayo found, individual's behaviour responded to informal networks, group norms and standards. He suggested morale, a sense of belonging, management style and job satisfaction were important contributors to better worker participation.

8 Quinn thought informal alliances were purposeful, effective, proactive management techniques that improved analytical and behavioural aspects of strategy formation.

9 Lindblom argued business decision-making processes were reactive. Actors adapted to the multi-goal, rapidly changing, environment in which they found them but became risk adverse because the control procedures denied such complexity. Managers thus preferred 'nibbling' at change decisions rather than a 'good bite.'

It was now recognised that a paradox emerged from the application of control needed to do battle with the competitor and how control needed to be applied to derive maximum output from the dynamic organisational context, this paradox pulled the organisation in different directions. The pursuit of synergy, between the external environmental variables and the internal formal and informal variables, began. A cost focus enforced through tight management control was now thought by some as damaging to internal synergy, because it increased risk adverse organisational behaviour (Mintzberg, 1984). Creating an organisational culture that contained diversity tolerance thus became the management gurus' aim.

Moving further along the change tolerance zone, the organisational context, internally and externally, was now recognised as dynamic and disorderly (Peters, 1980. Moss Kanter, 1983). Indeed, chaos theorist argued that stability theorists could not account for the discontinuous and erratic side of doing business (Gleick, 1987). Espousing everything tending to disorder, chaos theorists reduced the emphasis of planning as a management tool. Investigating randomness, coupled with a belief that that the tiniest changes could create dramatic organisational effects, became part of the strategist's agenda.

Adopting the chaos theory philosophy, management's task became concentrated on techniques to manage continuity and change simultaneously. This debate focused on the informal system within organisations because it was felt it dealt with the complexities the formal system could not, simply by avoiding rites and rituals (Stacey, 1993)¹⁰. Management approaches, it was now believed, needed to deal with the resultant fields of tensions created by non-rational as well as rational phenomena. Flexibility as a management style and a love of change, instead of treating change as something unusual, typifies these approaches in management (Peters, 1991)¹¹. Flexibility, it was now thought, could be achieved through empowering and training the organisations stakeholders¹².

Production approaches based on standardisation and fitness for use became shelved in favour of those that provided customers with a wider definition of quality¹³. The team became identified as the route to added value and became the focus of efficiency and effectiveness in the value chain¹⁴. A total quality approach to product/service created the need for a different type of leadership style and exercise of legitimate authority. Effective decisions in dynamic markets were now thought to require lateral consideration of choice possibilities, which challenged the accepted rule - anarchistic behaviour, rather than consensus, was now seen as advantageous, and indeed necessary, to organisational survival (Senge, 1996)¹⁵. Leadership became dropped in

10 Stacey thought an organisation's informal sub-system was a vehicle for change. Circumventing formal power such groups could focus on plans, tasks, random action, political process and learning in ambiguous situations. These sub-systems he argues, provide social and psychological relief to individuals confronting ambiguity and uncertainty. Members of the sub-group are more motivated and able to operate more effectively because problems can be aired without the repercussions evident within the formal decision making processes. Stacey suggests managers' need completely different skills to manage such informal and self-selecting sub-systems.

11 Peters suggested, a historical management focus on narrowly specialised labour had caused untold harm.

12 Peters suggests high labour involvement, minimal hierarchy and rewards based on quality and responsiveness is consistent with fast-reacting organisation.

13 Product design is focused on specific target groups, consumer value is intrinsically linked to life style and aspiration.

14 Peters suggests people need to be seen as more important, internally and externally, so that quality and responsiveness can be key.

15 Organisational learning requires error be tolerated. Senge suggests that individuals need to continually re-create themselves, managers need to create and sustain shared vision and team building.

favour of facilitator styles because these encouraged the exercise of individual autonomy through loose management of anarchistic groups (Brown and Scase, 1991)¹⁶. Inductive reasoning approaches, which focused on disproof, were now criticised for endorsing a priori beliefs (Brown, 1991). New knowledge was now thought to emerge from contradiction, enquiry enhanced by dialectic (Brown op cit). Management styles now set out to reduce individual/organisational myopic thinking (Quinn, 1980)¹⁷.

The new management task became the creation of an organisation that supported learning (Senge, 1990)¹⁸. Stimulus-response behaviour, learning from experience, was seen to produce a process of normalisation where difference was seen as dangerous, bad rather than good. The promotion of active learning, rather than reinforced reactive behaviour, became part of management speak¹⁹. Linear thinking, regularity, stability and consensus decision making was now understood to cause managers to hide mistakes, more importantly it caused managers to coerce others to do the same. Tolerance of error was now seen as important to the pursuit of excellence because an organisation needed to learn from its mistakes²⁰. Conflict had to be aired and the status quo challenged in light of new information, in order to bring about change.

Whilst bureaucratic structures remained useful in predictable situations they were not now seen as the ideal organisational structure to manage all change phenomena. Indeed, the rapid change in technological and market factors had caused task specification, a central component of bureaucracy, to break down - changed management styles were needed (Burns and Stalker, 1961)²¹. Employees adherence to rules was now thought only useful where it decreased power visibility or interpersonal tensions, however, the unintended, often informal, consequences rule bound behaviour created were now seen as largely dysfunctional to the organisation²². Significantly, it was now thought rule enforcement caused employees to lose the ability to think independently thus innovate (Merton, 1957). Theorists began to think that bureaucratic organisation processes limited creativity thus organisational survival.

Because investigations in social science neither prove, nor disprove, an earlier hypothesis, studies in social science are peppered with such coexisting, competing,

16 In the total quality model the intrinsic components of customer value are recognised as significant, thus more emphasis is placed on industrial relations as significant to the achievement of organisational goals.

17 Narrow thinking is task oriented and rule bound, it prohibits thinking about the uncertain.

18 The skills required for organisations to learn, Senge suggests, are personal commitment, proficiency to do the task, challenging the ingrained assumptions and generalisations of understanding and the conceptual framework that makes the patterns within the system clear.

19 Agyris suggests an individual's learning curve ranges from immaturity to maturity. Professionals he classifies as mature because they express choice independently of the rules. If individuals are at the mature state of learning but are not allowed independence, Agyris argues, they will be unfulfilled and may display dysfunctional behaviour. It is thus in an organisation's interest to move individuals along their learning curve.

20 In double loop learning Agyris suggests, actors openly discuss error thus can correct it. The organisational environment has to be such that error is accepted and not punished.

21 Contingency theorists, suggest organisational structure, leadership and managerial style needed to be flexible. Organisational interaction should be vertical and horizontal, based on consultation and advice giving. Hierarchical control should be replaced with consultation processes, less status should be placed on knowledge and more on the informal flows of information. The management approach should be diagnostic, applying different techniques to various situations.

22 Gouldner identified the unintended consequences of intended action as vicious or virtuous to the organisation. Unintended vicious circles are where the individual minimises, rather than maximises, behaviour in response to the rule.

explanations of reality. Nevertheless, to bring about change at the organisational level state of the art theory thus far has suggested Government has two tools to hand namely: changing the structure of the organisation thus changing organisational actors roles and responsibilities; changing the way in which the organisation is controlled thus changing the power base and who decides.

Tools for Change: leadership styles

Beginning on the left-hand side of the uncertainty tolerance zone, leadership style developed from the belief that organisational processes should be steered by top management, who were thought better informed to do so. In hierarchical organisations leadership power is exercised through legitimate authority. It is believed leader only acts to improve organisational performance, the leadership task is directing employee's tasks and controlling/monitoring of performance to target (Heck, 1996). In this model leaders are responsible for setting the strategic direction of an organisation.

Some argue the former model denies the political-conflict context of organisational processes, where power may not be dependent on authority and dispersed throughout the organisation (Ogawa and Bossert, 1995). The exercise of power in organisations can thus be seen to have many forms and operate through the informal organisation as well as the formal organisation (Raven, 1959)²³. Such approaches suggest that a leader may not be wholly responsible for organisational success, indeed, employee empowerment is seen as a way to increase individual accountability freeing workers to be innovative, thus creating greater opportunities for organisations to be successful (Connock, 1992). Following this theme, a managers task is to release the untapped competencies amongst employees, facilitating employee responsibility, commitment and involvement and developing greater ownership of his/her task (Keenroy, 1990). Nevertheless, even Senge (1990), the guru in empowered organisations, suggests that such employee empowerment cannot be achieved without central support²⁴.

The type of leadership competence required is contingent upon the strategic issues an organisation faces, particularly the state of change in which it operates (Fielder, 1994). More complexities follow from the individual preferences exercised by a leader, his/her perception of what works and how participators operate (Fox, 1965)²⁵. Assumptions a leader makes about the best way to manage influences the power set he/she selects to bring about change. The power leaders have, and the approach they adopt when exercising that power, can thus considerably affect the culture of the organisation.

Whilst accepting that there are a plethora of leadership styles, to simplify the analysis I have used McGarh's (1962) description of two main categories of style namely, the autocratic and democratic. Autocratic leadership, McGarh describes, as directive and critical - the leader designs and dominates the decision making process through a culture of command. This leadership style thus fits with low uncertainty tolerance. Whereas, democratic leaders operate by consent, they prefer consultative processes

²³ Power operates in the following forms: reward power, built on the ability to control resources; coercive power, built on the ability to punish; legitimate power, based on a common set of goals; referent power, based on an individual admiring and wishing to emulate another; expert power, based on expert knowledge that others do not have.

²⁴ Senge identifies three leadership roles namely: designer, where the leader engages the employees in the vision and core values of the organisation; teacher, where the leader coaches, facilitates and helps the employees learn; and steward, where the leader demonstrates personal commitment and responsibility.

²⁵ Fox suggests an individual's view of the world is individually determined, formed by social conditioning, and altered by experience.

and person-oriented approaches. They believe employees are willing and capable of contributing to the organisational process. Democratic leaders trust their work force to perform, any monitoring tends to be loosely applied. This leadership style thus encapsulates high uncertainty tolerance.

Leadership styles that closely resemble the democratic leadership approach are thought more appropriate styles to manage professional organisations, such as further education colleges, because they allow the professionals to act freely. Indeed, it is the perception that stakeholders have about a leader's ability to cope with uncertainty, thereby reducing his/her uncertainty, which ultimately determines a leader's power²⁶. The perception of those over whom power is being exercised is of paramount importance. Sonnenfeld et al (1992) suggests an organisation can maximise added value if there is a synergistic relationship between the human resource strategy and the organisational strategy. Indeed, where organisations are dependent on their operational core of professionals making the strategic and operational decisions, product/service quality is strongly linked with the level of staff retention (Mintzberg and Quinn, 1991).

What organisational leaders pay most attention to, how they react to crisis situations and what role models they display are tangible and visible ways of bringing about change (Schein, 1998). Any change to organisational culture involves altering norms of behaviour and challenging deeply entrenched beliefs. Whilst revolt in the education sector is in the main rare (Iannaccone, 1977 Lewellen, 1992, Benham et al, 1994), if leadership style has power to influence, and is individually determined, each Principal could implement Government's policy differently. One of the tasks was thus to establish how the four principals described their own leadership style, then to evaluate whether that changed in light of Government influence.

Tools for Change Management: the role of the centre.

The centre can play its leadership role, with its business units or departments, tight or loose. Tight top-down control, it is argued, will limit innovation and autonomous action by its employees and managers (Lindblom' 1968, Loabsy,1967, Agyris 1987). Where tight top-down control is expressed through tight financial control managers tend to limit their activity within the boundaries of their job specification, the only changes they make are those that are small enough not to be too noticeable. Where the centre exerts tight control it thus expresses risk aversion, low uncertainty tolerance.

In contrast, central control can be loose, where responsibility and authority is devolved to personal accountability and collective responsibility. In this approach decisions tend to be made through shared vision²⁷. Management's task is thus to facilitate a decision process, where incongruent objectives and disparate needs are expressed, adopting pluralistic principles managers act as stewards enabling strategy to emerge. Where the centre applies its control loosely it demonstrates high uncertainty tolerance.

Tools For Change Management: organisational structure

²⁶ Thurton explores this point using reward power, more pay. If the subordinate is not reliant on the employer to meet his material and psychological needs and i can get more money by working elsewhere, then being offered more money is not a reward and thus subordinate compliance will not be the outcome.

²⁷ The practices of shared vision are activities engaged in by groups that lead to the development of principles, which are understood by the group.

There is a link between the structure of an organisation, its management style and its control mechanism, no one style, however, best fits all organisational types (Goold and Campbell, 1987). In the hierarchical bureaucratic structure: *“Tasks are broken down into small elements rules and procedures are applied to those elements; standard budgetary and cost variation controls are applied; technology is utilised to limit variation in pace quality and methods; routine decision making is delegated within prescribed limits”* (Child, 1973). The hierarchical bureaucratic structure supports an autocratic leadership style.

In this structure incremental change can be accommodated because job specifications, rules, and procedures can be quickly adapted. However, control expressed through the reward and punishment procedures can create behavioural conformity, encourage departmental myopia and result in the lack of corporate identity. Together, these factors decrease an organisation's ability to create added advantage through its process.

Whereas the predictable part of the business may be best organised as a hierarchy, dealing with the unknown creates the need to free innovation, which the hierarchy limits. Bringing together as many views of reality as possible is thought to help balance risk given uncertainty, it is thus suggested that departmental structures need to be abandoned and replaced with structures that create inter-departmental communication. A less radical solution comprises a combination of hierarchical structures, for day to day activities, and a matrix structure²⁸ for innovation or problem solving (Moss Kanter 1983, Stacey,1993). However, these hybrid structures have a tendency to continue old traditions (problems with traditional ways of doing things have already been highlighted).

Despite the need for a revolutionary approach to organisational structure, it has become common for tall hierarchical structures to be abandoned in favour of flat structures, sometime including matrix problem solving units, ad hoc. These structures have fewer communication channels but tend to retain traditional ways of doing things. They provide the image of changing everything whilst changing very little, retaining low uncertainty tolerance.

Tools for Change: an organisation's ability to learn

There are two reasons why it is argued that the learning style of an organisation needs to be based on conflict resolution. The first is that organisations reflect society, which is made up of individuals who have incongruent objectives and competing needs. Adopting this approach, consensus management is more about complexity denial than an expression of reality. The second is, decision-making given an informed, intelligent, work force suggests that management need to manage empowered disparate actors and bring about resolution given a field of tensions.

Developing the notion of organisations as conflict arenas, growth in staff commitment and trust can only be achieved if the organisation's structure and style enables disparate views to be met fairly. If unfairness exists in the formal system, employees may turn to the support of informal groups, where they can deal openly with paradox, complexity and compromise (Stacey, 2000). A formal organisational process that

28 A matrix structure is different from a departmentalised structure in that the decisions making system operates both vertically and horizontally.

denies different views within it can thus serve to distance an organisation from accessing the very innovative learning it needs to survive in a dynamic market.

Similarly, because emotional displays are often seen as a sign of weakness and indicative of illogical behaviour, organisations tend to deny the emotional context within communication²⁹. Whilst such denial makes it easier to assert conformance (Waldron and Krone, 1991)³⁰, emotion can be seen as the source of meaning, thus where an organisation ignores emotion it ignores individual's reasoning (Thurton, 1991)³¹. Such denial can cause individuals to turn from their work to their leisure activities to express their choice, creativity, personal satisfaction and social integration. Organisational denial is thus strongly correlated with a reduction in employee involvement, autonomy and job satisfaction at work (Parker, 1991)³².

The majority of people in professional organisations tend to be more individually adept at self-awareness and psychological insight³³. Professionals tend to favour action driven by principle because their ethics are rooted in empathy (Hoffman, 1984³⁴, Gardner, 1984³⁵). Indeed, professionals are paid for their expertise in emotional management skills (Fineman, 1993)³⁶. Employee commitment, however, is not only dependent upon an individual's competence, it is also dependent on an employee's willingness. An individual's management of their emotion determines their action by balancing their emotional reaction with their reasoning powers, thus, it is argued, supporting employees' growth in emotional intelligence is important to their job satisfaction and organisational performance³⁷. Whilst self-management is a learnt competence³⁸, some people learn to manage their emotions better than others thus

29 Early investigations of psychological behaviour measured stereo typical reactions to given stimuli.

30 Waldron and Krone found, where there is a high degree of emotional control disagreements are often suppressed and the employee voice neutralised.

31 The process of determining which rules apply in a situation involves attributing meaning to that situation, a consequence of experience, expectations and value.

32 Parker suggests three relationships between work and leisure. The extension pattern, where the actor overlaps the responsibilities of home and work; the opposition pattern, where the actor has a clear separation of home and work and indeed may transfer his/her central allegiance to leisure activities as a way of forgetting work; the neutrality pattern, where the actor is simply neutral to it, often because of highly routine tasks. In which case the individual's expectations do not include satisfaction at work, he/she will exchange work for leisure if the money is attractive. Professionals are said to belong to the extension pattern of behaviour because their leisure activities are often work associated to their choice of career. Given that the split between leisure and work is less obvious in professional work it is reasonable to assume that professionals seek involvement and creativity within their professional role.

33 Goleman suggests that emotional intelligence is not just about being morally attuned to righting wrongs, it involves the competence to speak out against them. There is, he argues, no connection between specialist expertise and being seen as trustworthy. He suggests that there are three variables in organisational relationships, namely communication webs (who talks to whom), expertise networks where others turn for advice and trust networks. Trust networks are built where the individual displays the ability to understand the perspectives of others and the ability to be self-motivated and self-managed – all of these, he argues, are aspects of emotional intelligence.

34 Hoffman suggests that actions driven by impulse lack empathy and are exhibited but those who do not have self-control – they do not display will and character and cannot understand the needs of others. Empathy alters social rules using discretion – an individual assesses the believed consequences of his/her action outside the immediate context; they act on behalf of others.

35 Gardner advocates using a broader range of skills to measure intelligence. It is the breadth of intelligence possessed by some individuals, he argues, that enables them to achieve in life. Interpersonal intelligence, he defines as the ability to understand other people: what motivates them, how they work, how to work co-operatively with them and includes the capacity to discern and respond appropriately to the temperaments, motivations and desires of other people and the ability to discriminate among them and draw upon them to guide behaviour.

36 Fineman suggests their task is to look caring, display understanding, to demonstrate benign detachment, so that they can defend against personal displays of feelings. Professionals have to create a social defence system, ritual, so that they can practise outside the moral anxieties that would otherwise overwhelm them. He argues that Taylor was able to distance emotion from production because contemporary factors needed the fix he offered.

37 Scientists have found the removal of the amygdala in animals causes them to lack fear, rage and an ability to co-operate or interact. It is thought the amygdala short-circuits the thinking brain, the neo-cortex. It springs into action whilst the thinking brain conceives a plan, it triggers reactions before evidence. The neo-cortex, brings an analytical response to the emotional response, it modulates natural emotional reaction.

38 Some emotions are biological, for example fear where the body and the brain prepares for flight, others are culturally defined. Goleman argues each individual has two components of mind creating meaning, one that thinks and one that feels, in combination they create knowing. The important factor for

variations between the levels of employee commitment are high (Ekman and Freisen, 1975)³⁹.

To reap the benefits of increased employee commitment, particularly in the case of professional organisations, managers must transform their task from control to one that facilitates an individual's learning process (Beer, 1990), this means accepting a field of emotional tensions and setting out to understand the part the emotional arena plays (Fineman, 1993)⁴⁰. This approach embraces high-uncertainty tolerance because solutions to labour issues may not reach even semi-permanent dispositions (Sui, 1980).

Conclusion thus far

Thus far it has been argued, new management approaches embrace high uncertainty tolerance as a way of managing. Further, it has been argued that professional organisations operate as organised anarchys' because of their particular needs for synergy. Several characteristics have been developed as key to the promotion of uncertainty tolerance, these are as follows: a formal decision-making process to enable the development of clear structures for the known part of the business; cross departmental and vertically integrated decision groups used as a way of freeing innovation; a facilitator leadership style⁴¹ to free innovation and develop trust⁴²; an empowered workforce to enable the organisation to tolerate error and learn from it. These characteristics thus form the bench-mark against which Government's transformation of further education colleges can be evaluated.

The process of investigation

Semi-structured interviews with the four college principals were undertaken pre and post the incorporation process. These interviews contained two distinct parts. The first simply gathered information about the college structure and size. The second set out to capture each principal's personal style and their perception of their college and the way in which it operated.

The case studies

College one had two sites, a principal, two vice principals, a governing body, an academic board, eleven departmental heads and approximately 140 full time teaching staff and "some" part time staff. College two had just undergone a major restructuring programme. The structure now comprised the principal, a governing body, one associate principal and a "small" management team. The principal felt the structure had become "relatively flat". College three had two sites, one principal, 3 boards of

individual development is the social interactive skills, understanding self and others, he argues. How that emotion is expressed is dependent on the level of personal intelligence. Goleman defines emotion as a feeling, it's distinctive thoughts, psychological and biological states, and a range of propensities to act. Emotional intelligence, he argues, is the measure of self-control, zeal and persistence that individuals' demonstrates. A key social competence, he argues, is the ability to express ones feelings.

39 Ekman and Friesen found that some displays of emotions can be socially controlled – they are learnt early on in the socialisation process and displayed as a form social consensus. Outside of such control individuals display their feelings differently.

40 A fine line exists between how much emotion can be displayed to describe reality and be acceptable, and that which cannot. Risk adverse individuals learn to manage expressions of emotion within social constructs dictating acceptable behaviour - linked to task and institutional goals.

41 A facilitator style is used here to describe a leadership style that is enabling, not controlling. A facilitator has no pre-determined outcome in mind when problem solving, his/her task is to smooth the consultative process, keeping in mind the organisations strategic aims and objectives.

42 Trust is used here to express the process through which professionals acquire their autonomy. The legitimate authority that professionals have to complete their task implies that society trusts them. Trust can be based on subject specificity, knowledge, or their particular task. In an educational institution therefore the expectation would be that the level of trust would be high.

study and 19 teaching sections, 240 full-time staff and 120 part-time staff. College four had two sites, two governors, two principals and six “informal” departments. Of the 45 staff only the 6 subject leaders were employed full-time.

Decision-making

The principal in college one identified the formal decision making structure within his institution as hierarchical. There were several routes for decisions, he said, depending upon on the level of decision-making. The two vice-principals had the power to make decisions on day to day issues, he said, and he met with them once a week, for general updating purposes. College-wide decision making was made through a senior management team, comprising all heads of department. The academic board made academic decisions and power was devolved downwards: interestingly he said, “*Whether staff realise that [the academic board] is a strong mechanism for influencing decisions I don't know, he said.*”

The principal of college two said he divided his responsibility with the associate principal, who was responsible for resources. The management team included heads of department, academic and administrative staff and governors, who meet weekly. The meetings were organised by him, he said, he controlled setting the agenda for the meetings. He continued: “*The academic board meetings were not being used to discuss things that had academic depth. They have become more operational and organisational. This has to change so that they become more focused on academic matters*”.

The principal in college three said he preferred a clear, hierarchical, division of labour. he said. Decisions should be made “*at the right level.... People should be making the decisions that they should be making*, he said.

There were no formal meetings or procedures in college four the principal said. Major strategic decisions tended to be made by the two principals jointly, she felt confident that they could “*make a decision without the other*” when they needed to, without confrontation.

Management style

In college one the principal described his task as a change catalyst. He described his management style in the following way: “*I am proactive. I am involved, maybe too involved. I would like to delegate but that is not included. The changes that are taking place are spread too wide. The principal's role is to set the stage for innovation. I am using structural change as a way of instigating change. You need to move change into the environment.*”

In college two the principal saw his approach to management as having: “*A high profile. I am charismatic, directional and attentive. I do not spend much time out of the college. I know all the staff and all the students know me because I am always walking about.*” He expressed the view that the main tool of change was information dissemination. He used “*a network of consultation*” as a process for discussion and a route for information dissemination.

In college three the principal saw his role as being an “*example*” of good working practices: “*I give a lot of myself - I am here early and leave late. I try to be an*

example of good practice so that it will encourage others. I also still teach". The main focus of his attention was on the financial aspects of the business: "I have employed an administrator who comes from a military background. Plans are of limited value and must be changed regularly." He said he hoped that he maintained an open style of management but the internal promotion process had led to some jealousy. He identified information as the key tool for the management of change: "It is important that they are informed of the right things. NATFHE resisted change in the first instance and this has affected staff attitude."

In college four the principal perceived her style as: *"Non-confrontational, to calm the problem areas" and "by example"*. She said she hoped through this process to bring about a culture of *"optimism"*. Perhaps paradoxically, she regarded meetings *"as a waste of time"*. When changes were needed, she said, the approach she took was to make a suggestion and then leave it till the staff gradually came round to it: *"I know I will get my own way in the end."* The main focus for change, she said, was the students' needs: *"Every child has potential"*.

In all four colleges managers had been appointed as subject specialists. It was, therefore, not unusual for these managers to not know how the organisation as a whole functioned, or indeed, what funds and customers the college attracted. The managers' decisions were largely academic and practical ones. They were often appointed as managers because they worked hard and/ or because of their merit as teachers.

In college one the principal stated that he wanted his managers *"to organise the strategic plan, set their own targets for development and create their own vision of where we are going. They should understand the responsibilities and ownership of those plans should be in the hands of the management team"*. He expressed the view that a clear strategy for change was needed; if this was not in place soon he felt that people would feel *"unsettled"*. Furthermore, he felt that it was important to *"build up a team approach and commitment"*. As the key to raising the organisation's awareness of a changing climate, he, therefore, wanted to change the organisational structure. He stated that he wanted to *"move change into the environment for example get staff changing rooms etc... it will set the pace for the future"*.

In college two the principal felt that future managers would need to be able to demonstrate a portfolio of skills. These included: *"leadership potential be able to act as a facilitators, motivators, planners and be able to warn and advise"*. He expressed the view, that he wanted to *"move away from academics having managerial responsibility, they are not the right people for it"*. His frustration was evident in the tone and facial expressions demonstrated as he expressed this view. On the whole, he was happy for the agenda of any meeting to be set by his managers. He stated that he had a different relationship with each of his managers. However, his need to control that process is evident in his statement that: *"I keep them all informed but do not necessarily let them have a say. I rarely instruct them. I do not believe in lots of paper, I tell them to communicate with each other and not through me. It is better that they address the problem straight out"*.

In college three the principal had inherited what he described as: *"A Japanese look alike management style, which was supposed to deliver democracy and devolution of*

power. Sections were headed by elected representatives. There was no management control and a massive overspend. The governors were keen to increase control over human resource management and create accountability as well as financial control.....When section heads became facilitators not managers communication collapsed....I have tried to get [the managers] to change their roles....I have a problem with the teaching teams who are too narrow and resist change. This has been watered down by new initiatives which has allowed new staff to be employed". The governors' task, he said, was "to serve as advisors". He wanted his colleges to be seen as "part of the community" and he expressed concern that competition might alter this perspective. He was concerned that all the "local good will" they had built up over time would be eroded by the introduction of a competitive environment.

In college four its flat management structure meant that the principals were jointly responsible for decision making but: "Staff can come with any new ideas.... and can be instrumental in initiating changes. We have to approve expenses.... but would not quibble if those expenses changed. The subject tutors chose the syllabus they wanted to teach; this occurred because "We employ excellently qualified staff who must make their own decisions" she stated. It was not her task to interfere on academic matters, she stated. After all, she continued, it is in the lecturers' interests to make the best choice on behalf of the students, "If the students do not like the classes they will not attend and the lecturers will not be employed".

In all four colleges the principals clearly saw themselves both as leaders and role models. It was also clear that in colleges one, two and three they saw themselves as having some degree of referent power. They saw their behaviour signalling what others might emulate: "I stay late", "I still teach", "by example". Whilst the principal in college four also saw her behaviour as a signal, she felt it was much more important that "the students know me," demonstrating a clear customer focus.

Competition

In colleges one, two and three the principals had begun to evaluate the strengths and weakness of their colleges against their competitors but this was still largely informal. In college two, the LEA had to some extent circumvented competition between providers by undertaking a rationalisation programme; the principal thus felt the survival of the remaining colleges was thus to some extent secured through differentiation. A close political alignment between central and local government in the case of college three was thought by the principal to provide some competitive advantage. The principal in college four listed their main competitors and outlined the strengths and weaknesses of each.

Conclusions thus far

The principal's management style in college one is autocratic. He sees himself as fully responsible for bringing about change, informing and directing. In college two the principal's leadership style is much more in line with that of the democratic approach. He personalises his role by being attentive, exerting expert power, and using employee participation to bring about change. In college three the principal uses a participative approach based on trust. In college four although the principal states that she gets her own way, inferring that her style is autocratic, she also gives staff considerable autonomy to act.

I also found differences in the composition of the organisational structure type. College one and three are tall hierarchical structure, college two has a fairly flat structure whilst college four has a flat structure. All four colleges have consultative processes. The process of consultation, however, varies with each principal's personal style of leadership. College one has a "top down" decision making process; college two and three operate with levels of consultation processes and college four uses a combination of "top-down" and "bottom up" decision making process.

In college one the principal expects his managers to act as change agents but because of his autocratic management style he wants tight control over them. In college two the principal feels his specialist managers do not have the administrative skills needed to act as change agents, his solution is to bring in managers to manage, in other words to circumvent the consultative process. Similarly, the principal in college three identified the lack of administrative skills of his managers: again he has circumvented the consultative process by bringing in new people as change agents. In contrast the principal in college four uses her customers as the main change agents and matches her staffing requirements accordingly.

College four's target market is narrow and clearly identified thus there is a fit between what the organisation wants to achieve and the internal competence hired to achieve it. In contrast, the wide course portfolios of colleges one, two are large causing their target markets to be less focused and demanding a wide set of changing internal competencies to meet them. These principals identified two significant causal factors determining the growing skills gap within their organisations. The increasing demand by Government for audit trails was creating the need for managers with administrative skills. Secondly, economic and technological changes had altered student demands for training and education - causing different specialist requirements within the colleges. In contrast, in college four the hiring and firing of experts was a part of everyday activity. This college responded to market pressures by adopting a flexible approach to staffing, however, this was combined with trust in their experts knowledge and innovative qualities.

Bench-marking

The principals' responses are evaluated against the criteria developed formerly as follows:

College	Hierarchical decision making	Matrix decision making	Flat structure	Facilitator leadership style	Empowered work force
1	Yes	Yes	No	No	Yes
2	Yes	Yes	Yes	Yes	Yes
3	Yes	Yes	No	Yes	Yes
4	Yes	Yes	Yes	Yes	Yes

College four clearly performs best given the above criteria. In this college the principal's leadership style, the human resource strategy and the organisational structure operate synergistically.

In colleges one, two and three there was some evidence to suggest that the principal's consultative organisational styles are altering in favour of more autocratic styles, to better fit Government requirements. This does give some credence to the view that they will be less able to manage the risky market in which they are placed. However, more evidence needs to be collected before such a claim can be made. Nevertheless, these findings show some signs of being conversant with Hallenger's (1996) findings in schools: a shift towards more bureaucratic styles, procedures and practices.

College structure post incorporation

After incorporation I returned to the colleges and repeated the same process. As anticipated, colleges one, two and three were now incorporated colleges; funding was now more directly linked to student demand and controlled by a government quango, the FEFC.

Lecturing staff in colleges one, two and three had new contracts: these involved being on the premises for thirty-seven hours, although teaching commitment varied. Each principal's individual approach appeared to alter how staff had responded: in college one the outcome of new contracts had been negotiated, in colleges two and three they had been imposed. Indeed, the principal in college three said that "*confrontation*" had attracted much "*adverse media attention*" and some staff had still "*not signed*" the new contracts.

Colleges one, two and three were leaner. Major re-structuring programmes had taken place in all three, driven by the need for efficiency savings. All involved amalgamation of departments, fewer control areas and a reduced number of functional heads. In college one and three, first stage redundancies had been voluntary, to establish whether any changes actually had taken place, although more redundancies were in the pipeline. In contrast, the principal in college two had increased his staff to support a strategy for increased growth.

The principal in college four sent a reply to the request for an organisational structure chart as follows: "*I am sorry to say we do not have such things as a structure chart of our college in any form....you prepare what you think is suitable...and let me have a copy to check its accuracy*".

In colleges one, two and three the principals said their course portfolios had changed in response to demand. Engineering was in decline, so was business studies but to a lesser extent. In all three media studies had become the most popular area for growth. Colleges one and three had achieved increases in their higher education work. Despite the principal in college four expressing the opinion that nothing had changed, clearly something had. There was evidence of a more organised system in response to national curriculum changes. At the time of the visit staff were involved in telephoning parents to find out why students were not attending, this continued throughout the morning.

I hypothesised earlier that the possibility existed for Government policy to have a major impact on the operational and strategic issues for the four colleges. This turned out to be the case. Indeed, the principal in college three said that he thought innovation and service quality was most important to organisational success but his college had to focus on budgets as a consequence of Government initiatives. All three principals in the newly incorporated colleges made it clear that organisational survival now dominated their decision-making. Despite reorganisation each said their colleges remained hierarchical and had become more bureaucratic in order to conform to Government's perception of operational efficiency.

In college one the principal stated that the structure was now *“a more industrial model which mirrors that preferred by the Government. It has functional directors. The heads of department now have a direct line to the function heads. In the next review we will be narrowing this even more. We have gone down from eight to five departments and need to merge some again”*. It was now leaner, had less functional heads but more cross college responsibilities. The principal went on: *“The accountability issue from the Nolan Enquiry will have an effect. The Public Expenditure Survey suggests massive efficiencies. There are two approaches redundancies: or increased growth with no increase in staff. I have chosen the second approach. There must also be massive changes in delivery patterns, more student centred learning, more reliance on IT so that we can reduce the number of taught hours. The Government is using all three approaches but God isn't it effective?”*. It is interesting to note that the principal supplied no educational reason for the changed delivery pattern - its rationale was purely financial. It was clear government's policies had influenced the structure of the organisation, as well as its strategic direction. Course content had also changed in line with the Government policy.

In college two the principal stated: *“We have restructured. We had seven departments but this is now down to five. The college is now flatter at the top, mean and lean. The governors now spend more time on strategic issues. The auditors influence operational issues and I think there needs to be a review of their legal purposes.....We do have some very unreliable statistics on which to base our decisions...The less important decisions tend to be left. There are central decisions. I tend to consult on the big decisions. You have to be autocratic until you feel comfortable”*. It was clear administration and accountability needs were paramount in this college too.

In college three the principal said: *“The structure has become more business oriented and I have brought people in who have these ethics. Now I am trying to bring it back from a business. It's not a business - it is there for the good of the community. We have restructured and all areas are now narrower. This has followed in line with our declining areas. We have set up a separate centre for media and performing arts which we were prevented from doing before.We have to be more accountable.The governors are more involved with decision making and they give us lots of useful advice”*.

Decision making and leadership style

There was clear evidence that decision making in colleges one, two and three had become more centralised, autocratic and top-down in response to the need to control

the operational process and thus be accountable. All three principals talked about their need for a more cautious leadership style because the LEA funding safety net had been removed.

In college one the principal said: *“Yes my style has changed. At the college where I was before I had a reputation for being entrepreneurial. I was a lone operator, innovative and proactive. The LEA was there as a safety net. This college was very traditional - it was like entering a time warp, something had to change. I had to go down to their level. I had to appoint personnel manager, from industry, because I had to spend so much time on it. I have also appointed a director of finance for industry and I make no decisions until it has been checked by her. I am still entrepreneurial but with a tighter remit. The governing body has taken its role seriously, but the governors have been led by a very strongly opinionated man. I have had to adapt to work with them; on balance it has worked out”*. The principal, however, still valued a consultative style of management: *“Understanding where you are going, a clear vision of where you are going and developing the people to achieve it. You have to get the people with you. They have to trust me. I try to create a friendly outfit”*. Now, he said, he was adapting to work with others in a more businesslike format, with more meetings and a less *“hands on”* approach. However, the process he described was not so much about consultation as information dissemination. He thought his style was still entrepreneurial, he said, but had a tighter remit of accountability, he took fewer risks, he said.

His college was just entering another re-structuring programme, it was at the stage of information dissemination, he said. Once again he identified communication as an important tool for change, he stated that information was being communicated through small groups. The Heads of Department now reported directly to the functional heads and replication of work across the college had been reduced. The number of administrative staff had increased because of the growing area of IT monitoring and human resource management. He said: *“The staff need to trust me. The “no redundancy” has gone down well with the staff. I use an open door policy and I try to be user friendly. There needs to be a clear statement of what that change is going to be, a well thought out reason for change. This has to be communicated at a very low level”*. Decisions are made at the top and communicated downward, he said.

In college two the new principal expressed his concern that the figures generated on college activity were unreliable because the information system was not working. He identified the problem at the data generation stage: *“They [the lecturers] do not see the importance of the data”* to funding, he said. He thought the staff uninformed about the *“realities”* of the market. He had commenced a programme of information dissemination: *“I am still trying to get things in order. You need planning, good information and clear responsibility. Quality is most important. At this moment I am controlling. I need to identify the people who are prepared to grow in order to liberate innovation, but I also need to control the process. Controlling is a personal tendency of mine. The need to monitor will become more important. I am more consultative than I used to be, because the Union has some benefits. I am less directive in many ways. You do need to set a tone and it is the little things that are significant. Concentration on significant details is a way of doing things”*. The driver of change, the need for qualitative data and clear administrative auditing is clearly expressed. *“I have two types of manager, one being the initiators and developers the*

other the maintainers. I need to dilute the maintainers. The structure was heavily departmentalised. I would like to devolve responsibility particularly in the areas of monitoring and controlling. I can do that when information technology is well managed centrally, at the moment there is duplication....then I can manage them through accountability and targets". Again, it is possible to identify the Government's model driving the changes and significantly affecting the way operations are managed within the organisation.

In college three the principal said that he was trying to develop funding from sources other than the government so that he had at least some control over the budget. The FEFC pushed for targeted outputs but, he said, his problem was that he had to manage a college with a large portfolio. He felt there was a need for a community college that did not fit a business model. He expressed the view that the consequences of changing college portfolios in line with the market had not been sufficiently thought through. The FEFC still had a statutory duty for provision, which was independent of market signals, he said. He was concerned that engineering expertise, for example, could completely disappear unless the FEFC intervened.

He felt that his style had become more businesslike. He "*still*" used "*honesty, openness and clear direction*". He had to buy in a company secretary, personnel manager and marketing manager, he said. His management style had become more consultative but more controlling, he said, it was more businesslike as it involved strategic planning, more responsibility for finance, more meetings. "*It's put ten years on me. It has made me more independent. ..The change will continue towards that of a management ethos including strategic planning and more responsibility for finance. There is more sharing of responsibility but there is a need to control. In the old system it was unbelievable the issues on which you had to vote. Committee meetings have to be functional and procedures adhered to. Decision making has to be sharper because of the accountability*". Once again the influence of the Government's model on the principal's style of management is clear. "*There was a feeble management structure of devolved management. They were co-ordinators.... now they have more devolved budgets. Accountability of management is important*".

In college four the principal said a rise in student numbers had followed as a consequence of the college improving its reputation. The college had become "*more formal as we move towards a centre of excellence. We still have a flat management structure. We are influenced by a decline in physics, because the A Level is difficult. We have increased our standard in maths because the system is now modularised. The new governors tried to be more involved but this is discouraged as it takes too much time to explain the business to them*". This suggests that the same pressures are present here also. However, in this college there was little evidence of infrastructure change, there was no reception area, as before, and a small notice sent the visitor to the back of the building, in error. No one took any notice of me and when someone did notice they peered over their glasses and asked in an autocratic tone whether I had an appointment. The principal said: "*There is really no change in my style. Maybe I do lunch with people a bit more, communicate more and keep contact with people*". Decision-making was now similarly driven by administration because of the need for an audit trail.

In college one the manager's role had changed from having "*a vision of where we are going*" with an external focus, the principal said, to an internal monitoring one. In college two the principal said that his intended increase in more managerial people into his college had not taken place and everything had largely stayed the same, he still had the same management difficulties. In college three the principal said his managers had become controllers, where they had previously been facilitators. In college four evidence of a shift towards managers taking on more administrative tasks was also apparent - although the impact is softer.

The Government's commercial discourse has also begun to affect meaning. In college one some managers were identified as "*innovative*" by the principal. In this case, however, innovation referred to the staff's ability to accept the new teaching methods considered "*efficient*", where efficiency meant less classroom contact. New people were being identified as significant to bring about the "*necessary*" changes. The old holders of these posts were seen as "*not innovative*"; there was top-down direction and "*informing*" rather than consultation with staff.

Innovation appeared to be used as a metaphor for efficient operations. Quality meant meeting the objectives and innovation a metaphor for conformance to, and working within, the government model. The principal felt that the employees "*have to be able to trust me*" in order that changes could be brought about. He tried to develop trust through an open door policy, he said, by creating a friendly atmosphere and being open and direct with information. He believed that a clear statement, "*a well thought out reason*", for change needed to be communicated throughout the organisation. The principal stated that he had taken this approach and met very little resistance to change.

In college two the principal said the staff needed to be "*willing and competent to change*". Management was about changing the culture of the organisation so that everyone "*played the game*," he said. Where playing the game meant conforming to the Government's model. Professional autonomy was thus clearly under attack, a culture of conformity being preferred to that of professional diversity.

In college three the principal said that he believed that the managers in his college had experienced a major culture shift. Previously, he said, managers had been co-ordinators whereas now they needed to be able to persuade people to understand the strategic direction in which the college was going. They had to be more accountable and more in control, he said. The communicator role, he said, has changed it was now a monitor role. Accountability was now referred to only in relation to the monitor process. In contrast, in college four the principal said that her managers "*are professionals who are trusted to make all the decisions. They need only liaise over any issues they feel important - these are usually saying what they have already done rather than asking permission.*" In this case accountability is about the professional's teaching task itself.

Utilising a system of empowerment, as before, the principal in college four said, "*Teachers who do administration forget to focus on the customer. We need to keep a close focus on the student with feedback to the parents. I am buying a new building and then I will ask staff what they want to do with it. It will be subject oriented, towards the goals they are set. I would find it alien to impose changes on them. The*

changes in GCSE mean we have to be more rigidly supervisory....Anyone can come and see me at any time, contact is very informal. Innovation is dealt with on the spot. Other than a change in curriculum staff have autonomy. You have to trust your professionals”.

Assimilation of evidence: stage two

College	Hierarchical decision making	Matrix decision making	Flat structure	Facilitator leadership style	Empowered work force
1	Yes	No	Yes	No	No
2	Yes	No	Yes	No	No
3	Yes	No	Yes	No	No
4	Yes	No	Yes	Yes	Yes

There is plenty here that suggests the principals do see their tasks differently as a consequence of Government’s regulation. The principal's are altering the tradition of their colleges more in line with Government objectives. The newly incorporated colleges have shifted away from matrix decision making to more top-down decision making with a flatter structure. The principals in college two and three no longer have a facilitator style. College one, two and three no longer use empowerment systems. The principal’s management styles have become more control oriented, increasingly focused on information dissemination because increased market risk has created a more cautionary management style.

Similarly, in the case of college four there is evidence that Government intervention, has had some influence. The drive for more accountability has made the teaching task more administrative. The principal's style has been forced to become more cautious, with a need to keep communicate more with staff and governors. Similarly, the colleges flexibility has been restricted by the Government induced curriculum changes, which have created more focus on bureaucratic procedures and control.

These findings are conversant with Hallenger and Heck's (1996) research in schools, which captures school principal's task shifting from manager, to street level bureaucrat, to change agent, to instructional leader, and most recently transformational leader. There is also much evidence to suggest that the strategic phase of change has been achieved; the principal's discourse is about goals, the colleges are task driven and accountability is demonstrated through administrative excellence.

At the beginning of this paper it was asserted that a Government’s power to exert its political ideology would be dependent upon its ability to control the decision-making process at the institutional level. In this case, Government regulation has altered the way in which the principals' behave in these colleges. However, the introduction of competition in these colleges has not led them to adopt a more flexible structure, like

that of college four. This is partly a matter of college size but also because these colleges function in a quasi market (Glennerster and Le Grand, 1995). They thus operate in a market orchestrated by central government. The colleges thus appear to be caught with neither the advantages of a free market, nor the advantages of a collegiate organisation as in the case of college four. To use Porter's terms, it seems I have captured the colleges progress towards being "stuck" in the middle, the worst of all positions.

On the other hand, these colleges are now administratively neat, central government can now target funding within these organisations more accurately and control them. However, Government would be wise to be cautious, evidence suggests mastery of administrative traits by leaders in schools has not contributed to, or been consistent with, school effectiveness (Bridges, 1982, Heck, 1982). Indeed, more positive effective outcomes have been shown to develop from the social and cultural context of a principal's task in schools, mission building and social networking (Heck, 1996). Yet I have shown that Government policy is replacing mission building and social networking with administrative traits: employee consultation has become a metaphor for information dissemination, empowerment a metaphor for accountability, loose control has been replaced by tight control.

State of the art management discourse suggests, top-down decision making and information dissemination are unlikely traits for sustaining competitive advantage in a dynamic market place. I have thus captured a balance of disadvantage being created by enforcing regulatory compliance in these colleges. The cost of regulation has been an increase in risk adverse behaviour on behalf of the leaders of those regulated organisations. Government regulation tightened control over this sector, but reduced its competitive capability. Perhaps this reveals the difference between the real and the espoused meaning of action expressed by Government, perhaps the intention was to control rather than to make these organisations competitive. Whatever the reason, future Government's will need to reduce the balance of disadvantage created within these colleges by enforced compliance if they want these colleges to ride the rapids created by dynamic markets.

How college four operates in the market place may be a way forward. The synergy between its structure, management style and human resource strategy, is reaped to the full. Customer focus and a trust in the experts to do the job are not seen as mutually exclusive but mutually dependent. Internal competence is used as the key competitive advantage. This suggests there are other ways to fight for competitive edge and it doesn't have to be war.

To conclude, Government can penetrate organisational space to a considerable level. However, I have found whilst carrying out its intended action it creates unintended consequences alongside.

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