

Commitment and Citizenship Behaviour in a Public Private Initiative?¹

Thor Indridason
Centre for Employment Studies Research (CESR)
University of the West of England, Bristol
&
Catherine L. Wang
School of Management
Royal Holloway, University of London

Introduction

Commitment to the employing organisation used to be seen as the distinctive quality of a good worker. While this may still be the case, employee commitment can no longer be taken for granted, particularly with the emergence of triangular or inter-organisational employment relationships where a third party is involved as an employing and/or managing organisation.

In this article we explore a unique, new form of employment relationships entailed in the Private Finance Initiative (PFI) between a National Health Service (NHS) Trust hospital (hereafter the Hospital) and a private consortium. PFI is a specific type of the Public Private Partnership, and involves the public organisation contracting public services out to private business for about 30 years (Allen 2001). A specific type of PFI scheme in the NHS hospitals stipulated the adoption of the Retention of Employment (RoE) model, under which 'non-core' staff (i.e. five categories of 'soft' facilities management (FM) staff, namely portering, catering, domestics, laundry and security staff), whilst remaining NHS employees on their full NHS employment terms, are seconded to, and managed by, the private partner organisation (Prowle 2006). The Hospital has contracted out to the consortium the management of three of its FM services (i.e. domestic,

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catering, and portering). The staff delivering these services remains employed by the Hospital, but is seconded to the private partner company. Thus, the PFI inevitably involves significant change in the employment relationship.

The current debate on PFI has largely been on the political agenda (Beck and Hunter 2003). Little is known about how employees perceive the RoE transfer process, their experience of working under the multiple employer arrangement that the PFI entails and how these influence their work attitudes, in particular their sense of commitment to the organisation(s).

We aim to help fill in this research gap by focusing on two specific questions, drawing on evidence from the Hospital's PFI project: (i) how do employees perceive the support provided by the NHS and the management company during and after the RoE transfer process? (ii) How strongly do employees feel committed to their employer and their management company?

Research has consistently related employee commitment to such positive workplace behaviours as high attendance, low staff turnover, and dedication to work (Meyer *et al.* 2002). Moreover, workplace behaviour, inspired by commitment and loyalty, is likely to extend beyond contract and job performance to include *citizenship behaviour*, i.e. helpfulness and support to fellow workers and customers, and participation in organisational life for the good of the organisation. By pursuing the above research questions, we aim to enhance the understanding of employee commitment in the light of new forms of employment relationships entailed in the PFI, illustrating a case study based on evidence from 18 interviews with the staff at different levels and 101 questionnaires completed by service frontline employees.

Commitment and the complexities of inter-organisational relationships

Little is known as to how collaboration between two or more organisations (inter-organisational relationships) affects employees' perception of the work environment and the work attitudes and behaviours they develop. This is rather surprising as contractual relations between organisations are widely common and ever more sophisticated forms of collaborative networks are continuously emerging. Deakin and Michie (1999: 1) have argued that outsourcing contracts and partnership deals have emerged “as the foremost organising mechanism of economic activity” as business organisations seek to create for themselves a low-risk environment of certainties and predictabilities.

What sets inter-organisational relationships apart from the individual organisation is that they are normally infused by cultures, values, traditions, and policies of two or more organisations working together across different markets or industries. This raises an important question: can employees be expected to develop emotional attachment to more than one organisation? More specifically, can HRM policies and practices be formulated to reflect and mediate shared or congruent values and goals, which are consistently understood and implemented by employees?

Methods

We conducted a case study (questionnaires and semi-structured interviews) of the NHS Hospital to illustrate how the PFI contract and the HRM policies and practices drive performance outcomes, respectively. Between February 2006 and July 2007, we researched work attitudes (commitment), workplace behaviour (citizenship behaviour), and performance of employees working for the Hospital but seconded to a private partner under a PFI contract signed in 2004. The employees worked in three ancillary services: portering, domestics, and catering.

The new PFI private partner was to finance and build a new hospital, maintain it for 33 years, and manage the three ancillary services previously outsourced in all hospital buildings on the site.

Some findings

Contract management, performance monitoring and culture

An important objective of the PFI scheme is to attempt to create certainties of both costs and delivery capabilities. Each service, managed by the private partner, is monitored by the NHS's monitoring officers and each task performed and quality delivered is contrasted against performance requirements set by the Hospital (sometimes in cooperation with the private partner) or national (i.e. cleaning) standards. Both parties have worked towards developing clear and unambiguous performance/quality measurements to accurately determine levels of performance and verify failures.

Despite being efficient, the monitoring system has certain drawbacks. It emerged from our interviews that many employees felt uncomfortable and even found it degrading to have their work inspected by the monitoring team. Furthermore, relations between the supervisors responsible for staff performance and the monitoring officers remained somewhat strained as the supervisors felt they were being 'policed' by the monitoring officers. Efforts to develop positive work attitudes among employees are therefore undermined by feelings of suspicion and distrust towards the monitoring system.

The integration of the two organisations and the culture of the collaboration have only been partial and mostly limited to the three contracted services. Elsewhere within the Hospital, the partnership has been met with suspicion and seen as just another outsourcing deal and the private partner as just another contractor. Such misconceptions have had negative impact on the workplace climate by spawning

us and them mentality with employees working under the private partner's management feeling they are seen by other hospital staff as 'contract workers' rather than part of the NHS workforce.

HRM policies and practices

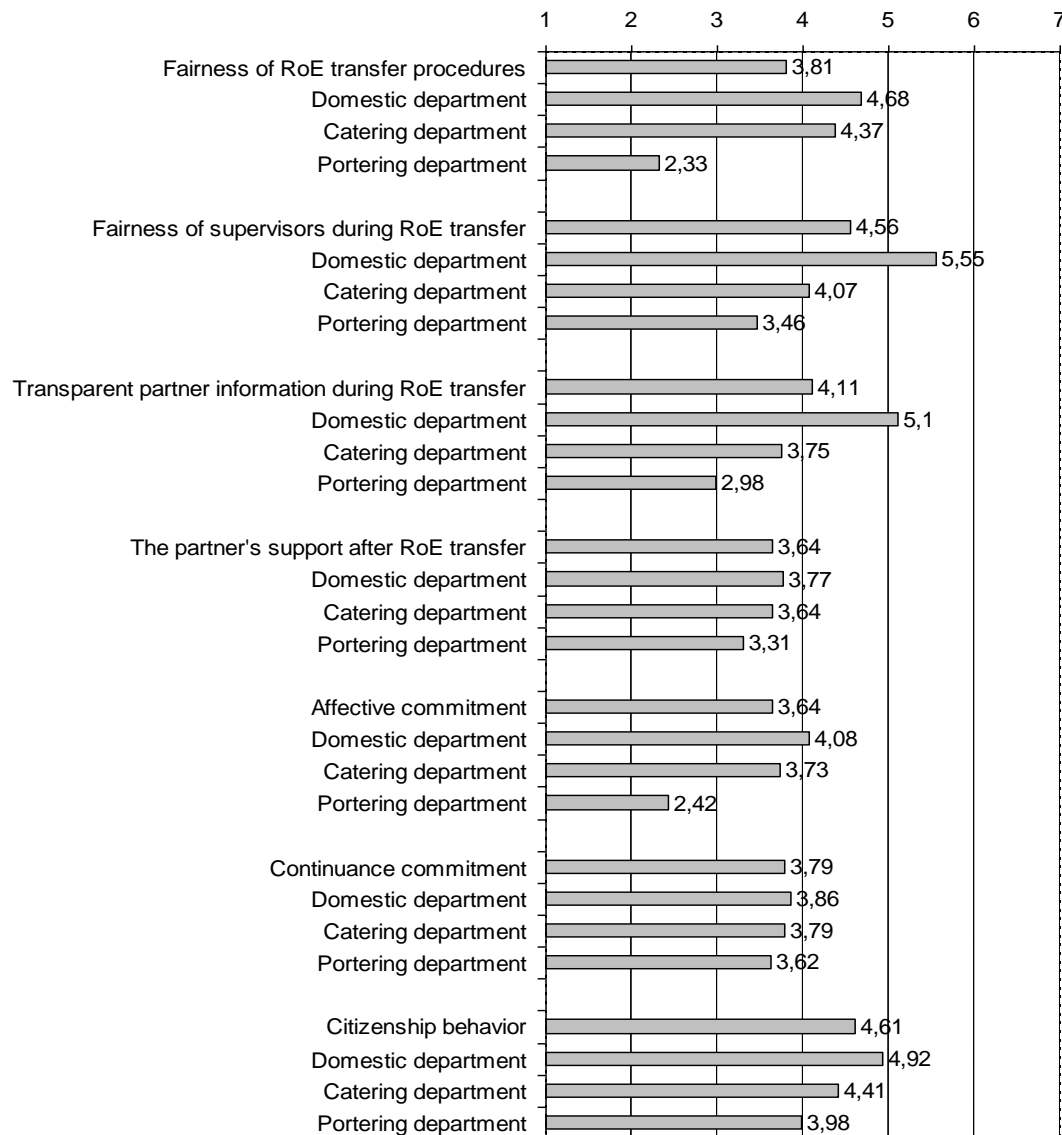
Besides delegating some of the HR tasks to the private partner (for example, recruitment, selection, and appraisals), the contract between the two organisations leaves considerable scope for the private partner to implement practices compatible with, and supportive to, the Hospital's HRM policies (for example, communication, involvement, training, and career development). Both organisations base their HR policies on similar values, emphasising dignity and respect, staff development, involvement and participation. Accordingly, employment relations and HRM practices are strongly commitment-oriented.

The commitment orientation of the partner's HRM practices and policies is supported and accentuated by the approach of the PFI scheme to employment relations. Thus, prior to the consolidation of the partnership contract the private partner was able to realistically plan the number of employees needed to run each of the three services given the NHS's output specifications. As the staff were employed by the Hospital, incentives to extreme efficiency management were eliminated. Thus, whereas previous short-term outsourcing contracts had strongly incentivised previous contractors to cut staff in the name of efficiency (*"the [contractor's] way of doing things was to cut the staff down to the bare minimum and drive people hard"*), the realistic approach of the PFI scheme prompted the collaborating partners to significantly increase staff levels in all departments to ensure reliability and quality of the services.

Staff attitudes and workplace behaviour

The transfer process. In general, employees felt well supported by the Hospital through the transfer (RoE) process; they felt their managers and supervisors were being particularly supportive and felt reasonably well informed about the partner. However, they felt they could have been given better chance to voice their concerns on the transfer procedures (see Figure 1).

Figure 1. Employee perceptions, commitment and citizenship behavior



Opinions differed markedly between the three departments with staff working in domestics generally feeling most supported, while porters felt they had relatively little support from both organisations. This may relate to employment conditions within each department at the time the partnership was formed. Our interviews revealed that within the three departments, the work conditions and management were poorer in portering than the other two departments and staff attitudes in portering, accordingly, less positive. Lower moral and disillusionment among the porters may, therefore, have contributed to feelings of suspicion, disinterest, and low expectations about the possible benefits from the transfer. To some extent this is explained by a series of changes and restructuring exercises the department had undergone under the private partner's management and understaffing which related to incorrect estimate of adequate staffing levels made prior to completion of the PFI contract.

Commitment. By the time we did our survey the partnership had only existed for about two years. During this relatively short time employees had developed reasonably strong sense of commitment towards the private partner. Domestic and catering staff in domestics scored higher than portering staff. Again, the low score in the portering department may relate to conditions in the portering department as it had the longest way to go in terms of developing positive work attitudes. As shown in Table 1, employees' perception of the partner's support after the transfer is significantly correlated with affective and continuance commitment, as well as citizenship behaviour.

It seems that, while employees have developed a sense of commitment and loyalty towards their new managing organisation, their ties with their employing organisation, the Hospital, have weakened with employees seeing themselves primarily as the private partner's staff. This may relate to lesser involvement in

organisational life within the Hospital after the transfer. Moreover, a sense of weaker attachment to the employing organisation may be accentuated by the perception that other Hospital staff see the seconded employees less as a part of the Hospital and more as contracted workforce. Symbolic gestures may play a role in generating such sentiments. For example, the seconded employees wear the private partner's uniform, carrying its logo. Other Hospital employees wear readily identifiable NHS uniforms.

Citizenship behaviour. Our findings indicate that, with the exception of the porters, staff in the three ancillary services had, in a relatively short span of time, developed quite a strong sense of commitment and loyalty to the private partner. That prompts the question if these positive attitudes have any bearing on workplace behaviour, in particular, citizenship behaviour. We measured two types of citizenship behaviour: civic behaviour (participation in organisational life for the good of the organisation), and helping behaviour (assistance and support to fellow workers).

For both types of behaviours, domestic and catering staff scores higher than portering staff. (see Figure 1). It is worth noting that work systems, i.e. job tasks, mode of supervision, and work processes, may impose restrictions on employees' scope to exhibit citizenship behaviour and job discretion, particularly helping behaviour. Thus, tasks tend to be routinised in both domestics and catering, and allocated to certain individuals leaving little room for discretionary behaviour at work. Whereas portering work may be less routinised and involve more variations in terms of tasks and possibly greater job discretion, porters tend to work more on an individual basis, which limits the support they might enjoy from their workmates.

Table 1: Descriptive statistics

	Mean	Standard deviation	Correlations						
			1	2	3	4	5	6	7
1. Fairness of RoE transfer procedure	3.81	1.71	1						
2. Fairness of supervisors during RoE transfer	4.56	1.89	0.57**	1					
3. Transparent partner information during RoE transfer	4.11	1.82	0.65**	0.54**	1				
4. The partner's support after RoE transfer	3.64	1.64	0.26	0.40**	0.57**	1			
5. Affective commitment	3.64	1.82	0.43**	0.42**	0.57**	0.66**	1		
6. Continuance commitment	3.79	1.52	0.11	0.27	0.16	0.40**	0.38**	1	
7. Citizenship behaviour	4.61	1.36	0.37**	0.42**	0.48**	0.37**	0.61**	0.34**	1

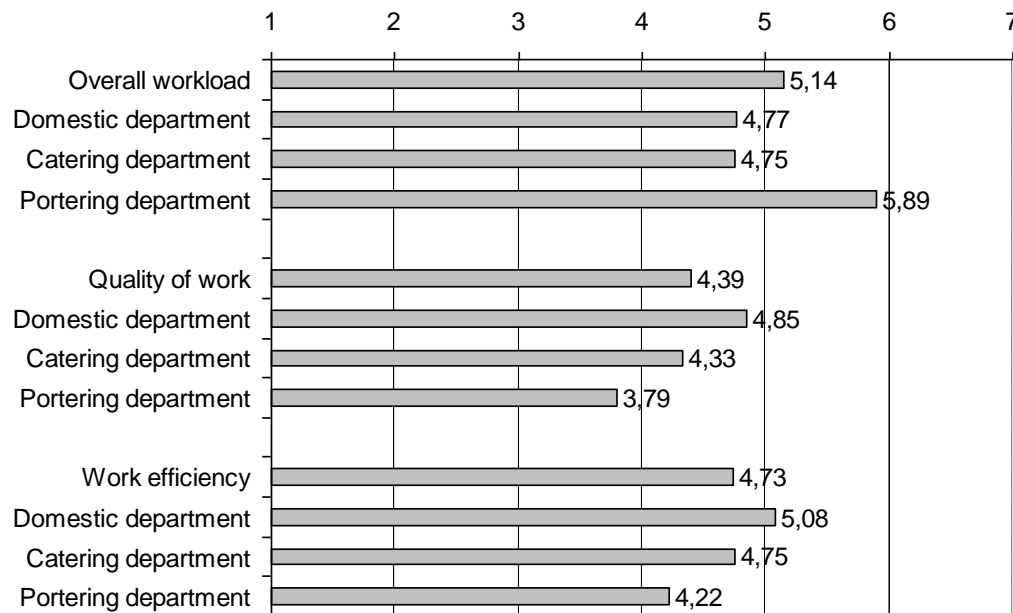
** Correlation is significant at the $p < 0.01$ level.

Performance and service quality

Across the three services the performance level defined as 'satisfactory' by the contract is 90 per cent. In case task and quality failures increase above ten per cent, financial penalties may be applied. The failure rate has been very low with all services performing well above the 90 per cent limit. The high performance level can be attributed to several factors of which employees' effort is paramount. When asked if the overall workload had increased after the transfer to the private partner, the porters scored much higher than domestics and catering staff (see Figure 2). These findings are a little puzzling as staff levels were increased when the private partner took over the management of the three services (albeit least so in portering which remained understaffed for the first two years under the PFI

contract). In addition, improved attendance at work under the private partner's management can also be expected to have eased the workload somewhat.

Figure 2. Job performance after the RoE transfer



This raises an intriguing question: is the high performance level attributed to greater work intensity driven by pressure to achieve the output specifications stipulated by the PFI contract or more efficient HRM?

Two questions addressed the issue of 'smart working', i.e. working more efficiently and delivering better quality. When asked if the quality of the work was *much higher* after the transfer, the porters reported worse quality of work after the transfer, while domestic and catering staff reported an improved work quality (see Figure 2), indicating quality improvement had been realised in the two departments.

All departments reported improved work efficiency after the transfer (above 4.0), with domestic and catering staff scoring higher than portering staff (see Figure 2). Employees' perception of smart working is positively associated with monitoring measurements of actual performance within the three departments.

Conclusion

This article has explored one form of partnership, the UK's PFI scheme, through a case of collaboration between an NHS hospital and a private consortium. In terms of performance, cost certainties, and reliability, the PFI has proved to be overtly superior to the earlier experience of competitive tendering. This can be attributed to three key elements of the set-up of the contract between the two organisations: clear and unambiguous output specifications and cost certainties, effective and learning-oriented monitoring system, and commitment-oriented HRM system and practices.

The reality behind this conclusion is, however, far from being simple and straightforward. The contract between the two organisations is an extensive, complex, and extremely detailed document. While it aims at remedying the deficiencies of more conventional forms of outsourcing relations, it creates new complications and inconsistencies. Some of these reflect the complexities of the collaboration. Thus, the positive work attitudes and behaviours, which are sought to be developed through HR practices, are undermined by the operation of the monitoring system. In other cases, management's handling of certain processes have resulted in rather unfortunate outcomes as in a failure to introduce and 'market' the PFI collaboration throughout the entire organisation (the Hospital). This has resulted in scepticism towards the collaboration among the Hospital staff and the RoE employees feeling that they are no longer seen by other Hospital staff as NHS workers, but an appendage to the organisation.

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