The end of the road, no more walking in dead men shoes:

IT professionals' experience of being outsourced to the private sector

Simone Dahlmann

Simone Dahlmann is a Research Fellow at the Working Lives Research Institute at London Metropolitan University in London, UK.

ABSTRACT

This article examines the experiences of IT professional workers in the process of being transferred from local government to private, large multinational IT service providers in the UK. Outsourcing of IT services has become a common practice and often it is the workers' experience of change that is under-captured in research. This article looks at changes in occupational identity, recognition and commitment in the workplace and shows how these factors are perceived by IT professionals in the UK interviewed as part of case study research for a larger, EC-funded research project. The findings point to a clash between the need to adapt to private sector organisational practices and the desire to find meaning in work that has substantially changed.

Introduction

This article describes the consequences for workers of outsourcing local government IT services to large, multinational business service providers. The experience of 'being outsourced' has already become a common reality for many professional groups in the public sector. The process of outsourcing, as a particular form of restructuring, often goes hand in hand with redundancies, spatial relocation or changes in organisational practices (for instance the decentralisation or centralisation of services and increased use of formal performance measures). Less negatively, changing from the public sector to a private sector organisation can in principle open up opportunities to take on more varied types of work and develop new career paths. Whereas in the public sector progression tends to be associated with low geographical mobility and a more hierarchical career structure, the move to a multinational company could be the runway to a national, or even international, career.

Two case studies are presented here that illustrate the experiences of former local government IT workers of being transferred to international IT service providers in the context of outsourcing deals and the consequences for their working life, careers and occupational identities.

Multinational IT service providers play an increasingly powerful role in the running of local government IT services. Alternative models, such as reforming services in-house, are being pushed by trade unions but the harsh reality is that the concept of outsourcing dominates. Despite the UK national government's stated aims of bringing more diversity to the procurement of public services, for instance by creating more opportunities for small and medium sized enterprises (SMEs) to help develop the economy, the reality is that in 2002-3 just five companies accounted for 60 per cent of UK government IT contracts (Itlett, 2006). Other figures, from the Public Accounts Committee (PAC), estimate that eleven companies provide 80 per cent of government IT: Accenture, Atos Origin, BT, Capgemini, Capita, CSC, EDS, Fujitsu Services, IBM, LogicaCMG and Siemens Business Services (Ranger, 2005). This clearly illustrates the market dominance of what UNCTAD (2004) has described as 'a new breed of multinationals'.

It is often claimed that outsourcing to private IT service providers brings the benefits of reduced costs, access to up-to-date IT services and expertise and increased efficiencies resulting from overhauling management, HR and IT systems. There is however also evidence of failed contracts, increased spending, and unhappy workers. A recent news story claimed that 'taxpayers' money is being squandered on public sector outsourcing deals', in a case where it was alleged that the local authority in question was paying 75 per cent more than the going market rate for its IT services (Heath, 2008). The decision to outsource or relocate business activities frequently comes with a notion that 'one size fits all' and an inherent pressure to follow the success of other cases. In practice, however, outsourcing may not be the best solution in all cases. For example, in the UK a survey of 150 member companies by the Confederation of British Industry found 51 per cent reporting that pressure to outsource offshore had increased over the past two years, with 21 per cent describing these pressures as 'very great', 30 per cent reporting that they had already relocated some activities overseas and almost a quarter considering doing so in the future (CBI, 2004). When making the decision to outsource, the impact on affected workers in a qualitative sense and the longer term organisational changes that comes with it are often overlooked (Huws & Dahlmann, 2007). Research on mergers and acquisitions (M&A), which present workers with a similar change of ownership and level of organisational upheaval, has shown that M&A present a 'major organisational event to employees because they threaten and disturb culture, lead to misunderstandings and often force the integration of people who do not share the same reality' (Cartwright, 1998:7).

When New Labour gained power in 1997 in the UK, reforming public services was a key political priority. New Labour's rhetoric of inclusion, partnership and improved and better managed public services seemed to promise a positive change in the ways public services had been run compared with the past, in particular in the Thatcher years. However there is little evidence that these changes have been experienced positively by the workforce. A study investigating former public service workers (Ahmad & Broussine, 2003) into the impact of modernisation on a range of workers and managers (childcare team managers, local authority chief executives and health visitors) found widespread reports of feelings of powerlessness, devaluation and deskilling which in turn gave rise to demoralisation.

Historically, the public sector has been a provider of 'good employment' with

employers exhibiting greater commitment to social values, and ‘people friendly’ policies than their counterparts in the private sector, for example there is typically much more investment in work-life balance policies than the private sector (Persaud, 2001). Workers in the public sector find imported practices from the private sector ‘deeply threatening to their professional roles’ (House & Watson, 1995:7), feelings that were echoed by the workers in our research. Ghobadian, Galleary, Viney & O’Regan (2007) point to different cultural values and expectations between the private and public sectors and the competing demands of the various stakeholder groups involved. Grimshaw, Vincent & Willmott (2002) remark that:

while policy-makers argue that the growing role of the private sector is not driven by ideological thinking — that, in fact, both public and private sector organisations can benefit from working together in partnership relations — in practice it is the norms and rules of private sector management that underpin reforms.

The occupational group interviewed for this article consisted of former local government IT professionals. In each case, the IT department’s task was to support each Council’s own IT services, IT infrastructure and purchasing of IT. For the purposes of this research, in line with the definition used by the WORKS¹ project, an occupational group was understood as a job family including jobs that are related: either based on the similarity of functions performed or on the knowledge, skills requirements and/or category of work. An occupational group is thus a group of persons who engage in the same activities or have the same professional status (WORKS glossary, 2006).

Occupational identities and career trajectories in the context of restructuring

A literature review on occupational identity carried out by the WORKS project summarises some key factors that are relevant to the (re)construction of occupational identities and careers in the context of organisational restructuring of the type examined in our case studies (Valenduc & Vendramin, 2007). This section is based on this work.

Occupational identities are on the one hand individually generated and on the other socially generated. The formation of an identity is a transaction between the individual’s desire to identify and institutions that gives status and diverse forms of recognition. Changes in the institutional context will therefore inevitably lead to changes in occupational identities. There are, of course, major differences between the public and private sector in terms of typical career paths. Restructuring and transfer to the private sector often mean that occupations are increasingly linked to (soft) competences, lifelong learning, and careers, in contrast to a previously more hierarchical career path linked to ‘hard’ qualifications.

However although occupational identities may be undermined by restructuring, not all workers with a similar profile will react in the same way to organisational change or restructuring.

1 The WORKS (Work Organisation Restructuring in the Knowledge Society) Project is a four-year project funded in 2005 by the European Commission under its 6th Framework Programme, involving a partnership between 16 research institutes in 14 EU Member States. Further information about the project is available from www.worksproject.be.

Much of the literature suggests that in a knowledge-based society, knowledge workers will form weaker attachments to organisations, be less reliant on them to provide occupational identity and find new ways of building their own, more individually-based occupational identities. However, there is empirical evidence demonstrating that in practice things may be very different and that in fact many workers are more and more dependant on institutions to support positive occupational identities.

The transformation of occupational identities expresses a shift from community-based relationships to societal relationships. In theory, social bonds, solidarity and collective consciousness in work are not disappearing but the forms and temporalities of the social bond within work are changing. These 'new' values are linked to the idea of networks, organised around projects, with individual involvements rather than a tightly-knit community-based workforce.

Despite globalisation and internationalisation of work, occupational identities are locally constructed and perhaps that is a dimension that is forgotten when workers are transferred. Local culture and values remain central in the construction of occupational identities.

Careers are often more formalised in larger companies, although career progression may be linked to geographical mobility. On the other hand, mergers entail the disappearance of several features linked to the small size of companies: corporate spirit, relationships within a small group and informal career paths. These features are often appreciated by IT professionals; they often consider leaving a company to find a better work atmosphere elsewhere.

The formulation of occupational identity commonly involves two key factors: first, recognition (of knowledge, competences, experience and responsibilities) and second, commitment to work or tasks and/or to an organisation. Outsourcing deals and transfers of workers can have immense impacts on these two parameters and change feelings of recognition and commitment for an individual or even for a whole workforce.

The case studies

Two case studies are presented here that were carried out as part of the WORKS project in 2006 and 2007. In carrying out these case studies, the aim was to obtain a good mixture of research participants in order to gain a variety of different viewpoints in each case. Interviewees included workers at various different levels, line management, senior (strategic) managers, HR personnel and trade union representatives. The focus of this article is mainly on the experience of IT professionals but it also draws on some of the other interviews. The research did not just involve interviews with those directly involved but also with other groups who had a stake in the outcomes of the outsourcing arrangements. In our two case studies relevant groups included representatives from the local authorities, IT professionals, senior management of the IT service provider companies and trade union representatives. Like other qualitative research methods, case studies do not aim to establish a valid picture of a certain scenario in the sense of representativeness

but try to draw conclusions based on the typicality and uniqueness of a case.

The first case study concerned a ten-year IT outsourcing deal between a local government authority in Wales (nicknamed *Cymru Council*) and a multinational IT service provider (nicknamed ITPROF). The second case study looks into the outsourcing of IT services for a local government authority in England (nicknamed *Midlands Council*) to two private IT service providers (nicknamed, respectively, ITSYSYSTEM and ITSERF). This case involved two rounds of transfer of personnel and thus represents an interesting case that illustrates ongoing restructuring.

Nicknames are used to anonymise and conceal the identity of the case study organisations, in line with guidelines for ethical research practice.

The IT professionals who were directly affected by the transfer and were interviewed for the two case studies included both men and women (although the majority were male) with a range of different job titles: 'IT application officer', 'IT service officer', 'IT project manager', 'IT application development manager', 'Account maintenance manager', 'IT application development manager', 'Software developer', 'IT technical manager', 'IT technician' and 'Telecom service manager'.

Case Study 1

In the first case study, the Welsh local authority nicknamed *Cymru Council* said that its decision to outsource was tied in with a need to increase efficiency and improve the effectiveness of its antiquated IT services. Calculating that it could bring savings of £50 million, senior management at the council proceeded with the decision to call for tenders for a ten year partnership deal with an IT service provider, without consulting with their IT staff. The reaction from the IT workers, other local government workers and their trade unions was one of anger, disappointment and frustration, leading to a 12-week strike. This did not result in reversing the decision, but did give the trade union some say in the choice of outsourcer and led to a situation where negotiations were opened over the process of transferring the workers, which became a lengthy process. In the event, it was two and a half years before the IT service was finally transferred to a global IT company nicknamed ITPROF, in January, 2006. The strike action gave the union some leverage in these negotiations, as a result of which the trade union was given a say in which of two companies should be awarded the contract (it picked the one that had not been prepared to help break the strike). The union was also able to negotiate a deal whereby the transferred employees were allowed to remain employed on public service terms and conditions, their pensions remained protected, their offices stayed on the same premises and no staff were made compulsorily redundant. Another very important aspect of the agreement was a 'mobility clause' which stated that IT staff were under no obligation to work anywhere else or on other projects against their will. As is evident from case study 2 below, restructuring is often ongoing and a workforce can be torn apart through several rounds of restructuring. For these Welsh IT professionals and their trade union, this clause represented a great victory, providing some safeguards for the future of their employment.

Case study 2

The second case study concerned an English local authority, nicknamed *Midlands Council*, which, in 1997, entered a seven-year partnership arrangement for the provision of networks and computer systems, supporting some 4,000 users within the local authority with a company, nicknamed ITSYSYSTEM, which is a global IT business consulting and outsourcing services company. At that time, the IT service department employed 250 IT professionals but ten years later, after successive waves of redundancies, only around 70 IT professionals were left. After the seven year deal came to an end, *Midlands Council* put the contract up for tender again. This time a different bidder was successful, a British company nicknamed COMPNET. So, in 2004, the majority of the IT workforce were transferred again, this time to Compnet, although about 20 staff remained with ITSYSYSTEM working on new contracts providing IT services to financial institutions. To make matters worse for the 'retendered' IT workforce, Compnet was soon bought up by yet another company, a global outsourcing and consultancy firm nicknamed ITSERF, which was the current service provider at the time of our research. It is perhaps unsurprising that both the IT professionals who remained with ITSystem and those who were transferred first to COMPNET and then to ITSERF felt powerless and disillusioned with their local government employer. Throughout this odyssey, little consultation with staff took place. Those professionals still working for ITSYSYSTEM, the first IT service provider, delivering work on purely private sector contracts (financial institutions) had to move office and lost touch with the public sector as a customer and former employer and with their old colleagues as well as losing the individual relationships they had formed with the other local government workers for whom they were providing the service. Those who were subjected to a twofold outsourcing process and caught up in a company takeover were also very disillusioned, but for them it remained important that they were still working for *Midlands Council*, not as their employer, admittedly, but as their main customer.

The workers' experiences

The next section is based on interviews with these transferred IT professionals in which they recounted their experiences of the transfer from public sector employment to private, multinational IT service providers.

In the first part of the research interviews, participants were asked to describe their careers and asked what had originally motivated them to work in IT in the public sector. Overwhelmingly, the motivation for working in the IT sector was based on the view that it was a sector that would provide a high degree of job security, especially when tied in with the good employment policies and benefits of working for the public sector. At the time most interviewees joined the councils for which they worked, the sector was growing and job opportunities were good. All our interviewees at ITSYSYSTEM and ITSERF had a university degree in computer science or business-related studies and their career paths showed a more uniform pattern than for those IT staff working at ITPROF where there were noticeable differences between the older and younger workers. Older workers tended to have been at *Cymru Council* for a very long time, starting in junior roles and progressing over time into more

senior, qualified roles. These older workers did not have formal IT qualifications but had a keen interest in the evolving IT sector and technology and had entered IT-related roles because of their personal interest as well as because they saw it as a 'good opportunity' career path. Younger workers were more likely to have formal qualifications and to have entered public employment as IT workers.

The outsourcing has created a strong feeling of precariousness, not only in relation to having (or not having) a job but also in creating a sense of having lost autonomy over and input into the work. Streamlining and standardisation of ICT (Information and Communication Technology) formed a strong component of the outsourcing strategy and, for IT enthusiasts used to developing their own programmes, it was very difficult to accept the loss of freedom that this entailed. From the interviews it also emerged that before the transfer these IT professionals had been encouraged to develop their IT skills and knowledge continuously, including being urged to attend conferences and training courses to keep up to date with new developments. Now they were outsourced, this was no longer encouraged and sometimes actively frowned on. A software developer at ITPROF described how:

I thought it was a job for life. I liked IT and that is why I got a job as an IT support technician with [Cymru Council] , I progressed, becoming a developer and now everything has changed and IT is not a job for life anymore.

At the start of these interviewees' careers, working for the public sector had been a decisive factor; in most cases, choosing to work in local government was no accident. Interviewees wanted to work in IT but also enjoy job security and be part of a public sector ethos, which they saw as delivering work that is 'meaningful' and makes an positive contribution to the local community.

Some of the interviewees had previously worked in the private sector and had had bad experiences there. They said that they had chosen to move to the public sector because this would create more stability as well as offering other benefits such as good working hours and flexible working, something which was particularly important to the female interviewees. The software developer at ITPROF put it like this:

I had the choice to be working for a private service provider in a bigger town, for example London. If this is what I wanted I'd have made that choice.

Despite the outsourcing, in both cases former council employees still exhibit strong feelings of commitment to the council's work and the wider local context but show little identification with working for ITSERF or for ITPROF and did not share their organisational visions or agree with their practices. Interviewees still feel an affiliation with the Councils that used to employ them and say that they think it is important to be doing a job supporting council work, and thus indirectly supporting the local community. When asked how they describe their job in an informal, social situation, e.g. at a party, most interviewees said that that they would state that they are 'supporting the council's computer systems' rather than saying 'I am working for ITSERF (or ITPROF)'. This clearly indicates their primary identification and commitment.

Local issues and community bonds were very important features in both cases but particular important for the IT staff located in Wales which represents a particular set

of national values, morals and political context. In both case studies, interviewees said that the biggest change was the fact that 'money making' is now a key part of their work whereas before they worked for the public good.

Local affiliation was a very important factor in the interviews: the cities in which these councils are located are both fairly small (with population sizes of 225,000 and 301,000). Taking into account their age and length of service with the councils, interviewees do not want to move for their work, saying that they have their homes and families in the area and have put down roots there. As a result, they do not feel tempted to make a career within ITPROF or ITSYSYSTEM or ITSERF which they see as demanding that they would have to travel and work in a very different way.

This perception of change was especially harsh for those workers who were transferred to ITSYSYSTEM and ITSERF. At the time of our interviews, ITSERF had just announced a round of redundancies and all the staff interviewed expected either that they would be made redundant in the next two years or that the outsourcing contract would be taken over by yet another provider. These interviewees were thinking about finding new employment, in some cases not necessarily related to IT work but underpinned by the desire to do 'something meaningful', the feature that they felt was most important about their public sector employment.

This loss of meaningfulness was described by one ITPROF's technician as 'a change from a service-driven department to a cost-driven department'.

The high proportion of older workers among the interviewees reflects the fact that most of them had been with the councils for long periods of time and had no plans to change employer before the outsourcing was announced. This did not, however, necessarily mean that they had high career ambitions within the public sector. It was interesting that the idea of 'moving into management' was not generally liked. Most interviewees said that they liked the 'way things were', 'doing their job' and the rigid career structure, where promotion was rare, taking the form the interviewees described as 'dead men shoes' (whereby a person only moved up when vacancies were created by the retirement or departure of the supervisor or manager). Following the transfer, two of our interviewees had been moved up into managerial team-leading roles and were not too happy with it. Others said that they would not like to progress to that level; when asked about their career plans for the future their preference was for as little change as possible.

In keeping with their strong bonds to the locality and community, these professionals regretted what they felt to be a loss with regard to work atmosphere and collectivity. In the first case study, the team structure and departmental composition were still fairly similar, but even there, because ITPROF had moved some of their other staff into the team, there was a feeling that the strong sense of collectivity has been somewhat undermined. In case study 2, after the repeated outsourcings had taken their toll, little team spirit or feelings of collectivity remained. In neither case did the workers feel that they were receiving recognition from their managers or from the organisation as a whole. To the extent that they felt recognised at all, this came from their colleagues.

The changes in occupational identities mainly relate to the fact that workers are not part of the public sector anymore and, in line with this, feel that their personal values of

doing something for the community have been comprised. Another important change relates to not being part of a single organisation anymore, with the fragmentation and remoteness of ITPROF, ITSYSYSTEM and ITSERF creating a feeling of 'them and us'. This is exacerbated by the frustration that their work is now about 'filling the pockets of shareholders' instead of meeting the wider public good. The IT technical manager at ITPROF described the change in these words:

we made a choice to work in the public sector and if we wanted to work elsewhere we could have made that choice but we didn't want to; we preferred to work for the council.

Interviewees at ITSERF explained that they understood that there were potential benefits in career terms of having been outsourced to the private sector. At *Midlands Council* there was a more rigid progression structure where a post had to become vacant before there was an opportunity to move on, whereas ITSERF and ITSYSYSTEM promote on merit, performance measures, and personal development plans. In reality, however, the absence of management presence on the spot at both companies creates a feeling of being cut off from head office and interviewees feel that there is little appreciation of their work. This remoteness makes them feel that they are not supported and, as a result, they would prefer to work for another employer.

Within *Cymru Council*, too, the means of promotion was traditionally on a 'dead men shoes' model, whereby an IT worker would only 'move up' when some else retired and a vacancy became available. The move to ITPROF meant a move into a very different environment. Instead of acquiring their IT skills onsite, through training and learning by doing, ITPROF's staff tend to have high levels of formal qualification. The company recruits nationally and internationally, rather than locally and does not recruit to a specific post, e.g. at a specific location, but to a 'service line' or an 'assignment'. As a condition of employment, a newly recruited consultant has to agree to be flexible, prepared to travel from assignment to assignment. The length of assignments varies: it can be anything from a day to a couple of years. Once the assignment is seen as completed, the consultant is moved off and in most cases will not have any further involvement in the case. Line management can be remote. In general, the outsourcing has created a two tier workforce with a lower tier of locally transferred employees and some line managers and consultants put in by ITPROF who may stay or go depending on how well things progress. For the former public service workers this is something that goes against their values of collectivity, team spirit and community.

Working for the IT service providers changes the required skills profile too: where before a certain type of conduct at work, and technical skills were important, now there is a strong emphasis on soft skills. In fact, some of the transferred IT professionals have become project managers, a position that requires much fewer IT skills than their previous positions.

ITSERF puts a premium on first-class customer service and inter-personal skills. Their brochures state that they expect a successful IT worker to be a 'self-starter', 'enthusiastic', to have 'a strong teamwork ethic, with a proven ability to work collaboratively in mixed teams of colleagues and clients', to have a 'focus on results and a "can-do" approach to tasks', 'highly capable critical thinking, interpretative,

and analytical skills, allied to an ability to drive insights from analysis findings', 'good inter-personal skills', 'ability to take ownership' and 'ability to follow things through'. This is in strong contrast to the views of our interviewees about the qualities needed to do their jobs. They said that what was most important was to understand how local government works, and the priorities of public service providers, to share the values of serving the community, to have a strong personal interest in IT and to be willing to get a job done.

We all had that public service ethos, we were doing our job, as well as we could but ... not because somebody else was making money out of it. (ITPROF Software Developer)

In the first case study, *Cymru Council*, most workers were still in the same offices as before and had not had to move physically (although they recognised that willingness to be mobile was the basis for progression in their new employment), but in case study 2, workers had to get used to the idea of being more mobile and being prepared to travel if they wanted to keep their jobs. The recent redundancies and the absence of any local line management had made them very unsure about what would happen to them in the future. This change had drastically impacted on how they evaluated their future career paths. Whereas before the transfer there had been a great deal of satisfaction, confidence and stability, now the reverse was the case: people felt undervalued, had less access to training, felt threatened by further restructuring and redundancies and did not think they would be working in the same job in five years time.

We can therefore conclude that, by and large, these transferred employees feel threatened in their occupational identities. Most of the interviewees had no desire to take up the new opportunities opened up in principle through employment by a multinational organisation and there was a palpable sense of loss in no longer working for the public sector. This is illustrated in the words of a female applications manager who described her work as hugely important to her but described a shift in her identity since the transfer, accompanied by a shift in her personal priorities. She said:

There was a time in my life where I lived the job, exclusively of anything else, resulting from long hours; you go home, eat, sleep, start again the next day. Now money is not critical, the mortgage is paid off, my husband is happy and content in his job so there is stability. Now I would like to do something that is a new challenge, I don't want to think about solving a problem at six in the morning in the shower anymore.

She now says she wants to withdraw from working in IT but very definitely to work in the public sector (for instance in a local authority or in health services). She is clear that she does not want to 'fill shareholder pockets' any more and is quite willing to retrain. Her experience of working in the outsourced IT sector has left her with one clear priority: to move back as quickly as possible into the public sector.

Discussion

These UK case studies highlight some of the issues discussed in the wider literature around occupational identity and the impact of organisational change on employees. Outsourcing to the private sector clearly led to a clash in these workers' commitment

to, and identification with, their former and current employers, and this is certainly connected with the very different organisational cultures and values represented by the private sector.

These findings are in line with expectations of change in occupational identities after restructuring: the mechanism for formulating identity has moved away from the employer, towards individual solutions and other objects of identification. Our case studies definitely highlight the importance of locally constructed identities at the workplace. Identification with a global employer and the idea of globalisation seems too far fetched and remote to enter into interviewees' consciousness, and this failure to identify with an abstract and unreal-seeming entity is reinforced by the physical absence of their line managers, the lack of any sense of appreciation or recognition by the companies and the mysterious comings and goings of consultants who are posted with them for short periods but are not felt to be part of the team.

These case studies show how quickly and completely occupational identity can be undermined, leading to a loss of a strong collective identity, recognition, commitment and adverse effects on future careers. Our transferred IT professionals find themselves in limbo: they are part of something new, but feel they do not belong to it; they are also still part of something old, but can hardly recognise it. In case study 1, most of our interviewees were over 40 and were fairly content to end their careers in their current posts, having, through the trade union negotiations, managed to hang on to some of their former favourable terms and conditions and minimised the changes to their working situations. In case study 2, the upheaval was much bigger and the impact more traumatic, uprooting these workers to such an extent that they are now mostly considering leaving the IT profession altogether.

Running through all the interviews was a strong sense of frustration stemming from increased standardisation of work, as well as reactions of pure shock that the public sector could be changing so rapidly. In case study 1, most workers had made the choice to stick with 'the old' rather than 'the new', a strategy facilitated by the strong trade union involvement but nevertheless a step backwards, rather than forwards in terms of personal fulfilment. In case study 2, 'the new' is harsh and unrewarding; 'the old' is still tangible for the doubly transferred workers now employed by ITSERF but still dealing with their old local government clients; however those left behind at ITSYSYSTEM have completely lost touch with 'the old'. In either case it is hard to build up any positive new sense of identity because there is so little interaction between employer and employee. Viewed positively, the ITSERF workers have at least managed to maintain their strong identification with local government and the sense that they are still doing something useful for the community has helped them to continue their professional life in a 'business as usual' sense. In a more pessimistic view, the old values have become straws that are being clutched at to minimise the impact of the experience of alienation and separation from their new employer. As we have seen, in this second case study, most workers have lost faith in the strength of their former collective occupational identity to such an extent that they now want to change to a completely different occupational group.

For case study 1, it is important to consider the national context. *Cymru Council* is located in Wales, in a region with a strong national and regional identity and an

equally strong history of trade unionism and political awareness. In the words of a union brochure issued in association with the strike:

The Welsh model of co-operation and collaboration is the right approach to improving public services. It reflects Wales' geography, our values and our sense of ownership in our public services. Competitive models offering the illusion of choice have no place in Wales. Instead we have a public service ethos driven by values of selflessness, integrity, objectivity, openness, accountability, competence and equality.

Embedded in this context, the industrial action had enough force to negotiate conditions that gave considerably more protection than there would have been without the strike. Unsurprisingly, in case study 2, trade union memberships has shrunk, showing a lack of belief in collective action.

Our interviewees' strategies for coping with the transfer in both cases involve keeping strong ties, emotionally and morally, to their former employers. This is achieved, however outside the confines of the immediate workplace. They identify with their locality and wider community and are using this as a way to integrate change but keep the change in identification minimal. This collectivity and sharing of values becomes their main source of recognition, whereas in the past, recognition was supplied more directly by employers to their employees.

This way of formulating occupational identity helps to explain their resistance to the option of geographical mobility and to their new employers' organisational philosophy of internationalisation and work based on short-term assignments. Geographical mobility is a key feature of the changed working conditions, in particular at ITPROF where many professionals work on an assignment basis. This means they do not have a base but are continuously travelling. Interviewees admit that they can see the benefits of working for a larger, internationally based company for some, but are adamant that it is not an option for them. The change in career structure however has also left them stranded in career terms – in interviews with senior strategic management at ITPROF it has been hinted to them that the 'inherited' workers are not necessarily the type of employee the company is looking for. In case study 2, the situation is more extreme. Here, the transferred employees believe that they have been abandoned by ITSERF and will not have any future with the company once the contract with Midland Council is at an end. They never see their managers and never receive positive feedback. On occasions when they make legitimate requests, for instance to attend a training course, these are turned down. A worker who asked to be allowed to work partly from home for family reasons was told 'if the work can be done from home, it can be done from India'. This absence of management actually also means an absence of overt control: it appears to be only because of workers' feelings of commitment to the wider community and environment that the work is being done.

The experience of being outsourced and of being an 'inherited workforce' which is not really wanted by the new employer, creates a strong 'before and after effect', with the previous sense of being part of a broader entity changing to an 'us and them' atmosphere with 'us' being located in and representing the wider local community.

It is clear that the increased involvement of the private sector in local government leads to a number of substantial changes in the workplace for many professional groups

in the public sector. These case studies draw on interviewees' accounts describing a transitional phase. A common limitation of social research is the lack of opportunity to observe the reported effects of change over a long period of time. Initially, in order for the outsourcing contracts to succeed, these IT professionals' skills and knowledge are essential to their new employer, to ensure continuity, retain the trust of the customer and to draw on their tacit knowledge. On the other side, the transferred workers arrive with a set of inherent values, specific cultural attitudes and expectations and preferred practices. Over time, the strong values described in our case studies might disappear, representing the last of the old style of public sector workers. It is very possible that once their knowledge has been successfully passed on to the outsourcing companies they will be replaced by people with a different occupational identities, different moral values and allegiances.

The two case studies discussed here, of course, can not be seen as necessarily representative for other cases but they do highlight some typical reactions and experiences of workers exposed to restructuring.

Other case studies carried out as part of the WORKS project have revealed comparable experiences. For instance, professionals in the IT R&D sector expressed a similar reluctance to embrace more international careers (Holtgrewe & Meil, 2007) whilst IT case studies from other countries also found a strong reluctance to being posted to clients' sites, with mobility being rejected on the grounds of 'not being relevant to life plans' (Flecker, 2007:97).

Across a large range of occupational case studies, the WORKS project found varied patterns of formulating and – when undergoing restructuring – reformulating occupational identities and allegiances, with a tendency for more creative workers (e.g. clothing designers) to identify strongly with the content of their work and develop an emphasis on self-management of their careers, instead of forming strong links with the employer. Production workers, on the other hand, tend to emphasise commonalities with fellow workers as a strong force in forming their occupational identities. For front line workers in public services, as in our IT professionals, the process of restructuring seems to have led to a weakening of identification with the employer but with an explicit personal commitment to helping people becoming an increasingly important motivation at work (Valenduc & Vendramin, 2007).

The increase in outsourcing and fragmentation of local government has changed the working lives of those who originally aspired to work in the public sector. Interview accounts inevitably contain a certain amount of nostalgia, but even taking this into account there is a clear message here that the change has led to the loss of a number of positive values that are linked to desired outcomes for an employer (identification, motivation & collectivity). This is a message that local authorities should heed. There is clearly a need to assess the impact outsourcing will have on the employees who deliver their services, in particular over the long term and, in turn, the impact that this will have on the quality of the services they supply. The re-tendering of contracts to increase competition and bring about new efficiencies takes neither the human factor nor sustainability into account. Further, it seems that little vetting for people-friendly policies takes place. The selection of an IT service provider appears to be based almost

entirely on the extent to which costs can be cut, which, unsurprisingly, seems to be linked with a decline in progressive employee-friendly policies. Such developments sit oddly in the context of the stated policy goals of 'mainstreaming' positive family-friendly employment policies at EU, national and regional levels. The narratives of best practice so evident at the policy level appear to be entirely absent from accounts of outsourcing deals, even when they take place within the same public organisations that claim to be taking a lead in shaping these policies. Perhaps it is time to begin to think of ways to genuinely marry the need for modernisation of the public sector with maintaining a focus on the people affected by restructuring, their working lives and the sustainability of their careers.

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