

Some pages of this thesis may have been removed for copyright restrictions.

If you have discovered material in AURA which is unlawful e.g. breaches copyright, (either yours or that of a third party) or any other law, including but not limited to those relating to patent, trademark, confidentiality, data protection, obscenity, defamation, libel, then please read our [Takedown Policy](#) and [contact the service](#) immediately

Does stakeholder orientation matter?
Empirical evidence about power and
influence in local government
decision-making

Ricardo Corrêa Gomes

Doctor of Philosophy

ASTON UNIVERSITY

May 2003

This copy of the thesis has been supplied on condition that anyone who consults it is understood to recognise that its copyright rests with its author and that no quotation from the thesis and no information derived from it may be published without proper acknowledgement.

Abstract

Despite being in the business agenda for almost thirty years, stakeholder management is still an under explored field in the public management context. The investigation presented in this doctoral thesis aims to ensure that stakeholder management is a useful technique able to raise issues about power and interests to public organisation's strategic management processes.

Stakeholder theory is tested in an exploratory study carried out with English Local Authorities whose focus is placed on decision-making. The findings derive from two distinct and complementary studies: a cross-sectional survey undertaken with chief executives based on the quantitative approach and a qualitative investigation based on cross-sectional case studies and in-depth interviews of validation. While the first study aimed to produce a reliable and comprehensive list of stakeholders able to raise issues in decision-making, the second study aimed to depict the arena in which decision-making comes about.

The findings indicate that local government decision-making is a multistakeholder process in which influences are exerted according to stakeholders' power and interests. The findings also indicate that local government managers should take into account these issues to avoid losing resources and legitimacy from its environmental supporters. Another issue raised by the investigation is related to the ethics upon which these types of relationships are based on. According to the evidence gathered throughout the investigation, the formal model of accountability does not cover the whole set of stakeholders engaged in the process.

Keywords: public management; local government; resource dependence; institutionalism; stakeholder management; survey; case studies

Dedication

Firstly, I would like to dedicate this work to my father and to my mother who have died ten and seven years ago respectively. They did not have the opportunity to witness this phase of my professional life.

I would like to dedicate this work to my wife and to my children. At this very moment, I would like to say to my son that even though the geographical distance I have never stopped to think about you.

Acknowledgements

There are several persons to who I have to say thanks. I shall not nominate all of them here because I would do injustice to those excluded. However, I feel myself in the obligation of particularly acknowledging the following friends:

Professor Tony Bovaird who triggered the dream;

My supervisor Professor Stephen P. Osborne accepted me as a doctoral student and helped me to widen my horizons. Thank you very much for you patient and friendship.

Pam Lewis, Pat Clark and the other members of the Research Institute, whose support, kindness and friendship turned the work far easier.

My colleagues from Federal University of Viçosa, whose support and advisements propelled the doctorate.

At last, but not least, my sincere gratitude to the Coordenadoria de Aperfeiçoamento de Pessoal Docente – CAPES – Ministério da Educação without whose support anything would have happened.

Summary

CHAPTER 1: INTRODUCTION.....	14
CHAPTER 2: DESCRIBING THE CONTEXT IN WHICH THIS INVESTIGATION HAS BEEN UNDERTAKEN.....	21
SECTION 1: UNDERSTANDING THE BACKGROUND OF THE ENGLISH LOCAL GOVERNMENT SYSTEM'S	21
SECTION 2: THE ENGLISH LOCAL GOVERNMENT CURRENT SITUATION	25
<i>SUBSECTION 1: UNDERSTANDING THE LOCAL GOVERNMENT SYSTEM.....</i>	<i>25</i>
<i>SUBSECTION 2: THE POLITICAL STRUCTURE OF THE ENGLISH LOCAL AUTHORITIES.....</i>	<i>26</i>
<i>SUBSECTION 3: A BRIEF HISTORY ABOUT THE POLICIES THAT CHANGED ENGLISH LOCAL AUTHORITIES.....</i>	<i>27</i>
<i>SUBSECTION 4: UNDERSTANDING ENGLISH LOCAL GOVERNMENT FUNCTIONS</i>	<i>28</i>
<i>SUBSECTION 5: THE ENGLISH FORMAL MODEL OF ACCOUNTABILITY FOR LOCAL AUTHORITIES.....</i>	<i>29</i>
SECTION 3: THE CONSERVATIVE PARTY PERIOD.....	31
<i>SUBSECTION 1: FIRST PHASE: BRINGING BRITAIN BACK TO THE TOP.....</i>	<i>31</i>
<i>SUBSECTION 2: SECOND PHASE: BRING THE REMAINS OF THE BRITISH PUBLIC SECTOR BACK TO THE FIGHT.....</i>	<i>34</i>
SECTION 4: THE LABOUR PARTY PERIOD	36
<i>SUBSECTION 1: BEST VALUE FEATURES.....</i>	<i>37</i>
<i>SUBSECTION 2: A PRELIMINARY ANALYSIS OF THE EFFECTS OF BEST VALUE EFFECTS.....</i>	<i>39</i>
CONCLUSIONS	40
CHAPTER 3: LITERATURE REVIEW.....	42
SECTION 1: PRELIMINARY INSIGHTS IN ORGANISATIONAL THEORY	43
<i>SUBSECTION 1: UNDERSTANDING THE CONCEPTS OF ORGANISATION.....</i>	<i>43</i>
<i>SUBSECTION 2: UNDERSTANDING ORGANISATIONAL ANALYSIS</i>	<i>45</i>
<i>SUBSECTION 3: UNDERSTANDING THE ENVIRONMENTS WHICH ORGANISATIONS INHABIT.....</i>	<i>46</i>
SECTION 2: STAKEHOLDER THEORY AS AN INTEGRATOR OF RESOURCE DEPENDENCE AND INSTITUTIONAL THEORIES	53
<i>SUBSECTION 1: A THEORETICAL JUSTIFICATION FOR RESOURCE DEPENDENCE AND INSTITUTIONAL THEORIES</i>	<i>53</i>
<i>SUBSECTION 2: STAKEHOLDER THEORY AS AN OPTION TO INTEGRATE RESOURCE DEPENDENCE AND INSTITUTIONAL THEORIES.....</i>	<i>56</i>
<i>SUBSECTION 3: STAKEHOLDER CONCEPT, TYPOLOGY AND IMPORTANCE FOR THE ORGANISATION THEORY</i>	<i>57</i>
<i>SUBSECTION 4: STAKEHOLDER IDENTIFICATION</i>	<i>58</i>
<i>SUBSECTION 5: STAKEHOLDER IMPORTANCE</i>	<i>64</i>
<i>SUBSECTION 6: ISSUES IN STAKEHOLDER MANAGEMENT</i>	<i>64</i>
SECTION 3: IN SEARCH OF A FEASIBLE THEORETICAL FRAMEWORK FOR UNDERSTANDING ENVIRONMENTAL INFLUENCES IN THE LOCAL GOVERNMENT CONTEXT	72
<i>SUBSECTION 1: HOW LOCAL GOVERNMENT CAN MANAGE ITS ENVIRONMENTAL ISSUES?</i>	<i>74</i>
<i>SUBSECTION 2: HOW LOCAL GOVERNMENTS HAVE THEIR PERFORMANCE ASSESSED?</i>	<i>76</i>

SECTION 4: SUMMING UP THE THEORETICAL BACKGROUND	79
CONCLUSIONS	86
CHAPTER 4: RESEARCH METHODS	89
SECTION 1: AN OVERVIEW OF THE RESEARCH PARADIGMS THAT STEER SOCIAL INVESTIGATIONS .	89
<i>SUBSECTION 1: POSITIVISTIC VERSUS INTERPRETATIVE</i>	90
<i>SUBSECTION 2: QUALITATIVE VERSUS QUANTITATIVE</i>	92
<i>SUBSECTION 3: INDUCTIVE VERSUS DEDUCTIVE RESEARCHES</i>	93
SECTION 2: RESEARCH METHODS	95
<i>SUBSECTION 1: FIRST STUDY: DISCOVERING THE STAKEHOLDER ABLE TO PARTICIPATE IN LOCAL GOVERNMENT DECISION-MAKING</i>	96
<i>SUBSECTION 2: SECOND STUDY: UNFOLDING LOCAL GOVERNMENT DECISION-MAKING</i>	106
<i>SUBSECTION 3: THE METHODOLOGICAL TRIANGULATION IN THE THEORY-BUILDING PROCESS</i>	116
SECTION 3: OUTLINING THE WHOLE INVESTIGATION	118
CONCLUSION	122
CHAPTER 5: STUDY 1 – IDENTIFYING STAKEHOLDERS ABLE TO PARTICIPATE IN THE DECISION-MAKING PROCESS OF ENGLISH LOCAL AUTHORITIES.....	123
SECTION 1: STAKEHOLDER IDENTIFICATION IN ENGLISH LOCAL AUTHORITIES	124
<i>SUBSECTION 1: DATA COLLECTION</i>	124
<i>SUBSECTION 2: DATA ANALYSIS</i>	127
<i>SUBSECTION 3: HYPOTHESES-TESTING: CHECKING WHETHER STAKEHOLDER IDENTIFICATION HAVE RELATIONS OF CAUSALITY WITH POPULATION DENSITY AND POLITICAL CONTEXT</i>	134
<i>SUBSECTION 4: SUMMARISING THE SECTION’S MAIN FINDINGS</i>	136
SECTION 2: STAKEHOLDER SALIENCE IN LOCAL GOVERNMENT DECISION-MAKING.....	138
<i>SUBSECTION 1: DATA COLLECTION</i>	138
<i>SUBSECTION 2: DATA TABULATION</i>	138
<i>SUBSECTION 3: DATA ANALYSIS</i>	139
<i>SUBSECTION 4: TESTING HYPOTHESES THROUGH THE STAKEHOLDER SALIENCE INDEX (SSI)</i>	191
CONCLUSION	197
CHAPTER 6: STUDY 2 – UNFOLDING LOCAL GOVERNMENT DECISION-MAKING.....	200
SECTION 1: IDENTIFYING HOW ENGLISH LOCAL AUTHORITIES MAKE DECISIONS	201
<i>SUBSECTION 1: DATA COLLECTION PROCESS (PHASE 1)</i>	209
<i>SUBSECTION 2: CROSS-CASE ANALYSIS PROCESS ON THE RESULTS OF PHASE 1</i>	241
<i>SUBSECTION 3: DATA COLLECTION PROCESS (PHASE 2)</i>	256
SECTION 2: VALIDATING THE DECISION MAKING PROCESS: EVIDENCE FROM INTERVIEWS WITH KEY-INFORMANTS	270
<i>SUBSECTION 1: DATA COLLECTION PROCESS</i>	270
<i>SUBSECTION 2: RESULTS OF THE DATA COLLECTION PROCESS</i>	271
CONCLUSION	281
CHAPTER 7: PUTTING THE FINDINGS TOGETHER.....	283

SECTION 1: A STAKEHOLDER ANALYSIS FOR LOCAL GOVERNMENT ORGANISATIONS BASED ON IDENTIFICATION AND SALIENCE	284
<i>SUBSECTION 1: A PRELIMINARY STAKEHOLDER'S LIST FOR LOCAL GOVERNMENT ORGANISATIONS</i>	284
<i>SUBSECTION 2: A PRELIMINARY STAKEHOLDER SALIENCE INDEX FOR LOCAL GOVERNMENT ORGANISATIONS</i>	287
SECTION 2: DEPICTING STAKEHOLDER PARTICIPATION IN DECISION-MAKING	290
<i>SUBSECTION 1: DEPICTING THE BOUNDARIES OF STAKEHOLDER INFLUENCES IN DECISION-MAKING</i>	290
<i>SUBSECTION 2: THE POWER-INFLUENCE MODEL</i>	299
SECTION 3: PUTTING THE PARTS TOGETHER	300
<i>SUBSECTION 1: A BRIEF RECOLLECTION OF THE THEORETICAL FRAMEWORK</i>	300
<i>SUBSECTION 2: ASSEMBLING THE PUZZLE</i>	303
<i>SUBSECTION 3: THE ETHICS BEHIND THE STAKEHOLDER-LOCAL GOVERNMENT RELATIONSHIPS</i> ..	305
CONCLUSION	310
CHAPTER 8: FINAL ISSUES AND CONCLUSION	312
RESEARCH CONTRIBUTIONS AND LIMITATIONS	314
<i>EMPIRICAL CONTRIBUTIONS</i>	314
<i>THEORETICAL CONTRIBUTIONS</i>	316
<i>LIMITATIONS OF THE INVESTIGATION AND DIRECTIONS FOR FUTURE RESEARCHES</i>	318
FINAL WORDS	320
LIST OF REFERENCES	321
ANNEXES.....	333
ANNEX 1: BRAINTREE'S STRUCTURES OF DECISION-MAKING	333
ANNEX 2: BRAINTREE'S MANAGEMENT STRUCTURE.....	333
ANNEX 3: HACKNEY' MANAGEMENT STRUCTURE	334
ANNEX 4: HACKNEY'S STRUCTURE OF DECISION-MAKING	334
ANNEX 5: SOUTH NORTHAMPTONSHIRE POLITICAL STRUCTURE	335
ANNEX 6: THE QUANTITATIVE INVESTIGATION DATA COLLECTION TOOL	336
ANNEX 7: STATISTICAL ASSOCIATION ANALYSIS OF SSI.....	339
ANNEX 8: THE COUNTRYSIDE AGENCY MAP FOR ENGLISH LOCAL AUTHORITIES	347

List of Tables

Table 1: The Administrative structure of English Local Government.....	26
Table 2: The functions of County and District Councils	29
Table 3: Overview of the conservative policies.....	35
Table 4: Overview of the theoretical framework so far	49
Table 5: The classes of stakeholder according to Mitchell et al.	63
Table 6: Mapping Stakeholder's Relative Importance	66
Table 7: Organisational responses to institutional forces	67
Table 8: Determinants of relationship formation.....	68
Table 9: Paradigms in Social Science	90
Table 10: Devising a feasible methodology framework	95
Table 11: The composition of the research population at the time of the investigation	99
Table 12: Research variables employed in this part of the investigation.....	100
Table 13: The reliability analysis in SNI's measurement	103
Table 14: The reliability split-half analysis of SNI.....	104
Table 15: The reliability analysis of SSI.....	104
Table 16: The Guttman split-half reliability test of SSI.....	105
Table 17: The design of the cross-section case studies.....	108
Table 18: Theoretical assumption of the qualitative analysis	115
Table 19: Criteria of judgements in research methods.....	121
Table 20: Research framework	121
Table 21: Comparisons between research universe and response Rate	127
Table 22: The stakeholder's identification indexes according to chief executives.....	129
Table 23: Stakeholder nomination index according to the geographic context.....	131
Table 24: Stakeholder nomination index according to the political context.....	132
Table 25: SNI reliability analysis of political context	133
Table 26: The Pearson's correlation calculation.....	135
Table 27: The Pearson's correlation calculation.....	136

Table 28: Representation of data display in the SPSS	139
Table 29: The descriptive and reliability analysis in criterion 1	142
Table 30: Cross-tabulation analysis on central government's influences in criterion 1	143
Table 31: cross-tabulation analysis on Citizen's influences in criterion 1.....	144
Table 32: Cross-tabulation Analysis on Councillors Influences in Criterion 1	145
Table 33: Cross-tabulation Analysis on employees influences in criterion 1	145
Table 34: Cross-tabulation Analysis on Health Authorities influences in criterion 1	146
Table 35: Cross-tabulation analysis on local Businesses influences in criterion 1.....	147
Table 36: Summary of findings for Criterion 1	148
Table 37: Cross-likeness analysis on SSI in criterion 1.....	148
Table 38: The Descriptive and reliability analysis on Criterion 2	149
Table 39: Cross-tabulation analysis on central government's influences in criterion 2	150
Table 40: Cross-tabulation analysis on citizens' influences in criterion 2.....	151
Table 41: cross-tabulation analysis on Councillors' influences in criterion 2.....	152
Table 42: Cross-tabulation analysis on employees' influences in criterion 2.....	152
Table 43: Cross-tabulation analysis on health authorities' influences in criterion 2	153
Table 44: Cross-tabulation analysis on local businesses' influences in criterion 2	154
Table 45: Cross-tabulation analysis on voluntary sector's influences in criterion 2	155
Table 46: summary of Findings for Criterion 2	156
Table 47: Cross-Likeness analysis on Criterion 2.....	156
Table 48: The descriptive and reliability analysis on criterion 3	157
Table 49: Cross-tabulation analysis on central government's influences in criterion 3	158
Table 50: Cross-tabulation nalysis on citizens' influences in criterion 3	159
Table 51: Cross-tabulation analysis on councillors' influences in criterion 3.....	160
Table 52: Cross-tabulation analysis on health authority's influences in criterion 3	160
Table 53: Cross-tabulation analysis on local businesses' influences in criterion 3	161
Table 54: Summary of the findings of Criterion 3	162
Table 55: Cross Likeness analysis on Criterion 3.....	162

Table 56: the descriptive and Reliability Analysis on Criterion 4.....	163
Table 57: Cross-tabulation analysis on central government’s influences in criterion 4	164
Table 58: Cross-tabulation analysis on citizens’ influences in criterion 4.....	165
Table 59: Cross-tabulation analysis on councillors’ influences in criterion 4.....	166
Table 60: Cross-tabulation analysis on employee’s influences in criterion 4.....	166
Table 61: Cross-tabulation analysis on health authorities’ influences in criterion 4	167
Table 62: Cross-tabulation analysis on local businesses’ influences in criterion 4	168
Table 63: Cross-tabulation analysis on police authorities’ influences in criterion 4	169
Table 64: Summary of the Findings of Criterion 4	169
Table 65: Cross likeness analysis on Criterion 4	170
Table 66: The descriptive and reliability analysis on criterion 5	170
Table 67: Cross-tabulation analysis on central government’s influences in criterion 5	172
Table 68: Cross-tabulation analysis on citizens’ influences in criterion 5.....	172
Table 69: Cross-tabulation analysis on councillors’ influences in criterion 5	173
Table 70: Cross-tabulation analysis on employees’ influences in criterion 5.....	174
Table 71: Cross-tabulation analysis on health authorities’ influences in criterion 5	175
Table 72: Cross-tabulation analysis on local businesses’ influences in criterion 5	175
Table 73: cross-tabulation analysis on police authorities’ influences in criterion 5	176
Table 74: Summary of the Findings of Criterion 5	177
Table 75: Cross likeness analysis on criterion 5	178
Table 76: Reliability and descriptive Analyses on Criterion 6	178
Table 77: Cross-tabulation analysis on central government’s influences in criterion 6	179
Table 78: Cross-tabulation analysis on councillors’ influences in criterion 6.....	180
Table 79: Cross-tabulation analysis on employees’ influences in criterion 6.....	181
Table 80: Cross-tabulation analysis on health authorities’ influences in criterion 6	181
Table 81: Cross-tabulation analysis on Local Businesses’ influences in criterion 6	182
Table 82: Cross-tabulation analysis on police authorities’ influences in criterion 6	183
Table 83: Cross-tabulation analysis on voluntary sector’s influences in criterion 6	184

Table 84: Summary of the Findings of Criterion 6	185
Table 85: Cross likeness analysis on criterion 6	185
Table 86: the descriptive and reliability analysis on criterion 7	185
Table 87: Cross-tabulation analysis on central government’s influences in criterion 7	187
Table 88: Cross-tabulation analysis on councillors’ influences in criterion 7	187
Table 89: Cross-tabulation analysis on employees’ influences in criterion 7.....	188
Table 90: Cross-tabulation analysis on local businesses’ influences in criterion 7	189
Table 91: Cross-tabulation analysis on voluntary sector’s influences in criterion 7	190
Table 92: Summary of the Findings of Criterion 7	191
Table 93: Cross likeness analysis on criterion 7	191
Table 94: Pearson’s correlation calculation on the overall SSIs.....	193
Table 95: Overview of the SSI’s results on criteria power	195
Table 96: Overview of the SSI’s results on operational power	195
Table 97: An overall SSI as perceived by chief executives	195
Table 98: Codification logics for depicting stakeholder’s influences.....	208
Table 99: Detected stakeholder influences in Hackney	210
Table 100: Evidence about Various Stakeholders Participation in Decision-making	216
Table 101: Hackney’s Performance Indicators	216
Table 102: Detected stakeholder influences in the case of Braintree	220
Table 103: Evidence for The Remaining Stakeholders’ Participation in Decision-making ..	226
Table 104: Braintree Performance Indicators	226
Table 105: Detected stakeholder influences in Calderdale.....	229
Table 106: Evidence for the Remaining Stakeholders’ Participation in Decision-making ...	233
Table 107: Calderdale’s performance indicators	234
Table 108: Detected stakeholder influence in the case of South Northamptonshire	236
Table 109: Evidence for the Remaining Stakeholders’ Participation in Decision-making ...	241
Table 110: South Northamptonshire’s performance indicators	241
Table 111: the cross-comparison analysis on the Audit Commission influences.....	242

Table 112: The cross-comparison analysis on central government’s influences.....	243
Table 113: The cross-comparison analysis on citizens’ influences	247
Table 114: The cross-comparison analysis on councillors’ influences.....	249
Table 115: The cross-comparison analysis on Employees’ influences.....	250
Table 116: The cross-comparison analysis on the Idea’s influences	251
Table 117: The cross-comparison analysis on local businesses’ influences.....	251
Table 118: The cross-comparison analysis on Local media’s influences.....	252
Table 119: The cross-comparison analysis on senior officer’s influences	253
Table 120: The cross-comparison analysis on private partners’ influences	254
Table 121: The cross-comparison analysis on public partner’s influences.....	254
Table 122: The cross-comparison analysis on the voluntary sector’s influences	255
Table 123: The cross-comparison analysis on tie related authorities’ influences.....	255
Table 124: Proposing a stakeholder’s list for English Local Authorities	285
Table 125: Stakeholder salience according to the criteria power	287
Table 126: Stakeholder salience according to the operational power.....	288
Table 127: A proposed Taxonomy for understanding stakeholder influences	291
Table 128: Stakeholder influences as decision-makers	292
Table 129: Stakeholder influences on helping to shape the agenda.....	293
Table 130: Stakeholder influences as facilitators in decision-making.....	294
Table 131: Stakeholder influences as performance developers	295
Table 132: Stakeholder influences as ‘legitimisers’ in decision-making.....	296
Table 133: Stakeholder influences as controllers in decision-making.....	297
Table 134: Stakeholder influences as members of the service delivery process	298
Table 135: Stakeholder influences for defining policy-frameworks.....	299
Table 136: The overall results of the cross-likeness analyses performed in SSI.....	305

List of Figures

Figure 1: The political control design in English Local Government.....	27
Figure 2: The current formal model of accountability.....	30
Figure 1: An overall theoretical framework for the investigation.....	80
Figure 4: The research process flow	118
Figure 5: The research framework diagram.....	119
Figure 6: Response rate profile by type of authority.....	126
Figure 7: Response rate profile for geographical differences	126
Figure 8: The response rate profile for political context.....	127
Figure 9: Hackney's location within the Greater London area	203
Figure 10: Calderdale's location within the region of Yorkshire	204
Figure 11: Braintree's location within Essex Region	205
Figure 12: South Northamptonshire's Location within East Midlands Region.....	206
Figure 13: A generic stakeholder's map for English Local Authorities	289
Figure 14: A power-influence model for representing environment influences in decision-making.....	302

CHAPTER 1: INTRODUCTION

Stakeholding has been in the business agenda since 1980s when Richard E. Freeman published his book “Strategic Management: a stakeholder approach” in 1984. After that, articles have been published and academic discussions have been carried out suggesting ways through which organisations should manage their relationships with stakeholders. Despite being a fairly investigated subject in the business literature, stakeholder management still has a huge field to be covered in the public domain. In Britain, stakeholding was firstly introduced in the public domain by New Labour’s Manifesto in 1997, which is presented in chapter two. However, and in spite of Labour’s vow, the investigation identified confusion on stakeholder identification in chief executives’ discourse within English Local Authorities.

As a relatively new concept in organisations theory, the term ‘stakeholder’ was previously detected “in an internal memorandum at the Stanford Research Institute in 1963” (Wit and Meyer, 1998, p. 830). Several definitions have been developed since then, which are fully described in coming chapters, however the stakeholder meaning employed in this investigation is: “A stakeholder in an organisation is (by definition) any group or individual who can affect or is affected by the achievement of the organisation’s objectives” (Freeman, 1984, p. 46). Embedded in the definition, there is a utilitarian assumption that organisations need to manage their environment (the place stakeholders come from) in order to achieve success (Key, 1999) – whatever the meaning of the word. This matter is fully detailed in chapter four, but at the moment it is worth to point out that stakeholder theory would explain how managers scan their environments seeking hazards to be avoided or opportunities to be exploited.

Donaldson & Preston (1995) contended that stakeholder theory has been developed upon three main theoretical bases:

- Descriptive in the extent that it aims to identify external and internal person, groups or organisations likely to represent an issue to the organisation's strategic management process;
- Instrumental because researchers have been seeking causal relationships between stakeholder influences and organisation's performance;
- Normative because there is an intrinsic concern with the definition of patterns of behaviour.

As part of the strategic management endeavour, stakeholder theory is important because it is a technique to identify internal and external issues in the environment scan process. These issues can be either threats or opportunities that would impact on an organisation's behaviour and performance. In so doing, organisations are told to identify their stakeholders and to work out what they want from the organisation as well as what the organisation needs from them in order to enhance the strategy implementation process. Therefore, stakeholder management is a process whereby organisations identify their key stakeholders; assess their interest and work out formulas for dealing with them, and implementing those strategies.

Due to the insufficiency of empirical studies dedicated to stakeholder identification in the business-based literature and in stakeholder management in the public management literature, this investigation has been devised aiming to depict the environment in which local government organisations make decisions. In such endeavour, it intends to identify the actors likely to be involved in the process as well as their influences in the process. The stakeholder's concept does not provide any insights about stakeholder identification, which is left at the discretion of the people involved in the process. Therefore, stakeholder identification is a value-based concept in which managers are entitled to choose whoever they want as a stakeholder. As Mitchell et al. (1997) argued in their article, a normative stakeholder theory is needed in order to "reliably separate

stakeholders from nonstakeholders” (p. 854). For these reasons, the following research question is proposed in order to contribute to stakeholder theory: Is local government decision-making a stakeholder-based process?

The research question encompasses a doubt about the feasibility and suitability of business-based techniques (a result-based practice) to the public sector (process-dominated practice) (Streib, 1992). Frequently, business-based techniques are prescribed to the public sector as solutions for its problems. TQM, balanced scorecards and others (Rogers, 1999) are examples of such syndrome. Nonetheless, these efforts prove themselves sometimes useless because public organisations have distinct patterns of behaviour.

The effectiveness of stakeholder management in the public sectors is dealt with having as a focus the decision-making processes of local government organisations. On making decisions, managers should consider all possibilities about whom and what would be an issue in such process. These issues are normally related either to opportunities to be exploited or threats to be avoided. For this reason, decision-making would raise the necessary issues upon which stakeholder management feasibility is to be tested in any type of organisation.

According to the research question, this investigation is proposed aiming to unveil the relationships between a given local government decision-making and its surrounding environment. The following intermediate questions are proposed in order to establish a coherent framework for the whole investigation:

1. Who are the stakeholders involved in the decision-making process of local government organisations?
2. How influential are these stakeholders according to decision-maker’s views?
3. What are the influences that these actors are able to exert over the process?

On answering the first question, a descriptive contribution to stakeholder theory has been produced which has the form of an empirical stakeholder's list. This is a significant contribution, because the literature only provides some insights about stakeholder identification while this is more comprehensive list of the people, group and organisations able to raise issues for local government decision-making. At the end of the chapter five, a general stakeholder's list is suggested which arose from consultation with chief executives of English Local Authorities.

On answering the second question, an instrumental contribution to stakeholder theory has been produced because in the form of a stakeholder salience rank. This rank indicates the extent of power that some stakeholders are likely to represent in decision-making.

On answering the third question, a model representing the arena in which English local governments make decisions has been presented. The model indicates the actors (people, groups, organisations and governments) involved in the process as well as the type of influence each one is able to exert over the decision-making process. This is an important normative contribution to stakeholder theory because by exploiting the model decision-makers would be more likely to understand the field in which they make decisions as well as the hazards intertwined in such process.

Structure of the Thesis

The thesis is structured into eight chapters. The second chapter presents the research context. That is, it describes the environment in which English local governments operate. For so doing, the chapter presents, with current and historical perspectives, the impacts of public policies based on modernisation have on local government in the last thirty years or so. The chapter starts presenting the current institutional and technical contexts surrounding local government. In doing so, it presents the influence of postbureaucratic theories (Hood, 1995) such as 'New Right', 'Managerialism' and 'Public Choice Theory' over local government decision-making. The presentation outlines the structural and managerial changes introduced by the Conservative Party from 1979 to 1997 as well as by the Labour Party from 1997 up to now. The core concern in this analysis is to understand to what extent the policies proposed by these ideologies have affected local government behaviour and performance.

The third chapter presents a theoretical framework under which the investigation is bounded. The framework is based on the Scott's approach (1998) for conceptualising organisations. In such proposition, organisations are seen as rational, natural or open system entities. From this approach, the impacts of open systems-based theories upon organisation's behaviour and performance are discussed with specific emphasis on resource dependence and institutionalism. Based on these two approaches, the theoretical framework is devised upon stakeholder theory, which explains an organisation's behaviour and performance as being constrained by environmental influences. Besides, theories for explaining the patterns of relationships between an organisation and its environment are presented, namely network theory, interorganizational relationships, agency theory and transaction cost analysis. At the end of the chapter, the theoretical framework is presented as well as the gaps that the investigation intends to fulfil.

In the fourth chapter, the research methods are discussed. The chapter starts briefly discussing the philosophical issues upon which scientific investigations are undertaken. In so doing, it discusses the philosophical paradigms with special emphasis on positivism and hermeneutics. After this, it discusses strategies to carry out scientific investigations confronting quantitative and qualitative approaches. Finally, it discusses inductive and deductive approaches. As a result, a research framework is suggested pointing out the methods for collecting and analysing data as well mechanisms for ensuring validity and reliability. As will be discussed in the chapter, the research had to be split in two different but complementary approaches: one quantitative based on surveying English Local Authorities and another qualitative based on cross-sectional case studies and interviews of validation.

In the fifth chapter, the data collection and analysis processes carried out in the quantitative study are presented. It indicated how the consultation was carried out and the issues which arisen throughout the process. Throughout the chapter, a stakeholder's list and a stakeholder's map for English Local Authorities is presented. In the former, there is a comprehensive list of the actors able to influence decision-making. In the latter, there is a rank of those stakeholders able to represent opportunities or threats in the process.

In the sixth chapter, the data collection and analysis processes of the qualitative study are presented. It starts presenting the findings from the cross-sectional case study carried out with the four English councils. Through the case studies, the investigation aimed to uncover the points whereby stakeholder influences and decision-making are likely to be intertwined. The evidence gathered through the case studies is validated by interviews of validation, which were carried out with key informant bout local government management. The key informants group was composed by researchers (with acknowledged contribution to the field), and key stakeholders (whose salience arise from the survey).

In the seventh chapter, the findings from the two investigations are placed together through a triangulation process of analysis. As a result, a model depicting the environment in which local governments make decisions is proposed. As the research question is concerned with the main nature of the decision-making process of such organisations, the model is a substantial normative contribution to theory in the extent that it points out some stakeholders whose influence is seen as critical to local government's behaviour and performance. From the model, one can infer that the decision-making process of English local governments is a complex and multifaceted stakeholder-based process in which technical and institutional influences mix together impacting decision-makers value judgments.

As a representation of the influences and actors involved in decision-making, the model raises issues about the consistency of the current model of accountability. Evidence gathered in this investigation indicates that there are some breaches in such model, because there are stakeholders, who have both a stake and power to influence decision-making, that are not considered in such model.

CHAPTER 2: DESCRIBING THE CONTEXT IN WHICH THIS INVESTIGATION HAS BEEN UNDERTAKEN

This chapter aims to describe the context in which this investigation has been undertaken. Recalling the research questions, it focuses on the relationships between local government organisations and the stakeholders able to influence their decision-making. In order to answer the question, England was chosen as fieldwork due to the amount of information about performance and because stakeholding has been introduced in local government agenda since 1997. For this reason, local government managers in this country are more likely to be familiar with the term than other countries are.

The chapter focuses on understanding the English Local Government's administrative structure, which has been changed overtime due to political influences. The narrative is placed upon a longitudinal approach in which the transformations occurred are historically presented. The chapter is split into three main sections: the first provides an overview of the current English Local Government's system; the second describes the transformations introduced by the Conservative Party in the period from 1979 to 1997; and the third section describes the transformations introduced by the Labour Party in the period from 1997 up to now.

Section 1: Understanding the background of the English local government system's

Before describing the modifications that changed the English local government system, it is necessary to understand the paradigms that steered these policies. From the late 1970s, a new approach for policy making arose from the perceived failure of the post-war Keynesian welfare state. This new approach was called New Right (King, 1987). King (1987) argued that this collection of ideas was embedded within economic and political

liberalism as well as within conservatism. The Austrian Friedrich August von Hayek and the American Economist Milton Friedman were the main contributors of the New Right. Moreover, the New Right ideas were also enhanced by the contribution of some groups such as the Institute of Economic Affairs, the Centre for Policy Studies and the Adam Smith Institute (Kavanagh, 1997).

As a key constituent of the economic liberal ideas of the New Right there was Public Choice Theory (PCT) developed, in particular, by the American Universities of Virginia and Rochester (King, 1987). According to King (ibid), this approach was also known as “rational choice theory or the economics of politics” (p. 91). These ideas have been defined as the economic study of non-market decision-making, which applies economic tools to the analysis of political behaviour (Mclean, 1987). King (ibid) enumerated the main claims of this theory:

- The absence of the profit criteria gives an incentive to the expansion of the bureaucracy;
- Public institutions should maximise individual choice;
- The monopoly of the public sector must be discouraged;
- Government must be constrained by constitutional specification.

On the other hand, King (ibid) argued that some monetarist assumptions came together with the PCT comprising the New Right ideology. These were:

- The government role must be restricted to the activity of controlling money supply;
- The size of the state must be reduced;
- Progressiveness in tax rates provides a disincentive to economic activity.

According to Hood (1995), the period describe above constitutes the ‘posbureaucratic paradigm’ whose progressive-era ideas:

“Embraced a faith in institutionalized science and public service professionalism, allied with general process rules to limit malfeasance

and insulates public management from political control of case decisions over entitlements, contracts and the like (pp. 104-105).

According to Hood and Dunsire (1981), by reforming the bureaucracy, governments hoped to “increase the swiftness, the relevance, and the success of their operations” (p. 3). Pollitt (1993) called these ‘new’ set of ideas Managerialism.

The ideas described above were implemented in Britain by the Conservative Party’s with the emphasis on radically changing the public sector in the third period of Mrs. Thatcher and in the first period of Mr. John Major chairing British government. Pollitt (op. cit.) argued that these ideas became known in the academic milieu as the New Public Management (NPM). The main concerns of which were “results, performance and outcomes” (ibid, p. 49). In other words, rather than dismantle the public sector, this approach was much more concerned with revising and enhancing the activities still controlled by the government.

Pollitt (op. cit.) listed the main tenets of the NPM as:

- A wide use of market-like mechanisms;
- Intensified decentralisation of the management and production of services;
- Emphasis on the rhetoric of improving service ‘quality’; and
- Emphasis on the rhetoric of serving the service user/consumer.

Contributing to the understanding of New Right ideas, Boyne (1998) analysed the changes applied by the British Government (through PCT) for combating bureaucracy and its consequences to the public services users. He (ibid) argues that in order to avoid bureaucratic ills, public service agencies need to apply a mixture of marketing orientation for their services, self-control by measuring performance, and reducing agency size. These issues are dealt with as follows.

Market Structures

Boyne (1998) argues that public services usually act within monopoly structures that lead to a state of poor performance, “because officials have little incentive to keep their costs down or to find innovative methods of service delivery” (p. 44). In this way, the prescription of the public choice school is towards introducing competition within the service delivery process, as a pressure to compel public authorities to increase the economy, efficiency, and effectiveness of their activities.

Information for Organisational Performance

The second characteristic of public services that induces organisational failure is “the absence of valid indicators of organizational performance” (ibid, p. 43). As the scope and mean of public services are so wide, the definition of measures of performance are devised in line with “the vested interest of the bureaucrats” (G. Tullock – 1965 quoted by Boyne, 1998, p. 44).

Organisational Size

The third characteristic is related to organisation’s size. Bureaucracy justifies the existence of big organisations mainly in the public sector domain. According to Boyne (1996b), “The NPM argues that better performance will be secured by smaller organizations which have a clear focus on results, not least because they are subject to competitive pressures” (p. 824). In the same way, public choice theorists have argued that, by splitting “large agencies into smaller units” (Boyne, 1998, p. 45) their performance will be more visible.

In the following sections, a historical perspective will be outlined. This approach aims to introduce an explanation for the policies being implemented in by central government in Britain with specific aim of modernising local government. It starts describing local government current situation. Then, Conservative and Labour Parties’ policies are presented.

Section 2: The English local government current situation

In this second section, the aim is to identify how England's local government is politically structured. In other words, this investigation intends to figure out how many local authorities comprise the system as well as to what sort of services they are dedicated to.

Subsection 1: Understanding the Local Government System

The English Local Government system is comprised by primary and secondary local governments. Primary are the authorities that are created to represent the people of the area it is located into while secondary are authorities appointed by primary local governments (Stanyer, 1976). Primary authorities are denominated councils due to the plural nature of their decisions. Council is the local governing authority of a County, Town, District or Borough (Municipal Year book, 2000). The elected members are denominated councillors and they have power to make the most important decisions in the council (Municipal Yearbook, 2000). Mayor is the head of the council, elected for one year by fellow councillors (ibid).

Stuart (2000) argued that local government has two roles: the provision of services to the local population and the forum for gathering local choice and local voice.

A council is created and abolished by Acts of Parliament. Indeed, their power and competence is established by Acts of Parliament. The decision-making structure is headed by the full council who makes the most important decisions. The council is chaired by an annually elected councillor who is appointed by the majority party or elected by the full council – the name varies from council to council being the most common Mayor, Lord Mayor, and Chair (Municipal Yearbook, 2000).

A council has an administrative structure for carrying on its functions, which is composed by departments. Each department is chaired by a chief officer (Stuart, 2000).

The whole administrative structure is chaired by a chief executive, who is responsible for heading the structure and for advising councillors in their activities (ibid).

Subsection 2: The political structure of the English Local Authorities

Nowadays, the English Local Government system is divided into:

- Shire Areas;
- Metropolitan and Unitary Areas; and
- Borough, City and Town Councils.

The shire areas are called tier councils. That is, counties share their territory with districts, which share their territory with parishes. In these shire areas, public services are delivered according to the concept of economy of scale. These distinctions are specified below. Unitary areas are those empowered to operate all public services in their territory. In England, Metropolitan District Councils, London Borough Councils and Unitary Councils are called unitary authorities. The Greater London Area is composed by London Boroughs and the City of London Council. Table 1 shows England's political structure after 1998 and at the time that this investigation was been carried out.

TABLE 1: THE ADMINISTRATIVE STRUCTURE OF ENGLISH LOCAL GOVERNMENT

Authorities	Quantity
Corporation of London	1
County Councils	34
District Councils	228
London Borough Councils	32
Metropolitan Councils	36
Unitary Councils ¹	46
Total	377

Source: Municipal Yearbook, 2000

There are 23 political parties in England nowadays. The most important are "Labour, Conservatives, Liberal Democrats, Independent, Ratepayer or Residents

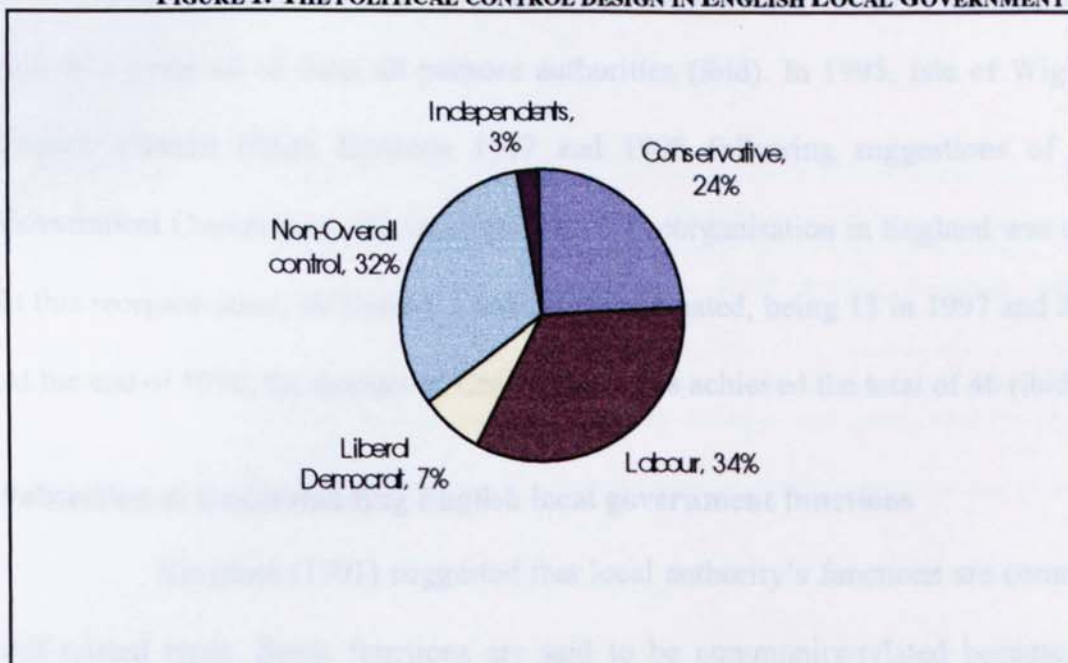
¹ More Unitary Authorities have been created after that time.

Association, Liberal, and Social Democrats” (Municipal year book, 2000, p. 18).

According to information from the Local Government Association (2001), the political control map at the moment of the investigation was being carried out was: (Figure 1 illustrates these data):

- The Labour Party was in power in 34% of the councils;
- The Conservative Party was in power in 24%;
- 32% of English councils had no overall control;
- The Liberal Democrat Party was in power in 7%; and
- 3% of councils were independent.

FIGURE 1: THE POLITICAL CONTROL DESIGN IN ENGLISH LOCAL GOVERNMENT



Source: LGA (2001)

Subsection 3: A brief history about the policies that changed English local authorities

Before the large transformation by which English Local Authorities came through, the administrative structure was composed by county councils, district councils, and London Boroughs. With the advent of the 1972 Local Government Act, these structures became more complex, being all county councils abolished and replaced by 39 Non-Metropolitan Councils, 6 Metropolitan Councils, and 36 Metropolitan Borough

Councils. That Act gave much more power for Metropolitan Borough Councils than to districts (Municipal Yearbook, 2000).

Due to the Conservative Party's policies for reducing local authority's size (Boyne, 1998), the 1985 Local Government Act abolished the six Metropolitan Councils. As a result, Metropolitan District Councils became all purpose councils being responsible for the delivery of decentralised public services in their territory. This fact brought much more autonomy for the Metropolitan District Councils (Municipal Yearbook, 2000) and a clear political fragmentation policy.

In the effort of transforming local government structure, the 1992 Local Government Act abolished 3 County Councils and 1 District Council creating 13 Unitary Councils being all of them all purpose authorities (ibid). In 1995, Isle of Wight became Unitary Council (ibid). Between 1997 and 1998 following suggestions of the Local Government Commission, the local government reorganisation in England was completed. In this reorganisation, 39 Unitary Councils were created, being 13 in 1997 and 26 in 1998. At the end of 1998, the amount of Unitary Councils achieved the total of 46 (ibid).

Subsection 4: Understanding English local government functions

Kingdom (1991) suggested that local authority's functions are community and self-related types. Some functions are said to be community-related because they seek attending the local community by delivering essential or caring services. Other functions are said to be self-related because they aim to maintain the structure working. Community related activities are protective, environmental, personal, recreational and commercial (Kingdom, 1991).

The Local Government Act 1992 can be seen as a masterpiece of the changes carried out by Conservative Government over English Local Authorities. As a result of this policy, English Local Authorities are now empowered for the following functions:

- London Boroughs, Metropolitan Councils and Unitary Councils are all purpose authorities being empowered to deliver all public services in their areas (Municipal Yearbook, 2000);
- County and District Councils share the services delivery in their respective areas. While the former is empowered to carry out “those functions which need substantial resources and/or can be most effectively administered over large areas” (Seeley, 1978, p. 37), the latter focuses the delivery of those services which need attention to the local perspective (ibid).

Table 2 specifies the distinction between District and County Councils’ functions.

TABLE 2: THE FUNCTIONS OF COUNTY AND DISTRICT COUNCILS

Council	Functions
County Council	Strategic planning, highways, traffic, social services, education, libraries, fire, refuse disposal, and consumer protection.
District Council	Local planning, environmental health, markets and fairs, refuse collection, cemeteries and crematoria, leisure services and parks, tourism, and electoral registration

Source: Municipal Yearbook, 2000, p. XXIII.

According to the stakeholder theory, which will be dealt with later, the more services a given local authority is entitled to carry out, the greater the number of stakeholders involved in the process. Indeed, each service delivered would mean a set of stakeholders whose satisfaction is likely to raise issues in the local authority’s decision-making.

Subsection 5: The English formal model of accountability for local authorities

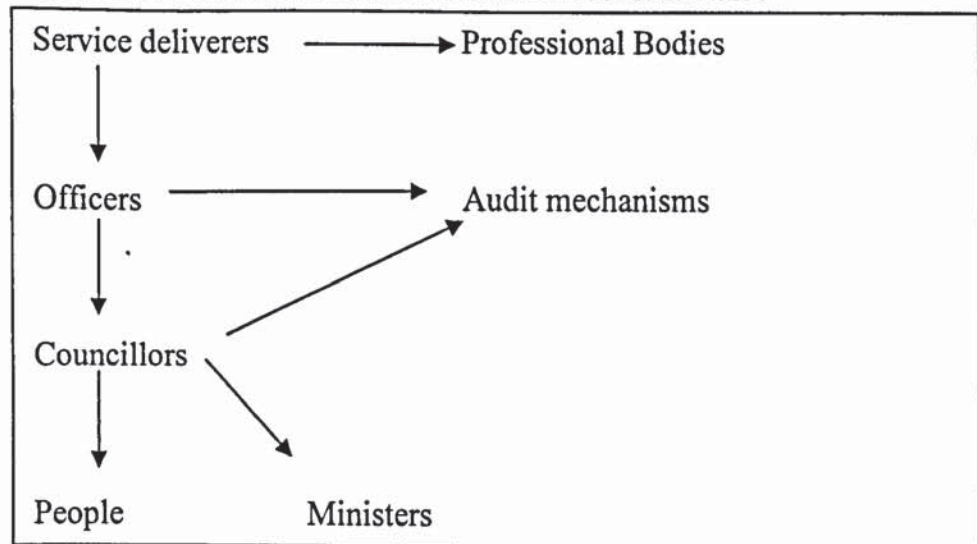
The key-issue in the relationship between local governments and their stakeholders is related to the concept of accountability, which defines the norms of conduct of that governors must have in relation to their constituents. The Colin Cobuild Dictionary

(2000) defines as accountable someone who has responsibility for someone else to who s/he “must be prepared to justify” (p. 9) his/her acts. As long as councillors are elected to manage local authorities on behalf of the local citizens, they are expected to be accountable to those who empowered them (Day and Klein, 1987). Figure 2 summarises the process.

In simple terms, the model of accountability in the local government domain can be summarised in this way (Stewart, 1983):

- Officers are accountable to councillors;
- Councillors are accountable to voters;
- Both are accountable to a formal body empowered for doing so.

FIGURE 2: THE CURRENT FORMAL MODEL OF ACCOUNTABILITY



Source: Adapted from Day & Klein, 1987, p. 11

In modern societies, local governments have a set of responsibilities that the population expect to be accomplished. According to Day & Klein (1987), these new responsibilities have transformed the accountability process of local authorities into a complex web of interests and duties. Cochrane (1993b) corroborates this statement contending that rather than an accountancy-based activity, accountability is now dedicated to a wider range of managerial responsibilities linking governors and constituents.

Section 3: The Conservative Party Period

... “We are encouraging higher standards and more cost-effective provision of local services. Local authorities can enable things happen rather than necessarily running them themselves. They must look after the interest of users of their services – and that is often been done by being a purchaser, not an employer” (Conservative Manifesto, 1997)

Due to the comments above, this investigation should split the analysis in the Conservative Party administration into two distinct periods: one dedicated to the adjustment of the economy, and the other concentrated on modernising the remaining activities of the public sector. The first period comprises Mrs Margaret Thatcher mandate as head of the British Government from 1979 to 1987. The second period comprises Mrs Thatcher third mandate (1987-1990) and the whole mandate of Mr. John Major (1990-1997). Horton (1990) emphasised this distinction when she stated that the ideas about Managerialism only occupied the Conservative agenda after Mrs Thatcher’s second electoral period, due to the unpopularity of the restrictive measures being applied.

Subsection 1: First Phase: Bringing Britain Back to the Top

“The Tory party had used its period in opposition to elaborate a new approach to reviving the British economy and nation” (Mrs. Margaret Thatcher quoted by Evans, 1997, p. 12)

Despite the Conservative Party’ tradition in regarding local government as a “part of the pluralistic order” (Kavanagh, 1997, p. 124), Mrs Thatcher’s period demonstrated that local authorities were not at the centre of the Conservatives Party’s agenda. It was more focused on dealing with the aftermath of the economic crises caused by the oil crisis of 1973-74 (Evans, 1997) and the revolt of the public sector trade unions in 1978-79.

Despite this lack of high priority, the Conservative Party’s scepticism about the role of local government can be identified in the thoughts of several authors. Seldon and Collings (2000) contended that the respect in which the Conservatives Party held local government was low, as well as the time dedicated to them. Evans (1998) argued that Mrs

Margaret Thatcher “abominated what she saw as its inefficient, wasteful, and all too often wrong-headed ways” (p. 58). Rhodes (1992) maintained that she and a number of her senior colleagues had a strong antipathy to local government.

In accordance with the 1979 Conservative Manifesto, the government’s aims were:

1. “To restore the health of our economic and social life, by controlling inflation and striking a fair balance between the rights and duties of the trade union movement.
2. To restore incentives so that hard work pays, success is rewarded and genuine new jobs are created in an expanding economy.
3. To uphold Parliament and the rule of law.
4. To support family life, by helping people to become home-owners, raising the standards of their children's education, and concentrating welfare services on the effective support of the old, the sick, the disabled and those who are in real need.
5. To strengthen Britain's defences and work with our allies to protect our interests in an increasingly threatening world” (Conservative Party, 1979).

Despite the five targets above do not literally mention local government, Evans (1997) and Cochrane (1993a) agreed that one of Mrs Thatcher’s main aims was to reduce the importance and the expenditure of local government. In the early 1980s, Local Government Planning and Land Act intended to reduce local government expenditure. It was based on a “formula which penalised councils which spent more than a previously determined limit” (Cochrane, 1993a, p. 31). Evans (1997) complements Cochrane’s points arguing “during the years 1980-86, the value of the central subsidy was reduced from 60 per cent of total local authority income to 49 per cent” (p. 59).

Following their ideology for ‘reviving Britain’, the Conservative Party advocated the idea of Value for Money, which was stated in the 1979 Manifesto and was a pledge for transforming public services. It is worthwhile quoting the Manifesto:

“The reduction of waste, bureaucracy and over-government will also yield substantial savings. For example, we shall look for economies in the cost (about £1.2 billion) of running our tax and social security systems. By comparison with private industry, local direct labour schemes waste an estimated £400 million a year. Other examples of waste abound, such as the plan to spend £50 million to build another town hall in Southwark” (Conservative Party, 1979).

On May 1982 the Financial Management Initiative (FMI) was launched (McSweeney and Duncan, 1998). Osborne et al. (1993) argued that the main tenets of the FMI were:

- A focus on Value for Money;
- Assessing Value for Money through economy, efficiency and effectiveness;
- Modernising public sector structures and processes in order to achieve the three ‘Es’;
- A shift in the Public sector thought reverting the sense from administration to management;
- Decentralisation.

Meantime, The Audit Commission was created in 1983 (Seal, 1999) for auditing local governments in their process of monitoring and improving performance. It was enacted to audit England and Welsh local authorities (Nutley and Osborne, 1994).

The introduction of the FMI policy and the creation of the Audit Commission were followed by a disruption in the tier system in Britain (Cochrane, 1993b). In 1985, the Greater London Council and all Metropolitan County Councils were proposed to be abolished with their responsibilities transferred to a wider range of authorities.

This first phase was followed by a period in which the ideas of the New Right were given their head. Boyne (1998) argues that the changes by which local government was been transformed were in line with PCT. Horton (1990) argues that despite the importance of the New Right ideas, local government was mainly affected by losing its

autonomy and political space. Horton (1990) went further declaring that: “Privatising local government has been a major strategy of Central Government since 1979” (p. 180).

Subsection 2: Second Phase: Bring the remains of the British public sector back to the fight

The second phase of the reform started with the third Mrs Thatcher’s electoral mandate, which was followed by a wave of managerialism (Pollitt, 1993). The reform was launched by the 1988 Local Government Act, which required local authorities to put much more of their services out to competitive tendering (HMSO, 1988). These services were the collection of refuse, cleaning of buildings, other cleaning, catering for purposes of schools and welfare, other catering, maintenance of ground, and repair and maintenance of vehicles (ibid). In this third period, the notion of ‘enabling authority’ became powerful (Horton, 1990; Evans, 1997). Cochrane (1993a) argued that this concept “suggested the main role of an elected local authority might simply be to issue contracts to others agencies and let them get on with it” (p. 69). In this vein, local authorities were seen as an “agency identifying markets and devising strategies to meet consumer demands” (Horton, 1990, p. 185). The managerialism started to be introduced into British Local Government. Rhodes (1992) used a fragment of the ‘Paying for local government’ Green Paper for illustrating this matter:

“The local electors know what the costs of their local services are, so that armed with this knowledge they can influence the spending decisions through the ballot box” (p. 52)

In line with this chain of thought, the Citizen’s Charter was launched in 1991 (Evans, 1997; Pollitt, 1993; Nutley & Osborne, 1994). Kavanagh (1997) saw this initiative as “Britain’s answer to the reinvention of the government movement in the USA” (p. 205). Sheffield et al. (2001) argued that the Citizen’s Charter had the objective of making the public sector accountable to the citizen. Rogers (1999) argued that the Citizen’s Charter was based on six principles:

1. “To publish standards, targets and results;

2. To set standards through consultation with the users;
3. To give information in plain language;
4. To provide a courteous and efficient customer service;
5. To maintain complaints services; and
6. To ensure that performance matches Value for Money” (p. 28).

Due to the Citizen’s Charter, all local authorities in Britain were required to record and publish their performance based on indicators (Rogers, 1999). This requirement was enacted in the 1992 Local Government Act (HMSO, 1992).

Meanwhile, the reorganisation of local government was still taking place. In 1992, the Local Government Commission, which was created with the competence for reorganising local authorities in England (ibid), proposed the abolishment of several counties and districts and new Unitary Councils were created to replace these councils (Municipal Year Book, 2000). It was a strike against the two-tier system, because two tiers of local authorities were amalgamated into only one. Proposals from the Commission following being implemented in 1995 and 1998, where new unitary authorities were created due to the transformation of district in unitary councils. Those proposals devised the English current structure for local government. Table 3 summarises the main policies of the Conservative period.

The Conservative Party period finished in 1997 with Labour Party’s victory in the general elections. From 1979 to 1997, the Conservatives Party have applied ideologies based on the New Right for pushing British economy towards development. For so doing, there was an attempt to reduce public sector expenditure. Unfortunately, local government, as a component of the public service system, suffered the consequences of standing before the Conservative Party policies. Thus, after almost two decades of the Conservative Party’s hegemony, the Labour Party took office finding a different structure of local government

(table 3 sums up these legislative changes). Has this much-hated phase come to a final close (Bovaird and Halachmi, 2000)?

TABLE 3: OVERVIEW OF THE CONSERVATIVE POLICIES

Year	Title	Objective
1980	Local Government Planning and Land Act	To replace the rate support grant by the block grant
1982	Financial Management Initiative (FMI) Cmnd 9058	To achieve Value-for-Money and Good Management Practice
1985	Local Government Act 1985	To abolish the Greater London Council and the Metropolitan County Councils
1988	Local Government Act 1988	To implement competitive tender
1991	Citizens Charter	To transform public sector into customer-driven
1992	Local Government Act 1992	To regulate the Citizen Charter being local authorities obligated to publish their performance To abolish some councils and to create Unitary Councils

Source: Municipal Yearbook (2000), Pollitt (1993), and HMSO (1988, 1992)

Section 4: The Labour Party Period

“Local government has a key role to play in our country if people are to have the quality of life they deserve. So modernising local government is at the heart of this pledge” (John Prescott in the preface of the (DETR, 1998)

Having abandoned its old approaches, the Labour Party started its administration after an expressive victory in 1997 elections. Tony Blair, in a speech in 1997 to Europeans Socialists, addressed the criticism about ‘changing perspectives’ emphasising that: “Labour’s old values remain the same. New times require new means for pursuing old values” (Driver and Martell, 1998, p. 41).

Before ‘New Labour’, the Labour Party was committed to pursue community inclusion, fairness and social justice as its main values. Driver and Martell (op. cit.) nominated as “Old Labour’s sacred cows: state ownership, economic planning, Keynesian demand management, full employment, tax-and spend welforism and close links with the trade unions (p. 12). After the rewriting of Clause 4 of the Labour Party’s constitution in 1995, Labour’s values changed to a more neo-classical economics adopting

entrepreneurship rather than nationalisation and Keynesianism, an option for stakeholding and adhering Anglo-Americanism (ibid). Driver and Martell (op. cit.) argued that by stakeholding, the New Labour meant: society needs “to incorporate and include groups and individuals currently excluded” (p. 49) from its structure. In this matter great emphasis was placed on education and training activities as a means of including excluded people.

The New Labour started its period pledging more liberty for local government. This was stated in several Tony Blair’s speeches and in a document presented in 1995 at the Labour Party’s conference. Driver & Martell (op. cit.) argued that the essence of this document is set in the idea that local governments are much more proficient for dealing with local problems. For so doing, central government should cease to interfere in the routine of local councils. This belief can be seen in Hilary Armstrong’s discourse at the 1997 Labour Party’s Conference, she pledged:

“The ending of ‘crude’² general rate-capping and the replacement of compulsory competitive tendering with a best value scheme under which local authorities would be required to provide value for money but they will be able to decide for themselves how it is to be achieved” (Elcock, 1998, p. 15).

Embedded in Labour’s discourse for improving local government liberty, there was an option for replacing the Compulsory Competitive Tendering (CCT) for a new duty of Best Value regime (Martin, 2000; Boyne et al., 1999). According to the government (DETR, 1998), the CCT regime was becoming an “end in itself, distracting attention from the services that are actually provided to local people” (p. 6). Next subsection discusses the Best Value regime’s meanings and its consequences for local governments.

Subsection 1: Best Value Features

The Best Value Regime was firstly published in 1997 and was composed by several tenets, which are reproduced in the exhibition 1.

² Inverted commas as in original

EXHIBITION 1: BEST VALUE TENETS

- Consider whether it should be exercising the function;
- Consider the level at which and the way in which it should be exercising the function;
- Consider its objectives in relation to the exercise of the function;
- Assess its performance in exercising the function by reference to any performance indicators specified for the function;
- Assess the competitiveness of its performance in exercising the function by reference to the exercise of the same function, or similar functions, by other best value authorities and by commercial and other businesses including organisations in the voluntary sector
- Consult other best value authorities, commercial and other businesses, including organisations in the voluntary sector, about the exercise of the function.
- Assess its success in meeting any performance standard which applies in relation to the function
- Assess its progress towards meeting any relevant performance standard which has been specified but which does not yet apply
- Assess its progress towards meeting any relevant performance target.

Source: DETR (1999d)

With the main tenets viewed, it is important to understand how the Best Value regime was put into practice. Boyne (2000) argues that the following internal management processes comprise Best Value:

- Performance plans;
- Reviews that consist of challenge, compare, consult and compete;
- Action plans that stem from the results of reviews.

As a first step, every local authority was required to prepare a performance plan (it did already happen in April 2000), in which the local authority have to state its objectives and the means by which this objectives are to be achieved (DETR, 1998). However, Best Value also meant improvement in performance (Boyne et al., 1999) and this improvement is to be annually checked for a five years period (DETR, 1998) by assessing the local authority's performance through performance indicators. Therefore, the Best Value regime in its first edition comprised 18 corporate health indicators and 104 service delivery indicators under which each local authority should be evaluated (Boyne, 2000). The government's main target was (DETR, 1998): local authorities should "reflect

the performance of the top 50% or top 25% of authorities at the time of the targets are set” (p. 21).

As a second step for the implementation of the regime, there is a process for reviewing performance. The process that has been undertaken annually “is designed to ensure that demanding targets for efficiency and quality improvement are set” (ibid, p. 21).

Furthermore, the reviews need to be made in order to (ibid):

- “Challenge why the particular service(s) is needed at all, and if so whether it needed to be provided in any particular form;
- Compare performance with others across a range of relevant indicators;
- Consult with local taxpayers, service users and the wider business community in the setting of new performance targets;
- Compete in the sense of demonstrating that the preferred means of delivering the service has been arrived at through a competitive process” (pp 17-18).

Finally, in the process of planning actions for the future local authorities need to annually develop plans based on their current performance and on their targets. The government (ibid) established that the local authority should point out in the plan the means (resources and methods) by which the targets are to be achieved.

The Best Value Regime states that in the case of failure, that is poor performance in comparison to other authorities, the local authority is liable to be intervened (ibid).

Subsection 2: A Preliminary analysis of the effects of Best Value effects

The effects of the Best Value regime policy became visible after three years it has come in force. However, some criticisms have been raised from scholars. For example, Boyne (1998) argued that the Best Value regime is a step back towards bureaucracy. Meanwhile and in another paper, Boyne et al. (1999) argued that contrary to what the Labour Party’s Manifesto states, Best Value is deepening the ideas embedded within CCT.

In the same thought, Martin (2000) argued that Labour's reforms are simply extending Conservative's ideas. He (ibid) justified his position by arguing about CCT and Best Value focus. Whilst CCT was devised for some designated activities, the Best Value regime has been devised for all activities within a local authority.

Martin and Hartley (2000) concluded, after surveying local councils in England and Wales, that "Best Value has, initially at least, enjoyed widespread support among local authorities" (p. 53). Boyne et al (1999) contributed to this argument stating that the support Best Value is receiving from local government is due to a "partnership discourse" (p. 53). Finally, Boyne et al (op. cit.) envisage that Best Value will result in an increasingly differentiated pattern of local government.

Conclusions

This chapter has dealt with the context in this investigation has been undertaken. In so doing, it provided information about the current English Local Government system. It demonstrated the influence of neo-classical economics that started in the Conservative Party period and resisted time and ideology intertwining left and right wing ideologies. English local government are pushed toward modernisation according to the neo-classical economics ritual of economy, efficiency, efficacy and effectiveness for assessing organisational performance. These ideas have been brought about through New Right and New Labour.

British government has been relying heavily upon neo-classical economics ideas in order to improve local government's performance. Boyne (1995; 1996b) has presented evidence about this fact when he commented the creation of large authorities based mainly on economy of scales rather than political issues. In another article, Boyne (1996) commented about "the establishment of 'quasi-markets'³ in local public services"

³ Inverted commas in original

(p. 703). In the same vein, Martin (2000) argued that the Best Value Regime is a clear attempt of the Labour government for modernising local government, which is achieved by monitoring performance. The arguments above support the fact that business-like issues have gradually becoming integrated in local government management.

Concluding the chapter, stakeholding has been introduced in local government decision-making and decision-makers have to deal with it in order to comply with central government's requirements. Furthermore, strategic management is a technique to which local authorities have been dedicating more and more attention in order to cope with an increasingly unstable and unreliable environment (Backoff et al., 1993). For this reason, stakeholder theory appears to be a useful tool for understanding local government behaviour and performance. The next chapter discusses the issues involved in stakeholder management and, therefore, a theoretical framework is proposed.

CHAPTER 3: LITERATURE REVIEW

This chapter outlines the theoretical framework within which this investigation is conducted. Its main aim is to identify the relevant organisation theory that has been adopted by this research. The chapter has three main sections: The first section shows how the investigation is supported by the current literature. It starts by analysing the various concepts of organisations and the different levels at which an organisation's structure, behaviour and performance can be analysed. The section also analyses the set of relationships that links an organisation with people, groups and other organisations and justifies its search for resources and legitimacy. The second section discusses the potential for business-based techniques to the public sector. This has been a constant issue on the British Government agenda for the last 30 years or so. Finally, the third section synthesises the results of the literature review into a theoretical framework, so proposing a suitable and feasible approach through which the investigation is to be conducted.

Section 1: Preliminary insights in organisational theory

In this section, organisation theory is analysed in order to discover a feasible theoretical framework. To this end, the section is split into five subsections. The first subsection discusses the diversity within organisation concepts. The second subsection presents the various approaches for analysing an organisation's behaviour, structure and performance. The third subsection discusses the various environments in which organisations operate. The fourth subsection proposes a path to understand the extent that environmental influences can be managed. Finally, the fifth subsection analyses the pattern of relationships between an organisation and people, groups and other organisations within environments.

Subsection 1: Understanding the concepts of organisation

Scott (1998) argues that organisations are system with rational, natural and open characteristics. As rational systems, organisations are formalised structures seeking to achieve goals. As natural systems, organisations are seen as entities struggling for survival within their environment. Finally, as open systems, organisations are entities that exist to the extent that they can establish relationships with their environment. Scott (1998) observes that since the late 1950s a combination of these three approaches has resulted in the development of 'new' theories for understanding an organisation's behaviour and performance in that it widened the way that an organisation's behaviour and performance can be seen. Scott (1998) describes the following categories:

- Open and rational models – by combining open systems with rationalistic approaches, these models seek to understand an organisation's behaviour from an internal perspective, that is, how organisations prepare themselves to face external constraints. In these theories, academics are concerned with how an organisation transforms its structure and behaviour in order to be able to face new realities and

demands. The main models in this category are the Contingency Theory (Lawrence & Lorsch, 1967), Comparative Structure (Pugh et al., 1969), and Transaction Cost Analysis (Ouchi, 1980);

- Open and natural models – by combining open systems with naturalistic approaches, this typology seeks to understand how an organisation’s behaviour can be seen as a result of environmental forces. In this vein, an organisation’s structure and action is likely to be steered by externally created rules and patterns of behaviour. Theorists who work on these models are in fact concerned about the “rules and requirements to which individual organizations must conform if they are to receive support and legitimacy” (Scott & Meyer, 1991, p. 123). In this body of theory there are Strategic Contingencies (Child, 1972), Population Ecology (Hannan & Freeman, 1977), Resource Dependence (Pfeffer & Salancik, 1978), and Institutional Theory (Selznick, 1949; Meyer & Rowan, 1977; DiMaggio & Powell, 1983) approaches.

As organisations are exposed to environmental influences, there is no point of studying an organisation’s behaviour and performance without taking them into account. In this vein, Child (1996) argued that: “No organization operates in a vacuum. Certain elements in its context such as type of environment or scope of operation will probably have been deliberately selected as part of its strategy” (p. 2). Contributing to the argument, Lawrence & Lorsch (1967) proposed a theory to explain environmental influences on organisations: “The basic assumption of the Contingency Theory is that organizational variables are in complex interrelationship with one another and with conditions in the environment” (p. 157). Embedded in the open system view of the organisation, there is a Darwinian perspective in which organisations keeps moving forward looking for adaptation and fit (Hannan & Freeman, 1977). According to them (ibid): “The stronger the pressures, the lower the organizations' adaptive flexibility and the more likely that the logic of environmental selection is appropriate” (pp. 930-31).

Based on the arguments above, the investigation employs an approach based on open and natural concepts of organisation because it is the only one in which the relationships between a given organisation and its environment is to be understood. It is not this investigation's focus to understand organisation's failure or to reach conclusions about the causal relationships between environmental influences and organisation's performance even though acknowledging the importance of such instrumental approach to the study of an organisation's survival as demonstrated by Porter (1985) and Peters and Waterman (1982).

Subsection 2: Understanding organisational analysis

Scott (1998, p. 15) argued that organisations could be analysed at three levels: social psychological, structural and ecological.

- The social psychological level deals with the analysis of individual behaviour within the organisation;
- The structural level deals with the analysis of the organisation's subunits. For doing so, it takes into account structure and each unit's role in relation to the whole organisation; and
- The ecological level deals with the analysis of the environment within which the organisation is inserted. Scott (1998) argues that at this level the analysis may focus either on a specific organisation's or on a class of organisations and their relations with the environment.

As stated before, this investigation is concerned with the patterns of relationships between a particular class of organisation and its environment and it focuses on how external agents are likely to influence an organisation's behaviour and performance. This level of analysis explains how a class of organisations behaves under the impact of external forces.

Subsection 3: Understanding the environments which organisations inhabit

This subsection examines the current literature about an organisation's environment in order to understand how external forces are likely to influence an organisation's behaviour and performance. It starts by examining the various concepts of 'environment' and how organisations make relationships with people, groups and other organisations that exist in those environments. The main aim of this subsection is to outline the theoretical explanations about how organisations manage their relationships with the external environment.

The concept of environment and its various typologies

Pfeffer and Salancik (1978) suggest that an organisation's environment can be defined as a set of external "events in the world which has any effect on the activities or outcomes of the organization" (p. 12). As a contribution to understanding an organisation's environment, Scott (1998) argues that the environment can be classified either by the levels that compose this environment or by the nature of the relationships linking an organisation with its environment. The levels of analysis are organisation sets, organisational populations, interorganizational community, and organisational fields (Scott, 1998, pp. 126-31; Scott & Meyers, 1991, pp. 109-111). In regard to the nature of the relationships the emphasis is placed on the relationship between an organisation and its environment and this relationship can be technical or institutional (Scott, 1998, pp. 132-40). These situations are explained below.

The level of analysis of organisation sets considers an organisation in its unique form. A particular organisation is focused upon in order to explain its relations with other organisations and partners. The focus is placed on how these relations come about and how the organisation deals with them in order to accomplish its goals. Scott (1998) argues that this level of analysis raises the concept of organisation 'domains', which describe some common characteristics that associate organisations one another. By

studying a given organisation's behaviour, the analyst is able to describe the set of relations and behaviours which organisations sharing the same domain are likely to reproduce.

At the organisational population level, the analysis is focused on organisations as specimens (Scott & Meyer, 1991). Organisations behave according to some 'patterned' characteristics. Being able to explain the behaviour of a single element, the analyst is able to generalise this behaviour to others from the same class. Emphasis is placed on how organisations survive within specific environmental conditions, the researcher may be able to explain either why organisations succeed or fail. Previously, Hannan & Freeman (1977) applied this analogy to explain the environmental influences as determinants of organisational adaptation.

The interorganizational community level of analysis situates the organisation as part of a geographical area. By applying this sort of analysis, the analyst is interested in understanding the network of relationships between a focal organisation and others (similar or diverse) that act in a specific geographical area. Scott (1998) argues that trying to explain an organisation's behaviour from this perspective the theorist could be biased because in modern society "geographical boundaries are for many purposes meaningless" (pp. 128-29). DiMaggio and Powell (1991) argue that an organisational field:

"Means those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and others organizations that produce similar services and products" (pp. 64-65).

Analysis made at this level is likely to investigate the patterns of relationships formed within organisation's systems. Unlike the former levels, the meaning of the linkages in the interorganizational community level is set up on relational and cultural criteria rather than geographical criteria. Indeed, the physical closeness of organisations does not matter.

Environment as an arena of relationships

Dutton & Ottensmeyer (1987) argued that an organisation's performance is periodically impacted on by the issues developed within "an organization's external and internal environments" (p. 355). These issues should be dealt with or, otherwise, the organisation either loses an opportunity, or misses a threat. Decision-makers direct their attention to the issues raised within the organisation's environment (Dutton & Webster, 1988) sorting out the most important from the less important. This process is called "Strategic Issue Management" (Dutton & Ottensmeyer, 1987).

Porter (1991), with his well-known concept of competitive advantage, argues that: "Instead of solely within the firm, the true origin of competitive advantage may be the proximate or local environment in which a firm is based" (p. 110). He (ibid) goes further declaring that: "The national and local environments have a strong influence on management practices, forms of organization, and the goals set by individuals and companies" (p. 112). Thus, the analysis focuses on the environment in which an organisation inhabits.

In order to identify the issues on which decision-makers should concentrate their attention, an environmental analysis is needed. Scott (1998) suggests that the organisation's environment can be defined as technical and institutional. The technical (also called task environment) environment consists of technical activities related to "production and control technologies, patterns of interorganizational exchange, regulatory processes, and other factors that lead to relatively more or less efficient or effective forms of organization" (Orrù, Briggart and Hamilton, 1991, p. 361). The task environment comprises the sources of inputs as well as the destinations for an organisation's outputs (Scott, 1998). In other words, the technical environment is the arena in which organisations duel with people, groups or other organisations in order to achieve resources.

The institutional environment is "the socially constructed normative worlds in which organizations exist" (Orrù, 1991, p. 361). It consists of "the elaboration of rules and

requirements to which individual organization must conform if they are to receive support and legitimacy” (Scott & Meyer, 1991, p. 123). While the technical environment is a set of requirements under which the organisation’s productive process should be oriented, the institutional environment creates a set of beliefs and values by which the organisation’s behaviour should be guided in order to achieve legitimacy (Greenwood & Hinings, 1996, p. 1025). Table 4 summarises the concepts exposed so far:

TABLE 4: OVERVIEW OF THE THEORETICAL FRAMEWORK SO FAR

Theoretical Support	Key-Issue
Concepts of organisation	✓ Closed or open system ✓ Rational or Natural system
Organisation's level of analysis	✓ Organisations set; ✓ Organisation Population ✓ Organisation field
Environmental patterns of relationships	✓ Institutional Environment ✓ Technical Environment
Theories for explaining organisations as open and natural systems within an ecological field of analysis	✓ Institutional Theory ✓ Resource Dependence ✓ Population Ecology
Open and Natural theories for explaining technical and institutional environmental influences	✓ Institutional Theory ✓ Resource Dependence

Source: Scott & Meyer, 1991; Scott, 1998; Oliver, 1991; Orrù et al., 1991

Understanding the pattern of environmental influences upon organisations

This investigation is based on a concern with issues in local government decision-making. In previous sections, the concepts of organisations of environment were presented and this analysis indicated that local governments inhabit both technical and institutional environments because they need resources (namely labour, finance and information) and because they live in a web of rules, requirements and norms of behaviours placed upon them by Central Government and other institutions. In this section Resource Dependence and Institutionalism are introduced as theories to explain the extent that an organisation’s behaviour and performance is influenced by environmental factors (Ulrich & Barney, 1984).

Resource Dependence as a model for understanding technical influences from the environment

In broad terms, this theory is based on a set of relationships between an organisation and its technical environment (Orrù et al., 1991). These relationships are normally based on the process of exchanging resources.

Pfeffer and Salancik (1978) suggest that the main tenets of this theory are that:

- An organisation behaves like its environment. In order to understand an organisation behaviour it is first necessary to understand the environment in which the organisation inhabit;
- An organisation is likely to survive if it is able to acquire and maintain resources;
- An organisation is said to be effective to the extent that it “is meeting the demands of the various groups and organizations that are concerned with its activities” (p. 11).
- An organisation is dependent on its environment, because its needed resources are owned by agents who belong to that environment;
- “Managers and other stakeholders can to a degree shape or enact their environment” (p. 135).

As an open system, an organisation needs resources and has to negotiate with people, groups and other organisations that own these resources. Depending on the importance of these resources for the organisation, this process can lead to a dependency relationship within which resource suppliers are able to exert influences over the organisation (Pfeffer & Salancik, 1978). The higher the relative importance of the resource for the organisation, the more attached to this supplier the organisation will be. Resource Dependence deals with how organisations cope with these dependence relationships in order to survive and keep their autonomy. As Oliver (1991) argued, an organisation needs to be adapted to its technical environment in order to be able to cope with

interdependencies and power. The more adapted it gets to its technical environment, the more able to survive and prosper an organisation will be (Pfeffer & Salancik, 1978).

Pfeffer and Salancik (1978) argue that dependence is a measurement of how important resource suppliers are to an organisation. This measurement might influence the position of the resource supplier in organisation's strategic plan. In Pfeffer & Salancik's view (ibid) any component of the external technical environment should be, to some extent, important for the organisation's survival. It is critical to know how important each one is.

Institutional theory as a model for understanding institutional influences from the environment

Institutional theory was first defined in Selznick's study of the Tennessee Valley Authority (Roy & Séguin, 2000). In this study, Selznick (1966) states that formal organisations are a product "of forces tangential to their rationality, ordered structures and stated goals" (p. 251). As Scott (1998) argues "the socially constructed belief exercises enormous control over organizations on both how they are structured and how they carry out their work" (p. 117). Focusing on environmental influences upon organization, the analysis might apply this body of theory as supplementary to resource dependence theory, because it states that an organisation's behaviour is not only constrained by the external coalitions who possess its needed resources. Indeed, an organisation's behaviour is a result of joined forces within its environment in which the task environment is a component (Tucker, Baum & Singh, 1992).

Scott (1998) argues that the environmental pressures that make an organisation conform to the social and cultural worlds are central to the institutional theory. Within institutional influences, there are some invisible pressures upon organisation to adhere to taken-for-granted rules and norms (Oliver, 1991). Meyer & Rowan (1991) argue that, "formal organizations are complex networks of technical relations" being this organisations induced to incorporate taken for granted "rationalized concepts of

organizational work and institutionalized in society” (p. 41). These pressures result from the selection process and only adapted organisational will be able to survive (Hannan & Freeman, 1977).

Often, organisations feel themselves threatened by the prospect of being selected out and they decide to be isomorphic with other successful organisations. DiMaggio & Powell (1991, p. 66 quoting Amos Hawley) defined “isomorphism as a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions.” For this reason, and being constrained by similar environmental forces, organisations begin to look like each other (Orrù et al., 1991, p. 362).

DiMaggio & Powell (1991, pp. 67-69) identify three types of institutional isomorphism:

- Coercive isomorphism that stems from the necessity of the organisation to follow legal rules in order to achieve legitimacy;
- Mimetic isomorphism resulting from the phenomenon of the organisations copying each other because they have no means to cope with environmental uncertainty;
- Normative isomorphism resulting from an organisation being obligated to adopt patterned behaviours institutionalised by associations.

Institutional forces influence organisations to adopt new structures and behaviours institutionalised by their peers or for superior forces. Sometimes, this situation is comfortable because by adopting institutionalised elements the organisation might avoid its behaviour being questioned (Meyer & Rowan, 1991).

Section 2: Stakeholder theory as an integrator of resource dependence and Institutional theories

In this section and based on recent studies, the integration of resource dependence with institutional theory is proposed in order to explain how an organisation behaves and performs as being influenced by its environment. It is also discussed here why other theories such as resource-based theory, agency theory and transaction cost theory are not appropriate for the investigation.

Oliver (1991) applied resource dependence and institutional theories to identify strategic responses to institutional processes. Greening & Gray (1994) also applied this approach to investigate organisational responses to social and political issues. Both authors have devised their theoretical framework starting from Resource Dependence and Institutional perspectives and justified the choice for stakeholder theory as a theoretical bridge for linking the two theories and for categorising the environmental issues likely to impact an organisation's choice (Child, 1976). The main justification is based on the fact that an organisation, in order to survive, needs to manage the issues raised by its environment (technical and institutional). According to them, both theories offer feasible strategic tools to control such adversities.

Subsection 1: A theoretical justification for resource dependence and institutional theories

Before going any further, an explanation on why resource dependence and institutional theories are employed in this investigation in spite of others available (such as resource-based theory, agency theory and transaction cost analysis) is needed.

The concept of organisation employed in the investigation, which is dealt with in the first section of this literature review, relates to the set of relationships an organisation has with its environment as a requirement for survival, which is aligned with the view of organisations as open systems. Open systems means, in broad terms, an organisation

interacting with its external environment. In this way, an organisation's behaviour and performance is a function of its capacity to deal with environmental influences. This means feasible explanations for an organisation's behaviour and performance is very likely to be found in the external rather than in the internal environment. Because they are consistent with this proposition, resource dependence and institutional theories are more likely to explain organisational behaviour as function of the dependence of resources and as compliance to "the social framework of norms, values, and taken-for-granted assumptions about what constitutes appropriate or acceptable economic behavior" (Oliver, 1997, p. 699).

Some scholars employ resource-based theory because they believe organisational success or failure is a function of the capture and management of valuable tangible and intangible resources (Bowman and Ambrosini, 2000). According to Barney (1991), resources assist sustainable competitive advantage (one among several measurements for organisational success) if they are valuable, rare, inimitable, and non-substitutable. Peteraf (1993) argues that resource-based theory is based on four conditions, namely "resource heterogeneity, ex post limits to competition, imperfect resource mobility, and ex ante limits to competition" (p. 179) and she advocated that the resource-based approach is more comprehensive for explaining firm performance (she specifically indicates profitability). However, Porter (1991) confronts the accuracy of such model for assessing an organisation's capacity for surviving (in his case firms achieving competitive advantage). He also regards resource-based theory as inward being able to overlook important changes in the environment. Enhancing the argument, Porter (1991) contends that: "Instead of solely within the firm, the true origin of competitive advantage may be the proximate or local environment in which a firm is based" (p. 110).

Agency theory and transaction cost analysis have also been employed in relation to stakeholder management. Agency theory has its roots in "information

economics” (Eisenhardt, 1989a, p. 59) and it is a theory developed for explaining “agency relationships, in which one party (the principal) delegates work to another (the agent), who performs that work” (p. 58). According to Donaldson and Preston (1995): “Agency theorists argue that corporations are structured to minimize the costs of getting some participants (the agents) to do what other participants (the principals) desire” (p. 78). Hill and Jones (1992) propose a stakeholder-agency theory in which organisation’s managers are regarded as agents for the whole stakeholders involved in the organisation’s decision-making process.

Eisenhardt (1989a) pointed out that the relationships between principal and agent are likely to be based on contradiction. According to her (ibid):

“The focus of the theory is on determining the most efficient contract governing the principal-agent relationship given assumptions about people (e.g., self-interest, bounded rationality, risk aversion), organizations (e.g., goal conflict among members), and information (e.g., information is a commodity which can be purchased)” (p. 58).

Shankman (1999), on emphasizing the nature of agency theory, argued that it is mainly concerned with the economic relationships between the agent and the principal and, for this reason, regarded as polar opposite to the stakeholder theory. An important difference between stakeholder and agency theory lays in the criteria for judging organisational effectiveness. According to Shankman (ibid) while agency theory assesses efficiency performance, stakeholder theory is focused on assessing fairness. Shankman (ibid) also pointed out that stakeholder theory takes into account those groups with which the focal organisation has non-economic relationships.

Another approach related to the issue is transaction cost analysis. According to Ferris and Graddy (1998):

“Transaction costs are the costs (other than price) associated with carrying out two-sided transactions - i.e. the exchange of goods or services from one individual to another with agreed upon payment for performance” (p. 227).

In the same vein, Eisenhardt (1989) pointed out that a contract is an appropriate metaphor to describe the relationships between a firm and its stakeholders. Key (1999) suggests that a contract theory would resolve the problem of “the absence of a value basis for the traditional economic theory” (p. 326). If this investigation employs contract theory or transaction cost theory, it is primarily assuming that local government organisations embrace economic relationships with all of their stakeholders, which is not entirely correct.

Subsection 2: Stakeholder theory as an option to integrate resource dependence and institutional theories

Because organisations are open systems, they have to exchange resources with their environment in order to achieve legitimacy. This is a precondition of the system within which they survive (Pfeffer & Salancik, 1978). In these circumstances, an organisation seeks links with others looking for channels through which its required resources are likely to be exchanged (Oliver, 1990). On the other hand, organisations also live in an institutionalised world in which taken-for-granted practices are copied and transferred to the same or to others’ organisational fields (Oliver, 1997). In this view, organisations apply issue management techniques in order to scan the environment in which they work for threats and opportunities (Jackson & Dutton, 1988).

Institutional and resource dependence theories assume that organisation’s behaviour is significantly influenced by external pressures (Oliver, 1991; Greening & Gray, 1994). These pressures happen in the form of resource exchanging and isomorphism. Moreover, an organisation is likely to survive to the extent that it can cope with external demands and expectations (Oliver, 1991; Mwanikwo & Richardson, 1996).

Acknowledging these arguments, some authors argue that the process of depicting environmental influences on organisation starts with the identification of the external potential agents, which are likely to influence the organisation (Pfeffer & Salancik, 1978; Freeman, 1984; Bryson, 1995; David, 1995; Ansof, 1988; Greenley &

Foxall, 1996; Frooman, 1999; Roy & Séguin, 2000). In this sense, the relationships between an organisation and its main influential stakeholders might appear either in the form of interest in an organisation's goals and performance or as a result of the stakeholder powers to influence the organisation.

Dutton & Jackson (1987) argued that categorisation theory offers explanations about the "cognitive processes underlying concept formation for natural objects" (p. 77). From these categories, people correlate similar behaviours or attributes about different issues (Dutton & Jackson, 1978). The authors (Dutton & Jackson, 1978) justified the use of categorisation theory in organisations because decision-makers believe "they help to store information more efficiently and aid communication with others about ambiguous strategic issues" (p. 78). In the present context, categorisation theory helps in simplifying the set of environmental influences, which an organisation has to deal with in just one concept, namely stakeholders.

Freeman (1984) argued that interest (stake) and power are the main ingredients for identifying an organisation's stakeholders. Thus, the stakeholder identification process is a matter of how much interest it has in an organisation's behaviour, as well as how much power it owns for influencing the organisation (Pfeffer & Salancik, 1978).

In the next section, the focus will be placed on the stakeholder concept and on its presumed importance for the organisation's behaviour and performance.

Subsection 3: Stakeholder concept, typology and importance for the organisation theory

Freeman (1984), in a widely quoted book within stakeholder theory, argued that the external agent that people, groups and organisations that have some interest in an organisation's success is called a stakeholder. The word 'stakeholder', which was coined "in an internal memorandum at the Stanford Research Institute in 1963" (ibid, p. 31), refers to "those groups without whose support the organization would cease to exist" (Wit &

Meyer, 1998, p. 830). They have power to influence an organisation's behaviour even while they are affected by that organisation's operation and outcomes (David, 1995; Shawn, Wicks, Kotha & Jones, 1999).

Freeman (1984) argued that stakeholder analysis could be used for scanning the organisation's external environment in order to identify opportunities and threats as well as to improve the exercise of the organisation's value judgement. To this end, he suggests that a map of the main external agents who are likely to influence or be influenced by the organisation needs to be undertaken. Indeed, he (Freeman, 1984) argues "setting corporate direction can be enriched to yield a better understanding of the firm's stakeholders" (p. 111). To set corporate direction, the organisation needs to integrate its own objectives with the interests of its stakeholders, because the organisation depends on its stakeholders for acquiring resources and legitimacy (Harrison & Pelletier, 1998).

Bryson (1995) argued that, besides looking for external opportunities and threats, an organisation's objectives are also defined by looking at its internal strengths and weaknesses. Furthermore, some sort of balance needs to be sought between the organisation's objectives and the diversity of the stakeholder interests due to resource limitation (Greenley & Foxall, 1996).

Strengthening the arguments above, Pfeffer & Salancik (1978) argued:

"Organizations could not survive if they were not responsive to the demands from their environment. On the other hand, if an organization responds completely to environmental demands it would not survive as well" (p. 43).

Subsection 4: Stakeholder identification

This subsection presents parameters for identifying a stakeholder. The review in the literature indicates that scholars have been dedicated to create normative theories of stakeholder identification. It also indicated the subjectivity with which managers choose

their stakeholders. In other words, managers have discretion to choose the environmental agents the organisation focuses on during its strategic management process.

Stakeholders have been classified in two ways. On one hand, Savage et al. (1991) argued that stakeholders could be classed as primary or secondary. Primary stakeholders are those who have formal and economical relationships with the organisation. Secondary stakeholders are those agents that are not directly related to the organisation despite being able to influence and be influenced by its operation and outcomes.

On the other hand, Atkinson et al. (1997) argued that stakeholders could be seen as environmental or process related. Environmental stakeholders are those included within the external environment in which the organisation operates. For Atkinson et al. (1997) “this group defines the company’s external environment that, in turn, defines the critical elements of its competitive strategy” (p. 27), that is, they can represent opportunities and threats for the organisation.

To summarise, stakeholders have an interest in or power over an organisation’s operations and objectives. Freeman (1984) offered a grid for mapping the organisation’s stakeholders based on these categories. In this model, one dimension relates to the diversity of interests that attracts an external agent to the organisation and makes it a stakeholder. The other dimension relates to the power that some agents have to influence an organisation’s behaviour and performance.

On the interest dimension, he (ibid) suggested three categories, namely equity, economic and ‘influencer’ interest. In the equity category, he defined stakeholder as those agents that have formal interest in the organisation, for example owners and stockholders. In the economic category, he (ibid) defined stakeholders as those agents that have a market interest in the organisation. They see the organisation as a source of economic

opportunities. Finally, in the 'influencer' type, he (ibid) defined a stakeholder as the agent that has other interests in the organisation besides ownership and marketplace.

On the power dimension, Freeman (ibid) suggested that there are external agents that have power over the organisation and he defined them into three categories: formal, economic, and political power. In the formal category, he (ibid) defined stakeholders as those agents that have voting or legal power to decide the organisation's objectives and aims, for example the stockholder and the directors. In the economic category, he (ibid) defined stakeholders as those agents with which the organisation is likely to develop a dependence relationship, for example customers, suppliers, employees (unions). Finally, in the political category, he (ibid) defined stakeholders as those agents who are able to exercise power over the organisation under political circumstances, for example government, consumer advocates, and so forth.

With the same objective, Mitchell et al. (1997) proposed a model for identifying stakeholders and the extent to which they represent a threat or an opportunity to the organisation. They called this model stakeholder identification and salience. In so doing, they (ibid) propose the following dimensions to classify stakeholders:

- "Power to impose demands;
- The urgency of the demand; and
- The legitimacy of the demand" (pp. 885-7).

Power

According to Mintzberg (1983), power is the capacity to make someone do what he or she otherwise would not do. He suggests five basis of power:

- Control of resources;
- Control of a technical skill;
- Control of a body of knowledge;
- Power from legal prerogatives; and

- Access to those who can rely on the previous sources of power.

Etzioni (quoted by Mitchell et al., 1997, p. 865) suggested that power is likely to result from three contextual dimensions: normative power, coercive power, and utilitarian power. Normative power results from laws and requirements over which the organisation has not control. Coercive power issues from physical means. Utilitarian power results from dependence (Pfeffer & Salancik, 1978), because organisation has to behave against its own willing in order to achieve resources.

Hardy (1996 quoting Lukes, 1974) suggests that power stems from resources, processes and meaning. The first dimension of power derives from the ownership of resources. People who own some type of resources are more likely to coerce others to behave according to their will. For example, “information, expertise, political access, credibility, stature and prestige, access to higher echelon members, the control of money, rewards and sanctions” (ibid, p. S7). Pfeffer and Salancik (1978) employed this concept to explain dependency. Power also stems from the decision-making process and people who have domination over such processes are entitled to coerce others by applying or not “procedures and political routines” (Hardy, 1996, p. S7). The third dimension of power is meaning which is related to the power for preventing “conflict from emerging in the first place” (ibid p. S8). That is, some people have control over the status quo and in doing so they can suppress others of their cognition. These two bases of power can also be related to the environmental influences upon organisations in the extent that political and professional issues arise from it pressuring the organisation to comply with their requirements.

Winstanley et al. (1995) proposed a model to identify stakeholder power in a public sector restructuring process. Winstanley et al.’s (1995) model is based on two dimensions of power, namely criteria and operational. Whilst the former is related to the

ability of influencing how resources are handed and exploited, the latter relates to the organisation's discretion on defining objectives and courses of action.

Criteria power is related to the ability of stakeholders to:

- “Define the aims and purposes of the service.
- Design the overall system within which the service is provided.
- Set or influence the performance criteria that guide the public service activity.
- Evaluate the performance of public services on the basis of the criteria”
(ibid, p. 20).

Operational power is the ability of stakeholder to:

- “Provide the service and decide how to provide it.
- Change the way the service is delivered on the ground, through the allocation of limited resources by using knowledge and key skills (ibid, p. 20).

Urgency

Mitchell et al. (1997) argue that urgency has many meanings, but in terms of stakeholder management, it can be seen as a result of time sensitivity and criticality. In other words, a stakeholder is said to have urgency when his/her demands have to be dealt with in a short time and the organisation will be in serious trouble otherwise.

Legitimacy

Mitchell et al. (1997) regard this dimension as critical to stakeholder's identification. Sometimes, an actor has a stake in the organisation but this demand is either not legal or moral. They (Mitchell et al., 1997) also suggest that only actors who have legitimate stakes are to be regarded as proper stakeholders. Suchman (quoted by Mitchell et al., 1997) defines legitimacy as “a generalised perception or assumption that the actions

of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs, and definitions” (p. 866).

TABLE 5: THE CLASSES OF STAKEHOLDER ACCORDING TO MITCHELL ET AL.

Stakeholder type	Urgency	Legitimacy	Power
Definitive	✓	✓	✓
Dominant	×	✓	✓
Dependent	✓	✓	×
Dangerous	✓	×	✓
Dormant	×	×	✓
Discretionary	×	✓	×
Demanding	✓	×	×
Non-stakeholder	×	×	×

Source: Adapted from Mitchell et al., op. cit., p. 874

Combining the three dimensions, they (ibid) proposed a model of eight classes of stakeholders as table 5 indicates. The number one is the class of stakeholder to which the organisation needs to address greater regard, because it fulfils the three criteria of urgency, legitimacy, and power for influencing the organisation. Thus, this stakeholder is to at the top of the priority list. At the bottom of the table, there are those actors involved within the organisation’s environment, which do not fulfil any of the criteria.

In terms of managing the organisation’s relations with stakeholders, Mitchell et al. (1997) outline a symmetric approach. Those stakeholders that possess just one of the three dimensions, which they (ibid) termed “low salience or latent stakeholders” (p. 874), are accounted little attention. Indeed, the organisation’s managers “may well do nothing about stakeholders they believe possess only one of the identified attributes.” For those stakeholders who possess two of the attributes, which they (ibid) termed “moderate salience or expectant stakeholders” (p. 876), a higher level of engagement between managers and these stakeholders, should be pursued. Finally, to those stakeholders who

they (ibid) termed “high salience or definitive stakeholders” (p. 878), managers should direct great attention in order to avoid threats and to identify opportunities.

Subsection 5: Stakeholder importance

The importance of the stakeholders for the organisation can be realised by the following statements: “Minimizing the stakeholders’ dissatisfaction should be a concurrent objective of ‘excellent’ companies” (Chakravarthy, 1986, p. 448, inverted commas as in original). An alternative reading on this hypothesis is to be found in Pfeffer & Salancik (1978):

“Our position is that organizations survive to the extent that they are effective. Their effectiveness derives from the management of demands, particularly the demands of interest groups upon which the organizations depend for resources and support” (p. 2).

A final reading of active stakeholder management is to be found in Greenley & Foxall (1996): “Orientation to the diverse interests of stakeholder groups is central to strategic planning, and failure to address the interests of multiple stakeholders groups may be detrimental to company performance” (p. 259). These statements stress that stakeholder satisfaction is the ultimate objective of an environment-steered organisation. Some authors contend stakeholder theory as a new theory of the firm (Rowley, 1997 and Key, 1999) replacing the old economic paradigm for an updated ethic view on the relationships between firms and their constituencies.

Subsection 6: Issues in stakeholder management

Issues in stakeholder management are herein presented and discussed. The aim is to identify the issues involved in the process of stakeholder identification and salience as well as the theoretical basis, which have been used to explain the patterns of relationships between stakeholders and organisations. As said before, an organisation has to engage in relationships with its environment, which could end in dependence, coercion, pressures and even auto transformation. It all depends on the power either organisations or its contenders

have to manipulate the process. At this point, issues about power-interest relationships and the effects it raises to the organisation's strategic management process are presented and discussed.

Stakeholder Analysis

In order to identify the stakeholders likely to justify organisation's attention in their strategic management process, a stakeholder analysis is to be done in order to identify opportunities to be exploited as well as threats to be prevented. Several scholars have proposed a methodology for doing so. Among them, Bryson (1995) and Joyce's (1999) suggested the following checklist:

- Identification of stakeholders;
- Identification of how stakeholders influence the organisation;
- Identification of what the organisation needs from each stakeholder;
- Identification of the criteria used by the stakeholder in evaluating the organisation; and
- Ranking the stakeholders in a rough order of importance.

Another issue in this matter relates to the measurement of stakeholder importance in the organisation's strategic management. As a stakeholder is likely to represent an opportunity as well as a threat, the organisation needs to know how influential each stakeholder is and to what extent s/he represents a threat or an opportunity to the organisation's strategic management. Savage et al. (1991) have thus classified stakeholder relative importance into capacity for threaten the organisation, and potential to co-operate with the organisation. According to this typology there are four different types of stakeholders and the organisation needs to know how deal which each one. After properly identified, the organisation needs to know the adequate form of relationship it has to have to address to each one. Table 6 suggests four different strategies.

TABLE 6: MAPPING STAKEHOLDER'S RELATIVE IMPORTANCE

Capacity for threat

		High	Low
Potential for co-operation	High	<u>Stakeholder type 4</u> Mixed Blessing Strategy: collaborate	<u>Stakeholder type 1</u> Supportive Strategy: involve
	Low	<u>Stakeholder type 3</u> Nonsupportive Strategy: defend	<u>Stakeholder type 2</u> Marginal Strategy: monitor

Source: Savage et al., 1991

Stakeholder Management

Stakeholder management is a dynamic theory developed from different approaches. This section explores the extent that stakeholder management can be connected with different types of theories. Huse and Eide (1996) employed agency theory and resource-based theory to describe dimensions of stakeholder power in large insurance companies. Rowley (1997) proposed a theoretical framework in which network theory explains stakeholder influences. Greening and Gray (1994) employed resource dependence and institutionalism to explain variability in organisational structures and those concepts are integrated through stakeholder theory. This section introduces some insights in stakeholder management in order to refine the theoretical development employed in the investigation.

As emphasised before, resource dependence and institutional theory can shed light on the process of comprehending environmental influences. Pfeffer and Salancik (1978) suggest that “confronted by powerful external organizations, organizational adaptation requires managing the interdependencies themselves as avoidance may no longer be possible” (p. 106). Further, Pfeffer and Salancik (ibid) suggested that the organisation can adapt itself to the external constraints, or it can try to change this environment. To this end, they suggested the following strategies that an organisation can apply in order to cope with dependence:

- Diversification – organisation changing itself;
- Merger – total absorption of the environment;
- Co-optation – partial absorption of the environment;
- Activities for influencing the rules of the game.

Rowley (1997) argued that the organisation’s behaviour is driven by forces from “those who shape institutional rules and those who control scarce resources, respectively” (p. 907). Pfeffer and Salancik (1978) argued that the resource providers are able to exercise power over the organisation by defining resource allocation and application. In the same vein Frooman (1999) argued that: “the dependence of firms on environmental actors (i.e., external stakeholders) for resources that give those actors leverage over a firm” (p. 195).

TABLE 7: ORGANISATIONAL RESPONSES TO INSTITUTIONAL FORCES

Strategies	Tactics
Acquiesce	Habit Imitate Comply
Compromise	Balance Pacify Bargain
Avoid	Conceal Buffer Escape
Defy	Dismiss Challenge Attack
Manipulate	Co-opt Influence Control

Source: Oliver, 1991, p. 152

Institutional theorists suggest that an organisation’s survival and success depend on its capacity to be isomorphic with its institutional environment (Meyer & Rowan, 1991). Oliver (1991) suggests a list of strategic responses for coping with institutional pressures. They are set out in table 7.

In another article, Oliver (1990) defined interorganizational relationships as “relatively enduring transactions, flows, and linkages that occur among or between an

organization and one or more organizations in its environment” (p. 241). This happens because an organisation neither lives alone nor is able to feed itself (Pfeffer & Salancik, 1978). Oliver (1990) then suggested a set of six contingencies whereby this pattern of relationship would happen. Table 8 demonstrates these contingencies.

TABLE 8: DETERMINANTS OF RELATIONSHIP FORMATION

Contingency	Concept
Necessity	Due to the necessity of exchanging critical resources.
Asymmetry	Due to the potential to exercise power or control over another organisation or its resources
Reciprocity	Prompted by exert co-operation, collaboration, and co-ordination with other organisations.
Efficiency	Due to the attempt for improving the organisation’s internal input/output ratio.
Stability	Due to the organisational necessity for achieving stability, predictability, and dependability with others.
Legitimacy	Due to organisation’s “motive to demonstrate or improve its reputation, image, prestige, or congruence with prevailing norms in its institutional environment”. (1991, p. 246)

Source: Oliver, 1990, pp. 242-246.

The relationships between a given organisation and the stakeholders present in its environment can also be seen as a network type relationship (Rowley, 1997) to the extent that organisations get involved in coalitions with persons, groups or other organisations. According to Jackson and Stainsby (2000), “networks are clusters of relationships which span indefinite ranges of space and time” (p. 11). They (ibid) also argued that networks are formed for pursuing “joint goals” (p. 12).

Rowley (1997) also suggests that: “Network analysis provides a means for examining how the pattern of relationships in a stakeholder environment influences an organizational behavior” (p. 894). Scott (1996) defines a network as a set of co-operative relationships between an organisation and others within its environment. Applying Oliver’s typology on interorganizational relationships, a network can be seen as a reciprocal relationship because in this type the relationships are based on co-operative relations.

Klijin & Koppenjan (2000, p. 140) argue that co-operation is very likely to improve network performance and components can enhance actor's participation achieving better outcomes. The more co-operative these relations are, the more likely to succeed it is. Klijin & Koppenjan (2000) argue that network management, which is steered by process management and network constitution, can improve networks. A process management is carried out in order to improve the relationships between actors under some predefined rules. Within network constitution there is a concern about the best composition of the network.

Klijin & Koppenjan (2000) suggest some strategies for managing networks.

These are:

- Choosing the right partner that owns the required resources;
- Creating consensus between actors about goals;
- Creating “temporary organizational arrangements between organizations” (p. 141);
- Managing the conflicts between organisations.

Jackson & Stainsby (2000) argue: “Networks are neither markets nor hierarchies – they lie between markets and hierarchies nor there are overlaps between the concepts” (p. 12). By market relationships, the authors mean the economic exchange between an organisation and others in its environment. By hierarchies, they mean a structured formal relationship based on authority. In addition, Klijin & Koppenjan (2000) argue: “in order to survive, an organization requires resources from other organizations. These organizations engage in exchange relations with each other and a network of mutually dependent actors emerge” (p. 139). In the same vein, Klijin et al. (1995) argued that:

“A network is characterized not only by its actors, their relations and the existing distribution of resources (power, status, legitimacy, knowledge, information, and money), but also by the prevailing rules (generalized procedures which are used in games)” (p. 440).

Jørgensen et al. (1998) suggest that the nature of public organisation's networks can be technical or institutional. By institutional networks, they mean, "Public organizations that are engaged in a *negotiation and diplomacy network*" (pp. 502, emphasis as in original). Here, they mention all the "external actors able to influence the general context and conditions of the organization" (ibid, p. 592). By technical network, they mean the production and consumption network wherein the organisation meets its "users, suppliers, and possible competitors" (ibid, p. 503).

Ethical aspects of stakeholder theory

Amidst the relationships between organisations and stakeholders, there is an unfinished discussion about the ethics upon which these relationships are formed (Key, 1999). The core of the discussion is about the power that some actors have upon others. Some actors are so powerful that they are able to coerce a whole market niche, which is the case of some monopolies. In the resource dependence perspective, the argument is the power that some organisations achieve for controlling their environments because they retain essential resources. In the institutionalist perspective, the argument is about the power to create and maintain rules and norms. In this part, the analysis focuses on the ethical and moral aspects of organisation-stakeholder relationships.

According to the Collins Cobuild Dictionary (1996), "Ethics are moral beliefs and rules about right and wrong" (p. 373). Jones (1999) contended that: "Ethical arguments are derived from religious principles, philosophical frameworks, or prevailing social norms" (p. 164). In other article, Jones (1995) proposed an instrumental stakeholder theory "as a central paradigm for the business and society field" (p. 432). In such theory, he (ibid) argues that an instrumental stakeholder theory "focuses on the contracts (relationships) between the firm and its stakeholders and posits that trusting and cooperative relationships help solve problems related to opportunism" (p. 432). According to this theory, a

stakeholder-based approach can mediate the differences between objectives and interests among actors.

Stakeholder theory scholars have raised the concept of corporate social performance, which according to Wood (1991) is:

“A business organization’s configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationships” (p. 693).

In the same vein, Key (1999) argued that the relationship between firms and environment have been dealt with through corporate social responsibility (CSR1), corporate social responsiveness (CSR2) and corporate social rectitude (CSR3). By responsibility she (ibid) meant “corporate stewardship, charity and philanthropy as an obligation to the members of the community” (p. 319). By responsiveness she (ibid) meant “a way to manage societal demands and social involvement as a means to insure business's legitimacy” (p. 319). By rectitude, she (ibid) meant: “a normative or ethical component should guide corporate behavior” (p. 319).

In an empirical investigation, Ullmann (1985) undertook a meta-research about CSR2 in which several empirical investigations had their results confronted. He finally concluded that high stakeholder’s power is positively correlated with high social and economical performance. As social performance variables, he used reputation scales and pollution performance indexes. As economical performance variables, he used concepts of share prices, which represent an obligation to the shareholders.

At this point, a framework has been presented to explain the pattern of relationships between an organisation and its environment. It supports the assumption that in order to understand an organisation’s behaviour and performance the environment in which it inhabits has to be looked at as well as the sort of issues it is likely to produce. Based on the review, resource dependence and institutionalism are good theories to explain environmental issues that the organisation needs to deal with in order to survive.

In the next section, the theoretical framework is adapted to the research context in which the investigation is undertaken, namely the public sector. In so doing, pros and cons of employing business-based techniques to the public sector are presented.

Section 3: In search of a feasible theoretical framework for understanding environmental influences in the local government context

Local governments are organisations that survive within complex and unstable environments (Jackson, 1995; Worrall et al., 1998). As an organisation, local government needs to deal with stakeholders from its technical environment in order to acquire its resources. Furthermore, it also needs to deal with stakeholders from the institutional environment in order to achieve acceptance and legitimacy. Thus, Kanter & Summers (1987) suggest that, “The ideal performance assessment systems in a nonprofit organization would acknowledge the existence of multiple constituencies” (p. 164).

In order to understand local government environments, it is necessary to understand what exactly a local government is. Local government is government being connected to the local population (Stanyer, 1976). In the same vein, Pratchet (1999) argues that local government refers to the sub-national level of government and its bureaucratic organisations. Local government is a generic term. In local areas, public services are carried out by local authorities, which acquire its powers and duties from central government.

Seeley (1978) suggested that the services provided by local authorities could be protective, communal, personal, or trading. As an operative entity, local government needs to acquire resources from its environment and transform these resources into outputs and outcomes. Local governments are also impacted by institutional influences (Seal, 1999), which stems from their organisational field (DiMaggio and Powell, 1991). Based on this assumption, stakeholder theory is employed in this investigation for uncovering environmental influences upon the decision-making process of local governments.

In public policy terms, local government means government more attentive to the local population (Stanyer, 1976). It also means the agent from central government responsible for delivering public goods and services to the local population (Parsons, 1995). According to Mondragon (1998), local governments play an important role in policy making because they participate in implementing such policies. This argument raises the idea of intergovernmental relations, which according to Parsons (1995), “is concerned with how the multiplicity of types of governmental unit interact with one another” (p. 305).

Besides their involvement in policy implementation, local governments have their own agendas. Using DiMaggio & Powell’s words (1991), local governments are organisations, which contend with stakeholder “not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness” (p. 66). Local government needs resources such as labour, information and materials. Therefore, it needs economic fitness to justify how it manages its financial resources and it needs legitimacy in order to be accepted as a relevant part of the political system. In the British case, local governments have been facing competitors since the launching of the Compulsory Competitive Tendering as presented in the previous chapter. For this reason, local government managers need to identify who are the most powerful stakeholders in order to negotiate with them and to work out an agreement, which ensures the achievement of both their own objectives and stakeholder satisfactions.

Because local authorities deal with a wide range of services seeking to achieve multiple objectives (Jackson, 1995), they are likely to be entangled in a web of different stakeholders able to exert influence upon their decision-making process. Due to this fact, every particular service within local government should identify their stakeholders in order to manage their relationships with them, avoiding threats and exploiting opportunities. As Kerley (1994) argued:

“As though it were not enough for one individual or group of individuals to inflict a complex array of demands on the organization, that process is infinitely multiplied, so the local authorities have a multiplicity of stakeholders, all of whom are making demands upon them” (p. 18).

Trying to populate the arena in which public organisations inhabit, Bryson (1995) suggests central government, the local community, the resource suppliers, the employees, the trade unions, the taxpayers, and political parties as the main stakeholders. Doherty & Horne (2002) suggest a short list of external and internal stakeholders. As internal stakeholders, they (ibid) nominate “elected representatives, pressure groups, citizens, government departments, aid agencies, inspection agencies, trade unions, professional bodies, regulatory bodies, and auditing bodies” (p. 338). As internal stakeholders, they (ibid) nominate “non-executive members of committees, chief executive’s departments, policy analysts and planners, performance review panels, front-line service staff, and internal auditors” (p. 339). Unfortunately, the literature does not provide any proof that these stakeholder lists have arisen from empirical analysis.

In fact, there are few studies involving stakeholder identification in public management. Examples of these studies are Fottler et al. (1989) who produced a stakeholder’s map for hospitals; Miller & Wilson (1998) who carried out a stakeholder analysis focusing on the National Health Service in the United Kingdom; and Enz, et al. (1993) who carried out a stakeholder analysis in higher education organisations in the USA. This investigation has not found a stakeholder’s list for local government organisation generated by empirical investigation. Thus, this investigation intends to contribute to stakeholder theory by filling this gap.

Subsection 1: How local government can manage its environmental issues?

Due to their open system characteristics, local government organisations are likely to be influenced by their environments. Here, a set of alternatives through which local governments can manage their relationships with their environments is presented.

According to Scott (1998), these influences can be both technical and institutional. Technical influences are due to the necessity of acquiring resources whilst institutional influences are due to the necessity of gaining legitimacy.

Rhodes (2001) argued that the relationships formed between local and central government are explained by intergovernmental relations (IGR), which “refers to the interaction between government units of all types and levels,” (p. 7). Defining the hierarchy in central-local IGR, he (ibid) argued that these “two levels of government are interdependent, embedded in various relationships with fluctuating local discretion” (p. 8). He (ibid) even proposed a model for explaining that “central-local relations are a ‘game’⁴ in which both central and local participants manoeuvre for advantage” (p. 9).

Rhodes (ibid) argued that policy networks can explain central-local relationships in the “political-market place” (p. 9) to the extent that:

- ☉ “They limit participation in the policy process.
- ☉ They define the roles of actors.
- ☉ They decide which issues will be included and excluded from the policy agenda.
- ☉ Through the rules of the game, they shape the behaviour of actors.
- ☉ They privilege certain interests, not only by according them access but also by favouring their preferred policy outcomes.
- ☉ They substitute private government for public accountability” (pp. 9-10)

Rowley (1997) suggested network theory to understand stakeholder influences because it goes beyond the dual aspect of influencer/influenced. It suggests that the process of resource exchange should be analysed as a system composed by parts and relationships. It does make sense because people, groups or organisations would behave differently according to different situations. He argues that much more than identifying the influences of a single stakeholder, the organisation needs to identify the power that stakeholder

⁴ Inverted commas as in original

coalitions can represent. Rather than individually analysing stakeholders, it would be better to analyse them in clusters and in a particular situation.

Subsection 2: How local governments have their performance assessed?

As an organisation, local governments are to be accountable to their constituencies. Previously in this chapter, theories on social performance were presented. For these theories, an organisation is expected to be responsible, responsive and honest. In local government case and because it deals with public money, these issues are to be taken into higher importance. These issues can be dealt with according to two theories, namely intergovernmental relations and stakeholder theory. The former is related to the latent relationship between central and local governments as participants of the political system. The latter is related to the local government's obligation of satisfying key stakeholders.

According to Day and Klein (1987), accountability is: "to define who can call for an account, and who owes a duty for explanation" (p. 5). They (ibid) indicate two types of accountability: political accountability and financial accountability. By political accountability, they meant the responsibility regarded to the exercise of the political function. By financial accountability, they meant: "the verification of the financial accounts to check on whether the appropriate funds have come in and whether the outgoing money has been spent properly" (p. 9). Halachmi (2002) points out two types of accountability, namely internal and external. By internal accountability, he (ibid) means: "the relationships between superiors and subordinates, appointed or elected heads of agencies and the respective career civil servants that are assigned to such agencies" (p. 66). By external accountability, he (ibid) implies that: "it has to do with meeting standards that pertain to legal, ethical, political, professional, economic aspects of institutional or individual behavior" (p. 66). Seal & Vincent-Jones (1997), when defining the enabling of long-term relationships, states that accountability has its basis "at the heart of the

accounting agenda. We extend the analysis of accounting and accountability by arguing that trust is also a key aspect in this relationship” (p. 407).

Parsons (1995) argues that because business-based approaches have been applied to the public sector, accountability is seen in terms of its political and managerial aspects. According to Cochrane (1993), managerialism pushed accountability from the restrict view of accountancy to a more comprehensive approach. Exploring this issue, performance management is introduced as part of the literature review as a new approach to improve accountability.

Since the advent of the New Public Management, local governments have been persuaded to transform their managerial process in order to achieve high performance throughout business like practices (Mwita, 2000; Kickert, 1998). In this case, performance measurement is seen as a coercive type of accountability (Kloot, 1999). In the same vein, Atkinson and McCrindell (1997) contended:

“We believe it is important for governments to design a more strategically-focused model for performance measurement: a model that creates a more effective means of determining performance against objectives, thereby enabling greater accountability by the government to its stakeholders” (p. 21).

Osborne et al. (1993) define performance assessment as “The evaluative process by which a view is reached about the performance of a set of activities against the achievement of specified objectives” (p. 3). Performance can be measured in different ways and to different ends. The performance of a given local authority can be assessed through economy, efficiency, effectiveness, and equity criteria (Osborne et al., 1993). Whilst the former two dimensions assess organisation’s operative process (Bouckaert, 1992), the later assess an organisation’s outcomes (Kirchhoff, 1997).

The Department of Environment, Transport and Regions (1999b) suggests that in order to ensure that a local authority’s performance is being assessed properly its performance indicators should cover:

- Planning and measuring performance;
- Customer and the community;
- Management of resources;
- Staff development;
- Partnership working.

Some authors assert that in order to evaluate an organisation's effectiveness, it is necessary to understand the criteria on which its main stakeholders will judge its performance (Savage et al., 1997; Kirchhoff, 1997; Herman & Renz, 2000; Connolly et al., 1980). Those authors do not agree that an organisation is only created to satisfy its owners or shareholders. In their opinion, a multi-criteria approach should be applied in order to contemplate the whole stakeholder set.

Local governments are organisations with several external constituencies (Kirchhoff, 1997). All of them may have different criteria for evaluating local government performance. As Connolly et al. (1980) indicate, organisational effectiveness should reflect the set of criteria of different individuals and groups (stakeholders). This appears to be a persuasive argument: local government effectiveness should be a multi-criteria and multi-stakeholder evaluation process. For example, local government has a duty of satisfying central government, which concentrates a considerable amount of power over local government and as a service delivery organisation, local governments have consumers, which have requirements and standard of satisfaction.

Understanding the concept of effectiveness

There are several definitions on organisational effectiveness and each one is attached to a different organisational objective (Cameron & Whetten, 1983). As organisations have several concepts, their criteria of effectiveness should be related to the appropriate concept. An organisation can be defined as a rational structure that aims to achieve goals. In this case, the measurement of effectiveness should assess the extent to

which the organisation is accomplishing its goals (Cameron & Whetten, 1983; Campbell, 1977; Keeley, 1978). An organisation can also be defined as “collectivities whose participants share a common interest in the survival of the system” (Scott, 1998, p. 25). In this case, the measurement of effectiveness should assess an organisation’s survival (Hannan & Freeman, 1977; Orrù et al., 1991; Kanter & Summers, 1987). Finally, an organisation can be defined as open system in constant exchange with its environment, and the measurement of effectiveness should assess the level of adjustment to environmental requirements (Pfeffer & Salancik, 1978; Connolly *et al.*, 1980; Kanter & Summer, 1987; Cameron & Whetten, 1983).

As this investigation intends to apply the open and natural system views, the effectiveness concept seems to be better articulated on the following definitions.

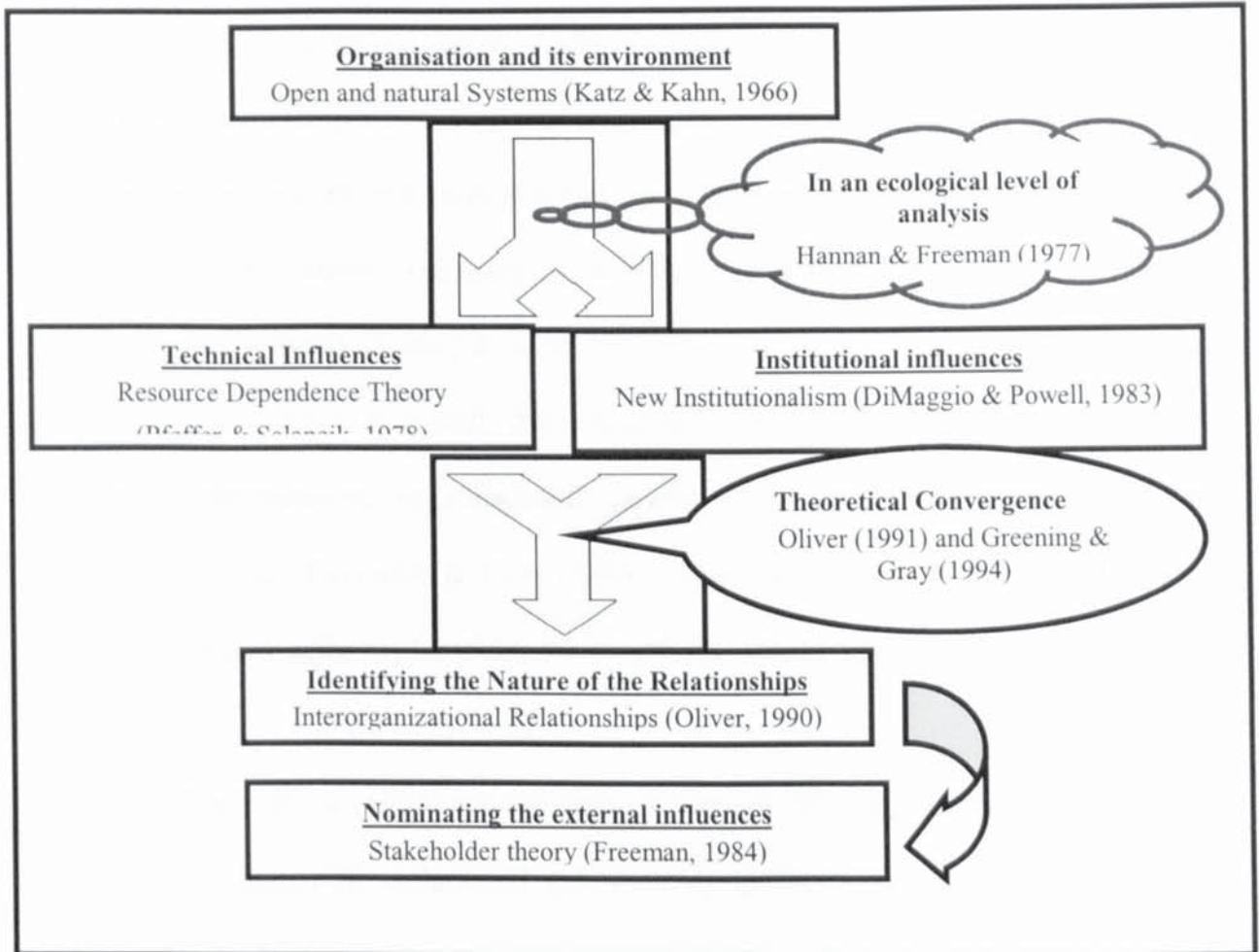
“Organizational effectiveness derives from the management of demands, particularly the demands of interest groups upon which the organizations depend for resources and support. Organizations survive to the extent that they are effective... The key to organizational survive is the ability to acquire and maintain resources” (Pfeffer & Salancik, 1978, p.2).

“Independent of their productive efficiency, organizations which exist in highly elaborated institutional environments and succeed in becoming isomorphic with these environments gain the legitimacy and resources needed to survive” (Meyer & Rowan, 1991, p. 53).

Section 4: Summing up the theoretical background

In this section, the theories outlined above will be synthesised into a theoretical framework. The framework is presented in Figure 3. It defines the boundaries for the investigation. This section also indicates that the ideas outlined in the literature review denote a theoretical gap, which can be represented by a research question. For this reason, a literature extension in stakeholder management is proposed.

FIGURE 3: AN OVERALL THEORETICAL FRAMEWORK FOR THE INVESTIGATION



The starting point of the theoretical framework is Open Systems theory, which proposes a view for understanding local government organisations' relationships with their external environment (Katz & Kahn, 1978; Pfeffer & Salancik, 1978; Selznick, 1966; Hannan & Freeman, 1977). In this process, they need to acquire and maintain resources in order to keep their operative process running (Oliver, 1997). They also have to seek support and legitimacy for their activities and goals (Pfeffer & Salancik, 1978; Oliver, 1997). The whole process of gathering resources and achieving legitimacy happens because an organisation does not exist in a vacuum (Child, 1976), nor is it able to survive by itself (Pfeffer, 1982). Organisations have to negotiate all the time with external agents for resources of all kind (Scott, 1998). This process leads organisations to seek links and relationships with the external environment in order to survive (Hannan & Freeman, 1978).

The technical and institutional environments influence an organisation's behaviour (Orrù et al., 1991). Resource dependence theory explains how an organisation

becomes attached to its environment to the extent that it needs resources (Pfeffer & Salancik, 1978). Institutional theory explains how an organisation becomes isomorphic with its environment to the extent that it accepts, as taken-for-granted, the institutions generated in its environment. Both theories try to explain an organisation's behaviour as influenced by the external environment and the extent that these influences shape an organisation's choices (Greening & Gray, 1994).

Oliver (1991) argued that "according to both institutional and resource dependence perspectives, organizational choice is limited by a variety of external pressures" (p. 146). Greening & Gray (1994) argue that "both institutional and resource dependence theory offer explanations for why firms adopt certain structural modification" (p. 469).

Both Oliver (1991) and Greening & Gray (1994) suggest stakeholder theory as an integrative theory to understand the relationships between an organisation and its environment. In the same vein, Abzug and Webb (1999) argue:

"We can think about stakeholder theory as an encompassing (macro) theory that helps to bring institutional, competitive, and dependence forces - and competitive forces - into a unified theory" (p. 420).

Through resource dependence theory stakeholders can be seen as environmental agents who own the organisation's required resources (Frooman, 1999). Through institutionalism theory stakeholders can be seen as the environmental agents who produce the rules and the taken-for-granted behaviours in which the organisation bases its own behaviour in order to achieve legitimacy and acceptance (Greening & Gray, 1994).

The research question intends to uncover determinants in local government decision-making in terms of environmental influences. It intends to understand how this type of organisation makes decisions and the role of environment-based agents involved in the process. The core theoretical assumption behind the investigation is that environmental influences can be decisive on an organisation's success or failure (Porter, 1991). In this

vein, Hannan & Freeman (1977) suggest that: “the populations relevant to the study of organization-environment relations are those aggregates of members attached to the organizations or, perhaps, served by the organization” (p. 934). Freeman (1984) proposed a more comprehensive mechanism for understanding the set of organisation-environment relationships when he defined “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (p. 46) in his acknowledged stakeholder’s definition.

Stakeholding is a widely applied approach in profit-seeking organisations. According to Donaldson and Preston (1995), investigations within stakeholder theory have been undertaken on three different bases: “descriptive accuracy, instrumental power and normative validity” (p. 85). By exploring stakeholder theory descriptive accuracy, several studies have been undertaken in order to determine the sort of stakeholder able to participate in the decision-making process of profit-seeking organisations, for example Freeman (1984), Clarkson (1995), and Atkinson et al. (1997). Abzug and Webb (1999) used stakeholder theory to describe a set of stakeholders for non-profit organisations. Bryson (1995) suggested a stakeholder set for public organisations and Rogers (1999) suggested a list of stakeholders for the Best Value process.

By investigating stakeholder theory instrumental power, studies were dedicated to identify the relationship between stakeholder management and performance, such as Ullmann (1985) who studied several empirical studies on U.S. corporations and concluded that stakeholder power is positively correlated with organisation’s social performance. Another example is Greenley & Foxall (1997) who studied UK’s companies and conclude that: “companies should achieve a balance in addressing stakeholder interests, rather than selectively prioritizing their attention and resources allocation to certain groups” (p. 20-21). They also concluded (ibid) that: “financial measures, such as ROI, are inadequate for

addressing the overall performance of companies in a multi-stakeholder environment” (p. 21).

Exploring stakeholder theory’s normative basis, Freeman (1984) proposed a two dimensional grid based on power and interest to identify the relevant stakeholder to the organisation. Savage et al. (1991) proposed a methodology for assessing stakeholder management based on a stakeholder’s potential to co-operate and or to threaten the organisation. In addition to these studies, Berman et al. (1999) tested the descriptive accuracy of two stakeholder management models and the relationships between these models and a firm’s performance. Frooman (1999) proposes managerial strategies to deal with technical stakeholders. Ullmann (1995) discovered that stakeholder power is positively correlated with an organisation’s social performance. Greening & Gray (1994) developed and tested a model for explaining how firms respond to technical and institutional environmental influences. Harrison and St. John (1996) suggested that organisations should seek the stakeholder’s partnership rather than stakeholder management. Finally, Mitchell et al. (1997) proposed a framework for stakeholder identification and salience.

In public or non-profit organisations, there are some examples of normative stakeholder theories, such as Bryson (1995) who proposed a stakeholder set for government. Joyce (1999) proposed that stakeholder analysis should be applied in the planning process of public organisations. Winstanley et al. (1995) suggested criteria for assessing stakeholder power for influencing public sector restructuring. Blair et al. (1989) suggested strategies to negotiate with stakeholders of hospitals. Savage et al. (1997) suggested models of integrated delivery services and networks to cope with environmental demands in the health care sector.

Other studies have been dedicated to identifying the stakeholders themselves. Within these descriptive studies, Brennan and Douglas (1998) suggested that, in the

strategic management of local governments “the key stakeholders are consumers, employees and elected members” (p. 243). Fottler et al. (1989) researched key stakeholders of hospitals. While Miller and Wilson (1998) researched a NHS trust seeking to identify the significance of stakeholding in this type of organisation. Finally, Rizzo (1987) explores stakeholding in education organisations.

As indicated above, there is still a huge field to be researched in stakeholder theory with special reference to public services. For this reason, investigation in this field needs to happen in order to fulfil three objectives:

- Descriptive: empirical investigations seeking to identify a reliable set of stakeholders in the decision-making process of public organisations;
- Instrumental: empirical investigations seeking to identify the causal relationships between stakeholder influences and organisational performance; and
- Normative: empirical investigations seeking to propose models for explaining the interaction between stakeholder influences and decision-making.

The problem with investigating causal relationships in non-profit organisations is related to the performance concept itself. As Kanter & Summers (1987) suggested: “Although the measurement of performance is not a simple matter in any kind of organization, it is even more complicated for nonprofit organizations” (p. 154). Rather than single performance criteria, public organisations have to take into account multiple criteria of performance in order to “acknowledge the existence of multiple constituencies” (ibid, p. 164) involved in their multifaceted decision-making processes. Another argument is that local government organisations are entitled to deliver multiple services to local population and each of these services are likely to involve a particular

set of stakeholders. That means one local authority will look at several different stakeholders that are very likely to act at the same time.

As members of “complex and uncertain socio-political environments” (Jackson, 1995, p. 20), local government organisations have their decision-making attached to a political group. These groups have their own agenda that changes overtime. Bryson (1995) argues that both the rational and the political decision-making models start with the definition of some political or managerial overall objectives. If the rational model starts with the objectives set through consensus, the political model starts with the objectives generated in political arenas, which are achieved through managing the conflicts between powerful groups. Within political arenas, contenders want their points to be included in institutional agenda. In doing so, the actors apply their power to influence the agenda setting process.

According to the exposed above, the investigation aimed to identify the arena in which English Local Authorities make decisions and to what extent environmental influences are considered in their decision-making. Following Donaldson and Preston’s suggestions (1995), the investigation focused on providing descriptive and normative elements to stakeholder theory rather than attempting to associate performance with determinants of performance. Furthermore, the lack of empirical, descriptive and normative theories about stakeholder management in local government studies indicates that a feasible way to start is identifying a comprehensive stakeholder’s list and identifying the pattern of relationships formed between stakeholders and local government. The following research question summarises the arguments above:

IS LOCAL GOVERNMENT DECISION-MAKING A STAKEHOLDER-BASED PROCESS?

The question encompasses a descriptive, instrumental and normative view of the context in which local government organisations make decisions, which are understood under the form of intermediate questions. It starts from describing the types of actors able

to participate in the process as well as the amount of power they hold. As the environment can be seen as a mixture of technical and institutional factors, stakeholders are likely to be classified into technical and institutional as well. These different typologies of stakeholders are likely to have different sources and strength of power and local governments should know how to deal with it. Then, the investigation explores how stakeholder influences come about looking at issues about time and space.

Conclusions

This chapter have presented a comprehensive literature review on organisations theory with specific focus on issues about an organisation's relationships with its environment. In so doing, it presented the relevant organisation theory that explains how an organisation's behaviour and performance is likely to be impacted by environmental influences. The exercise showed that stakeholder theory is a feasible approach to understand environmental influences. Accepting that environmental influences have a high probability of being accepted as a determinant of an organisation's success or failure, a main research question is proposed as well as a proposed literature extension of existing stakeholder management literature.

The literature review started from open systems theory that explains how an organisation behaves in active environmental conditions. Then, issues of resource dependence and institutional theory were identified as tenable explanations for the fact that organisation's survival is directly related to its degree of fitness to the environmental changes. Associating resource dependence theory with institutionalism and based on past experiences (Oliver, 1991; Greening & Gray, 1994; Abzug & Webb, 1999), the literature review demonstrated that stakeholder theory can work as a bridge to explain how an organisation behaves as impacted by technical and institutional influences from its environment. It also justified the use of the theories above instead of others (such as resource-based, agency theory), which are regarded as not appropriate to the task on hand,

although several investigations of stakeholder management have applied them (Donaldson and Preston, 1995). These theories were disregarded because:

- Resource-based theory is mainly focused on inward issues and it does not take into account changes in the environment (Porter, 1991);
- “Agency theory assumes efficient markets and rejects the idea of power differentials between managers and stakeholders” (Hill & Jones, 1992, p. 152); and

The literature review has presented several models of stakeholder identification and salience. The stakeholder concept is borrowed from Freeman’s landmark contribution (1984) to strategic management, which is defined as “any group or individual who can affect or is affected by the achievement of the organization's objectives” (p. 46). The concept assumes a bilateral nature of the relationships between an organisation and its stakeholders based on the ability to exert influence upon and the likelihood of suffering influences from the organisation.

The stakeholder theory framework prescribes models for identifying stakeholders and the extent that they can be seen as channels through which influence travels to reach the focal organisation. It also prescribes more complex models that connect stakeholder identification with a measurement of power to influence the organisation. The measurements of power are based on the control over resources, processes and the institutional set of norms and values an organisation is entangled within.

The literature review has demonstrated the patterns under which stakeholder-organisations relationships can be understood. It outlines network theory and interorganizational relationship theory. Due to the open system nature and the dependence on the technical and institutional environments, an organisation enters into relationships with people, groups or other organisations (Klijn et al., 1995; Oliver, 1990). In this vein, Pfeffer and Salancik (1978) suggested that dependence leads organisations to a more

interactive approach with their environments seeking both to fit to its requirements and to change it to comply with their needs.

Then, the literature review outlined issues of public management theory, mainly the presence of business-like techniques in this field. One of these issues is related to the New Public Management in which public organisations become isomorphic with business organisations adopting those taken-for-granted techniques. Due to this, the accountability of public organisations is now much more based on managerial issues rather than in the 'old-fashioned' accountancy. The literature provided two paths to explain accountability in the local government case: namely intergovernmental relations and management.

Following Donaldson and Preston's ideas (1995), it was decided in this investigation to explore the descriptive and normative side of stakeholder theory, which is still fairly unexplored in local government studies. In doing so, it intended to identify the sort of stakeholders entitled to participate in the decision-making process of local government organisations as well as the degree of power/importance each one is allowed to have in the whole process. The literature review demonstrated that there are no empirical studies in the local government studies field and this investigation can therefore contribute to producing relevant issues to be applied in the stakeholder management of these organisations. The next chapter deals with research methods.

CHAPTER 4: RESEARCH METHODS

This chapter discusses the strategies by which this investigation has been carried out. In so doing, it starts presenting a brief overview about research paradigms. The second step is to present an overview of the research design.

Section 1: An overview of the research paradigms that steer social investigations

Philosophy is a set of thoughts, ideas and paradigms that help us to deal with situations or problems. Doing research, as part of a problem solving process, is a structured set of activities steered by thoughts, ideas and paradigms. The whole process depends on the scientist's world-views. This section attempts to discuss the rationales bounding scientific investigations with special attention to the social science field. It starts by discussing philosophical paradigms (Kuhn, 1970) – systems of thoughts – in order to justify the research design of this investigation.

Gilbert (1995) contended that social research comprises three main ingredients:

- The construction of theory;
- The collection of data;
- The design of methodology for gathering data.

Theory building process involves the identification of gaps to be filled up with valid and reliable data. Data collection, in its turn, involves philosophical issues, which steer the researcher's behaviour in carrying on investigations. At the first stage, a researcher chooses a philosophical framework for conducting the investigation based on his/her beliefs and paradigms. Finally at the third stage, data is gathered and analysed through a process that involves operational issues about making the data more comprehensible. This process comprises coding, tabulating and analysing data. In this

stage, the decision about employing qualitative or quantitative approaches is to be taken. Each one of the issues presented above is critical in the research process.

Yin (1994) argues that the decision about choosing the appropriate research strategy is based on three issues:

- a) The type of research question;
- b) The extent of control an investigator has over actual behavioural events, and
- c) The degree of focus on contemporary as opposed to historical events.

The overview starts describing the types of paradigms that is likely to steer a scientific investigation.

Subsection 1: Positivist versus interpretative

Research is conducted according to philosophical paradigms (Kuhn, 1970). These paradigms represent models by which human beings govern their existence. Paradigms are constructed upon a set of rules and beliefs. Guba & Lincoln (1994) suggested four classes of paradigms: Positivism, Post positivism, Critical Theory and Constructivism, whose bases are summarised in table 9 and discussed afterwards.

TABLE 9: PARADIGMS IN SOCIAL SCIENCE

	Positivism	Post positivism	Critical Theory	Constructivism
Methodology	Based on experiments, hypothesis and quantitative methods	Also based on experiments, falsifying hypothesis, and it can apply quantitative methods	Dialogic and dialectical. Based on interaction between investigator and the subjects of enquiry.	Hermeneutical and dialectical. Based on interaction between investigator and respondent.

Source: Adapted from Guba and Lincoln (1994, p. 109)

Positivism

Conway (1999) contended that positivism is based on both Plato's Rationalism and Aristotle's Empiricism. Delanty (1997) stated that positivism comprises the following five tenets:

- ☞ Scientism – the science is unique. It does not matter whether social or natural science there is no difference between them.

- Naturalism – progress is made from observation to verification through experimental methods.
- Value freedom – science is constructed upon value freedom and ‘science does not make judgements on its subject matter.’
- Instrumental knowledge – science is made upon technical and useful knowledge.

Denscombe (1998) outlined the contribution of the Positivism to social research as the approach that:

“Seeks to apply the natural science model to investigations of the social world. It is based on the assumption that there are patterns and regularities, causes and consequences in the natural world, just as there are in the social world” (p. 239).

In this vein, Amaratunga & Baldry (2001) identified within positivism an innate concern with simplification rather than with the whole. Causal laws are created by testing hypotheses through employing statistical and mathematical tools.

Criticisms to the Positivism

Conway (1999) considered that the positivistic approach was under attack after the post-war period. These attacks came from both Hermeneutics (Constructivism) and Critical Perspectives. According to Conway (ibid) Hermeneutics studies, which are based on Immanuel Kant’s work, concern the meaning of human actions through an interpretative way rather than relying exclusively on empiricism and rationalism. This investigation focuses on Hermeneutics as an alternative to the positivistic paradigm.

Conway (ibid) suggested that hermeneutic paradigms are related to the following tenets:

- Anti-Scientism – the separation of the social sciences from science because the latter is not able to explain the former due to its dynamics;

- ☉ Interpretation – observation is not enough for explaining social life in its magnitude;
- ☉ Humanism – human nature permits human behaviour to be interpreted and explained;
- ☉ Value-Freedom – relativism in explaining human behaviour. This is a sort of self-defence to the researcher.

The process of carrying on research is oriented by paradigms ranging from observational (positivism) to interpretative (hermeneutic) approaches. The choice depends upon researcher's world-view. By using positivism as orientation, the investigator will be concerned with discovering rational explanation for every single phenomenon keeping a neutral attitude before the phenomenon. On the other hand, the interpretative approach permits the investigator to be involved with the phenomenon in order to depict its main characteristics.

Subsection 2: Qualitative versus quantitative

Another issue within about research paradigms is related to the approach through which data are gathered and analysed, namely quantitative and qualitative approaches. The choice depends on the paradigm steering the investigation. Enquires based on positivistic paradigms are mainly quantitative (Osborne, 1996). On the other hand, interpretative investigations rely mainly on qualitative methods and it only applies quantitative methods as an alternative for making data more reasonable (Denzin and Lincoln, 1994).

The literature does not provide a literal definition of quantitative methods. This approach is much more related to a data collection process than research styles. Quantitative approaches are those that use, in the process of gathering, organising, and analysing data, measurable concepts based upon scales, quantities, and statistical tools. Supporting this idea, Bryman (1988) argued that quantitative researches are conducted by

applying the tenets of natural science, which are based on “variables, control, measurement and experiment” (p.12) and it permits the researcher to be distant from the subject. By employing quantitative methods, the investigator uses statistical techniques in order to assess association, difference, and causalities (Sapsford & Jupp, 1996).

Norman and Denzin (1996) argued that qualitative researches employ a set of methods such as semiotics, narrative, content, and discourse in order to provide explanations for the social phenomena. In so doing, the investigator inserts him/her in the field seeking to understand, by using his/her aptitudes, how people perceive the phenomena and to the differences among actor’s perception. For this reason, qualitative analysis demands the investigator’s involvement in the fieldwork to be successful. Because they are based on people’s life experiences, qualitative methods rely upon repetitions and coherence within narratives, as a method for explaining the social phenomena. To apply qualitative methods, the researcher needs to be close to the subject in order to apprehend the whole picture in which the research is inserted as well as to catch the feelings of the people involved (Bryman, 1988).

In terms of research strategy, Bryman (1988) argued that qualitative researches are interested in narratives of experiences and viewpoints. Similarly, Norman and Denzin (1996) argued that: “qualitative implies an emphasis on process and meanings that are not rigorously examined or measured, in terms of quantity, amount, intensity, or frequency” (p. 4). Qualitative methods are related to patterns of behaviour, which are institutionalised by repetition. On analysing social phenomena, the higher the frequency of a given pattern is observed throughout data analysis, the greater the probability of generalising this behaviour to a larger context.

Subsection 3: Inductive versus deductive researches

According to Gilbert (2001) theories are built following three different processes, however sometimes complimentary:

- Deduction
- Induction
- Falsification

Inductive approaches are those made upon reality, that is, an inductive investigation starts from observing a particular phenomenon inside reality seeking to systematise it into new theories. Gilbert (1995) suggested that theory starts with induction because theories are made from observing and interpreting realities.

In deductive approaches, the investigator employs known theories as a means to explain a phenomenon (ibid). The investigator is concerned with testing an established body of knowledge trying to expand it to other realities. In differentiating qualitative from quantitative methods, Bryman (1988) stated that quantitative methods should be applied to confirm the relationship between theory and research, whilst qualitative methods applied to explore emergent relationships. In this way, he (ibid) suggests that qualitative methods are rather inductive than deductive. While the former is based on observation, the latter is based on intervention.

Gilbert (2001) also discussed a process of falsification, which is based on Popper's Critical Rationalism. The process of falsification assumes that there is an alternative solution for the induction versus deduction dilemma. The main tenet of Critical Rationalism is the idea that there is a "logical asymmetric between verification and falsification" or that "scientific laws can be tested by systematic attempts to refute them" (Conway, 1999, p. 34-35). The argument behind the idea is: if we are not able to prove that something does not exist, this fact does not forbid us to assume that it does exist.

In sum, theory building can be undertaken by applying known theories, by observing reality and trying to develop theories upon this observation, or by falsifying observable phenomenon in order to assume that the contrary is likely to be true.

Table 10 summarises the dichotomy research paradigms in order to devise a feasible methodological framework for the research.

TABLE 10: DEVISING A FEASIBLE METHODOLOGY FRAMEWORK

Research Orientation	Type 1	Type 2
Process of theory building	Deductive	Inductive
Paradigms	Positivistic	Interpretative
Research Approaches	Quantitative	Quantitative

Source: Adapted from Guba and Lincoln (1994)

Section 2: Research Methods

So far, the focus has been placed upon the paradigmatic aspects of carrying out researches in Social Science. From this point, the focus turns to the proposition of a feasible research framework for the current investigation. In so doing, the section is split into three subsections. The first introduces a research question that has been proposed from the discussion of the current literature about stakeholder management in the public sector.

The literature review has provided insights about the absence of investigations exploring stakeholder management in the public sector, particularly in local government. Exploiting this gap, a research question has been proposed: Is local government decision-making a stakeholder-based process? The answer can be a straightforward yes, because local governments are organisations that rely heavily upon stakeholder's contribution in order to achieve their objectives. But, it is also likely to be no, because local governments are parts of a broader system of government and they do not rely upon stakeholder contributions for accomplishing objectives.

However, almost nothing in social life is likely to have a straightforward explanation. The choice about the most suitable answer depends on the required level of certainty embedded in the phenomenon. For this reason, the research question was broken into four intermediate questions whose answers helped on composing the main puzzle:

1. Who is likely to be regarded as a stakeholder in local government decision-making?
2. How much power do stakeholders have for impacting the process?

3. How do stakeholders participate in the process?
4. Are these influences environmental related?

By answering the first question, the investigation has provided a descriptive contribution to theory embodied in a comprehensive stakeholder's list for this type of organisation has been raised. By answering the second question, the investigation provided another descriptive contribution embodied into a model for explaining stakeholder influences throughout the process. By answering the third question, the investigation has proposed a normative contribution to theory through a set of insights in stakeholder management that would help local government to manage their relationships with stakeholders. Finally, by answering the fourth question, the investigation contributed to the theory proposing a stakeholder taxonomy that would shed light on stakeholder management as well.

Due to the nature of the questions and attempting to simplify the research design, they were assembled into two questions ending into two distinct and complementary studies. The first and the second question were combined in one study which aimed to identify the stakeholders and how much power they have to influence decision-making. It is difficult to believe that somebody enters into a dispute before knowing his/her competitors. The third and fourth questions were combined into a second study aiming to identify the patterns of behaviour each stakeholder have towards decision-making. Again, it is difficult to believe that somebody starts a dispute before knowing what 'weapons' and strategies the enemy holds. Hereby, the research design is drawn upon these two question and the strategies employed for answering each are presented as follows.

Subsection 1: First Study: Discovering the stakeholder able to participate in local government decision-making

According to Yin (1994), researches are designed to answer who, what, where, how, and why questions. The questions embedded in the first question was a what and how

much types of question, which according to Yin (ibid), are likely to be answered by employing surveys.

Saslow (1982) suggests that surveys are “large scale observation studies done on groups of humans” (p. 13) and a feasible strategy when the researcher wants to cover a large amount of opinions from different people about the same issue. Yin (1994) also suggests that survey is a suitable approach to collect data that uses measurements, such as magnitude, quantity and value.

2.1.1 – Data collection tools and results

Saslow (1982, p. 13) argues that surveys are carried out through questionnaires as data collection tools and these questionnaires can be structured employing open as well as close-ended questions. In this investigation, a two-part questionnaire⁵ has been devised to gather evidence about stakeholder identification and stakeholder salience (these concepts have been reviewed in chapter three).

The questionnaire’s first part was devised to identify, in chief executives’ views, who is likely to be a stakeholder for English local authorities. The investigation has chosen chief executives due to the position at the top of the local government structure of decision-making. Due to the subjectivity of stakeholder identification, chief executives seem to be the most appropriate people within local authorities to give an overall view on stakeholders. In this way, it was devised upon an open-ended question in which respondents could indicate as many stakeholders as they wished. The concepts supporting this part of the investigation was based on Mitchell et al. (1997) concept of stakeholder identification. In such proposition, an organisation needs to know, as broader as possible, the stakeholders able to place claims upon its decision-making.

In order to reduce the impact of value judgement in stakeholder identification, which is explained by the fact that each respondent could come up with a different

stakeholder's list, a stakeholder nomination index (abbreviated herein as SNI) was proposed. The literature review demonstrated that stakeholder identification is a fuzzy issue to which little investigation has been dedicated. In such mechanism, the overall importance⁶ of a stakeholder in decision-making is a measurement of how many times chief executives have nominated it as a relevant actor in the process. The SNI is calculated by aggregating all nominations a stakeholder has received into an overall value, which was compared with the total of valid responses. SNI is represented by the following formula, where 'i' represents the number of identifications a stakeholder received 'n' is the number of valid identifications. In this investigation it is equal to the total of valid responses. The reliability and validity of this measurement is discussed in section 2.1.3. Therefore, SNI is a continuous variable between 0 and 1.

$$SNI = \frac{i}{n}$$

The second part of the questionnaire was devised upon a close-ended question, in which chief executives were asked to rank stakeholders' power to influence decision-making according to a model adapted from Winstanley et al. (1995). This issue has been dealt with in chapter three, but in the model assesses stakeholder influences according to two dimensions of power, namely power over policy-making and power over operations. Whilst power over policy-making embeds stakeholders' ability to define an organisation's objectives and outcomes, power over operation embeds stakeholders' abilities to shape an organisation's operational processes. This model is synchronised with the concepts of power proposed by Pfeffer (1981).

As an overall measurement of power, the stakeholder salience index (abbreviated herein as SSI) was devised. The SSI assesses stakeholder's power in each of

⁵ The questionnaire is in the Annex 4.

⁶ At this moment, no reference to stakeholder's power has been done

the seven criteria proposed (see annex 4 for details) as well as it serves as an overall measurement of power. In the question, respondents were asked to rank stakeholder's powers employing a 5-level Lickert scale. SSI is calculated averaging the values granted to each stakeholder by the respondent 1 to the respondent n. The reliability and validity of this measurement is discussed in subsection 2.1.3. The following mathematical formula represents the calculation. Where s represents the rates a stakeholder received from respondents 1 to n due to its perceived influence in the criterion. In this way, SSI is a continuous variable between 0 and 5.

$$SSI = \mu(s_1; s_n)$$

The questionnaire was sent to 350 chief executives from local authorities scattered throughout England. The research population was profiled according to the geographic area and the political context in which the local authority is grounded into. Table 11 presents population's composition at the time of the investigation.

TABLE 11: THE COMPOSITION OF THE RESEARCH POPULATION AT THE TIME OF THE INVESTIGATION

Councils	DC	%	LB	%	MD	%	UC	%	Total	%
Rural									141	40%
Non-Rural									209	60%
Conservative	73	31%	4	13%	2	6%	5	11%	84	24%
Labour	51	22%	18	58%	26	72%	23	50%	118	34%
Liberal Democrat	17	7%	3	10%	3	8%	2	4%	25	7%
Non-Overall control	86	36%	6	19%	5	14%	16	35%	113	32%
Independents	10	4%	0	0%	0	0%	0	0%	10	3%
Total	237	68%	31	9%	36	10%	46	13%	350	100%

Source: The Countryside Agency, 2001 (available in www.countryside.gov.uk) Local Government Association, 2001 (available in www.lga.gov.uk)

Among the 350 councils, 67.7% are District Councils, 8.9% are London Boroughs, 10.3% are Metropolitan Districts and 13.1% are Unitary Councils. Looking at geographical differences, 40% of the councils are regarded as rural and 60% as non-rural (urban or suburban). These figures are provided by the Countryside Agency, whose classification points out the authorities considered as rural as the map in annex 8 indicates.

In terms of political leadership and at the time of the survey, the Labour Party led 34% of the councils, the Conservative Party led 24% and 32% were non-overall controlled authorities.

2.1.2 – Variables and hypotheses in this study

In order to contribute to stakeholder theory supplying issues in stakeholder identification, the investigation explored to what extent these two variables, namely SNI and SSI, could be seen as dependent variables of differences in the geographical and political context, which is presented in table 12. This approach is justified by the argument that organisations are able to change themselves for complying with environmental demands as well they are able to enable the environment (Pfeffer & Salancik, 1978). Stakeholder identification is a subjective process upon which political, economic and social issues may have some sort of impact. Here, the aim is to identify the extent that geographical issues (such as population density) and political issues (such as political context) are likely to influence an organisation’s discretion for choosing their stakeholders. This argument would also raise issues about organisation’s heterogeneity. If, for example, population density has influence in stakeholder identification then this process is less likely to be accepted as a general tool to be applied to any type of organisations.

TABLE 12: RESEARCH VARIABLES EMPLOYED IN THIS PART OF THE INVESTIGATION

Research variables		Type of variable	
		Type	Identification
Independent Variables	Geographical differences	Nominal	Non-rural (1) Rural (2)
	Political Leadership	Nominal	Labour (1); Conservative (2); Liberal Democrats (3), Non- overall control (4); others (5)
Dependent Variables	Stakeholder nomination index (SNI)	Interval Scale	(0 – 1)
	Stakeholder salience index (SSI)	Interval Scale	(0 – 5)

Source: Bryman, 2001; Kazmier, 1982

The formal decision-making process model states that the definition of objectives should be the primary step (Bryson, 1995). These objectives are defined by the dominant coalition and they will steer the decision-making process as a whole. As a politically oriented organisation, local governments are administered by elected people who are, in some way and not all the time, guided by political ideologies. In England there are several political parties leading local government organisations. The most powerful were the Labour Party and the Conservative Party (the main opposition), in electoral terms and the time the investigation was being carried out. In this way, the agenda set down by central government is likely to raise two types of reactions among local authority's leaders: compliance by adherence or compliance by force. It is presumed that authorities led by the Labour Party are more likely to comply by adherence than the Conservative Party is.

In this context, decisions about stakeholder identification are likely to be context steered. That means managers make options about stakeholders according to the context in which the local authority is inserted satisfying either their institutional 'boss' (central government or other hierarchical institution) or their technical 'boss' (the local community or who has voted for them). The option is very likely to be placed on the political leadership running the local authority. For this reason, political context was hypothesised as a determinant factor in stakeholder identification. In so doing, stakeholder identification (assessed by the SNI) was used as a dependent variable and political context (represented by the different political contexts) as an independent variable. This is represented in exhibition 1.

Stakeholder identification is also likely to be influenced by the specificity of the region in which local government operates. Somehow, geographical differences (such as population density, educational level and wealth) are likely to make a difference in the way managers choose the stakeholder entitled to participate in decision-making. Population density was chosen as a measurement of geographical context. In this vein, the

Countryside Agency provides a classification for authorities as rural and non-rural (urban and suburban). For a complete map of English authorities see annex 8.

EXHIBITION 2: THE POLITICAL CONTEXT-BASED HYPOTHESIS

H1 – Diversities in the political context influences the way a local government identify its stakeholders. Thus, the political context can be seen as determinant in stakeholder identification.

$$\eta^2 = 0$$

Ha – Stakeholder identification is a process upon which the political context has no influence whatsoever

$$\eta^2 \neq 0$$

Population density has been chosen because it can be a synonym of friction, dynamism and mobilisation in terms of political participation. As an assumption of this investigation, the greater the population density is the higher the pressure upon agenda setting. In this way, population density turns into another independent variable, which is likely to influence the dependent variable stakeholder identification. The hypotheses are proposed as follows:

EXHIBITION 3: THE GEOGRAPHICAL CONTEXT-BASED HYPOTHESIS

H1: Diversities in the geographical context may influence the stakeholder identification process.

$$\eta^2 = 0$$

Ha: Stakeholder identification is a process upon which the geographic context has no influence whatsoever.

$$\eta^2 \neq 0$$

2.1.3 – Data Analysis, Reliability and Validity in Surveys

In this investigation, stakeholder identification is an attempt to uncover the sort of actors that populate the arena in local government decision-making comes about. For so doing, data is analysed to identify who are these actors and whether political leadership or geographical differences have influence in stakeholder identification.

After being calculated, the dependent variable SNI and SSI are compared with these two independent variables in order to test for causal relationships. According to Bryman (2001), the method for analysing nominal and an interval scale type variables is a combination of contingency tables, chi-square and 'eta'. Contingency table – normally

called cross-tabulation – is used to assess the relationships between dependent and independent variables. Looking at the contingency tables, it ought to be clearer where the preferences are placed and whether there is convergence on preferences. Chi-square assesses goodness of fit and it helps on clarifying whether the results are reliable. Eta assesses statistical association between variables. These calculations are presented in chapter five.

Data reliability is ensured by Cronbach’s alpha that, according to Bryman (2001), is a method for assessing internal reliability. Table 13 demonstrates the reliability analysis performed in the SNI resulted in a Cronbach’s alpha equals to 0.9443. Bryman (ibid) contended that this result indicates high consistency among the indexes involved and the internal reliability of the SNI is therefore ensured. It is worthwhile to notice that when criteria 1 and 6 are removed the alpha value slightly decreases. On the other hand, the alpha rises to 0.9991 if the criterion 5 is removed from the scale. This result does not influence the reliability of the measurement performed in SNI.

TABLE 13: THE RELIABILITY ANALYSIS IN SNI’S MEASUREMENT

Item	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item Total Correlation	Alpha if Item Deleted
SNI 1	175.4545	4385.0216	.9799	.9203
SNI 2	175.3182	4370.8939	.9736	.9207
SNI 3	175.3636	4451.1948	.9745	.9213
SNI 4	176.9091	4526.4675	.9794	.9217
SNI 5	176.4091	6160.0628	.0099	.9991
SNI 6	175.4545	4385.0216	.9799	.9203
SNI 7	176.1818	4480.2511	.9809	.9211

Source: Data Analysis

Bryman (ibid) also suggests “the split-half method” (p. 71) for ensuring reliability of quantitative data. In this method, SNI is split into two groups in which the indexes were randomly allocated. The investigation has also performed this analysis and the results corroborate the other from Cronbach’s alpha. Table 14 presents the results.

TABLE 14: THE RELIABILITY SPLIT-HALF ANALYSIS OF SNI

Groups	Mean	Variance	Standard Deviation	N of Variables	Guttman Split-half
GROUP 1	117.6818	2741.3701	52.3581	4	.9982
GROUP 2	87.5000	852.3571	29.1952	3	.5956
SCALE	205.1818	6311.2035	79.4431	7	.8612

Source: Data Analysis

According to the split-half calculation, there is very strong association within group 1 and acceptable consistency in the group 2. The Guttman split-half at the right bottom of the table presents an overall reliability index of 0.8612 that indicates strong consistency among SNI values. The evidence ensures that the indexes produced came from a consistent system of measurement.

The same process was applied to assess the reliability of SSI. Table 15 presents the Cronbach's alpha results. All results are higher than 0.9000 so indicating a strong association within the index. This ensures that the SSI has been constructed with internal consistency. The split-half calculation also indicated a high statistical association between groups of variables. As for SNI, the Guttman split-half returned a result of 0.9241 that according to Bryman (2001) indicates high consistency among measurements.

TABLE 15: THE RELIABILITY ANALYSIS OF SSI

Item	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item Total Correlation	Alpha if Item Deleted
SSI 1	16.5663	16.7802	.9025	.9375
SSI 2	16.6127	16.5790	.9542	.9333
SSI 3	17.0457	16.9920	.7192	.9549
SSI 4	16.5605	18.4787	.7275	.9517
SSI 5	17.1109	15.7639	.8580	.9429
SSI 6	16.6984	17.5270	.8741	.9409
SSI 7	16.5645	17.3814	.8652	.9412

Source: Data Analysis

Yet in terms of other reliability assessment tools, Bryman (2001) discourages the use of the test-retest method because it can induce to bias. Sometimes, the retest is undertaken too long after the test and circumstantial changes have occurred. Another problem, according to Bryman (ibid), is to perform the test-retest with the same

respondents, which may cause false consistency. Due to these arguments, the investigation did not carry out test-retest in the indexes involved here. Table 16 presents the Guttman split-half results.

TABLE 16: THE GUTTMAN SPLIT-HALF RELIABILITY TEST OF SSI

GROUPS	Mean	Variance	Standard Deviation	N of Variables	Guttman Split-half
GROUP 1	117.6818	2741.3701	52.3581	4	.9982
GROUP 2	87.5000	852.3571	29.1952	3	.5956
SCALE	205.1818	6311.2035	79.4431	7	.8612

Source: Data Analysis

According to Bryman (ibid) validity has to do with “whether a measure of concept really measures that concept” (p. 72-73). In the same vein, Saslow (1982) argued that: “Validity estimates how well a dependent variable is measuring what it claims to measure” (p. 200). Bryman (2001) contended that validity could be face validity, concurrent validity, predictive validity, constructive validity and convergent validity. He (ibid) also suggests that: “At the very minimum, a researcher who develops a new measure should establish that it has face validity – that is, that the measure apparently reflects the content of the concept in question” (p. 72). Osborne (1996) argued that: “validity is concerned with the *rightness*⁷ of research tools or studies” (p. 12). He (ibid) also argues that key to construct validity in any form of research is methodological triangulation.

In order to ensure the validity of the method by which SNI and SSI have been developed, an investigator triangulation was performed in order to ensure that both indexes were devised by valid means. The questionnaire was piloted with four randomly chosen respondents from English Local Authorities, who were asked to analyse the questions and suggest alterations in order to improve the its effectiveness. After the piloting process, the investigation was ensured that stakeholder salience dimensions presented in the questionnaire were consistent with the scales of measurement employed. After analysed,

⁷ Italic in original

the survey results were sent back to the respondents in order to assess their perceptions about the findings in which they were asked for comments and amendments where necessary. None of the respondents disagreed with the survey results, which strengthened the validity of the data collection tool. A further step was carried out in order to strengthen the validity of the indexes. The survey results were presented in two conferences in which academics from several parts of the UK and Europe were asked to comment the findings. None of those asked to comment demonstrated disagreement with the methodology as well with the results.

Subsection 2: Second Study: Unfolding local government decision-making

As an attempt to answer the second set of questions, a qualitative study has been devised. This study employs the hermeneutic paradigm using as an approach of data collection and analysis the qualitative method. In so doing, this study employed a cross-sectional case studies and interviews of validation. While the former aimed to open the decision making process, the latter aimed to validate the findings from the case studies.

Case studies are employed in this investigation to depict the process through which stakeholder influences come about in the decision-making process of English Local Authorities. The interviews of validation have been undertaken with key speakers within Local Government Studies scenario in order to gather evidence to be added to the other research approaches in the triangulation process. These two qualitative research approaches are dealt with as follows.

2.2.1 – Case Studies: methods and assessment

In this investigation case studies are employed to unfold local government decision-making. As a research focus, four English Local Authorities who have accepted to participate in the process were chosen. Case studies are feasible approaches for the aims of this investigation because it describes processes. Case studies are also regarded as an appropriate approach to investigate stakeholder influences because it is a relatively new

phenomenon, which has been set up by English Local Authorities since the Labour Party took office in 1997 (this issue has been dealt with in chapter two).

According to Yin (1994), case studies are helpful when the focus is placed upon contemporary events. Finally, the investigation applies the case study approach because the researcher has no control on the way this phenomenon comes about. By employing case studies, the researcher is able to gather evidence about a specific phenomenon from different perspectives. In the case of this investigation, case studies permitted the analysis of different perspectives at the same time, namely geographical and political leadership types. One can argue that other sorts of investigations are likely to give reasonable answers to the research question. However, case studies allow the investigator to look at the same phenomenon in different perspectives and with more detail due to the depth that it provides for carrying on research.

Yin (1994) argued that case studies could look at both single and multiple cases or take an embedded or holistic approach depending on how the researcher examines the case. A case study is said holistic when the research focus is placed on an organisation in its whole form and the sub-units are parts of the puzzle for understanding the whole. A case study is said embedded when sub-units are separated out from the whole and analysed as unitary forms. In this kind of analysis, the observer aims to understand the phenomenon of stakeholder's influences through multiple levels (Eisenhardt, 1989b) that compose the organisation.

This investigation employed a cross-sectional research design through a multiple and embedded case study because it examined stakeholder influences in the several levels of decision-making involved in Waste Collection Services of four local authorities (two Labour and two Conservative as well as two rural and two non rural) as the table below indicates. These authorities were selected from a list of local authorities raised by the questionnaire. At that moment, the respondents were asked to collaborate

with the investigation by participating in a follow up study. As a result of that consultation, 18 local authorities accepted the invitation and the investigation decided for the authorities identified in table 17.

TABLE 17: THE DESIGN OF THE CROSS-SECTION CASE STUDIES

		Political Leadership	
		Labour	Conservative
Geographical Differences	Rural	Braintree District Council	South Northamptonshire District Council
	Non-rural	London Borough of Hackney	Metropolitan District of Calderdale

Bryman (2001) argues that cross-sectional research designs are suitable strategies to identify variations in a single point of time. This investigation used a cross-sectional approach because it recognised the importance of gathering data from the four cases at the same time due to economic, cultural and political changes, which could bias the respondent’s perceptions about stakeholder influence. Another issue is the span of time available to carry out the whole investigation.

Bryman (ibid) argues that case studies are normally related to longitudinal investigations, that is, the researcher spends some time following the process through which the phenomenon comes about. Through narratives the investigator is also able to depict a process, through which a phenomenon came about by incorporating respondent’s experiences as being true reports of the process. In doing so, the investigator is able to trace the process historically. Analysis of documents could also supply to the investigation the historical issues that s/he was not able to witness. Therefore, cross-sectional case studies can be seen as different accounts about the same history.

Eisenhardt (1989b) argued that “case studies can be used to accomplish various aims: to provide description, to test theory, or generate theory” (p. 535). In another paper, she (ibid) contend that using multiple case studies in a replication logic, the researcher is

able to confirm and 'disconfirm' inferences because the evidence gathered in one case is likely to be confirmed or not in other cases. In this investigation, cross-sectional case studies help to pinpoint stakeholder influences within the continuum of the decision-making process.

This investigation applies Yin's model (1994) of carrying out case studies. Such model proposes the following steps:

1. To develop theory;
2. To select cases and design case study protocol;
3. To conduct multiple-case studies;
4. To write individual reports for each case;
5. To draw cross-case conclusions;
6. To modify theory;
7. To develop policy implications;
8. To write cross-case report.

As the results of the multiple cases will be used as part of the triangulation process, the investigation goes through the first five steps with the process of modifying theory being left to the triangulation process.

Data Collection in Case Studies

Data has been collected through data triangulation, which according to Denzin (1970) is good tool for looking at the same subject through different dimensions, namely time, space and person. In this case, the investigation gathered evidence from three different views about stakeholder influences inside the same case, namely semi-structured interviews (involving several levels of decision-making within English Local Authorities), analysis of internal documents (those issued by the local authority as required by government as part of the Best Value Regime), and analysis of external documents (those

issued by central government which focus has been placed upon the regulation of local government's action).

The cases were approached one each time. In overall, it took about a month to complete data collection in each case. The process was carried in the following way:

- A first contact in which the authorities were explained about the objectives and the amount of time they were supposed to dedicate to the work.
- A second visit when interviews were carried out and documents collected. Basically, the authorities were required to provide a Best Value Report for the year 2001 and other corporate documents such as the constitution, administrative and decision-making arrangements.
- In some cases, the work required an additional visit in order to collect complementary information.

The documents comprising the 'Official history' were:

- **Modernising Local Government: Improving Local Services through Best Value** – a consultation paper issued by the DETR in September 1999, which aimed to seek support for the new scheme;
- **Local Government Act 1999**, which was issued in August 1999 and whereby the Best Value scheme came in force in Britain;
- **Local Government Act (LGA) 2000** whereby the New Councillors Constitution scheme has been introduced in Great Britain;
- **New Councillors Constitution: Guidance Pack Volume 1**, which was published by the DETR in October 2000 aiming to clarify points within LGA 2000;
- **Strong Local Leadership: Quality Public Services** – a white paper issued by the Government in December 2001, which according to the

Prime Minister introductory words “seeks to establish a partnership between central and local government, reflecting the critical importance of local authorities as a tier of democratic government, delivering high quality public services to local people.” (Foreword);

- **Local Strategic Partnership: Government Guidance** – issued at March 2001 by the DETR;
- **Waste Strategy 2000: for England and Wales** issued in May 2000 by the DETR. This document aimed to set the main agenda in terms of Waste in Britain;
- **Best Value Performance Indicators 2001-2002** this is a packaged of guidance issued by the DETR in December 2000 aiming to regulate performance appraisal in that period.

Data Analysis

The data collection process started with the transcription of the recorded interviews. The whole set of interviews were typed and transformed into electronic database. After topic issues were returned to the interviewee in order to ensure that they had been dealt with properly.

The data collection main product was the narrative of how decisions are made and the sort of stakeholders involved in the process. The analysis employed, as suggested by Miles and Huberman (1994), the ‘Partially Ordered Meta Matrix’ process for analysing texts and documents. This tool consists of fragmenting the data into units as small as possible in order to find out “common codes, common displays of commonly coded data segments, and common reporting formats for each case” (ibid, p. 178). The whole process was carried out with the help of the NUDIST software, which according to Miles and Huberman (ibid) is the tool that enables the analysis to fragment texts into “segments or chunks” (p. 312) and works very well as a theory builder.

The investigation employed the NUDIST to scan the text looking for and pinpointing stakeholder's influences. When identified, the influences were clustered. The NUDIST was helpful because it facilitated the coding process of a huge amount of text. The data analysis process was employed in both semi-structured interviews and in the analysis of documents.

In order to facilitate the within case and cross-case analysis, the data set has been displayed in tables. This procedure was of great help in the visualisation of the common patterns of behaviour as perceived by different persons.

Reliability in case studies

Yin (1994) suggests that case study protocol improve the possibility of the investigation being able to be replicated elsewhere. By applying protocols, the investigator ensures that the very same pattern of question will be asked to the correspondent interviewed. It also ensures that the conditions in which different sources of data are to be approached are similar.

Bryman (2001) argues against applying quality criteria on case studies. According to him, case studies represent particular situations from which generalisations are difficult. Even though, the investigation employed reliability measures described by Yin (1994) in order to improve the effectiveness of the investigation.

Validity in case studies

Yin (1994) suggests three types of tactics to ensure case study validity. They are construct validity, internal validity and external validity. For ensuring construct validity, he (ibid) suggests "multiples sources of evidence" and "to have the draft case study reviewed by key informants" (pp. 34-35). For ensuring internal validity, Yin (ibid) argues that internal validity is "a concern only for causal case studies" (p. 35), which is not the case of this investigation. For ensuring external validity, Yin (ibid) argues that as this

judgment is a matter of generalisation using “replication logic in multiple-case studies can ensure it” (pp. 35-36).

In order to ensure research validity, this investigation carried on multiple and embedded-case studies seeking different perspective views about stakeholder influences. Besides, the phenomenon of stakeholder influences was also seen through three dimensions in the within case analysis. The investigation assumes that if the observed pattern is valid to the four different types of local authorities, then it is very likely to be valid for the whole population as well.

Again, Bryman’s argument about the criteria for assessing social research is worth mentioning here. However, with the objective of replicating this investigation elsewhere, the investigation ensured that the findings have been through an assessment process.

2.2.2 – Interviews of validation

Interviews are applied in this investigation with the aim of gathering evidence from key informants to validate the overall data collection process employed in this second study. Interviews are regarded as the main type of qualitative investigation even though they can also be used in quantitative investigation if they employ structured questions. Yin (1994) presents two types of qualitative-aimed interviews, namely open-ended and focused. While the first type is freely carried out, the second is “more likely to be following a certain set of questions derived from the case study protocol” (Yin, op. cit., p. 85). Bryman (2001) suggests a similar classification with interviews regarded as unstructured and semi-structured.

Interviews have been carried out in this investigation in order to identify the patterns that refute the case study and survey findings. In this way, the investigation sought to interview key informants, namely key stakeholders, key researchers and reference

groups. The investigation assumed that these three groups of informants could contribute life experience, knowledge and capacity of critics.

Data collection

This investigation employed semi-structured or focused interviews because, due to reliability requirements, a protocol needed to be followed. Due to problems with language (English is not the interviewer's first language), the interviews were recorded and transcribed. It was established that no interviews could last more than 40 minutes.

Data analysis

Data has been analysed through content analysis, which according to Bryman (2001), "seeks to quantify content in terms of predetermined categories and in a systematic and replicable manner" (p. 177). As a stakeholder's list for English Local Authorities has been proposed by the quantitative methods, the interview process aimed to confirm the patterns within informant's discourse which either corroborates or refutes research findings so far. The technique used to conduct the content analysis was the Partially Ordered Meta Matrix.

2.2.3 – The theory building process in qualitative analysis

This subsection highlights the framework in which the evidence gathered in this second study was used to answer the research question. As said before, this part of the investigation is based on an inductive process of observing and concluding about a real phenomenon in local government's environment. For doing so, a hermeneutic paradigm based on qualitative methods was employed.

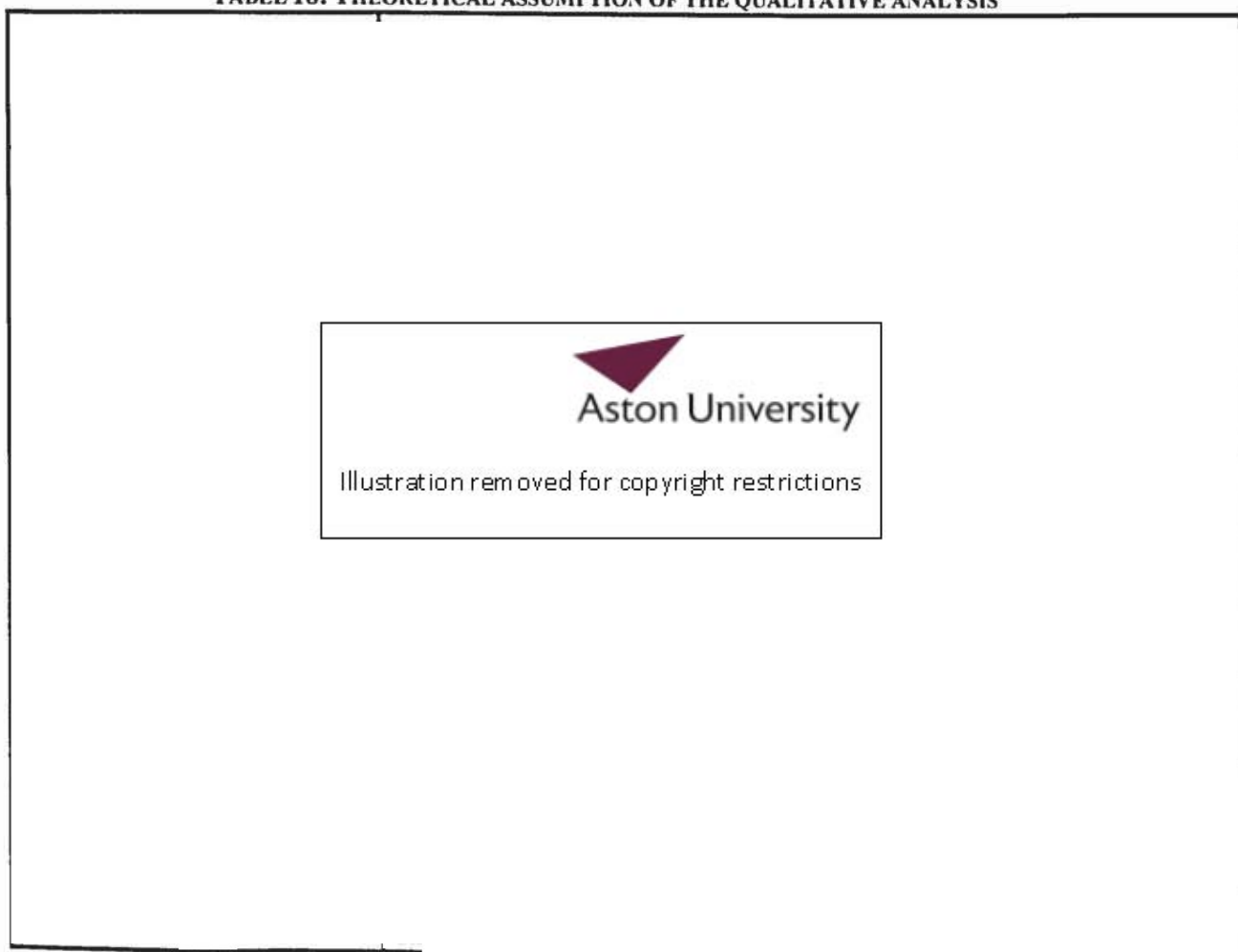
Based on literature review, some theoretical assumptions are proposed in which the inductive study was steered. The table below summarises these ideas.

The investigation hypothesised that institutional and technical stakeholders play different roles and have different degrees of strength and interests for participating in decision-making at the local government context. By defining stakeholder's origin,

scholars can employ techniques developed for dealing with that sort of environment more easily. For example, Pfeffer and Salancik (1978) suggested a set of strategies for dealing with technical stakeholders in order to avoid dependence. DiMaggio and Powell (1991) suggested a set of techniques for explaining how an organisation becomes isomorphic with its environment. By defining stakeholder attributes, stakeholder management is more likely to identify whether stakeholder's motives are power or interest-based and different strategies for dealing with them can be devised.

Table 18 provides proposition rather than hypotheses. According to Eisenhardt (1989b), building theory from case studies is a process that starts with the research question avoiding hypotheses at the beginning of the investigation due to the difficulty of devising causality relationships.

TABLE 18: THEORETICAL ASSUMPTION OF THE QUALITATIVE ANALYSIS



Source: Freeman, 1984; Mitchell et al., 1997; Rowley, 1997; Agle et al., 1999

As part of the case study theory building process, she (ibid) suggested two methodological paths:

- Sharpening of constructs;
- Confronting constructs with evidence.

By sharpening of constructs, she meant that the definition of constructs is to be refined by comparing them with the data gathered. This is accomplished by analysing the fitness between constructs and findings by replicating this rationale case-by-case. Eisenhardt (ibid) suggested that by applying replication logic the researcher enhances confidence in the validity of the relationships. Thus, the cross-case analysis helps the theory-building process in the extent that it is likely to either confirm the employed theory or disconfirm the theory indicating any needed refinements.

Building theory by applying the case study approach is a process in which value judgements are more important than in other approaches. As the researcher cannot employ exact tools to judge the research's validity, his/her own judgement is the most important asset.

Subsection 3: The methodological triangulation in the theory-building process

This subsection deals with a method for combining the findings from the two studies upon which this investigation is supported. It starts discussing the different tactics for doing triangulation and it ends demonstrating the expected results as well as they help on answering the research question.

According to Denzin (1970): "triangulation is the use of multiple methods in the study of the same object" (p. 301). Doing qualitative analysis, which is mainly based upon narratives and histories, the use of diverse sources of information is regarded as a good approach for improving the research's reliability (Amaratunga & Baldry, 2001). Indeed, this investigation sought various viewpoints in order to locate the focused phenomenon within multidimensional perspective. Yin (1994) argues that triangulation is

likely to help construct validity within the research. Macdonald (2001) also declares “the achievement of validity requires a triangulation of research strategies” (p. 208).

Denzin (1970) classifies triangulation as:

- Data – trying to look at the same object in different dimensions such as time, space, and person;
- Investigator – asking different researchers to look at the same object;
- Theory – trying to look at the same object from different theoretical perspectives; and
- Methodological – trying to explore the same object applying different research methods.

This investigation applies methodological triangulation as a theory building approach through which data was gathered and analysed by the two different research strategies (namely quantitative and qualitative methods) answer the research question. The research strategies are:

- A cross-sectional survey;
- A multiple and embedded case studies; and
- Interviews of validation.

These three research strategies provided a means upon which the investigation was able to identify “mutual verification of findings” (Osborne, 1996, p. 11). The elements provided by each research strategy are:

- From the survey, the investigation uncovered the stakeholder likely to populate the decision-making process of English Local Authorities and how much influence they were likely to represent to the process;
- From the case studies, the investigation outlined the decision-making process pinpointing the influences each stakeholder is entitled to deliver to the process;

- From interviews of validation, the investigation uncovered evidence that supported the findings of the other approaches.

Section 3: Outlining the whole investigation

Starting a research project raises questions about epistemology and methodology. The researcher needs to consider two different issues in the research design: the paradigms for steering the research throughout, and the strategies through which the research is likely to be materialised. This investigation adopted a positivistic approach applying the advantages of the survey, which are the simplification of a complex phenomenon and the creation of theory based upon value freedom. The investigation also used the interpretivistic paradigm to depict details about stakeholder influences that were unlikely to be uncovered otherwise. In terms of methods, the investigation decided to work with a mixture of quantitative and qualitative methods. Both were regarded as important to the accomplishment of the research aims and targets. The main reasons for using the described approach are:

- By employing quantitative methods, the investigation was able to cover a larger amount of data in order to explore in depth stakeholder's identification and salience;
- By employing qualitative methods, the investigation was able to observe in depth the process through which stakeholder influences come about.

Figure 4 presents the research process. It demonstrates that the investigation started with issues raised within literature review process. From this point, some landmarks were set down under which the whole research has been undertaken, namely research questions and hypotheses. Then, a feasible research design was set and the data collection process started. After collected, the data was analysed and the hypotheses tested and finally the contributions to theory were proposed.

FIGURE 4: THE RESEARCH PROCESS FLOW

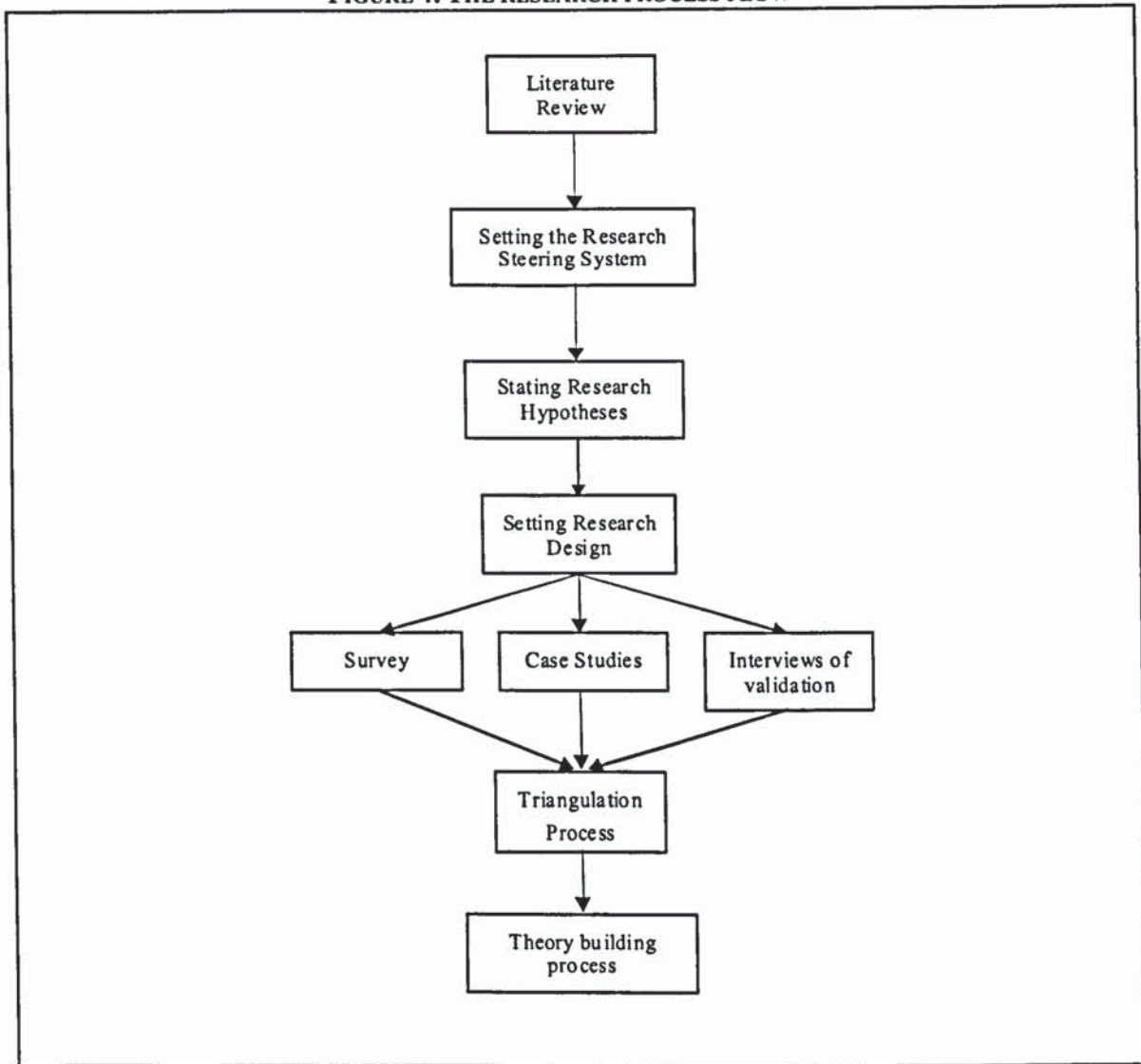


Figure 5 outlines the whole research and the epistemological and methodological approaches involved. It demonstrates the research origins, the main theoretical assumptions, and the strategies to accomplish the research aims. As stated in the figure, the investigation started from a concern about how environmental influences impact the decision-making process of English Local Authorities. The theoretical path chosen is stakeholder theory because it has been defended by other authors, such as Oliver (1991) and Greening & Gray (1997) as a feasible path for understanding environmental influences upon organisations. From the theoretical framework, the investigation has been designed in order to answer two intermediate questions:

- Who is likely to be a stakeholder able to participate in the decision-making process of English Local Authorities?

- What sort of influence are these stakeholders entitled to exert upon the process?

FIGURE 5: THE RESEARCH FRAMEWORK DIAGRAM



Sources: Bryman (2001, 1988); Osborne (1996); Yin (1994)

The research design has been structured into three methodological paths as the table below illustrates:

1. A cross-sectional survey involving English Local Authorities which aims both to identify the likely stakeholders and to outline a power-influence map linking those indicated stakeholders and the decision-making process of these organisations;
2. Cross-sectional case studies involving four different English Local Authorities aiming to identify the process through which stakeholder influences come about in the decision-making of these organisations;

3. Qualitative interviews involving key-informants with acknowledged contribution to the development of local government in England aiming to identify the patterns of behaviour on stakeholder influences which would either confirm or refute the findings of the other two approaches.

Table 19 presents the quality criteria that have been used in this investigation. They are related to the extent that research findings are likely to be replicated, generalised and accepted as good theory.

TABLE 19: CRITERIA OF JUDGEMENTS IN RESEARCH METHODS

Research Methods Rationale			
Research Approach	Research tool	Reliability	Validity
Postal survey	Open-ended questionnaire	Confront the stakeholder list with other sources	Cronbach's alpha
	Close-ended questionnaire	Apply chi-square test	Discussion with peers
Cross-sectional case studies	Interviews	Apply case study protocol	Multiple sources of evidence
	Analysis of documents		
Qualitative interviews	Interviews	Apply protocol of interviews	Multiple sources of evidence

Source: Adapted from Bryman (2001), Miles & Huberman (1994) and Yin (1994)

Table 20 summarises the research framework indicating the intermediate and final outputs as well as the refinement employed to ensure validity.

TABLE 20: RESEARCH FRAMEWORK

Phases	Research focus	Strategy	Intermediate output	Refinement	Final output
Phase 1: Quantitative Analysis	Who is likely to be a stakeholder for English Local Authorities	Cross-sectional mail survey	A stakeholder identification list	Discussion with peers and with respondents	A generic stakeholder's map.
	How influential each stakeholder is likely to be.		A stakeholder salience index		
Phase 2: Qualitative Analysis	The identification of how decisions are made within local government organisations.	Cross sectional Case studies	The process of stakeholder influences in the decision-making process.	Discussion with peers and with interviewees	A model for identifying stakeholder influences in the decision-making process of local government organisations
Phase 3: Qualitative Analysis	The validation of the decision-making process identified before	Qualitative interviews	Stakeholder influence patterns of behaviour	Feedback from interviewees	

Conclusion

This chapter dealt with methodological issues in Social Science research. It discussed the philosophical and operational framework that underpins research about people's behaviour. It also discussed the research framework used by the investigation from beginning to end. The main aims of the chapter were achieved because a research question has been proposed as well as hypotheses and a research strategy.

From the research question, the investigation can be split into two studies: an exploratory investigation to identify the stakeholders likely to be seen as an issue for local government organisation's strategic management, and an explanatory investigation about the type of threat or opportunity those stakeholders are likely to represent for these organisations decision-making process. In the second study, this investigation also intends to propose a model to depict the environmental influences in decision-making in which the issue management of stakeholder salience would be better understood. In the next chapter, the data collection process will be presented.

CHAPTER 5: STUDY 1 – IDENTIFYING STAKEHOLDERS ABLE TO PARTICIPATE IN THE DECISION-MAKING PROCESS OF ENGLISH LOCAL AUTHORITIES

This chapter presents the data gathered in the first part of this investigation. The study aimed to identify, through consultation with chief executives, the stakeholders likely to raise an issue in the decision-making process of English Local Authorities. As stated before, the research question focuses on the identification of such actors' importance for the decision-making process of those organisations.

In the last chapter, it has been demonstrated that stakeholder theory is a feasible way to identify the relationships between environments and organisations because stakeholders are persons, groups or organisations which have both a stake in the organisation's objectives and power to influence the organisation's behaviour and performance. Now, my aim is to identify who chief executives consider as a stakeholder able to participate in their decision-making process and how influential each one is likely to be for the process overall. Mitchell et al. (1997) suggested the concepts of stakeholder identification and salience as explained before. By knowing its stakeholders, an organisation is likely to be better fitted to deal with them in order to avoid threats and to exploit opportunities.

The chapter is structured into two main sections. The first section presents the results of a survey undertaken to identify the stakeholders able to participate in the decision-making process of English Local Authorities. In this section, the investigation's first contribution to the local government strategic management literature (LGSML) is presented, which is a descriptive one (Donaldson and Preston, 1995). It is an empirical contribution on stakeholder identification for local government's organisations. In the

second section, a second descriptive contribution of the study is presented, namely stakeholder's relevance to influencing decision-making.

Section 1: Stakeholder identification in English Local Authorities

As defined in chapter four, a cross-sectional survey was carried out with chief executives of English Local Authorities. The investigation focused on chief executives because they are “responsible for securing and managing the professional body of staff needed to deliver modern, effective, well focussed services” (DETR, 2000a, p. 8-1). That is, chief executives are entitled to manage local authorities in a daily basis. Therefore, they are more likely to be updated about strategic issues than anybody else in the structure as well as they have a global vision about the whole set of services the local authority is empowered to deliver. Due to the administrative structure of English Local Authorities, the investigation focused mainly on those authorities which are entitled to deliver public services to the local population, the called lower tier authorities in the case of the District Councils and the “all purpose council” (LGA, 2001) in the case of the London Boroughs, Metropolitan, and Unitary Authorities.

Subsection 1: Data Collection

As stated in chapter four, data was collected through consultation with chief executives. For doing so, a questionnaire was based on two questions:

- One open-ended aiming to identify the likely stakeholders;
- One close-ended aiming to identify the importance of the listed stakeholders.

In the first week of February 2001, the questionnaire was piloted with four local authorities. After returned, it was adjusted to its final form as it appears in Annex 6. Piloting process questionnaires, it was clear that open-ended questions could undermine the investigation's findings due to low response rate. A member of the authority consulted

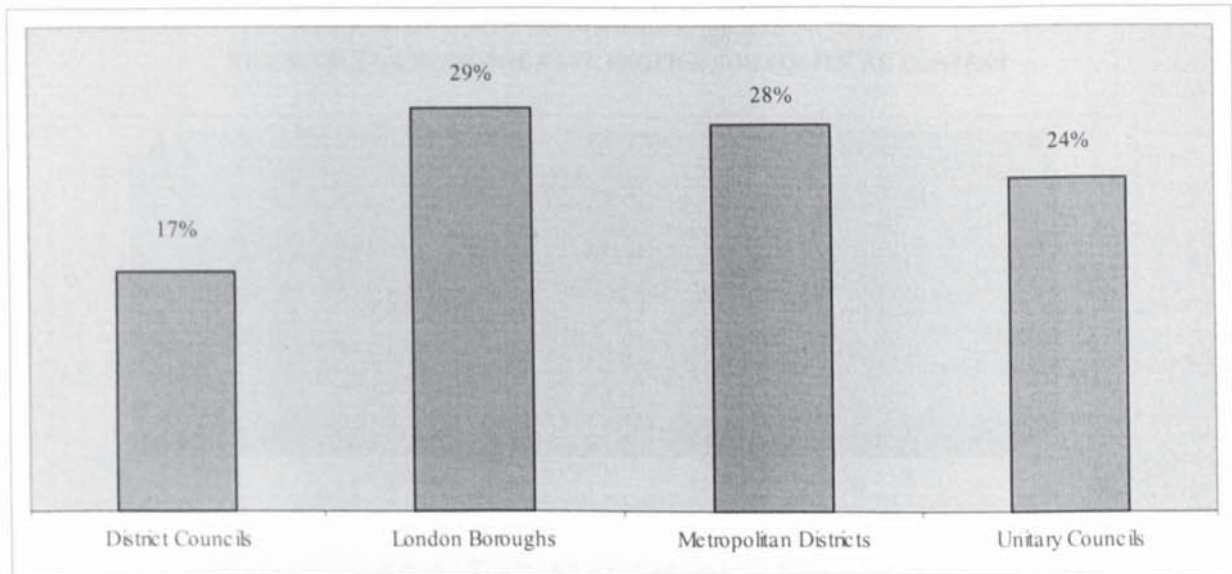
in the pilot scheme criticised the approach of leaving the judgment about stakeholder's identification entirely at the mercy of the respondents. At that time, the person declared that this approach would yield into low response rate because it would increase substantially the time to answer the questionnaire. She suggested that the questionnaire should provide a list of potential stakeholder leaving the decision about relevance to the respondent's judgement. For justifying her point, she stated that stakeholding, regardless New Labour pledge of 1997, is still a new issue in local government management in this country. Assuming that the investigation's main aim was to find out whom English Local Authorities regard as a stakeholder, it has been decided to take the risk of yielding in low response rate but getting the real picture about stakeholder's identification.

At the beginning of March 2001, the questionnaire was mailed to the whole universe of 350 chief executives across England. This data collection instrument was followed by telephone calls, faxes and email contacts in order to ensure the highest possible response rate. The questionnaire had to be sent at this time due to research timetable. Nevertheless, surveying English Local Authorities at this period brought some inconveniences to the research. Firstly, the foot-and-mouth epidemic took the whole attention of central and local governments during great part of that time. Secondly, local authority's attention was turned to the electoral period, whose ballot occurred at 2nd of June 2001.

The data gathering process took up to the end of May 2001, when the last questionnaire package was received. Despite the circumstantial problems described above, 70 questionnaires came back which comprised a response rate of 20%. According to Rahman (2001) it is an acceptable result for mail questionnaires. Figure 6 profiles the overall response rate in terms of authority type. The lowest response rate was identified in District Councils and the highest in London Boroughs. Even with the lowest response rate,

District Councils are responsible for more than 50% of the responses. This fact is due to its participation in the overall universe.

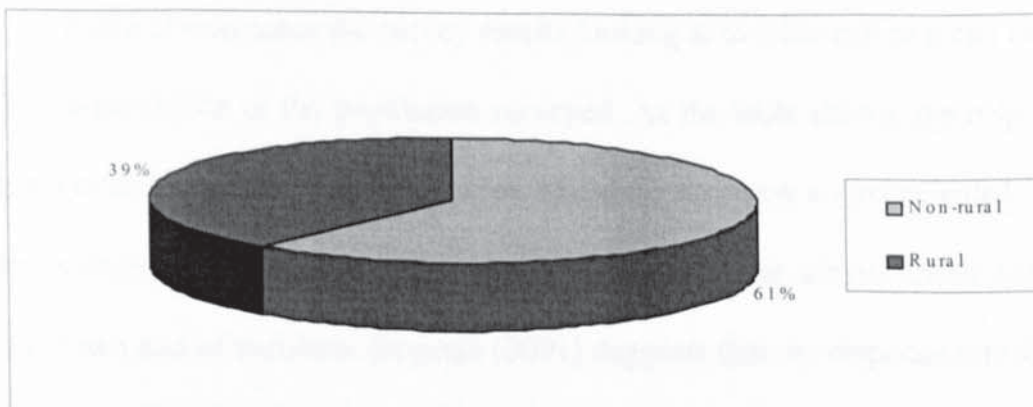
FIGURE 6: RESPONSE RATE PROFILE BY TYPE OF AUTHORITY



Source: Data Findings

Figure 7 presents the response rate profile in terms of population density that is the parameter on which the investigation is relying for identifying geographical differences among councils. According to the findings, 61% of the sample came from non-rural authorities. Figure 8 presents the response rate profile in terms of political control. The highest response rate is identified in authorities which do not have overall political control. The chart also shows that the sample is composed by 41% of non-overall controlled authorities, 31% of Labour authorities, 20% of Conservative authorities, and the other types of political control composed 6% of the sample.

FIGURE 7: RESPONSE RATE PROFILE FOR GEOGRAPHICAL DIFFERENCES



Source: Data Analysis

The questionnaire was also used to explore councils' interest to participate in a follow up of the investigation that is the subject of Study 2 (next chapter). As a result of the consultation, 26% of the respondents agreed too participate as a case study.

FIGURE 8: THE RESPONSE RATE PROFILE FOR POLITICAL CONTEXT

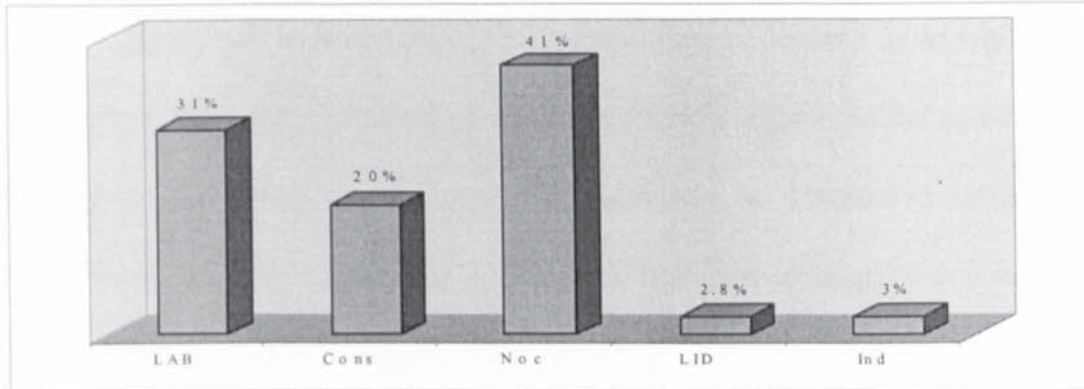


TABLE 21: COMPARISONS BETWEEN RESEARCH UNIVERSE AND RESPONSE RATE

Population		%	Questionnaire Returned	Response Rate
Rural	141	40%	26	37%
Non-Rural	209	60%	45	63%
Conservative	84	24%	14	20%
Labour	118	34%	23	32%
Liberal Democrat	25	7%	3	4%
Non-Overall control	113	32%	29	41%
Others	10	3%	2	3%
District Councils	237	68%	41	58%
London Boroughs	31	9%	9	13%
Metropolitan Districts	36	10%	10	14%
Unitary Councils	46	13%	11	15%
Total	350	100%	71	
Unanswered questionnaires			10	14%
Questionnaires returned by the Post Office			35	10%
Useful Questionnaires			61	20%

Source: Data Analysis

Table 21 compares the survey results looking at to what extent it can be seen as a reliable representation of the population surveyed. As the table shows, the response rate represents a reliable sample of the population where all segments are represented. Looking at the percentages of population and response, it indicates an almost linear association between the two sets of variables. Bryman (2001) suggests that the response rate should be calculated taken into account the usable questionnaires plus the “uncontactable or

unsuitable members of the sample” (p. 97). In fact the number of returned questionnaires was 106, but among them 10 returned unanswered and 35 were returned by the Post Office due to problems with the address.

Subsection 2: Data Analysis

At the first moment, the data analysis process focused on to identify the set of stakeholders able to exert influence on local government organisations, namely stakeholder identification. For doing so, the data was submitted to descriptive statistical analysis through chi-square. The stakeholder’s identifications were aggregated and the Stakeholder nomination index (SNI) emerged. Just recalling, the index enhances the stakeholder identification process to the extent that it indicates the most ‘popular’ stakeholders in chief executive’s views. Below, the various products raised by the SNI calculation are presented:

- An overall stakeholder’s list for English Local Authorities;
- A stakeholder’s list according to geographical context dimension;
- A stakeholder’s list according to political context dimension.

The overall results for stakeholder’s identification

The questionnaire’s first question identified whom chief executives consider as a stakeholder able to participate in the decision-making process. With this exploratory question, the aim was to identify, as many as possible, external and internal people, groups and organisations likely to participate in such process. Table 22 presents the stakeholder list that appeared from this consultation.

As defined in the methods chapter, stakeholder identification was identified as an operational index, namely stakeholder nomination index. This index, which is calculated by comparing each individual stakeholder nomination with the total of valid responses, measures the relative relevance of these stakeholders to the decision-making process. At this very moment, no cut-off point was arbitrated and all stakeholders were regarded as important for the investigation objectives. This decision is going to be done

afterwards based on the reliability of the stakeholder salience index (SSI), which will be supported by the chi-square calculation.

TABLE 22: THE STAKEHOLDER'S IDENTIFICATION INDEXES ACCORDING TO CHIEF EXECUTIVES

Code	Stakeholders	SNI
St 01	Audit Commission	33%
St 02	Central Government	97%
St 03	Citizens	93%
St 04	Contractors	36%
St 05	Councillors	67%
St 06	Employees	70%
St 07	Fire Authorities	41%
St 08	Further Education	33%
St 09	Health Authorities	75%
St 10	Local Businesses	89%
St 11	Local Media	56%
St 12	Lower Tie Authorities	34%
St 13	Management Team	34%
St 14	Other Local Authorities	31%
St 15	Partner Agencies	38%
St 16	Police Authorities	77%
St 17	Political Parties in General	41%
St 18	Pressure Groups	59%
St 19	Service Users	54%
St 20	Trade Unions	28%
St 21	Upper Tie Authorities	51%
St 22	Voluntary Sector	72%

Source: Data Analysis

In order to ensure the reliability of the SNI results, the Cronbach's alpha coefficient has been calculated which resulted 0.9992 ($p < .5$). According to Bryman (2001), the Cronbach's alpha coefficient measures the correlation among the items in which the scale is based on. The investigation regards Cronbach's alpha higher than 0.7 as representing strong correlation and therefore high internal consistency. Thus, the results presented in the table below have high internal consistency.

Table 23 indicates that central government was nominated by 97% of respondents. The second highest SNI is citizens who were nominated by 93% of respondents. Local businesses come in third place and they were nominated by 89% of

respondents. On the other hand, the lowest SNI is Trade Unions who were nominated by only 28% of respondents. That means, only 3 in 10 chief executives will nominate Trade Unions as a stakeholder regardless any judgement about salience. The second lowest SNI is 'Other Local Authorities' who were nominated by 31% of the respondents.

At this moment, the investigation considered all nominated stakeholders, regardless judgments about confidence, which is made through chi-square calculation and subject of next section. Despite the low nomination of some of them, all stakeholders are regarded as able to participate in the decision-making process.

The findings above refer to the overall SNI. From this point, the SNI's results are presented looking at the dimensions of population density and political context.

Stakeholder Identification according to the population density dimension

Table 23 presents the SNI according to the population density dimension. The results have been ensured through Cronbach's alpha calculation, which according to Bryman (2001) is a reliable tool for assessing reliability in scale-type variables. The result is 0.9639 that indicates strong association between measures and high reliability in the findings.

Focusing on non-rural authorities, the highest SNI is Central Government that is nominated by 100% of respondents. The second highest SNI is Citizens with 94% of indications and so on. At the bottom of the "SNI league", there are Trade Unions with a SNI of 24%. Looking at rural authorities, there are two stakeholders at the top and they are Central Government and Citizens with SNIs of 92%. At the bottom, there Further Education Organisations and Other Local Authorities which SNI is 21%. Assuming a cut-off point in 50%, the investigation detected that both rural and non-rural authorities have nominated the same stakeholders.

TABLE 23: STAKEHOLDER NOMINATION INDEX ACCORDING TO THE GEOGRAPHIC CONTEXT

Stakeholders		Non-Rural Authorities	Rural Authorities
St 01	Audit Commission	29%	29%
St 02	Central Government	100%	92%
St 03	Citizens	94%	92%
St 04	Contractors	35%	29%
St 05	Councillors	65%	67%
St 06	Employees	68%	71%
St 07	Fire Authorities	44%	29%
St 08	Further Education	35%	21%
St 09	Health Authorities	82%	63%
St 10	Local Business	85%	92%
St 11	Local Media	53%	54%
St 12	Lower Tie Authorities	32%	38%
St 13	Management Team	32%	29%
St 14	Other Local Authorities	32%	21%
St 15	Partner Agencies	32%	38%
St 16	Police Authorities	85%	63%
St 17	Political Parties in General	41%	33%
St 18	Pressure Groups	62%	50%
St 19	Service Users	56%	46%
St 20	Trade Unions	24%	25%
St 21	Upper Tie Authorities	50%	54%
St 22	Voluntary Sector	77%	63%

Source: Data Analysis

Table 23 also provides information about divergence in SNI. For example, the highest difference identified is in the SNIs of Further Education Organisations who is nominated by 35% of non-rural authorities and by 21% of rural authorities, which represents a difference of 70% between nominations. It is the case of Other Local Authorities who achieves a SNI of 32% for non-rural and 21% for rural authorities representing a difference of 56%. On the other hand, the smallest difference is identified in the SNI of the Audit Commission who is nominated by 29.4% of non-rural authorities and by 29.20% of rural authorities. The difference between nominations is 0.68% that complies with the standard error of the results and it is therefore feasible to assume that the Audit Commission has been equally nominated by both non-rural and rural authorities.

Stakeholder's identification according to the political context dimension

Table 24 presents the SNI results according to the political context dimension. Here, data is analysed in separate. The first is Labour authorities. The highest SSIs are Central Government and Citizens who were nominated by 100% of respondents. As stated before, this evidence means 10 in 10 chief executives from Labour authorities will nominate these two as a relevant stakeholder. Employees, Health Authorities, Local Businesses and Police Authorities were nominated by 81% of respondents. On the other hand, the Audit Commission, Partner Agencies and Trade Unions were nominated by 24% of Labour Authorities.

TABLE 24: STAKEHOLDER NOMINATION INDEX ACCORDING TO THE POLITICAL CONTEXT

Stakeholders		LAB	CON	NOC
St 01	Audit Commission	24%	22%	29%
St 02	Central Government	100%	89%	96%
St 03	Citizens	100%	100%	92%
St 04	Contractors	38%	33%	38%
St 05	Councillors	62%	67%	83%
St 06	Employees	81%	56%	75%
St 07	Fire Authorities	57%	22%	46%
St 08	Further Education	52%	22%	21%
St 09	Health Authorities	81%	67%	75%
St 10	Local Businesses	81%	100%	83%
St 11	Local Media	52%	56%	58%
St 12	Lower Tie Authorities	29%	67%	38%
St 13	Management Team	29%	33%	38%
St 14	Other Local Authorities	38%	11%	29%
St 15	Partner Agencies	24%	33%	38%
St 16	Police Authorities	81%	67%	75%
St 17	Political Parties	43%	44%	38%
St 18	Pressure Groups	67%	67%	46%
St 19	Service Users	52%	67%	63%
St 20	Trade Unions	24%	22%	25%
St 21	Upper Tie Authorities	62%	44%	63%
St 22	Voluntary Sector	71%	78%	63%

Source: Data Analysis

Looking at Conservative authorities, the findings indicate that 100% chief executives from this political context indicated Citizens and Local Businesses as a

stakeholder. Central government was nominated by 89% of chief executive, which represent a difference of 12% from Labour authorities. On the other hand, Other Local Authorities were nominated by 11% of Conservative Authorities.

Looking at non-overall control authorities, Government and Citizens achieved the highest SNI (96 and 92% respectively). At the bottom of the league is Further Education Organisations, which was nominated by 21% of the respondents.

Analysing convergences in SNI, the investigation concluded that there is no significant difference between Citizens and Pressure Groups between Labour and Conservative political contexts. The higher perceived difference is identified in the identification of Other Local Authorities who were nomination by 38% of Labour authorities and by only 11% of Conservative, which represents a difference of 243%.

As demonstrated in the method's chapter, Cronbach's alpha coefficient is employed to ensure internal consistency among indicators. The overall Cronbach's alpha calculation is 0.9884, which is considered an indication of high consistency among indicators. As an accessory precaution in relation to the results, a test for excluding the measurements in which the Cronbach's alpha result is less significant was carried out. Table 25 present the calculations that indicate that there is no significant improvement in the Cronbach's alpha result whether some scales of smaller value are removed as the case of the NOC. Indeed, all Cronbach's alpha results are considered as strong association.

TABLE 25: SNI RELIABILITY ANALYSIS OF POLITICAL CONTEXT

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item Total Correlation	Squared Multiple Correlation	Alpha if item Deleted
LAB	1.0795	.2229	.8517	.7740	.9140
CON	1.1164	.2087	.8318	.7217	.9350
NOC	1.0975	.2232	.9184	.8467	.8661

Source: Data Analysis

Subsection 3: Hypotheses-testing: checking whether stakeholder identification have relations of causality with population density and political context

As indicated in the chapter four, the investigation employed two hypotheses to assess causality in stakeholder identification. The hypotheses are based on the premise that geographical and political context are likely to make difference in stakeholder management process. The hypothesis of political context hypothesises that stakeholder identification is a dependent variable of the independent variable political context therefore local government stakeholder management processes is likely to be impacted by this context. The hypothesis is based on a geographical context hypothesises in which stakeholder identification is a dependent variable of population density and stakeholder management in a local government organisation is impacted by its level of urbanisation.

The statistical test employed in Pearson's r . According to Bryman (2001), Pearson's r assesses the relationship between two interval/ration variables. Pearson's r is a value that varies from -1 to +1. In this way, relationship can be positive, negative and null. Values near to the one are regarded as representing strong relationship and values near to zero are regarded as null or significant relationship. These hypotheses are dealt with as follows.

The Geographical Context Hypothesis

The investigation also hypothesised that stakeholder identification is likely to be shaped by the geographic contexts in which it is inserted. As a geographical context measurement, a measurement of population density as represented by the nominal variables rural and non-rural was used as defined in the methodology chapter. Some areas are regarded as rural because they have low population density and their economic activities are mainly based on the primary sector. Other areas are regarded as non-rural because they have higher population density and their economic activities are based on secondary and tertiary sector economic activities. The investigation assumed that in high-populated areas there should be a tendency of higher political engagement and

participation that would exert some impact upon stakeholder identification as stated in the chapter three.

As defined in the methodology chapter, Person’s Moment Correlation calculation was used for assessing statistical association between the two scale variables representing rural and non-rural SNIs as demonstrated in table 26. The correlation calculation resulted in .931 ($p < .01$), which according to the literature is regarded as an almost perfect positive correlation. This evidence allows the investigation to reject the null hypothesis and to accept the alternative. In conclusion, stakeholder identification is not a dependent variable the geographical context measurement, namely population density.

TABLE 26: THE PEARSON’S CORRELATION CALCULATION

Correlations			
		Non-Rural	Rural
Non-Rural	Pearson Correlation	1.000	.931**
	Sig. (2-tailed)	.	.000
	N	22	22
Rural	Pearson Correlation	.931**	1.000
	Sig. (2-tailed)	.000	.
	N	22	22

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Analysis

The Political Context Hypothesis

Local governments in England are led by political coalitions that are empowered by popular choice. The higher the votes received in the ballot process the greater the amount of power – resources, symbolic and meaning – a political party achieves to control council’s decision-making. In some cases, in which there is no supremacy of one political party over the others, a political coalition has to be agreed in order to decide who is entitled to run the council. Due to this, the decision-making of local governments is very much likely to be influenced by the political context empowered to run the council.

Once again, Pearson’s Moment Correlation has been employed to assess statistical association among the scale variables representing political context’s SNI. Table 28 presents the Pearson’s results for the three different political contexts, namely Labour, Conservative and no overall political control the other types are not included due to low data availability. Table 27 presents the Person’s r calculation for each pair. Assessing the association between Labour and Conservative’s contexts, stakeholder identification resulted in 0.766 ($p < .01$), which according to Keppel & Zedeck, 1989 is considered a useful strong correlation. The association between Labour and no-overall context resulted in 0.879 ($p < .01$). Finally, the calculation between Conservative and no overall controlled contexts resulted in 0.848 ($p < .01$). The results indicated strong association among variables which indicates that there is no reason for accepting the null hypothesis. Consequently, the political context has no influence in stakeholder identification.

TABLE 27: THE PEARSON’S CORRELATION CALCULATION

		Correlations		
		LAB	CON	NOC
LAB	Pearson Correlation	1.000	.766**	.879**
	Sig. (2-tailed)	.	.000	.000
	N	22	22	22
CON	Pearson Correlation	.766**	1.000	.848**
	Sig. (2-tailed)	.000	.	.000
	N	22	22	22
NOC	Pearson Correlation	.879**	.848**	1.000
	Sig. (2-tailed)	.000	.000	.
	N	22	22	22

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Analysis

Subsection 4: Summarising the section’s main findings

This section presented the results of a consultation with chief executives in which they indicated the stakeholders likely to participate in the decision-making process of English Local Authorities. As a result a stakeholder list is proposed as a descriptive contribution to the local government strategic management literature.

This investigation, in overall terms, aimed to uncover overall issues on local government stakeholder management. As an organisation led by politicians, local government's decision-making process is likely to have a rationale different from business-based organisations. Politicians come and go all the time which inflicts instability to the managerial process. In order to shed lights on this matter, the investigation explored some contextual issues looking for clues about the differences between public and private organisations. If political context is, in fact, an issue in stakeholder identification, or even in stakeholder management, this could be an important differential in the analysis of these two organisation's types.

This section also presented an index for representing stakeholder identification upon which the hypothesis testing process was supported. Both hypotheses assessed to what extent stakeholder identification is a dependent variable of the independent variables geographical and political context. The test of these hypotheses provided evidence to support the assumption that stakeholder identification is not a dependent variable of these two contexts and this can be seen as a normative contribution of the investigation to the stakeholder theory.

The findings indicated that Central Government and Citizens were nominated by a higher number of respondents and therefore they can be regarded as an important issue in the stakeholder management process. The normative contributions to the stakeholder theory are:

- Stakeholder identification in local government is very unlikely to be affected by the geographical context;
- Stakeholder identification in local government is very unlikely to be affected by the political context;

In the next section, the findings about stakeholder salience are presented.

Section 2: Stakeholder salience in local government decision-making

This section presents the stakeholder salience results after consulting chief executives of English Local Authorities. Worth to recall that this investigation intended to understand whether local government's decision-making is a stakeholder-based process. As the last section presented a stakeholder list for English local governments, this section aims to identify the importance of each of those stakeholders to the decision-making process.

As defined in the literature review chapter, the criteria for assessing stakeholder salience were based on Winstanley et al's criteria for mapping stakeholder power (1995), which was originally applied to identify the relevant stakeholders for public services restructuring. The matrix is based on two criteria, namely power to influence organisation's planning (which they called criteria power) and power to influence organisation's operation (which they called operational power). Applying Winstanley et al.'s matrix (1995), the investigation devised an index for the operation of stakeholder salience concept.

Subsection 1: Data Collection

Through the questionnaire, which has been introduced in the methodology chapter, respondents were asked to rate stakeholder's power to influence decision-making according to seven criteria. A five level's Lickert scale was provided in the questionnaire (see annex 6 for details) as basis for rating stakeholder powers. The overall SSI each stakeholder in each of the seven criteria is obtained by averaging the rates.

Subsection 2: Data Tabulation

Table 28 presents how data was displayed in SPSS. Two columns were made available to identify population density and political contexts. The variables in the population density column represented authorities as rural and non-rural according to the

Countryside classification. The variables were coded the following way: Non-rural 01 and Rural 02. The variables in the political context column were represented the different political parties in charge of the local authority surveyed. The variables were coded as follows: Labour 01; Conservative 02; Liberal Democrats 03; No overall control 04; and others 05. The variables in these two columns were regarded as nominal variables. The stakeholder salience indexes for each stakeholder were placed in the subsequent columns.

TABLE 28: REPRESENTATION OF DATA DISPLAY IN THE SPSS

Worksheet 1 – Criterion 1: Power to Influence the Definition of Objectives						
Respondents	Population Density ⁸	Political Context ⁹	St01	St02	St03	St N
Respondent 1						
Respondent 2						
Respondent 3						
Respondent n						

Source: Data Coding

Subsection 3: Data Analysis

Using the SPSS software, data was analysed in order to:

1. Identify the SSI for each stakeholder in each criterion, which has been calculated employing chi-square and cross-tabulation¹⁰;
2. Ensure trustworthiness on the stakeholder salience;
3. Test relationship between dependent and independent variables, which is undertaken by calculating eta (η) and eta-squared (η^2).

The chi-square is the major statistical tool applied in this section because it assesses statistical significance in nonparametric distributions, i.e. statistical data in which the normal distribution does not apply. In this way, the descriptive data namely mean, standard deviation is calculated through chi-square frequency distribution. It also is employed in contingency tables in order to “establish how confident we can be that there is

⁸ NOR (1) RU (2)

⁹ LAB (1), CON (2), LID (3), NOC (4) and others (5)

¹⁰ For a more detailed basis in data analysis please refer to the methods chapter.

a relationship between two variables” (Bryman, 2001, p. 234). In this section, chi-square was used to identify how many frequencies each stakeholder has received (f_o) within the Lickert scale and then compares it with the expected frequencies (f_e)¹¹. The result of the calculation is then compared with a measurement of confidence level that is defined by the chi-square distribution curve. Coaches and Stead (1999) suggest the following rules of thumb for the chi-square:

- ☉ A significance level of, at least, 95% ($p < 0.05$);
- ☉ The distribution has to have five expected frequencies at least;
- ☉ A minimum of 35 occurrences within categories¹².

Any result different from the parameters above undermines the confidence of the findings. Each criterion is presented below with the referring chi-square calculation, cross-tabulations and the descriptive statistics. The section also provides some exploratory analysis about stakeholder clusters that have been performed through the calculation of statistical association among stakeholder salience. The investigation assumes that a higher statistical association between two or more stakeholders is likely to mean that these stakeholders either have the same sort of influence or are part of the same influence group therefore feasible to be clustered. This issue would shed light on the analysis of stakeholder patterns of behaviour, which the investigation is going to deal with in the next chapter.

Eta and eta-squared are used to assess whether there is any relationship between variables because it is indicated for cross-tabulating nominal and scale variables Bryman, 2001. Bryman (2001) argues that eta is a value always positive and varying between zero and one. Eta-squared “express the amount of variation in the interval/ratio that is due to the nominal variable” Bryman, 2000, p. 230. This investigation used ‘eta’ as

¹¹ The expected frequencies are achieved by dividing the total of frequencies by the number of levels of the Lickert scale in which there are valid occurrences.

an indicator for measuring the relationships between dependent (SSIs) and independent variables (population density and political context). Based on current literature (Bryman, 2001), the following parameters to interpret eta results were arbitrated:

- Values from 0.00 to 0.25: weak relationship;
- Values from 0.25 to 0.50: moderate relationship;
- Values from 0.50 to 0.75: useful strong;
- Values from 0.75 to 1.00: strong relationship.

The cross-tabulation analysis was carried out in order to provide further evidences on the analysis of causality. As the SSI was based on parameters from the Lickert scale, the contingency table pointed out, in detail, where the preferences are located indicating agreement or disagreement about stakeholder salience in certain criterion. The data analysis process is presented detailing stakeholder salience in each of the seven criteria as follows.

Criterion 1 – Stakeholder powers to influence the definition of objectives

This criterion aimed to identify how chief executives consider stakeholder's powers to influence the definition of objectives. Table 29 presents the results of the descriptive statistic of each criterion as well as the chi-square test. The highlighted stakeholders are regarded as statistically significant to the investigation because they comply with the chi-square requirements. The other stakeholders do not comply with the parameters and they are to be dealt with in a different approach in further investigations. Another observation about the chi-square results is about the degree of freedom (DF) that indicates that preferences are either concentrated in one level or scattered throughout the whole Lickert scale. The more concentrated the frequency distribution the highest the agreement around that stakeholder's power.

¹² This information was gathered through informal conversation with a member of Aston Business School staff.

The findings indicate that Councillors are the most powerful stakeholders to influence the local government's definition of objectives. The lowest influential stakeholder is Trade Unions who are rated in the weak influence level. The relevant results for the cross-tabulation analysis are presented in alphabetical order as follows.

TABLE 29: THE DESCRIPTIVE AND RELIABILITY ANALYSIS IN CRITERION 1

Stakeholders	Descriptive Statistics		Chi-square Test			
	Mean	SD	χ^2	Df	<i>p</i>	Fe
St 01	2.63	1.09	4.500	3	0.212	4
St 02	3.91	1.01	9.000	3	0.029	14
St 03	3.58	1.07	15.818	4	0.003	11
St 04	2.17	1.42	12.000	4	0.017	3.6
St 05	4.87	0.34	21.564	1	0.000	19.5
St 06	2.93	1.11	21.330	4	0.000	8.4
St 07	3.04	0.88	17.652	4	0.001	4.6
St 08	2.41	1.18	5.353	3	0.148	4.3
St 09	3.00	0.82	13.400	3	0.004	10
St 10	2.98	0.91	25.400	4	0.000	10
St 11	2.08	0.95	13.000	4	0.011	6.4
St 12	2.59	1.23	2.706	4	0.608	3.4
St 13	4.50	0.62	1.857	2	0.395	4.7
St 14	1.93	0.73	1.368	2	0.504	6.3
St 15	3.21	0.79	15.878	3	0.001	10.3
St 16	3.02	0.79	1.286	3	0.733	5.3
St 17	3.29	1.06	10.129	4	0.038	6.2
St 18	2.97	1.11	7.000	2	0.030	6
St 19	3.21	0.94	14.966	4	0.005	5.8
St 20	1.85	0.69	2.923	2	0.232	4.3
St 21	2.25	0.80	14.000	3	0.003	7
St 22	2.71	0.99	4.886	3	0.180	8.8

Source: Data Analysis

Central Government

Table 30 presents the cross-tabulation on Central Government's SSI according to the population density and political context dimensions. It demonstrates scattered observed frequencies across levels two to five of the Lickert scale. It also indicates that the preferences are concentrated on levels, four and five which mean that Central Government has a tendency to be regarded as representing significant influence in criterion one. The results for the average on Central Government's overall influence in criterion one are 3.91 with 1.01 standard deviations. Looking at population density, the preferences concentrate at the upper levels of the Lickert scale. In non-rural cases, Central Government's influence

in criterion 1 is rated as 3.84 with 1.014 standard deviations. Whilst in rural cases, the result is 4.05 with 1.026 standard deviations. Eta and eta-squared results (0.101 and 1.02% respectively) indicate weak relationship between variable.

TABLE 30: CROSS-TABULATION ANALYSIS ON CENTRAL GOVERNMENT'S INFLUENCES IN CRITERION 1

Population Density %			Political Context				
Lickert scale	Non-rural	Rural	Labour	Cons.	No overall	Others	Total
1							
2	14%	11%	10%	27%	9%		13%
3	19%	16%	20%	9%	18%	33%	18%
4	38%	32%	35%	45%	32%	33%	36%
5	30%	42%	35%	18%	41%	33%	34%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.84	4.05	3.95	3.55	4.05	3.75	3.91
SD	1.014	1.026	0.999	1.128	0.999	0.707	1.014

Source: Data Analysis

Looking at political context, the preferences also concentrate on the upper levels of the Lickert scale. In Labour authorities, the preferences are split between levels 4 and 5 whilst Conservative authorities it is concentrated in level 4 and no-overall control authorities converge on level 5. The highest average is identified in no-overall control authorities which average result is 4.05 with 0.999 standard deviations. In this case, Eta and eta-squared result (0.246 and 6.05% respectively) indicate weak relationship between variables.

Citizens

Table 31 presents the cross-tabulation analysis on Citizens' influences according to population density and political context. It demonstrates scattered observed frequencies across the five levels of the Lickert scale with concentration on levels 3, 4 and 5. The overall Citizen's SSI is 3.58 with 1.07 standard deviations. Looking at population density, the SSI result for non-rural authorities is 3.57 with 1.12 standard deviations whilst for rural authorities it is 3.60 with 1.00 standard deviations. Eta and eta-squared result (0.0130 and 0% respectively) indicates weak relationship between variables.

Looking at political context, the frequency distribution indicates a rather scattered preference distributed upon levels 3 and 4 of the Lickert scale. The analysis indicates poor agreement about Citizen's power to influence decision-making in this criterion. It worth to notice that Conservative authorities' preferences are concentrated in level three, non-overall control authorities are concentrated in level 4 and Labour authorities' preferences are concentrated on level five. Eta and eta-squared result (0.2929 and 9% respectively) indicate moderate relationship between variables.

TABLE 31: CROSS-TABULATION ANALYSIS ON CITIZEN'S INFLUENCES IN CRITERION 1

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	3%	0%	0%	9%	0%	0%	2%
2	14%	15%	29%	9%	0%	25%	15%
3	31%	30%	19%	45%	32%	50%	31%
4	26%	35%	19%	18%	47%	25%	29%
5	26%	20%	33%	18%	21%	0%	24%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.57	3.60	3.57	3.27	3.89	3.00	3.58
SD	1.12	1.00	1.25	1.19	0.74	0.71	1.07

Source: Data Analysis

Councillors

Table 32 presents the cross-tabulation analysis on Councillor's SSI according to the population density and political context dimensions. It demonstrates observed frequencies on levels four and five of the Lickert scales with concentrated preferences on level five. Councillor's overall result of SSI in this criterion is 4.87 with 0.339 standard deviations. Looking at population density dimension, both non-rural and rural authorities preferences are concentrated in level five. Eta result is 0.1927 and eta-squared result is 4%, which indicates little evidence about the DV Councillor's SSI being a function of the IV population dimension.

Looking at political context dimension, all preferences are concentrated in level five. Eta and eta-squared results (0,163 and 3% respectively) indicates little evidence about the DV Councillor’s SSI being a function of the IV political context.

TABLE 32: CROSS-TABULATION ANALYSIS ON COUNCILLORS INFLUENCES IN CRITERION 1

Population Density			Political Context				
Lickert scale	Non-Rural	Rural	Labour	Conservatives	Non over	Others	Total
1							
2							
3							
4	8%	21%	8%	11%	19%		13%
5	92%	79%	92%	89%	81%	100%	87%
Total	25	14	12	9	16	2	39
Mean	4.92	4.79	4.92	4.89	4.81	5.00	4.87
SD	0.277	0.426	0.289	0.333	0.403		0.339

Source: Data Analysis

Employees

Table 33 presents the cross-tabulation analysis on Employee’s SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on level two. The overall statistical mean result is 2.93 with 1.113 standard deviations. Looking at population density, the analysis indicates slightly concentration in level 2 of the Lickert scale, which indicates that Employees are likely to be considered as medium influential stakeholder in criterion one. Eta and eta-squared results (0.1418 and 2% respectively) indicate weak relationship between variables.

Looking at political context, Labour and non-overall control authorities have their preferences concentrated in level 2 of the Lickert scale whilst Conservative authorities have their preferences concentrated on the level four. In terms of descriptive statistics, the highest mean is identified in Conservative authorities. Eta and eta-squared results (0.2492 and 6.2% respectively) indicate weak relationship between variables.

TABLE 33: CROSS-TABULATION ANALYSIS ON EMPLOYEES INFLUENCES IN CRITERION 1

Population Density			Political Context				
Lickert scale	Non-Rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	4%	0%	7%	0%	0%	0%	2%
2	48%	41%	60%	29%	41%	33%	45%
3	20%	24%	7%	29%	29%	33%	21%
4	20%	18%	13%	43%	12%	33%	19%
5	8%	18%	13%	0%	18%	0%	12%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.80	3.12	2.67	3.14	3.06	3.25	2.93
SD	1.08	1.166	1.234	0.9	1.144		1.113

Source: Data Analysis

Health Authorities

Table 34 presents the cross-tabulation analysis on Health Authorities' SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels two to five of the Lickert scale with slightly concentration on level two as the total column indicates. Health Authorities' overall SSI is represented by the mean 3.00 with 0.816 standard deviations. Looking at population density dimension, non-rural authorities have their preferences concentrated in level two and rural authorities have their preferences balanced between levels one and two. Eta and eta-squared results (0.0641 and 0.4% respectively) indicate weak relationship between variables.

TABLE 34: CROSS-TABULATION ANALYSIS ON HEALTH AUTHORITIES INFLUENCES IN CRITERION 1

Population Density			Political Context				
Lickert scale	Non-Rural	Rural	Labour	Conservatives	Non overall	Others	Total
1							
2	28%	33%	40%	50%	11%	100%	30%
3	48%	33%	40%	50%	44%	0%	43%
4	24%	27%	20%	0%	39%	0%	25%
5	0%	7%	0%	0%	6%	0%	3%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.96	3.07	2.80	2.50	3.39	2.00	3.00
SD	0.735	0.961	0.775	0.548	0.778	.	0.816

Source: Data Analysis

Looking at political context, Labour and Conservative authorities have their preferences balanced between levels one and two, whilst non-overall control authorities

have their preferences concentrated in level two. Eta and eta-squared results (0.4732 and 22.4% respectively) indicate moderate relationship between variables.

Local Businesses

Table 35 presents the cross-tabulation analysis on Local Businesses' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with slightly concentration on level three as the total column indicates. The overall SSI result is 2.98 with 0.915 standard deviations. Looking at population density dimension, non-rural authorities have their preferences slightly concentrated in level 2 whilst rural authorities have their preferences slightly concentrated in level 3. Eta and eta-squared results are 0.1984 and 3.9% respectively, which indicates weak possibility of SSI be a DV of population density.

TABLE 35: CROSS-TABULATION ANALYSIS ON LOCAL BUSINESSES INFLUENCES IN CRITERION 1

Population Density			Political Context				
Lickert scale	Non-Rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	0%	5%	0%	0%	0%	25%	2%
2	40%	20%	38%	45%	16%	50%	32%
3	37%	35%	44%	36%	37%	0%	36%
4	23%	30%	19%	18%	37%	25%	26%
5	0%	10%	0%	0%	11%	0%	4%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.83	3.20	2.81	2.73	3.42	2.25	2.98
SD	0.791	1.056	0.750	0.786	0.902	0.141	0.915

Source: Data Analysis

Looking at the political context, Labour authorities have their preferences concentrated in the level 3 whilst Conservative authorities in level 2. Eta and eta-squared results (0.4746 and 22.5% respectively) indicates moderate relationship between variables.

A summary of the findings for criterion 1

This criterion assessed how chief executives gauge stakeholder's power to influence objectives definition. Table 36 presents the summary of findings for the criterion one. In terms of stakeholder salience, chief executives' responses placed Councillors in the

upper level of the Lickert scale and they are considered strong influential stakeholders in this criterion.

TABLE 36: SUMMARY OF FINDINGS FOR CRITERION 1

Stakeholders	Findings	SSI	η	
			PD	PC
Councillors	Strong influential	4.87	0.1927	0.1631
Central Government	Useful strong influential	3.91	0.101	0.2460
Citizens	Useful strong influential	3.58	0.013	0.2929
Health Authorities	Medium influential	3.00	0.0641	0.4732
Local Business	Medium influential	2.98	0.1984	0.4746
Employees	Medium influential	2.93	0.1418	0.2492

Source: Data Analysis

Analysing causal relationships, Citizens, Health Authorities and Local Businesses' SSI have moderate probability of being a dependent variable of political context. There is no useful case on assuming population density as an independent variable.

Another analysis carried out in this criterion is related to the assessment of similarities among the different SSIs. According to Bryman (2001), the Pearson's correlation is indicated to measure statistical association of scale variables that is the case of the SSIs. Through the SPSS, the investigation calculated the two-tailed correlation between SSIs.

TABLE 37: CROSS-LIKENESS ANALYSIS ON SSI IN CRITERION 1

Criterion 1		
Slope	Range	Pairs
+	Strong correlation (.80 – 1.00)	
	Useful strong correlation (.60 – .80)	St 13, St 22 (.792)
		St 16, St 18 (.674)
		St 03, St 19 (.672)
	St 10, St 18 (.604)	
	Medium correlation (.30 – .60)	St 09, St 21 (.514)
0	Non-correlation (0.00)	

Source: Data Analysis

The results are regarded as relevant (strong and useful strong correlation) are displayed in table 37 (see the complete list is provided in the Annex V). The highest

positive statistical association was detected between Health and Police Authorities in which r equals to .792 ($p < .01$). On the other hand, the highest negative correlation was detected in the pair Management Team and the Voluntary Sector whose r equals to -.566 ($p < .05$).

Criterion 2 – Stakeholder powers to influence service priorities

This criterion assessed how chief executives perceive stakeholder’s power to influence the definition of their service’s priorities. Table 38 presents the descriptive and the reliability analysis on SSIs, which have been carried out with the help of the chi-square calculation.

TABLE 38: THE DESCRIPTIVE AND RELIABILITY ANALYSIS ON CRITERION 2

Stakeholders	Descriptive Statistics		Chi-square Test			
	Mean	SD	χ^2	Df	p	Fe
St 01	3.13	1.20	4.000	4	0.406	3.2
St 02	3.88	1.05	23.614	4	0.000	11.4
St 03	3.37	1.01	26.421	4	0.000	11.4
St 04	2.11	1.18	3.778	3	0.286	4.5
St 05	4.71	0.61	33.526	2	0.000	12.7
St 06	3.51	1.15	16.857	5	0.005	7.0
St 07	2.70	0.82	10.565	3	0.014	5.8
St 08	2.18	1.19	2.529	3	0.470	4.3
St 09	2.75	0.90	8.400	3	0.038	10.0
St 10	2.64	0.83	38.600	4	0.000	10.0
St 11	2.38	0.94	5.000	3	0.172	8.0
St 12	2.65	1.32	2.118	4	0.714	3.4
St 13	4.50	0.62	3.714	3	0.294	3.5
St 14	2.07	0.92	18.105	4	0.001	3.8
St 15	2.58	1.02	10.400	3	0.015	10.0
St 16	2.55	0.88	3.909	4	0.418	4.4
St 17	3.00	1.20	15.839	3	0.001	7.8
St 18	2.90	0.87	7.000	2	0.030	6.0
St 19	3.79	0.99	14.143	4	0.007	5.6
St 20	2.15	0.90	3.923	3	0.270	3.3
St 21	2.20	0.92	5.733	3	0.125	7.5
St 22	2.37	0.88	10.371	3	0.016	8.8

Source: Data Analysis

Once again, Councillors are rated with the highest SSI's score. However, Management Team is also a stakeholder to be taken into account due to its degree of freedom. The reliable stakeholders are presented and analysed in alphabetical order as follows.

Central Government

Table 39 presents the cross-tabulation analysis on Central Government's influences in decision-making in criterion 1 which is assessed through SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on levels four and five as the total column indicates. The overall SSI for Central Government is 3.88 with 1.053 standard deviations. Looking at population density dimension, non-rural authorities have their preferences concentrated in levels four and five of the scale whilst rural authorities have their preferences balanced on levels three to five. Eta and eta-squared results (0.1829 and 3% respectively) indicate weak relationship between variables.

TABLE 39: CROSS-TABULATION ANALYSIS ON CENTRAL GOVERNMENT'S INFLUENCES IN CRITERION 2

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	3%	0%	5%	0%	0%	0%	2%
2	6%	18%	5%	9%	14%	25%	11%
3	14%	27%	19%	27%	10%	50%	19%
4	40%	27%	38%	27%	43%	0%	35%
5	37%	27%	33%	36%	33%	25%	33%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.03	3.64	3.90	3.91	3.95	3.25	3.88
SD	1.014	1.093	1.091	1.044	1.024	0.837	1.053

Source: Data Analysis

Looking at political context, it is worth to notice that Labour authorities have their preferences concentrated in level four, Conservative authorities at level five, and non-overall control authorities in level four. Eta and eta-squared results (0.2527 and 6% respectively) indicate moderate relationship between variables.

Citizens

TABLE 40: CROSS-TABULATION ANALYSIS ON CITIZENS' INFLUENCES IN CRITERION 2

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1	0%	5%	0%	0%	5%	0%	2%
2	17%	14%	10%	27%	14%	25%	16%
3	46%	41%	50%	27%	45%	50%	44%
4	14%	32%	15%	27%	23%	25%	21%
5	23%	9%	25%	18%	14%	0%	18%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.43	3.27	3.55	3.36	3.27	3.00	3.37
SD	1.037	0.985	0.999	1.120	1.032	0.837	1.011

Source: Data Analysis

Table 40 presents the cross-tabulation analysis on Citizen's SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on level three as the total column indicates. The Citizens' overall SSI is 3.37 with 1.011 standard deviations. Looking at population density, both non-rural and rural authorities have their preferences concentrated in level 3. Eta and eta-squared results (0.0757 and 1% respectively) indicate weak relationship between variables.

Looking at political context, Labour and non-overall control authorities have their preferences concentrated in level three whilst Conservative authorities balanced their preferences on levels two to four. Eta and eta-squared results (0.1566 and 2% respectively) indicate weak relationship between variables.

Councillors

Table 41 presents the cross-tabulation analysis on Councillor's SSI according to population density and political context dimensions. It demonstrates observed frequencies at three levels of the Lickert scale with concentration on level five. The overall SSI indicated in this criterion is 4.71 with 0.611 standard deviations. Looking at frequency distribution within population density dimension, it indicates that both non-rural and rural authorities have their preferences rather concentrated in level 5, which indicates agreement

about this stakeholder salience. Eta and eta-squared results (0.0326 and 0% respectively) indicate weak relationship between variables.

TABLE 41: CROSS-TABULATION ANALYSIS ON COUNCILLORS' INFLUENCES IN CRITERION 2

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1							
2		6%	8%				3%
3							
4	27%	13%	31%	13%	20%		21%
5	73%	81%	62%	88%	80%	100%	76%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.73	4.69	4.46	4.88	4.80	4.71	4.71
SD	0.456	0.793	0.877	0.354	0.414	1.155	0.611

Source: Data Analysis

Looking at political context dimension, again the preferences are highly concentrated in level five. Eta and eta-squared results (0.3079 and 9% respectively) indicate moderate relationships between variables.

Employees

Table 42 presents the cross-tabulation analysis on Employee's SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with slightly concentration at level three as the total column indicates. The overall SSI result is 3.51 with 1.15 standard deviations. Looking at population density dimension, the findings indicate poor agreement among preferences. On analysing association between variables, Eta and eta-squared results (0.2938 and 9% respectively) indicate moderate relationship between variables.

Looking at political context, the cross-tabulation results are inconclusive in the extent that there is no considerable agreement among preferences. In terms of relationships, Eta and eta-squared results (0.3996 and 16% respectively) indicate moderate relationship between variables.

TABLE 42: CROSS-TABULATION ANALYSIS ON EMPLOYEES' INFLUENCES IN CRITERION 2

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	4%			13%			2%
2	27%	6%	12%	25%	27%		19%
3	27%	31%	35%	38%	20%		29%
3.5	4%			13%			2%
4	19%	25%			27%		21%
5	19%	38%	24%	13%	27%	100%	26%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.25	3.94	3.65	2.81	3.53	5	3.51
SD	1.177	0.998	0.996	1.193	1.187	0	1.15

Source: Data Analysis

Health Authorities

Table 43 presents the cross-tabulation analysis on Health Authorities' SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels one to four of the Lickert scale with concentration on levels two and three as the total column indicates. The overall SSI is 2.75 with 0.899 standard deviations. Looking at population density dimension, non-rural authorities have their preferences concentrated in level three whilst rural authorities in level two. In terms of relationships, Eta and eta-squared results (0.3205 and 10% respectively) indicate moderate relationship between variables.

TABLE 43: CROSS-TABULATION ANALYSIS ON HEALTH AUTHORITIES' INFLUENCES IN CRITERION 2

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	3%	22%	7%		13%		8%
2	29%	44%	29%	38%	27%	67%	33%
3	42%	22%	43%	38%	33%	33%	38%
4	26%	11%	21%	25%	27%		23%
5							
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.9	2.22	2.79	2.88	2.73	1.5	2.75
SD	0.831	0.972	0.893	0.835	1.033	0.707	0.899

Source: Data Analysis

Looking at the political context dimension, Labour and non-overall control authorities have their preferences concentrated in level three whilst Conservative authorities have their preferences balanced between levels two and three. Eta and eta-squared results (0.2058 and 4% respectively) indicate weak relationship between variables.

Local Businesses

Table 44 presents the cross-tabulation analysis on Local Businesses' SSI according to population density and political context dimensions. It reveals observed frequencies on all levels of the Lickert scale with concentration in level two as the total column indicates. The overall SSI is 2.64 with 0.827 standard deviations. Looking at population density dimension, non-rural authorities have their preferences concentrated in level two whilst rural authorities in level three. On analysing relationships between variables, Eta and eta-squared results (0.0945 and 1% respectively) indicate weak relationship between variables.

TABLE 44: CROSS-TABULATION ANALYSIS ON LOCAL BUSINESSES' INFLUENCES IN CRITERION 2

Population density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	0%	9%	6%	0%	5%		4%
2	57%	27%	35%	44%	55%	25%	44%
3	32%	45%	41%	44%	30%	50%	38%
4	7%	18%	12%	11%	10%	25%	12%
5	4%	0%	6%	0%	0%		2%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.57	2.73	2.76	2.67	2.45	3	2.64
SD	0.79	0.88	0.97	0.707	0.759	0.837	0.827

Source: Data Analysis

Looking at political context, Labour authorities have their preferences concentrated in level three, non-overall control authorities in level two whilst Conservative authorities have their preferences balanced between levels two and three. In this case, Eta and eta-squared results (0.2123 and 5% respectively) indicate weak relationship between variables.

Voluntary Sector

Table 45 presents the cross-tabulation analysis on Voluntary Sector's SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels one to four of the Lickert scale with concentration in level two as the total column indicates. The overall SSI is 2.37 with 0.877 standard deviations. Looking at the population density dimension, the investigation identified that non-rural authorities have their preferences concentrated in level two whilst rural authorities have their preferences balanced between levels two and three. On analysing relationships between variables, Eta and eta-squared results (0.0061 and 0% respectively) indicate weak relationship between variables.

Looking at political context, Labour and non-overall control authorities have their preferences concentrated in level 2 whilst Conservative authorities balanced between levels two and three. Eta and eta-squared results (0.2592 and 7% respectively) indicate moderate relationship between variables.

TABLE 45: CROSS-TABULATION ANALYSIS ON VOLUNTARY SECTOR'S INFLUENCES IN CRITERION 2

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	13%	18%	22%	11%	14%		14%
2	50%	36%	44%	33%	50%	66%	46%
3	25%	36%	22%	33%	29%	33%	29%
4	13%	9%	11%	22%	7%		11%
5							
Total	100%	100%	100%	100%	100%		100%
Mean	2.38	2.36	2.22	2.67	2.29	2.50	2.37
SD	0.875	0.924	0.972	1	0.825	0.957	0.877

Source: Data Analysis

A summary of the findings of criterion 2

This criterion analysed how chief executives assess stakeholder's power to influence local authority's priorities in terms of services to be provided. Table 46 summarises the findings of criterion two in SSI terms. Once again chief executives' responses placed Councillors in the upper level of the Lickert scale as strong influential

stakeholder with a SSI of 4.71. Analysing causal relationships between variables, Eta results indicate that assuming population density as independent variable Health Authorities and Employees' SSIs have a moderate probability of being a dependent variable of population density. On the other hand, it indicates Councillors, Central Government, Employees and Voluntary Sector's SSIs have moderate probability of being a dependent variable of political context. The other cases are considered of weak probability. Therefore, there are no cases in which useful and strong probability have been detected.

TABLE 46: SUMMARY OF FINDINGS FOR CRITERION 2

Stakeholders	Findings	SSI	H	
			PD	PC
Councillors	Strong influential	4.71	0.0326	0.3079
Central Government	Useful strong influential	3.88	0.1829	0.2527
Employees	Useful strong influential	3.51	0.2938	0.3996
Citizens	Useful strong influential	3.37	0.0757	0.1566
Health Authorities	Medium influential	2.75	0.3025	0.2058
Local Businesses	Medium influential	2.64	0.0945	0.2123
Voluntary Sector	Medium influential	2.37	0.0061	0.2592

Source: Data Analysis

Table 47 presents the statistical association analysis among SSIs in criterion two. As stated before, this analysis explored the extent that stakeholder influences can be seen as clusters. This issue is dealt with in the next chapter. The analysis demonstrates that there is strong positive correlation between Fire Authorities and Police Authorities as well as between Fire Authorities and Health Authorities' SSI, which is likely to mean that these stakeholders belong to the same cluster.

TABLE 47: CROSS-LIKENESS ANALYSIS ON CRITERION 2

Criterion 2		
Slope	Range	Pairs
+	Strong correlation (0.80 – 1.00)	St 07, St 16 (.862, $p < .01$) St 07, St 09 (.820, $p < .01$)
	Useful strong correlation (.60 – .80)	St 09, St 16 (.730, $p < .01$) St 07, St 22 (.685, $p < .01$) St 09, St 22 (.669, $p < .01$) St 10, St 22 (.611, $p < .01$)
	Medium correlation (.30 – .60)	St 16, St 22 (.576, $p < .01$) St 10, St 18 (.475, $p < .05$) St 03, St 10 (.430, $p < .01$) St 06, St 18 (.417, $p < .05$)

Source: Data Analysis

Criterion 3 – Stakeholder powers to influence performance criteria

TABLE 48: THE DESCRIPTIVE AND RELIABILITY ANALYSIS ON CRITERION 3

Stakeholders	Descriptive Statistics		Chi-square Test			
	Mean	SD	X ²	df	p	Fe
St 01	4.71	0.47	2.571	1	0.109	7.0
St 02	4.62	0.73	70.745	3	0.000	13.8
St 03	2.42	1.01	23.091	4	0.000	11.0
St 04	1.95	1.13	12.310	4	0.015	3.8
St 05	3.59	1.01	15.838	4	0.003	7.4
St 06	2.73	1.22	5.500	4	0.240	8.0
St 07	2.21	0.98	6.333	3	0.096	6.0
St 08	1.89	0.83	0.333	2	0.846	6.0
St 09	2.20	0.93	25.707	4	0.000	8.2
St 10	2.00	0.86	14.320	3	0.003	12.5
St 11	2.19	1.08	7.065	3	0.070	7.8
St 12	2.28	0.96	2.889	3	0.409	4.5
St 14	3.68	1.00	9.111	3	0.028	4.5
St 15	1.89	0.83	4.222	3	0.238	4.5
St 16	2.22	0.94	27.659	4	0.000	8.2
St 17	2.12	0.90	5.476	3	0.140	5.3
St 18	2.29	1.01	4.455	3	0.216	8.3
St 13	2.18	0.98	3.105	3	0.376	4.8
St 19	2.59	1.12	6.148	4	0.188	5.4
St 20	1.29	0.47	2.571	1	0.109	7.0
St 21	1.70	0.82	14.333	3	0.002	6.8
St 22	1.83	0.70	6.000	2	0.050	12.0

Source: Data Analysis

This criterion assessed how chief executives value stakeholder’s power to influence the way performance is evaluated in English Local Authorities. Table 48 presents

the chi-square results. The chi-square calculation indicates the level of reliability the SSIs achieved due to the limitation of the investigation. The significance is based upon confidence (p) and observed frequencies (F_e). Despite nonconformity with chi-square parameters, the Audit Commission is regarded as the most powerful stakeholder able to influence the definition of performance criteria to which English Local Authorities have to comply with. Besides, the Audit Commission also has the lowest standard deviation that corroborates the significance of the findings.

Central Government

Table 49 presents the cross-tabulation analysis on Central Government's SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels two to five of the Lickert scale with rather concentration in level five as the total column indicates. The overall SSI is 4.62 with 0.73 standard deviations. Looking at the population density dimension, both non-rural and rural authorities have their preferences concentrated in level 5. Eta and eta-squared results (0.3313 and 11%) indicate moderate relationship between variables.

TABLE 49: CROSS-TABULATION ANALYSIS ON CENTRAL GOVERNMENT'S INFLUENCES IN CRITERION 3

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1							
2		10%			4%	33%	4%
3		10%			9%		4%
4	20%	20%	28%	27%	13%		20%
5	80%	60%	72%	73%	74%	67%	73%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.8	4.3	4.72	4.73	4.57	4.25	4.62
SD	0.41	1.03	0.46	0.47	0.84	0.7071	0.73

Source: Data Analysis

Citizens

Table 50 presents the cross-tabulation analysis on Citizen's SSI according to population density and political context dimensions. It demonstrates observed frequencies

on all levels of the Lickert scale with slightly concentration in level two as the total column indicates. The overall SSI is 2.42 with 1.01 standard deviations. Looking at the population density dimension, the preferences are concentrated in level two which indicates weak agreement that Citizens is a weak stakeholder in this criterion. Eta and eta-squared results (0.0074 and 0% respectively) indicate weak relationship between variables.

TABLE 50: CROSS-TABULATION ANALYSIS ON CITIZENS' INFLUENCES IN CRITERION 3

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	21%	14%	17%	25%	18%		18%
2	36%	41%	28%	42%	41%	67%	38%
3	27%	36%	39%	25%	27%	33%	31%
4	9%	9%	11%	8%	9%		9%
5	6%	0%	6%	0%	5%		4%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.42	2.41	2.61	2.17	2.41	2.5	2.42
SD	1.12	0.85	1.09	0.94	1.05	0	1.01

Source: Data Analysis

Looking at the political context dimension, the agreement is not an easy issue because Labour Authorities have their preferences concentrated in level three whilst Conservative and non-overall control authorities in level two. Eta and eta-squared results (0.1956 and 4% respectively) indicate weak relationship between variables.

Councillors

Table 51 presents the cross-tabulation analysis on Councillors' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration in level three as the total column indicates. The overall SSI is 3.59 with 1.01 standard deviations. Looking at the population density dimension, rural authorities have their preferences concentrated in level three whilst non-rural authorities in levels three and four. Eta and eta-squared results (0.0812 and 1% respectively) indicate weak relationship between variables.

TABLE 51: CROSS-TABULATION ANALYSIS ON COUNCILLORS' INFLUENCES IN CRITERION 3

Population Density			Political Control				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	5%		10%				3%
2	10%	6%	10%	20%	5%		8%
3	33%	44%	30%	40%	40%	50%	38%
4	33%	25%	30%	20%	30%	50%	30%
5	19%	25%	20%	20%	25%	0%	22%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.52	3.69	3.4	3.4	3.75	3.5	3.59
SD	1.08	0.95	1.26	1.14	0.91	0.71	1.01

Source: Data Analysis

Looking at the political context dimension, Labour authorities have their preferences concentrated in levels three and four whilst Conservative and non-overall control authorities in level three. Eta and eta-squared results (0.1702 and 3% respectively) indicate weak relationship between variables.

Health Authorities

TABLE 52: CROSS-TABULATION ANALYSIS ON HEALTH AUTHORITY'S INFLUENCES IN CRITERION 3

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	22%	21%	18%	11%	31%	50%	22%
2	44%	50%	41%	67%	46%		46%
3	30%	14%	35%	22%	15%		24%
4	4%	7%	6%	0%	0%	50%	5%
5	0%	7%	0%	0%	8%		2%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.15	2.29	2.29	2.11	2.08	2.50	2.20
SD	0.82	1.14	0.85	0.6	1.12		0.93

Source: Data Analysis

Table 52 presents the cross-tabulation analysis on Health Authorities' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on level two as the total column indicates. The overall SSI is 2.20 with 0.93 standard deviations. Looking at the population density dimension, both rural and non-rural authorities have their preferences

concentrated in level two which indicates agreement about SSI. Eta and eta-squared results (0.0712 and 1% respectively) indicate weak relationship between variables.

Looking at the political context dimension, the preferences are concentrated in level two which strengthen SSI's result. Eta and eta-squared results (0.3847 and 15% respectively) indicate moderate relationship between variables.

Local Businesses

Table 53 presents the cross-tabulation analysis on Local Businesses' SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels one to four of the Lickert scale with slightly concentration on level two as the total column indicates. The overall SSI is 2.00 with 0.86 standard deviations. Looking at the population density dimension, both rural and non-rural authorities have their preferences concentrated in level two. Eta and eta-squared results (0.0000 and 0%) indicate none relationship between variables.

Looking at the political context dimension, Conservative and non-overall control authorities have their preferences concentrated in level two and Labour authorities in level 3. Eta and eta-squared results (0.2670 and 7% respectively) indicate moderate relationship between variables.

TABLE 53: CROSS-TABULATION ANALYSIS ON LOCAL BUSINESSES' INFLUENCES IN CRITERION 3

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	34%	28%	33%	42%	25%	33%	32%
2	38%	44%	20%	50%	50%	33%	40%
3	22%	28%	47%		20%	33%	24%
4	6%			8%	5%		4%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.00	2.00	2.13	1.75	2.05	1.75	2.00
SD	0.92	0.77	0.92	0.87	0.83		0.86

Source: Data Analysis

A Summary of the findings of Criterion 3

This criterion aimed to assess how chief executives value stakeholder's power to influence performance appraisal in English Local Authorities. Table 54 summarises the findings for the criterion. In terms of stakeholder salience, chief executives' responses placed Central Government in the upper level of the Lickert scale being regarded as the strongest stakeholder with power to influence the way performance is evaluated in English Local Authorities. The Audit Commission is not been considered in this analysis because its parameters did not comply with chi-square calculation. At this time, Councillors were regarded as useful strong influential stakeholders with less power than Central Government.

TABLE 54: SUMMARY OF THE FINDINGS OF CRITERION 3

Stakeholders	Findings	SSI	η	
			PD	PC
Central Government	Strong influential	4.62	0.3313	0.3237
Councillors	Useful strong influential	3.59	0.0812	0.1702
Citizens	Medium influential	2.42	0.0074	0.1956
Health Authorities	Medium influential	2.20	0.0712	0.3847
Local Businesses	Weak influential	2.00	0.0000	0.2670

Source: Data Analysis

In terms of causal relationships, the findings indicate that Central Government's SSI has moderate probability of being a dependent variable of population density the other eta results have returned weak probability. On the other hand, Central Government, Health Authorities and Local Businesses' SSIs have moderate probability of being a dependent variable of political context.

Table 55 presents the statistical association analysis in SSI in criterion three. It demonstrates that there is useful strong correlation between Health and Police Authorities as well as between Health Authorities and Upper Tie authorities' power to influence performance appraisals within English Local Authorities.

TABLE 55: CROSS LIKENESS ANALYSIS ON CRITERION 3

Criterion 3		
Slope	Range	Pairs
+	Strong correlation (0.80 – 1.00)	
	Useful strong correlation (.60 – .80)	St 09, St 16 (.792, $p < .01$) St 09, St 21 (.762, $p < .01$)
	Medium correlation (.30 – .60)	St 03, St 10 (.558, $p < .01$) St 10, St 16 (.545, $p < .01$) St 05, St 21 (.533, $p < .05$) St 05, St 10 (.521, $p < .01$) St 03, St 05 (.519, $p < .01$) St 05, St 16 (.469, $p < .05$) St 05, St 09 (.462, $p < .05$) St 10, St 16 (.404, $p < .05$)

Source: Data Analysis

Criterion 4 – Stakeholder power as a result of being a key-stakeholder

TABLE 56: THE DESCRIPTIVE AND RELIABILITY ANALYSIS ON CRITERION 4

Stakeholders	Descriptive Statistics		Chi-square Test			
	Mean	SD	χ^2	df	p	Fe
St 01	3.36	1.22	2.571	3	0.463	3.5
St 02	3.62	1.18	15.208	4	0.004	10.6
St 03	4.27	0.93	26.923	3	0.000	13.0
St 04	2.22	1.26	5.889	4	0.208	3.6
St 05	4.14	1.00	24.286	4	0.000	7.0
St 06	2.97	1.04	12.595	4	0.013	7.4
St 07	2.96	0.98	13.304	4	0.010	4.6
St 08	2.61	1.29	3.111	4	0.539	3.6
St 09	2.88	0.97	20.750	4	0.000	8.0
St 10	3.22	1.09	15.087	4	0.005	9.2
St 11	2.34	0.94	6.724	3	0.081	7.3
St 12	2.94	1.53	0.875	4	0.928	3.2
St 13	3.33	1.46	3.111	4	0.539	3.6
St 14	2.35	1.27	5.059	4	0.281	3.4
St 15	2.61	1.09	8.111	4	0.088	3.6
St 16	2.93	0.97	17.250	4	0.002	8.0
St 17	2.53	1.22	4.947	4	0.293	3.8
St 18	3.06	1.21	5.935	4	0.204	6.2
St 19	4.08	0.89	7.538	3	0.057	6.5
St 20	1.67	0.78	2.000	2	0.368	4.0
St 21	2.19	0.90	6.308	3	0.098	6.5
St 22	2.97	1.00	18.059	4	0.001	6.8

Source: Data Analysis

This criterion assessed how chief executives value stakeholder’s power to influence the decision-making process of English Local Authorities as being a potential customer. Table 56 presents the descriptive statistics and the reliability analysis for the

criterion that was performed with the help of the chi-square test. Some stakeholders are not considered in the investigation because they do not comply with the chi-square requirements. Citizens, Councillors and Service Users are, respectively the highest influential stakeholders according to chief executives' responses. The reliable stakeholders are presented and analysed in alphabetical order as follows.

Central Government

Table 57 presents the cross-tabulation analysis on Central Government's SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with slightly concentration in level three as the total column indicates. The overall SSI is 3.62 with 1.18 standard deviations. Looking at the population density dimension, the findings indicate poor agreement because, non-rural authorities have their preferences concentrated in level three and rural authorities have their preferences scattered between levels three and five. Eta and eta-squared results (0.1150 and 1% respectively) indicate weak relationship between variables.

Looking at the political context dimension, Labour authorities have their preferences concentrated in level five and Conservative authorities in level three. That means, the findings indicate poor agreement among responses. Eta and eta-squared results (0.4158 and 17% respectively) indicate moderate relationship between variables.

TABLE 57: CROSS-TABULATION ANALYSIS ON CENTRAL GOVERNMENT'S INFLUENCES IN CRITERION 4

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	6%	5%	6%	9%	5%		6%
2	3%	20%	0%	9%	9%	67%	9%
3	33%	30%	24%	45%	32%	33%	32%
4	27%	15%	12%	27%	32%		23%
5	30%	30%	59%	9%	23%		30%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.73	3.45	4.18	3.18	3.59	2.25	3.62
SD	1.13	1.28	1.19	1.08	1.1		1.18

Source: Data Analysis

Citizens

Table 58 presents the cross-tabulation analysis on Citizens' SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels two to five of the Lickert scale with concentration on level five as the total column indicates. The overall SSI is 4.27 with 0.93 standard deviations. Looking at the population density dimension, both rural and non-rural authorities have their preferences concentrated in level five. Eta and eta-squared results (0.1978 and 4% respectively) indicate weak relationship between variables.

TABLE 58: CROSS-TABULATION ANALYSIS ON CITIZENS' INFLUENCES IN CRITERION 4

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1							
2	3%	10%	6%		5%	33%	6%
3	10%	24%	19%	8%	19%		15%
4	29%	19%	13%	58%	14%	33%	25%
5	58%	48%	63%	33%	62%	33%	54%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.42	4.05	4.31	4.25	4.33	3.75	4.27
SD	0.81	1.07	1.01	0.62	0.97		0.93

Source: Data Analysis

Looking at political context, the preferences are all concentrated in level five and this evidence strengthens Citizens' SSI. Eta and eta-squared results (0.1764 and 3% respectively) indicate weak relationships between variables.

Councillors

Table 59 presents the cross-tabulation analysis on Councillors' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on level five as the total column indicates. The overall SSI is 4.14 with 1 standard deviation. Looking at the population density dimension, non-rural authorities have their preferences concentrated in level five whilst rural authorities in level four. Eta and eta-squared results (0.1179 and 1% respectively) indicate weak relationship between variables.

TABLE 59: CROSS-TABULATION ANALYSIS ON COUNCILLORS' INFLUENCES IN CRITERION 4

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	5%	0%	11%	0%	0%	0%	3%
2	5%	0%	0%	0%	5%	0%	3%
3	14%	21%	22%	0%	16%	50%	17%
4	14%	57%	0%	40%	42%	50%	31%
5	62%	21%	67%	60%	37%	0%	46%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.24	4	4.11	4.6	4.11	3.5	4.14
SD	1.18	0.68	1.45	0.55	0.88	0.71	1.000

Source: Data Analysis

Looking at the political context dimension, the preferences are concentrated in level five, with the exception of non-overall control authorities whose preferences are concentrated in level four. Eta and eta-squared results (0.2359 and 6% respectively) indicate weak relationship between variables.

Employees

TABLE 60: CROSS-TABULATION ANALYSIS ON EMPLOYEE'S INFLUENCES IN CRITERION 4

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	5%	7%	0%	0%	12%		5%
2	23%	40%	18%	17%	35%	67%	30%
3	50%	13%	45%	67%	24%		35%
4	14%	33%	27%	17%	18%	33%	22%
5	9%	7%	9%	0%	12%		8%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3	2.93	3.27	3	2.82	2.50	2.97
SD	0.98	1.16	0.9	0.63	1.24	1.41	1.04

Source: Data Analysis

Table 60 presents the cross-tabulation analysis on Employees' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on level three as the total column indicates. The overall SSI is 2.97 with 1.04 standard deviations. Looking at the population density dimension, non-rural authorities have their preferences concentrated in level three

whilst rural authorities in level two. Eta and eta-squared results (0.0319 and 0% respectively) indicate weak relationship between variables.

Looking at the political context dimension, Labour and Conservative authorities have their preferences concentrated in level three whilst non-overall control authorities in level two. Eta and eta-squared results (0.2440 and 6% respectively) indicate weak relationship between variables.

Health Authorities

TABLE 61: CROSS-TABULATION ANALYSIS ON HEALTH AUTHORITIES' INFLUENCES IN CRITERION 4

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	8%	7%	6%	11%	8%		8%
2	24%	27%	6%	44%	38%		25%
3	44%	47%	56%	22%	46%	50%	45%
4	16%	20%	25%	11%	8%	50%	18%
5	8%	0%	6%	11%	0%		5%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.92	2.8	3.19	2.67	2.54	3.50	2.88
SD	1.04	0.86	0.91	1.22	0.78		0.97

Source: Data Analysis

Table 61 presents the cross-tabulation analysis on Health Authorities' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on level three as the total column indicates. The overall SSI is 2.88 with 0.97 standard deviations. Looking at the population density dimension, both rural and non-rural authorities have their preferences concentrated in level three. Eta and eta-squared results (0.0609 and 0% respectively) indicate weak relationship between variables.

Looking at the political context dimension, Labour and non-overall control authorities have their preferences concentrated in level three whilst Conservative authorities in level two. Eta and eta-squared results (0.3597 and 13% respectively) indicate moderate relationship between variables.

Local Businesses

Table 62 presents the cross-tabulation analysis on Local Businesses' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on level three as the total column indicates. The overall SSI is 3.22 with 1.090 standard deviations. Looking at the population density dimension, it can be identified that the preferences are concentrated in level three. Eta and eta-squared results (0.1064 and 1% respectively) indicate weak relationship between variables.

TABLE 62: CROSS-TABULATION ANALYSIS ON LOCAL BUSINESSES' INFLUENCES IN CRITERION 4

Lickert scale	Population Density		Political Context				Total
	Non-rural	Rural	Labour	Conservatives	Non overall	Others	
1	13%		8%	8%	11%		9%
2	10%	19%		17%	21%		13%
3	37%	38%	46%	42%	26%	50%	37%
4	30%	31%	38%	25%	26%	50%	30%
5	10%	13%	8%	8%	16%		11%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.13	3.38	3.38	3.08	3.16	3.50	3.22
SD	1.170	0.960	0.960	1.080	1.260	0.710	1.090

Source: Data Analysis

Looking at the political context dimension, Labour and Conservative authorities have their preferences concentrated in level three whilst non overall control authorities it is rather scattered throughout levels two to four. Eta and eta-squared results (0.1224 and 1% respectively) indicate weak relationship between variables.

Police Authorities

Table 63 presents the cross-tabulation analysis on Police Authorities' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on level three as the total column indicates. The overall SSI is 2.93 with 0.97 standard deviations. Looking at the population density dimension, the preferences are concentrated in level three. Eta and eta-squared results (0.0574 and 0% respectively) indicate weak relationship between variables.

TABLE 63: CROSS-TABULATION ANALYSIS ON POLICE AUTHORITIES' INFLUENCES IN CRITERION 4

Population Dimension			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	8%		6%	11%			5%
2	31%	29%		56%	54%		30%
3	35%	43%	50%	11%	31%	100%	38%
4	19%	29%	38%	11%	15%		23%
5	8%		6%	11%			5%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.88	3.00	3.38	2.56	2.62	3.00	2.93
SD	1.070	0.780	0.890	1.240	0.770		0.970

Source: Data Analysis

Looking at the political context dimension, Conservative and non-overall control authorities have their preferences concentrated in level two whilst Labour authorities in level three. Eta and eta-squared results (0.3946 and 16% respectively) indicate moderate relationship between variables.

A summary of the findings of criterion 4

This criterion assessed how chief executives value stakeholder as a potential client of their services. Table 64 summarises the findings of criterion four. In terms of stakeholder salience, chief executives' responses rated Citizens and Councillors in the upper level of the Lickert scale being considered as strong influential stakeholders. Eta results indicate that for Central Government, Police Authorities and Health Authorities' SSI have moderate probability of being a dependent variable of political context. The other results are considered as of weak probability and are therefore not considered.

TABLE 64: SUMMARY OF THE FINDINGS OF CRITERION 4

Stakeholders	Findings	SSI	H	
			PD	PC
Citizens	Strong influential	4.27	0.1978	0.1768
Councillors	Strong influential	4.14	0.1179	0.2359
Central Government	Useful strong influential	3.62	0.1150	0.4158
Local Businesses	Useful strong influential	3.22	0.1064	0.1224
Employees	Medium influential	2.97	0.0319	0.2440
Police Authorities	Medium influential	2.93	0.0574	0.3946
Health Authorities	Medium influential	2.88	0.0609	0.3597

Source: Data Analysis

Table 65 presents the statistical association analysis in SSI in criterion four. It demonstrates that there is strong positive correlation between Health and Police Authorities' power to influence the decision-making process of English Local Authorities as being a potential customer. Furthermore, there is useful strong positive correlation between Local Businesses and Police Authorities SSI. The evidence indicates that Chief Executives perceived those stakeholders in a similar way.

TABLE 65: CROSS LIKENESS ANALYSIS ON CRITERION 4

Criterion 4		
Slope	Range	Pairs
+	Strong correlation (0.80 – 1.00)	St 09, St 16 (.899, $p < .01$)
	Useful strong correlation (.60 – .80)	St 10, St 16 (.747, $p < .01$)
	Medium correlation (.30 – .60)	St 09, St 10 (.594, $p < .01$) St 10, St 22 (.565, $p < .01$) St 16, St 22 (.488, $p < .01$) St 09, St 22 (.485, $p < .01$) St 03, St 10 (.414, $p < .01$) St 02, St 05 (.411, $p < .05$)

Source: Data Analysis

The evidence above comprised the assessment of stakeholder criteria power as defined in literature review chapter. From this point, the findings for the operational powers criteria are presented.

Criterion 5 – Stakeholder powers by controlling critical assets (money and supplies)

This criterion assessed how chief executives value stakeholder's power to influence decision-making in the extent that s/he controls the critical assets, which English Local Authorities have to employ in order to carry out the services, deliver process. Table 66 presents the descriptive statistic and the reliability analysis that has been carried out through chi-square test. The highlighted stakeholders are those whose parameters comply with the chi-square calculation. The other stakeholders are to be analysed by further investigations in order to assess their influence in this criterion. The Management Team, Councillors and Central Government are respectively the most powerful stakeholders able

to exert influence upon the decision-making process of English Local Authorities because they control the critical assets, which the authorities need in order to perform their activities. Each one of the reliable stakeholders are presented and analysed in alphabetical order as follows.

TABLE 66: THE DESCRIPTIVE AND RELIABILITY ANALYSIS ON CRITERION 5

Stakeholders	Descriptive Statistics		Chi-Square Test			
	Mean	SD	χ^2	df	p	Fe
St 01	2.15	1.07	2.077	3	0.557	3.3
St 02	4.48	0.77	46.889	3	0.000	13.5
St 03	2.19	1.03	24.519	4	0.000	10.8
St 04	2.28	1.02	2.000	3	0.572	4.5
St 05	4.58	0.87	48.889	3	0.000	9.0
St 06	2.95	1.31	17.897	6	0.006	5.6
St 07	2.30	1.15	7.217	4	0.125	4.6
St 08	1.94	1.03	6.294	3	0.098	4.3
St 09	2.13	1.02	18.000	4	0.001	8.0
St 10	1.98	0.92	14.429	3	0.002	12.3
St 11	1.33	0.55	20.600	2	0.000	10.0
St 12	1.72	0.96	10.000	3	0.019	4.5
St 13	4.65	0.61	11.412	2	0.003	5.7
St 14	1.65	0.79	3.294	2	0.193	5.7
St 15	2.35	1.37	6.235	4	0.182	3.4
St 16	2.20	1.09	15.500	4	0.004	8.0
St 17	2.40	1.27	4.500	4	0.343	4.0
St 18	1.88	1.01	21.750	4	0.000	6.4
St 19	2.23	0.99	14.000	4	0.007	5.2
St 20	1.64	0.67	2.909	2	0.234	3.7
St 21	2.36	1.25	7.714	4	0.103	5.6
St 22	1.76	0.96	30.118	4	0.000	6.8

Source: Data Analysis

Central Government

Table 67 presents the cross-tabulation analysis on Central Government's SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels two to five of the Lickert scale with concentration on level five as the total column indicates. The overall SSI is 4.48 with 0.770 standard deviations. Looking at the population density dimension, both types have their preferences concentrated in level five. Eta and eta-squared results (0.2827 and 8% respectively) indicate moderate relationship between variables.

TABLE 67: CROSS-TABULATION ANALYSIS ON CENTRAL GOVERNMENT'S INFLUENCES IN CRITERION 5

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1							
2		5%			4%		2%
3	6%	20%			22%	33%	11%
4	24%	25%	28%	10%	30%		24%
5	71%	50%	72%	90%	43%	67%	63%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.65	4.20	4.72	4.90	4.13	4.50	4.48
SD	0.600	0.950	0.460	0.320	0.920		0.770

Source: Data Analysis

Looking at the political context dimension, the preferences are concentrated in level five which is evidence that Central Government has strong influence in this criterion. In terms of causal relationships, Eta and eta-squared results (0.4495 and 20% respectively) indicate moderate relationship between variables.

Citizens

Table 68 presents the cross-tabulation analysis on Citizen's SSI according to population density and political context dimensions. It demonstrates observed frequencies on all of the Lickert scale with slightly concentration on level two as the total column indicates. The overall SSI is 2.19 with 1.03 standard deviations. Looking at the population density dimension, both preferences are concentrated in level two. Eta and eta-squared results (0.1506 and 2% respectively) indicate weak relationship between variables.

TABLE 68: CROSS-TABULATION ANALYSIS ON CITIZENS' INFLUENCES IN CRITERION 5

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	25%	32%	28%	36%	18%	67%	28%
2	41%	36%	33%	36%	45%	33%	39%
3	19%	32%	22%	18%	32%		24%
4	9%		11%		5%		6%
5	6%		6%	9%			4%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.31	2	2.33	2.09	2.23	1.5	2.19
SD	1.15	0.82	1.19	1.22	0.81		1.03

Source: Data Analysis

Looking at the political context dimension, the preferences are scattered in the three levels of the scale, which blurs stakeholder salience. Eta and eta-squared results (0.2452 and 6% respectively) indicate weak relationship between variables.

Councillors

Table 69 presents the cross-tabulation analysis on Councillor's SSI according to population density and political context dimensions. It demonstrates observed frequencies across the whole Lickert scale with concentration on level five as the total column indicates. The overall SSI is 4.58 with 0.870 standard deviations. Looking at the population density dimension, it is clear that the preferences are concentrated in level five. Eta and eta-squared results (0.0865 and 1% respectively) indicate insignificant relationship between variables.

The same evidence is verified in the political context dimension and where the preferences are concentrated in level five. This evidence ensures that Councillors are strong influential stakeholders in this criterion. Eta and eta-squared results (0.1559 and 2%) indicate weak relationship between variables.

TABLE 69: CROSS-TABULATION ANALYSIS ON COUNCILLORS' INFLUENCES IN CRITERION 5

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	5%		10%				3%
2							
3	5%	13%		25%	10%		8%
4	5%	25%	20%		10%	50%	14%
5	85%	63%	70%	75%	80%	50%	75%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.65	4.50	4.40	4.50	4.70	4.50	4.58
SD	0.990	0.730	1.260	1.000	0.660	0.710	0.870

Source: Data Analysis

Employees

Table 70 presents the cross-tabulation analysis on Employees' SSI according to population density and political context dimensions. It demonstrates observed frequencies

on across the whole Lickert scale with concentration on level two as the total column indicates. The overall SSI is 2.95 with 1.310 standard deviations. Looking at the population density dimension, the preferences are concentrated in level three which points out that Employees are likely to represent a medium influence in this criterion. Eta and eta-squared results (0.0934 and 1% respectively) indicate weak relationship between variables.

TABLE 70: CROSS-TABULATION ANALYSIS ON EMPLOYEES' INFLUENCES IN CRITERION 5

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	17%	6%	15%	20%	11%		13%
2	30%	31%	31%	40%	22%	67%	31%
3	13%	25%	31%		17%		18%
4	26%	19%	15%	40%	28%		23%
5	13%	19%	8%		22%	33%	15%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.85	3.09	2.65	2.60	3.28	2.63	2.95
SD	1.390	1.210	1.250	1.340	1.360		1.310

Source: Data Analysis

Looking at the political context dimension, the frequencies indicate that there is no significant agreement among preferences. Eta and eta-squared results (0.2700 and 7% respectively) indicate moderate relationship between variables.

Health Authorities

Table 71 presents the cross-tabulation analysis on Health Authorities' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on levels one and two (66%) as the total column indicates. The overall SSI is 2.13 with 1.02 standard deviations. Looking at the population density dimension, non-rural authorities have their preferences concentrated in levels one and two whilst rural authorities in level 3. Eta and eta-squared results (0.2217 and 5% respectively) indicate weak relationship between variables.

Looking at the political context dimension, the frequency distribution of the preferences indicates poor agreement among respondents. Eta and eta-squared results (0.3898 and 15% respectively) indicate moderate relationship between variables.

TABLE 71: CROSS-TABULATION ANALYSIS ON HEALTH AUTHORITIES' INFLUENCES IN CRITERION 5

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	35%	29%	18%	25%	62%		33%
2	38%	21%	47%	38%	15%		33%
3	23%	36%	29%	38%	15%	50%	28%
4	4%	7%	6%			50%	5%
5		7%			8%		3%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	1.96	2.43	2.24	2.13	1.77	3.5	2.13
SD	0.87	1.22	0.83	0.83	1.24		1.02

Source: Data Analysis

Local Businesses

Table 72 presents the cross-tabulation analysis on Local Businesses' SSI according to population density and political context dimensions. It demonstrates observed frequencies on the whole Lickert scale with concentration on levels one and two (70%) as the total column indicates. The overall SSI is 1.98 with 0.920 standard deviations. Looking at the population density dimension, non-rural authorities have their preferences concentrated in level one and rural authorities in level three. Eta and eta-squared results (0.0633 and 0% respectively) indicate insignificant relationship between variables.

TABLE 72: CROSS-TABULATION ANALYSIS ON LOCAL BUSINESSES' INFLUENCES IN CRITERION 5

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	39%	33%	20%	55%	45%		37%
2	35%	28%	40%	27%	25%	67%	33%
3	23%	39%	40%	9%	30%	33%	29%
5	3%			9%			2%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	1.94	2.06	2.20	1.82	1.85	2.50	1.98
SD	0.960	0.870	0.770	1.250	0.880		0.920

Source: Data Analysis

Looking at the political context dimension, there are preferences on level one (Conservative and non overall control authorities) and on levels two and three (Labour authorities). Eta and eta-squared results (0.2417 and 6% respectively) indicate weak relationship between variables.

Police Authorities

TABLE 73: CROSS-TABULATION ANALYSIS ON POLICE AUTHORITIES' INFLUENCES IN CRITERION 5

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	33%	23%	18%	25%	54%		30%
2	41%	31%	41%	63%	23%		38%
3	11%	31%	18%	12%	15%	50%	18%
4	15%	8%	24%			50%	13%
5		8%			8%		3%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.07	2.46	2.47	1.88	1.85	3.50	2.2
SD	1.04	1.2	1.07	0.64	1.21		1.09

Source: Data Analysis

Table 73 presents the cross-tabulation analysis on the Police Authorities' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration on levels one and two (68%) as the total column indicates. The overall SSI is 2.20 with 1.09 standard deviations. Looking at the population density dimension, non-rural authorities have their preferences slightly concentrated in level two whilst rural authorities' preferences are balanced between levels two and three. Eta and eta-squared results (0.1685 and 3% respectively) indicate weak relationship between variables.

Looking at the political context dimension, there are preferences in levels one (non-overall control authorities) and two (Conservative and Labour authorities) and this indicate poor agreement around Police Authorities' SSI. Eta and eta-squared results (0.4046 and 16% respectively) indicate moderate relationship between variables.

A summary of the findings of criterion 5

This criterion assessed how chief executives value stakeholder's power to influence the decision-making of English Authorities as controlling critical assets. Table 74 presents the summary of the findings of criterion five. According to chief executives' responses, there are three strong influential stakeholders able to exert influence in decision-making in this criterion. They are, in decreased importance order, Councillors and Central Government. On assessing causality, eta has been calculated as defined before. It indicates that Central Government, Police Authorities and Health Authorities' SSIs have moderate probability of being a dependent variable of political context. The other eta results indicate weak probability and therefore are not considered.

TABLE 74: SUMMARY OF THE FINDINGS OF CRITERION 5

Stakeholders	Findings	SSI	η	
			PD	PC
Councillors	Strong influential	4.58	0.0865	0.1559
Central Government	Strong influential	4.48	0.2827	0.4495
Employees	Medium influential	2.95	0.0934	0.2700
Police Authorities	Medium influential	2.20	0.1685	0.4046
Citizens	Medium influential	2.19	0.1506	0.2452
Health Authorities	Medium influential	2.13	0.2217	0.3898
Local Businesses	Weak influential	1.98	0.0633	0.2417

Source: Data Analysis

Table 75 presents the statistical association analysis in SSI in criterion 5. It demonstrates that there is strong positive correlation between Health and Police Authorities' influences upon the decision-making process in terms of controlling critical assets.

TABLE 75: CROSS LIKENESS ANALYSIS ON CRITERION 5

Criterion 5		
Slope	Range	Pairs
+	Strong correlation (.80 – 1.00)	St 09, St 16 (.911, $p < .01$)
	Useful strong correlation (.60 – .80)	St 03, St 19 (.763, $p < .01$) St 16, St 22 (.722, $p < .01$) St 10, St 19 (.695, $p < .01$) St 03, St 18 (.678, $p < .01$) St 10, St 18 (.673, $p < .01$) St 09, St 22 (.673, $p < .01$) St 11, St 18 (.655, $p < .01$) St 05, St 13 (.632, $p < .01$)
	Medium correlation (.30 - .60)	St 18, St 19 (.598, $p < .05$) St 11, St 19 (.501, $p < .05$) St 03, St 11 (.494, $p < .01$) St 03, St 05 (.457, $p < .01$) St 03, St 10 (.442, $p < .01$) St 05, St 10 (.408, $p < .05$)

Source: Data Analysis

Criterion 6 – Stakeholder powers by controlling technical skills

TABLE 76: RELIABILITY AND DESCRIPTIVE ANALYSES ON CRITERION 6

Stakeholders	Descriptive Statistics		Chi-Square Test			
	Mean	SD	χ^2	df	p	Fe
St 01	2.19	1.22	3.500	3	0.321	4.0
St 02	3.75	1.16	16.857	4	0.002	11.2
St 03	3.36	1.22	7.818	4	0.098	11.0
St 04	2.94	1.55	4.222	4	0.377	3.6
St 05	4.59	0.97	57.513	3	0.000	9.8
St 06	3.17	1.25	15.619	4	0.004	8.4
St 07	2.74	1.14	5.478	4	0.242	4.6
St 08	2.53	1.12	6.294	3	0.098	4.3
St 09	2.83	0.98	16.000	4	0.003	8.0
St 10	2.82	1.04	15.400	4	0.004	10.0
St 11	1.95	0.99	13.938	4	0.007	6.4
St 12	2.59	1.23	2.706	4	0.608	3.4
St 13	4.28	1.02	11.333	3	0.010	4.5
St 14	1.71	0.73	2.286	2	0.319	4.7
St 15	2.68	1.06	1.000	3	0.801	4.8
St 16	2.85	0.96	17.415	4	0.002	8.2
St 17	2.62	1.24	3.524	4	0.474	4.2
St 18	2.77	1.26	8.194	4	0.085	6.2
St 19	2.76	1.06	3.414	3	0.332	7.3
St 20	2.08	0.95	2.692	3	0.442	3.3
St 21	2.29	0.81	12.000	3	0.007	7.0
St 22	2.71	0.96	8.314	3	0.040	8.8

Source: Data Analysis

This criterion assessed how influential a stakeholder is likely to be by controlling the local authorities' required skills. Table 76 presents the results of the descriptive and reliability analysis in this criterion. The highlighted scores are those whose results complied with the chi-square parameters. The reliable findings are presented and analysed in alphabetical order as follows.

Central Government

Table 77 presents the cross-tabulation analysis on Central Government's SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale though concentrated on levels four and five (64%) as the total column indicates. The overall SSI is 3.75 with 1.15 standard deviations. Looking at the population density dimension, non-rural authorities have their preferences concentrated in level five (32%) whilst rural authorities in level four (41%). Eta and eta-squared results (0.0793 and 1% respectively) indicate insignificant relationship between variables.

TABLE 77: CROSS-TABULATION ANALYSIS ON CENTRAL GOVERNMENT'S INFLUENCES IN CRITERION 6

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	6%		5%	11%			4%
2	12%	18%	5%	11%	24%		13%
3	24%	9%	43%		5%		18%
4	26%	41%	14%	56%	38%	50%	33%
5	32%	32%	33%	22%	33%	50%	33%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.68	3.86	3.67	3.67	3.81	4.50	3.78
SD	1.22	1.08	1.15	1.32	1.17	0.71	1.15

Source: Data Analysis

Looking at the political context dimension, Labour authorities have their preferences concentrated in level three (43%), Conservative and non-overall control authorities in level four (56% and 38% respectively). Eta and eta-squared results (0.1863 and 3% respectively) indicate weak relationship between variables.

Councillors

Table 78 presents the cross-tabulation analysis on Councillor's SSI according to population density and political context dimensions. It demonstrates observed frequencies across the whole Lickert scale with significant concentration in level five (77%) as the total column indicates. The overall SSI is 4.61 with 0.970 standard deviations. Looking at the population density dimension, rural and non-rural authorities have their preferences massively concentrated in level five (94% and 65% respectively) and this evidence means fair agreement over the concept. Eta and eta-squared results (0.3043 and 9% respectively) indicate moderate relationship between variables.

TABLE 78: CROSS-TABULATION ANALYSIS ON COUNCILLORS' INFLUENCES IN CRITERION 6

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1	9%			13%	7%		5%
3	4%		8%				3%
4	22%	6%	8%	13%	13%	50%	13%
5	65%	94%	85%	75%	80%	50%	79%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.35	4.94	4.77	4.38	4.60	4.50	4.61
SD	1.190	0.250	0.600	1.410	1.060		0.970

Source: Data Analysis

Looking at the political context dimension, all preferences are concentrated in level five which corroborates Councillors as a strong influential stakeholder in this criterion. Eta and eta-squared results (0.1922 and 4% respectively) indicate weak relationship between variables.

Employees

Table 79 presents the cross-tabulation analysis on Employee's SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration in level two (40%) as the total column indicates. The overall SSI is 3.17 with 1.230 standard deviations. Looking at the population density dimension, the preferences are rather scattered through different levels

of the scale. Non-rural and rural authorities have their preferences concentrated in level 2 though concentration in the level four was identified. Eta and eta-squared results (0.0133 and 0% respectively) indicate insignificant relationship between variables.

TABLE 79: CROSS-TABULATION ANALYSIS ON EMPLOYEES' INFLUENCES IN CRITERION 6

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1	4%		6%				2%
2	42%	38%	29%	43%	60%		41%
3	15%	19%	12%	14%	20%	50%	17%
4	12%	31%	29%	14%	13%		20%
5	27%	13%	24%	29%	7%	50%	20%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.15	3.19	3.35	3.29	2.67	4.00	3.12
SD	1.350	1.110	1.320	1.380	0.980	1.410	1.230

Source: Data Analysis

Looking at the political context dimension, Conservative and non overall control authorities have their preferences concentrated in level two and Labour authorities it is scattered through three different levels. The evidence corroborates the poor agreement between respondents about Employee's influence in criterion six. Eta and eta-squared results (0.3085 and 10% respectively) indicate moderate relationship between variables.

Health Authorities

Table 80 presents the cross-tabulation analysis on Health Authorities' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration in levels two and three (66%) as the total column indicates. The overall SSI is 2.83 with 0.99 standard deviations. Looking at the population density dimension, non-rural authorities have their preferences concentrated in level two whilst rural authorities in level three. Eta and eta-squared results (0.0354 and 0% respectively) indicate insignificant relationship between variables.

Looking at the political context dimension, Conservative authorities have their preferences concentrated in level two (71.4%), Labour authorities in level three (50%) and

non overall control authorities in level four. This evidence indicates poor agreement among respondents over this stakeholder influence in this criterion. Eta and eta-squared results (0.4333 and 19% respectively) indicate moderate relationship between variables.

TABLE 80: CROSS-TABULATION ANALYSIS ON HEALTH AUTHORITIES' INFLUENCES IN CRITERION 6

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1	10%		7%	14%	7%		8%
2	32%	33%	21%	71%	27%		31%
3	29%	44%	50%	14%	13%	100%	33%
4	26%	22%	21%		47%		26%
5	3%				7%		3%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.81	2.89	2.86	2	3.2	3	2.85
SD	1.05	0.78	0.86	0.58	1.15		0.99

Source: Data Analysis

Local Businesses

Table 81 presents the cross-tabulation analysis on Local Businesses' SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with slightly concentration in level three (33%) as the total column indicates. The overall SSI is 2.82 with 1.05 standard deviations. Looking at the population density dimension, non-rural authorities have their preferences concentrated in level three whilst rural authorities in level two. Eta and eta-squared results (0.0764 and 1% respectively) indicate insignificant relationship between variables.

TABLE 81: CROSS-TABULATION ANALYSIS ON LOCAL BUSINESSES' INFLUENCES IN CRITERION 6

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1	18%		6%	25%	10%		10%
2	18%	45%	41%	13%	25%	25%	29%
3	39%	23%	29%	38%	35%	25%	33%
4	21%	27%	18%	25%	25%	50%	24%
5	4%	5%	6%		5%		4%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.75	2.91	2.76	2.63	2.9	3.25	2.84
SD	1.11	0.97	1.03	1.19	1.07		1.05

Source: Data Analysis

Looking at the political context dimension, Conservative and non-overall control authorities have their preferences concentrated in level three whilst Labour authorities in level two. Eta and eta-squared results (0.1665 and 3% respectively) indicate weak relationship between variables.

Police Authorities

Table 82 presents the cross-tabulation analysis on Police Authorities' SSI according to population density and political context dimensions. It demonstrates observed frequencies on the whole Lickert scale with concentration in level three (37%) as the total column indicates. The overall SSI is 2.88 with 0.970 standard deviations. Looking at the population density dimension, rural authorities have their preferences concentrated in level three and non-rural authorities have their balanced between levels two and three. Eta and eta-squared results (0.0816 and 1% respectively) indicate insignificant relationship between variables.

Looking at the political context dimension, Conservative authorities have their preferences concentrated in level two, Labour authorities in level three and non overall control authorities have their preferences scattered among levels two to four Eta and eta-squared results (0.2910 and 8% respectively) indicate moderate relationship between variables.

TABLE 82: CROSS-TABULATION ANALYSIS ON POLICE AUTHORITIES' INFLUENCES IN CRITERION 6

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1	9%		7%	14%	7%		8%
2	31%	22%	20%	57%	27%		28%
3	31%	56%	47%	14%	27%	100%	38%
4	25%	22%	27%	14%	33%		25%
5	3%				7%		3%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.81	3.00	2.93	2.29	3.07	3.00	2.88
SD	1.030	0.710	0.880	0.950	1.100	.	0.970

Source: Data Analysis

Voluntary Sector

Table 83 presents the cross-tabulation analysis on Voluntary Sector's SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels one to four of the Lickert scale with concentration on level three (47%) as the total column indicates. The overall SSI is 2.71 with 0.920 standard deviations. Looking at the population density dimension, both types of authorities have their preferences concentrated in level three. Eta and eta-squared results (0.1398 and 2% respectively) indicate weak relationship between variables.

TABLE 83: CROSS-TABULATION ANALYSIS ON VOLUNTARY SECTOR'S INFLUENCES IN CRITERION 6

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1	17%	9%	22%	13%	7%		12%
2	21%	18%	22%	38%	14%		21%
3	46%	45%	44%	38%	43%	100%	47%
4	17%	27%	11%	13%	36%		21%
5							
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.63	2.91	2.44	2.50	3.07	3.00	2.76
SD	0.970	0.940	1.010	0.930	0.920		0.920

Source: Data Analysis

Looking at the political context dimension, Labour and non-overall control authorities have their preferences concentrated in level three whilst Conservatives have it balanced between levels two and three. Eta and eta-squared results (0.3248 and 11% respectively) indicate moderate relationship between variables.

A summary of the findings of criterion 6

This criterion assessed how chief executives value stakeholder's powers to influence decision-making in the extent that they control the required skills that local authorities employ to carry out their activities. Table 84 summarises the findings of criterion six. In terms of stakeholder salience, chief executives rated only councillors in the upper level of the Lickert scale. On analysing causal relationships and focusing on the population density dimension, there is a single case in which the dependent variable SSI

has moderate probability of being related to the independent variable and it is identified in the eta result for Councillors. On the political context dimension, there are three possible cases in which eta is higher than 0.3.

TABLE 84: SUMMARY OF THE FINDINGS OF CRITERION 6

Stakeholders	Findings	SSI	η^2	
			PD	PC
Councillors	Strong influential	4.59	0.3043	0.1920
Central Government	Useful strong influential	3.75	0.0793	0.1863
Employees	Medium influential	3.17	0.0133	0.3085
Police Authorities	Medium influential	2.85	0.0816	0.2910
Health Authorities	Medium influential	2.83	0.0354	0.4333
Local Businesses	Medium influential	2.82	0.0764	0.1665
Voluntary Sector	Medium influential	2.71	0.1398	0.3248

Source: Data Analysis

Table 85 presents the correlation analysis performed with the relevant SSIs. It raises associations between pairs of stakeholder's influences. From the findings, there is strong correlation between Health and Police Authorities as well as Health and Upper Tie Authorities.

TABLE 85: CROSS LIKENESS ANALYSIS ON CRITERION 6

Criterion 6		
Slope	Range	Pairs
+	Strong correlation (.80 – 1.00)	St 09, St 16 (.862, $p < .01$) St 09, St 21 (.807, $p < .01$)
	Useful strong correlation (.60 – .80)	St 16, St 21 (.682, $p < .01$) St 10, St 16 (.635, $p < .01$) St 09, St 22 (.610, $p < .01$) St 10, St 22 (.609, $p < .01$)
	Medium correlation (.30 - .60)	St 09, St 10 (.585, $p < .01$) St 02, St 05 (.565, $p < .01$) St 05, St 10 (.532, $p < .01$) St 09, St 11 (.472, $p < .05$) St 02, St 21 (.465, $p < .05$)

Source: Data Analysis

Criterion 7: Stakeholder powers to influence the service delivery process

This criterion assessed how chief executives value stakeholder's powers to influence the service delivery process of English Local Authorities. It identified the

stakeholders likely to raise an issue to decision-making at the moment that local authorities produce and deliver services to the local community.

Table 86 presents the results of the descriptive and reliability analysis. The highlighted scores are those recommended by the chi-square calculation as fit to the minimum criteria. It indicates the Management Team as the highest influential stakeholder in this criterion followed by Councillors and Employees. The standard deviation calculation strengthens the mean result pointing out that there is agreement around the score. The reliable findings are presented and analysed in alphabetical order as follows.

TABLE 86: THE DESCRIPTIVE AND RELIABILITY ANALYSIS ON CRITERION 7

Stakeholders	Descriptive Statistics		Chi-Square Test			
	Mean	SD	χ^2	df	<i>p</i>	Fe
St 01	3.43	0.76	7.714	3	0.052	3.5
St 02	3.61	1.14	14.889	4	0.005	10.8
St 03	3.38	1.04	2.170	3	0.538	13.3
St 04	3.18	1.24	5.059	4	0.281	3.4
St 05	4.22	0.85	17.162	3	0.001	9.3
St 06	4.13	1.03	23.051	3	0.000	9.8
St 07	2.87	0.92	5.696	3	0.127	5.8
St 08	2.00	0.97	4.222	3	0.238	4.5
St 09	2.80	0.97	5.400	3	0.145	10.0
St 10	2.58	0.79	19.167	3	0.000	12.0
St 11	2.60	0.93	5.467	3	0.141	7.5
St 12	2.35	1.27	2.059	3	0.560	4.3
St 13	4.47	0.70	6.421	2	0.040	6.3
St 14	1.94	0.66	5.059	2	0.080	5.7
St 15	2.33	0.91	4.667	3	0.198	4.5
St 16	2.73	0.93	6.600	3	0.086	10.0
St 17	2.80	1.20	6.000	4	0.199	4.0
St 18	2.84	0.81	15.250	3	0.002	8.0
St 19	3.67	0.96	5.741	3	0.125	6.8
St 20	2.15	0.80	0.615	2	0.735	4.3
St 21	2.48	1.01	12.074	4	0.017	5.4
St 22	2.60	0.85	13.114	3	0.004	8.8

Source: Data Analysis

Central Government

Table 87 presents the cross-tabulation analysis on Central Government's SSI according to population density and political context dimensions. It demonstrates observed frequencies on all levels of the Lickert scale with concentration in its upper levels as the total column indicates. The overall SSI is 3.61 with 1.14 standard deviations. Looking at

the population density dimension. This investigation identified that non-rural authorities have their preferences concentrated in level four whilst rural in level three. Eta and eta-squared results (0.2793 and 8% respectively) indicate moderate relationship between variables.

TABLE 87: CROSS-TABULATION ANALYSIS ON CENTRAL GOVERNMENT’S INFLUENCES IN CRITERION 7

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1	3%	10%	6%	9%	4%		6%
2	9%	15%	6%	9%	17%		11%
3	18%	35%	12%	18%	26%	100%	24%
4	41%	25%	53%	27%	30%		35%
5	29%	15%	24%	36%	22%		24%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	3.85	3.2	3.82	3.73	3.48	3	3.61
SD	1.05	1.2	1.07	1.35	1.16	.	1.14

Source: Data Analysis

Looking at the political context dimension, the preferences are substantively concentrated in levels four and five. Eta and eta-squared results (0.1883 and 4% respectively) indicate weak relationship between variables.

Councillors

Table 88 presents the cross-tabulation analysis on Councillor’s SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels two to five of the Lickert scale with concentration on levels four and five (84%) as the total column indicates. The overall SSI 4.22 with 0.850 standard deviations. Looking at the population density dimension, the preferences are concentrated between levels four and five. Eta and eta-squared results (0.0297 and 0% respectively) indicate insignificant relationship between variables.

Looking at the political context dimension, this investigation identified concentration in levels four and five. Eta and eta-squared results (0.2940 and 9% respectively) indicate moderate relationship between variables.

TABLE 88: CROSS-TABULATION ANALYSIS ON COUNCILLORS' INFLUENCES IN CRITERION 7

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1							
2	5%	6%			10%		5%
3	14%	6%	20%		10%		11%
4	33%	50%	50%	20%	40%	50%	41%
5	48%	38%	30%	80%	40%	50%	43%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.24	4.19	4.10	4.80	4.10	4.50	4.22
SD	0.890	0.830	0.740	0.450	0.970	0.710	0.850

Source: Data Analysis

Employees

Table 89 presents the cross-tabulation analysis on Employees' SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels two to five of the Lickert scale with concentration on level five (54%) as the total column indicates. The overall SSI is 4.13 with 1.03 standard deviations. Looking at the population density dimension, it indicates substantive concentration of the preferences in level five. Eta and eta-squared results (0.0486 and 0% respectively) indicate insignificant relationship between variables.

TABLE 89: CROSS-TABULATION ANALYSIS ON EMPLOYEES' INFLUENCES IN CRITERION 7

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1							
2	4%	6%	8%		6%		5%
3	35%	25%	33%	50%	28%		31%
4	9%	13%	8%		11%	33%	10%
5	52%	56%	50%	50%	56%	67%	54%
Total	100%	100%	100%	100%	100%	100%	100%
Mean	4.09	4.19	4.00	4.00	4.17	4.75	4.13
SD	1.04	1.05	1.13	1.10	1.04		1.03

Source: Data Analysis

Looking at the political context dimension, it also indicates concentration in level five and this evidence strengthens Employees as a strong influential stakeholder in

this criterion. Eta and eta-squared results (0.1835 and 3% respectively) indicate weak relationship between variables.

Local Businesses

Table 90 presents the cross-tabulation analysis on Local Businesses' SSI according to population density and political context dimensions. It demonstrates observed frequencies on levels one to four of the Lickert scale with concentration in level two (42%) as the total column indicates. The overall SSI is 2.58 with 0.790 standard deviations. Looking at the population density dimension, non-rural authorities have their preferences concentrated in level three whilst rural authorities in level two. Eta and eta-squared results (0.0274 and 0% respectively) indicate insignificant relationship between variables.

Looking at the political context dimension, Labour authorities have their preferences concentrated in level three, Conservative in level two and non overall authorities have their preference balanced between levels two and three. Eta and eta-squared results (0.2634 and 7% respectively) indicate moderate relationship between variables.

TABLE 90: CROSS-TABULATION ANALYSIS ON LOCAL BUSINESSES' INFLUENCES IN CRITERION 7

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservatives	Non overall	Others	Total
1	7%	6%		8%	10%		6%
2	37%	50%	31%	50%	40%	67%	42%
3	50%	22%	54%	33%	40%		40%
4	7%	22%	15%	8%	10%	33%	13%
5							
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.57	2.61	2.85	2.42	2.50	2.50	2.58
SD	0.730	0.920	0.690	0.790	0.830		0.790

Source: Data Analysis

Voluntary Sector

Table 91 presents the cross-tabulation analysis on Voluntary Sector's SSI according to population dimension and political context dimensions. It demonstrates

observed frequencies on levels one to four of the Lickert scale with concentration on level three (49%) as the total column indicates. The overall SSI is 2.60 with 0.850 standard deviations. Looking at the population density dimension, the preferences are concentrated in level three which indicates that the Voluntary Sector is regarded as medium influential stakeholder in this criterion. Eta and eta-squared results (0.2395 and 6% respectively) indicate moderate relationship between variables.

TABLE 91: CROSS-TABULATION ANALYSIS ON VOLUNTARY SECTOR'S INFLUENCES IN CRITERION 7

Population Density			Political Context				
Lickert scale	Non-rural	Rural	Labour	Conservative	Non overall	Others	Total
1	14%		7%	20%	11%		11%
2	29%	29%	29%	10%	44%	50%	29%
3	50%	43%	57%	50%	44%		49%
4	7%	29%	7%	20%		50%	11%
5							
Total	100%	100%	100%	100%	100%	100%	100%
Mean	2.50	3.00	2.64	2.70	2.33	3.00	2.60
SD	0.840	0.820	0.740	1.060	0.710		0.850

Source: Data Analysis

Looking at the political context dimension, it indicates that preferences are rather concentrated in level three which corroborates Voluntary Sector as a medium influential stakeholder in criterion seven. Eta and eta square results (0.3556 and 13% respectively) indicate moderate relationship between variables.

A summary of the findings of criterion 7

This criterion identified how influential stakeholders are perceived by chief executives according to their power to influence the service delivery process. Table 92 presents the findings indicating each stakeholder's score as well as eta calculation results. According to these results, there are some cases in which causal relationships can be, even slightly, identified. In the first dimension, Central Government and Voluntary Sector's SSIs are moderately probable of being a dependent variable of population density. In the second dimension, Councillors, Voluntary Sector and Local Businesses' SSIs are moderate

probable of being a dependent variable of political context. The other SSIs are weakly or insignificant related to the independent variables.

TABLE 92: SUMMARY OF THE FINDINGS OF CRITERION 7

Stakeholders	Findings	SSI	H	
			PD	PC
Councillors	Strong influential	4.22	0.0297	0.2940
Employees	Strong influential	4.13	0.0486	0.1835
Central Government	Strong useful influential	3.36	0.2793	0.1883
Voluntary Sector	Medium influential	2.60	0.2395	0.3556
Local Businesses	Medium influential	2.58	0.0274	0.2634

Source: Data Analysis

Table 93 presents the statistical association analysis in the SSI of criterion seven (the whole table is in the annex). It indicates only one strong positive that is identified in the pair Health and Police Authorities.

TABLE 93: CROSS LIKENESS ANALYSIS ON CRITERION 7

Criterion 7		
Slope	Range	Pairs
+	Strong correlation (.80 – 1.00)	St 09, St 16 (.863, $p < .01$)
	Useful strong correlation (.60 – 0.80)	St 19, St 22 (.735, $p < .01$)
	Medium correlation (.30 – .60)	St 02, St 19 (.651, $p < .01$)
		St 02, St 10 (.346, $p < .05$)
St 03, St 05 (.552, $p < .01$)		
		St 05, St 19 (.512, $p < .05$)

Source: Data Analysis

Subsection 4: Testing hypotheses through the stakeholder salience index (SSI)

Stakeholder's salience and geographical differences

Contingency tables combined with chi-square calculation were used to test stakeholder's salience in the geographical difference dimension. Eta is employed to identify the relationships between dependent and independent variables, which according to Bryman (2001) are indicated when nominal and interval/ratio variables are set together. The analysis also used Pearson's r correlation coefficient in order to test the level of the relationships between the overall SSIs (the average calculation on each SSI in the seven

criteria). It was assumed that this calculation would demonstrate how similar the SSIs are likely to be.

The overall Pearson's calculation resulted in strong correlation (.912, $p < .01$), which indicates that the relationship between SSIs is positive and strong. That means there is high agreement between rural and non-rural SSI averages. So, regardless the type of authority, whether rural and non-rural, chief executives evaluate stakeholder influences in the same way. Looking at each criterion, the results are quite similar as table 116 demonstrates.

This result indicates that there is a significant probability that the SSI of non-rural authorities is related to the SSI of rural authorities. This evidence gives support to reject the null hypothesis and to assume that stakeholder salience is not an issue of population density context. In other words, the amount of importance addressed to a specific stakeholder is not at all related to the geographical environment in which organisations are inserted.

Eta results, as demonstrated throughout this chapter, indicate that it is unacceptable to affirm that there are relationships between dependent variable and independent variables. The highest value of eta is identified in Partner Agencies' SSI in criterion six ($\eta = .599$, $\eta^2 = 36\%$) however this stakeholder, due to low statistical confidence has not been included in the analysis. In terms of relationship, the main findings raised by this analysis are listed below. The analysis took into account only the results considered moderate and strong relationships in the two contexts, namely population density and political context:

- Criterion 1: no result can be considered as, at least, of moderate relationship between variables;
- Criterion 2: Employees ($\eta = 0.294$) and Health Authorities ($\eta = 0.303$);
- Criterion 3: Central Government ($\eta = 0.331$);

- Criterion 4: no result can be considered as, at least, of moderate relationship between variables;
- Criterion 5: Central Government ($\eta = 0.283$);
- Criterion 6: Councillors ($\eta = 0.304$);
- Criterion 7: Central Government ($\eta = 0.279$)

Stakeholder salience and political leadership differences

At this stage, the analysis focused on Labour, Conservative and non-overall control authorities and the other types of political context are discarded due to low response rate. Table 94 presents the results of the Pearson’s correlation calculation performed in the SSI according to seven different types of authorities. In overall the correlation results indicates positive and strong statistical association between the pairs. The highest correlation is identified in the pair Labour and Non-rural authorities (.968, $p < .01$). This evidence allows the investigation to reject the null hypothesis that there is no statistical association between stakeholder’s salience and the different types of authorities (geographical and political control).

TABLE 94: PEARSON’S CORRELATION CALCULATION ON THE OVERALL SSIS

		Correlations				
		SSI non-rural authorities	SSI rural authorities	SSI Labour authorities	SSI Conservative authorities	SSI non-overall control authorities
SSI non-rural authorities	Pearson Correlation	1.000	.912**	.968**	.962**	.952**
	Sig. (2-tailed)	.	.000	.000	.000	.000
	N	22	22	22	22	22
SSI rural authorities	Pearson Correlation	.912**	1.000	.939**	.800**	.940**
	Sig. (2-tailed)	.000	.	.000	.000	.000
	N	22	22	22	22	22
SSI Labour authorities	Pearson Correlation	.968**	.939**	1.000	.886**	.928**
	Sig. (2-tailed)	.000	.000	.	.000	.000
	N	22	22	22	22	22
SSI Conservative authorities	Pearson Correlation	.962**	.800**	.886**	1.000	.874**
	Sig. (2-tailed)	.000	.000	.000	.	.000
	N	22	22	22	22	22
SSI non-overall control authorities	Pearson Correlation	.952**	.940**	.928**	.874**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.
	N	22	22	22	22	22

** Correlation is significant at the 0.01 level (2-tailed).

Source: Data Analysis

Eta and eta-squared were calculated in order to assess the relationship between political context and stakeholder salience. Here, there are some cases in which both eta and eta-squared indicate significant relationship between dependent and independent variables. The highest eta is identified in criterion with the pair the Audit Commission's SSI and political control ($\eta = .723$, $\eta^2 = 52\%$). Comparing eta and eta-squared with the number of indications each stakeholder received, there is high negative correlation between them, i.e. stakeholders with low nomination are more likely to achieve a higher eta. The findings are presented below.

- Criterion 1: Local Businesses ($\eta = 0.475$), Health Authorities ($\eta = 0.473$), and Citizens ($\eta = 0.293$);
- Criterion 2: Employees ($\eta = 0.400$), Councillors ($\eta = 0.308$), Voluntary Sector ($\eta = 0.259$), and Central Government ($\eta = 0.253$);
- Criterion 3: Health Authorities ($\eta = 0.385$), Central Government ($\eta = 0.324$) and Local Businesses ($\eta = 0.267$);
- Criterion 4: Central Government ($\eta = 0.416$), Police Authorities ($\eta = 0.395$) and Health Authorities ($\eta = 0.360$);
- Criterion 5: Central Government ($\eta = 0.450$), Police Authorities ($\eta = 0.405$), Health Authorities ($\eta = 0.390$) and Employees ($\eta = 0.270$);
- Criterion 6: Health Authorities ($\eta = 0.433$), Voluntary Sector ($\eta = 0.325$), Employees ($\eta = 0.309$) and Police Authorities ($\eta = 0.291$);
- Criterion 7: Voluntary Sector ($\eta = 0.356$), Councillors ($\eta = 0.294$) and Local Businesses ($\eta = 0.263$)

A preliminary rank of stakeholders in local government

Table 95 presents the overall results about stakeholder's salience taking into account the criteria power (Winstanley et al, 1997). In the table, it can be identified the sort

of stakeholders involved when local authorities are dealing with issues about the definition of objectives, priorities, and performance.

TABLE 95: OVERVIEW OF THE SSI'S RESULTS ON CRITERIA POWER

Criteria	Strong Influential	Useful Strong Influential
Criterion 1	Councillors (4.85) Management Team (4.50)	Central Government (3.94) Citizens (3.58) Service Users (3.21) Police Authorities (3.02)*
Criterion 2	Councillors (4.71) Service Users (4.50)	Central Government (3.88) Employees (3.51) Employees (3.37)
Criterion 3	Central Government (4.62)	Councillors (3.59) Employees (3.51)
Criterion 4	Citizens (4.27) Councillors (4.14)	Central Government (3.62) Local Businesses (3.22)

*Standard Error of 0.1234

Source: Data Analysis

Table 96 presents a summary the strongest stakeholders able to influence due to operational power (ibid). According to chief executives' responses, Councillors, Management Team, Central Government and Employees are the most powerful stakeholders at this stage.

TABLE 96: OVERVIEW OF THE SSI'S RESULTS ON OPERATIONAL POWER

Criteria	Strong Influential	Useful Strong Influential
Criterion 5	Management Team (4.65) Councillors (4.58) Central Government (4.48)	
Criterion 6	Councillors (4.59)	Central Government (3.75) Employees (3.17)
Criterion 7	Management Team (4.47) Councillors (4.22) Employees (4.13)	Central Government (3.36)

Source: Data Analysis

Table 97 presents and average of the SSI for the seven criteria, which could be seen as a preliminary rank of the stakeholders, involved in the decision-making process of English Local Authorities. This rank is a simulation of the potential stakeholders able to participate in local government decision-making due to the results of the chi-square

calculation. Even though the chi-square requirements, all stakeholders are taken into account in this demonstration. The second column (Mean A) presents the overall stakeholder's salience in the criterion which Winstanley and colleagues (1997) called criteria power and it identifies stakeholder's potential power to influence policy-making, i.e. it measures to what extent a stakeholder is able to influence objectives and strategies. The third column (Mean B) presents stakeholder's salience on operational power and it identifies stakeholder's potential power to influence the service delivery process. The fourth column (Mean C) represents the stakeholder overall power to influence local authorities.

TABLE 97: AN OVERALL SSI AS PERCEIVED BY CHIEF EXECUTIVES

Stakeholders	Mean A	Mean B	Mean C	SD
Audit Commission	3.46	2.59	3.02	1.00
Central Government	4.01	3.95	3.98	1.01
Citizens	3.41	2.98	3.19	1.05
Contractors	2.11	2.80	2.46	1.26
Councillors	4.33	4.46	4.40	0.82
Employees	3.03	3.41	3.22	1.16
Fire Authorities	2.73	2.64	2.68	0.99
Further Education	2.27	2.16	2.21	1.08
Health Authorities	2.71	2.58	2.64	0.95
Local Business	2.71	2.46	2.59	0.92
Local Media	2.25	1.96	2.11	0.90
Lower Tie Authorities	2.61	2.22	2.42	1.21
Management Team	4.00	4.47	4.24	0.85
Other Local Authorities	2.06	1.77	1.91	0.83
Partner Agencies	2.66	2.46	2.56	1.04
Police Authorities	2.66	2.59	2.62	0.94
Political Parties in General	2.77	2.61	2.69	1.18
Pressure Groups	2.78	2.50	2.64	1.03
Service Users	3.42	2.89	3.15	0.99
Trade Unions	1.74	1.96	1.85	0.76
Upper Tie Authorities	2.09	2.37	2.23	0.94
Voluntary Sector	2.47	2.36	2.42	0.91

Source: Data Analysis

The second column raises three potential stakeholders in the objective definition process, they are: Councillors, Central Government and the Management Team

respectively. According to chief executives' responses, local authorities must keep an eye on these stakeholders even though two of them being inside the local authority. The third column indicates the Management Team and Councillors as potential powerful stakeholders. Finally, the third column indicates as strong influential stakeholders Councillors and the Management Team respectively.

The fourth column represents the standard deviations of the averages and it indicates how disperse the SSIs are from the population's average. According to the findings, the most powerful stakeholder is Councillors, which were rated with 4.40 and which places them in the upper level of the Lickert scale. The other important stakeholder according to chief executives' responses is the Management Team (4.24).

The overall stakeholder salience rank is:

1. Strong Influential stakeholders (score > 4 and 5): Councillors and Management Team;
2. Useful strong influential stakeholders (score > 3 and 4): Central Government, Citizens, Employees, Service Users, and the Audit Commission
3. Medium influential stakeholders (score > 2 and 3): Political Parties, Fire Authorities, Pressure Groups, Health Authorities, Police Authorities, Local Businesses, Partner Agencies, Lower Tie Authorities, Voluntary Sector, Contractors, Further Education Organisations, Upper Tie Authorities, and Local Media;
4. Weak influential stakeholders (score > 1 and 2): other local authorities and Trade Unions.

Conclusion

This chapter described data gathered through a consultation carried out with chief executives of English Local authorities. It is part of an investigation about stakeholder's roles in the decision-making process of this type of organisations. The consultation's main aims were to identify the stakeholders as well as their importance in

decision-making. For doing so, the consultation was split into two main questions. The first asked the respondents to list who they consider a stakeholder likely to have influence in decision-making and the second asked them to rate those stakeholder through a seven criteria model (Winstanley et al, 1995) about power to influence the guidance and operation of decision-making.

As a result of the survey's first question, twenty-two stakeholders were nominated. The second question helped to identify issues on local government stakeholder management. The criteria, in which the second question was based, involved issues about both guidance and operation involving decision-making. In other words, there are two arenas in which issues in decision-making are dealt with: one arena comprises the issues about policies and directions and the other arena comprises issues about the service delivery process.

Another finding from this chapter is related to stakeholder identification and salience, which is regarded as both descriptive and normative contribution to stakeholder theory. The findings allows the conclusion that stakeholder identification and salience are independent from geographical differences and political contexts in the extent that there are no significant relationships between the tested variables and which ensured the rejection of the null hypotheses. Therefore, stakeholder identification and salience seems to be a universal issue to decision-making and it is not related to the geographical neither to the political contexts in which organisations are inserted.

In relation to the research question upon that steered the investigation throughout, evidences presented in this chapter proved that there are some powerful stakeholders able to participate and to influence decision-making. For example: on defining objectives chief executives agreed that Councillors and Senior Officers have capital importance in the extent that they are considered as strong influence. On delivering services, chief executives granted that Employees represent strong influence upon the

process. These two examples strengthen the fact that some stakeholders are important in decision-making. Now, it is time to find out how stakeholder influences come about in decision-making.

In the next chapter, findings about stakeholder participation in decision-making are presented. The findings were gathered through qualitative investigation with English Local Authorities. Such effort intends to unfold the sort of participation stakeholders are likely to have in the process overall. This issue will certainly shed light on the research question.

CHAPTER 6: STUDY 2 – UNFOLDING LOCAL GOVERNMENT DECISION-MAKING

This chapter presents the second part of the investigation which was undertaken applying qualitative methods. The main aims of this part are to identify how English Local Authorities make decisions as well as the stakeholder's roles in this process. The analysis scanned different actors' discourse looking for patterns of behaviour which could provide clues about stakeholder's participation in decision-making. In other words, the investigation was interested in the environmental conditions in which English Local Authorities make decisions as well as to uncover the patterns of relationships formed between these organisations with stakeholders. Just recalling, the main research question steering the whole investigation is: Is English Local Government decision-making a stakeholder-based process? Due to the variety of services local governments are entitled to deliver in English context, the investigation is focusing on the Waste Collection Service.

The qualitative investigation was split into two stages:

1. The portrayal of the decision making process. The process has been carried out by employing cross-sectional case studies combined with the analysis of documents issued by central government;
2. The validation of the decision making process which has been carried out by confronting the findings above with the view of key informants within the English local government scenario.

As a result of the research process, at the end of the chapter the arena in which English Local Authorities make decisions is depicted. In this exercise, the various patterns of stakeholder's participation in decision-making are depicted which will be helpful to confront with the findings from the first study in order to conclude about stakeholder power for influencing the decision making process of local government organisations.

Section 1: Identifying how English Local Authorities Make Decisions

This section presents the findings from a cross-sectional case study carried out with four English Local Authorities from August 2001 to November 2002. The investigation presented in this section has three main objectives:

1. To describe how English Local Authorities make decisions;
2. To identify within this decisions the sort of environmental powers that come about in the decision making process throughout;
3. To identify the environmental actors (stakeholders) likely to be related to the environmental powers.

In order to accomplish the above objectives, the investigation heard the description of the decision making process from different sorts of sources:

- Group 1: discourse of actors involved in the decision making process:
 - Interviews with representatives of senior officers who represent the managerial and operational decision-making level (DETR, 2000a) within local authority;
 - Interviews with representatives of the staff;
 - Interviews with councillors who represent the executive decision-making level (DETR, 2000a);
- Group 2: institutional discourse which are stated in documents issued by both central and local government:
 - Analysis of Best Value Performance Plan or other document issued by local authorities;
 - Analysis of documents issued by Central Government's departments;

As a matter of methodology, this section is split into two subsections. In the first subsection the findings from each case are presented and in the second section the findings from the analysis of documents are presented.

Describing the four cases

In the quantitative part of the investigation, which is fully described in chapter five, several local authorities were invited to participate as a case study. As a result of this consultation, eighteen authorities agreed to participate in the following up investigation. In accordance with the case study design, four authorities were chosen and communicated about the investigation.

The chosen local authorities were the London Borough of Hackney, the Metropolitan District of Calderdale, and the District Councils of Braintree and South Northamptonshire. As the four local authorities were from different background (administrative nature, geographical characteristics, and political control) representatives from four cases agreed that the investigation should focus on the Waste Collection Service because this is a sort of service that all of them have to deliver to their constituencies.

The four cases are described as follows.

The London Borough of Hackney

Located in the Greater London area, the London Borough of Hackney had at the time of the investigation a population of 193,843 inhabitants (Municipal Year Book, 2002, p. 450) and it occupies an area of 1,950 hectares (ibid). Its council was composed by 60 councillors with the following composition: 32 Labours, 15 Liberal Democrats, 11 Conservatives, and 2 Greens. Elections in Hackney are undertaken on a four years cycle for the whole council (ibid).

The London Borough of Hackney is not a well run and has not been for too long (Best Value Inspection Report, 2001). According to BVI, the main problems, which turn Hackney into a not well-managed council, are the following:

- Financial problems;
- Lack of political leadership;
- Lack of strong top managers;
- Fail of essential services;
- “There is a culture of depressed cynicism amongst many of the council’s management.” (BVIR, 2001, p. 6)

Hackney has a rather young population. The 1999 Census stated that 71% of Hackney’s population are less than 44 years old. The Best Value Inspection Report (2000) states that Hackney has the worst unemployment rate in Britain: 14.7%. Housing is another serious problem in the borough. Around 55% of the population in the Borough rely either on the council or on housing associations for housing. The BVIR also declares that around 8% of the population are composed by asylum seekers, which makes the service delivery process even more difficult.

FIGURE 9: HACKNEY’S LOCATION WITHIN THE GREATER LONDON AREA



Source: National Statistics Office

Resulting from this failing administration, some services delivered by the council has been under Central Government’s scrutiny. An example of such pressure was the appointment of the Chief Inspector of Schools Mike Tomlinson “to lead the failing

education authority in the London Borough of Hackney” (The Guardian, 2002: p. 6). The figure below shows the Great London and its boroughs. The area number 12 represents the London Borough of Hackney. The Corporation of London is the number 7 at the centre of figure 9.

The Metropolitan District of Calderdale

Located in the Yorkshire and the Humber, the Metropolitan District of Calderdale appeared as a result of the Local Reorganisation of 1974 (Municipal Year Book, 2002, p. 176). At the time of the investigation, it had a population of 193,000 inhabitants and it occupies an area of 36,346 hectares (ibid, p. 173). Elections in Calderdale are undertaken to fulfil a third of the council. Calderdale council was composed by 54 councillors, whose political composition is 28 Conservatives, 15 Liberal Democrats, 10 Labours and 1 Independent. Figure 10 shows Calderdale’s location within the region of Yorkshire and the Humber. It is represented by the area number 3.

FIGURE 10: CALDERDALE’S LOCATION WITHIN THE REGION OF YORKSHIRE



Source: National Statistic Office

The District Council of Braintree

The District Council of Braintree is located in Essex County Council. At the time of the investigation, it had a population of 132,294 inhabitants and it occupies an area of 61,206 hectares (ibid p. 126). Elections in Braintree are undertaken for the whole

council. Braintree council was composed by 60 councillors with the following political composition: 31 Labours, 17 Conservatives, 4 Independents, 3 Liberal Democrats, 3 R. and 2 Greens. The figure below shows the region of Essex in which the area number 4 represents Braintree.

FIGURE 11: BRAINTREE'S LOCATION IN ESSEX COUNTY COUNCIL.



Source: National Statistics Office

The District Council of South Northamptonshire

Located in Northamptonshire County Council, the South Northamptonshire District Council has, at the time of the investigation, a population of 79,440 inhabitants and it occupies an area of 63,156 hectares (ibid, p. 953). The council was composed by 42 councillors (ibid, p. 955) with the following political composition: 29 Conservatives, 6 Labours, 4 Independents and 3 Liberal Democrats (ibid 956). Elections in South Northamptonshire are undertaken in a whole council basis (ibid 953). The figure below shows the location of the district in the East Midlands' map in which the area number 38 represents South Northamptonshire.

FIGURE 12: SOUTH NORTHAMPTONSHIRE'S LOCATION WITHIN EAST MIDLANDS REGION



Source: National Statistics Office

The data collection process

In this part of the investigation, data was collected seeking to identify the process through which stakeholder influences come about in the decision making process of English Local Authorities. For doing so, a two stages methodology has been devised as defined in chapter four. In the first stage a cross-sectional case study involved four local authorities and the second was carried out by looking at key-informants perceptions about the matter, which was done through semi-structured interviews. The first stage lasted four months in which one month was dedicated to each local authority¹³. The second stage was undertaken from December 2001 to February 2002. The data collection process is described below in details.

The within-case

This subsection shows the results of each case study separately. It presents the interviews carried out with representatives from each local authority, namely senior officers, councillors, and staff representatives as well as the analysis of documents issued by each local authority as part of the Best Value scheme. Data is presented after being

¹³ With the exception of the case of Hackney, whose last interview was performed in January 2002

coded with the help of the NUDIST software as defined in the methods chapter. The results are presented in order to give an overview about how interviewees described the decision-making process and the sort of stakeholders involved in the process.

As shown in the methodology chapter, a set of questions was presented to each interviewee in a semi-structured way. The questions were:

- Please describe the decision making process of your authority?
- Please identify any stakeholder influences in the process?
- Please identify who is likely to be regarded as the strongest stakeholder?
- Can you see any relationship between stakeholder influences and organisational performance?

After this point, the interviewer presented a stakeholder list and he asked the interviewees to point their perception about those stakeholder influences. This approach aimed to find out how the interviewee reacted to the stakeholders listed presented in chapter five. It was important to ensure external validity and any divergence between the two research approaches. The whole interview process was recorded with permission for posterior transcription. Once finished, the interviews were transcribed and reviewed by a native speaker in order to reduce misgivings.

Describing data analysis process

Data is presented in two ways. Firstly, the data from the within case study is presented. That means the result for each case study separately. After that, the cross-comparison analysis among case findings which is expected to depict the whole decision making process is presented.

The within-case

On analysing data, a process called 'Partially Ordered Meta-Matrix' is applied as detailed in chapter four. With the help of the NUDIST, the investigation fragmented the

whole set of transcribed interviews and documents into phrases. These phrases were constructed by putting together a subject, a verb, and a complement as follows.

- The subject represents a stakeholder either receiving from or making influence on the decision making process;
- The verb represents the influence which can be active or passive;
- The complement represented how the influence is placed on decision-making as well as the part of the decision making process which received the influence.

Table 98 shows how the partitioning process is structured. After being fragmented into units, data were sorted in alphabetical order. In this analysis, the similarities on stakeholder's identification and the sort of influences given/received emerged. After sorted, data were clustered looking at similarities among unities and, then, placed into tables. Each table focused on a single stakeholder. This process eased the identification of similarities and differences under which each interviewee stated his/her perceptions about stakeholder influences.

TABLE 98: CODIFICATION LOGICS FOR DEPICTING STAKEHOLDER'S INFLUENCES

Subject	Action	Complement
A stakeholder cited by the sources	A verb which demonstrates an action exerted by stakeholders and suffered by decision-making	An actor who received the stakeholder action An extension of the action
Example		
Central Government	States	The legal framework

Source: Based on Miles and Huberman (1994)

The within-case analysis was complemented with the analysis of the evidence gathered within Best Value Plans. As a statutory obligation of each local authority under the Best Value Scheme, the Best Value Plan represents a set of objectives and targets with which the authority intends to improve its performance. For the investigation, the Best Value Plan represents the formal discourse of the local authority in which the main

stakeholders are nominated. The analysis of this document both ratified and complemented the evidence gathered through interviews.

The analysis of documents process was carried out looking at evidence about how stakeholders are considered in decision-making. That is, whether the council seeks any stakeholder contribution when building up its main strategies. At that time, the investigation was aware that these documents were prepared as an answer to Best Value scheme. Furthermore, each document has to be scrutinised by the Best Value Inspectorate before going to publication. In this way, the analysis of documents would add issues about discourse and practice within local authorities.

The cross-sectional analysis

Having the within-case analysis completed, the cross-case analysis which confronted the evidence gathered in the within case stage was carried out. For doing so, the results from the four cases were placed into tables in which the commonalities and differences among findings were identified. Miles and Huberman (1994) call this process analysis through meta-matrix. The meta-matrix is a matrix in which data from several sources are put together in order to cross-analyse them.

Subsection 1: Data collection process (phase 1)

Data is presented below as it happens in chronological order. Recalling that the data collection process started in August 2001 and it finished in November the same year.

(i) An Urban Authority Led by the Labour Party

The London Borough of Hackney was the first authority to be visited and it took the whole month of August 2001. Hackney's performance indicators indicated that it is the worst managed local authority in the UK. On the first day, it was possible to interview two members of the management team. The first respondent was responsible for the Policy Department and involved with the Best Value Review. Unfortunately, he is no longer part of the team. The second interview was with a member of the Refuse Collection

Services. At the time of the interview, he declared that he was temporarily in charge and there would be someone else appointed to the post. An interview with a representative of councillors was only possible after several months, precisely in January 2002. As inputs for the analysis of documents, the local authority provided the Best Value Plan and Best Value Review of Waste Management (Final Version).

The case of Hackney has been rather interesting due to its peculiarities. As the interviewees declared, the local authority's actual situation is singular because none of English councils have been under such scrutiny before. In this way, Hackney turns itself into a reference for comparing with other local authorities.

About Hackney's decision-making process, it is carried out in the following way. The councillors attend two sorts of meetings: the full council meetings and committee meetings. The full council deliberates about policies, council's taxes and the budget. The committees deliberate about issues on council's management. These committees are nominated as general and neighbour. The general committee cares about managerial issues such as finance, planning, environment, education, social services, housing, and so on. The neighbour committee looks at local issues and they are carried out in the wards. The following evidence was taken from the data analysis process. Table 99 presents the influences detected.

Table 99: Detected stakeholder influences in Hackney

Central government				
Senior Officers	Staffs	Councillors	Documents	Summary
Allocates money Controls performance Has a stake Sets the agenda Sets the legal framework	Allocates money Controls performance Instructs the council Sets the agenda Sets the legal framework	Allocates money Sets the agenda Sets the legal framework Takes away responsibilities	Places expectations Places requirements Sets the agenda Sets the legal framework	Allocates money Controls performance Has a stake Instructs the council Places expectations Places requirements Sets the agenda Sets targets Sets the legal framework
Local businesses				

Are consulted	Are consulted Are engaged	Have to be involved	Are involved Are reported Are to be consulted Place expectations	Are consulted Are engaged Are reported Are to be involved Place expectations
Citizens				
Are consulted Are informed Are surveyed Are taken into account Have needs Have to be motivated Need to be engaged Place expectations	Are consulted Are service users Have the right to play Have to be engaged Have to complain Have to say	Are consulted Are engaged Elect the councillors Have to be consulted Have to be empowered Have to be encouraged to participate Have to be engaged Have to be helped Have to be informed Shouldn't be fused Some of them do not respond	Are involved Are reported Are represented Are surveyed Are to be consulted Pay taxes Place expectations	Are consulted Are reported Are represented Are service users Are to be engaged Are to be informed Are to be motivated Elect the councillors Have to complain Pay taxes Place expectations
Councillors				
Hold authority Listen citizens Make all decisions Make contracts Make policy decisions. Monitor the officers Represent the community Run the council Set down policies	Approve policies Approve reports Are consulted Focus on agenda Hold authority Make decisions	Delegate responsibilities Hold authority Make decisions Represent the community	Agree policies Approve plans Have to be aware Monitor performance Set the budget	Approve policies Approve plans Delegate down responsibilities Hold authority Make contracts Make decisions Monitor performance Represent the community Set the budget Set down policies
Senior Officers				
Advise councillors Manage the services Propose policies Recommend the council	Are involved in financially related issues Elaborate the business plan Assist councillors	They produce documents	Make plans Review services	Advise councillors Elaborate business plan Manage the services Produce documents Propose policies Recommend the councillors
The Audit Commission System				
Address to the councillors Inspect the council Produce Performance Indicators Produce bodies of subjects Release reports	Have been inspecting the council Have to be accounted Evaluate process	Scrutinise the budget	Are worked with Inspect the council Make recommendations Are worked with	Have to be accounted Inspect the council Make recommendations Produce PIs Produce subjects Release reports

Source: Data Analysis

Central Government

The investigation detected caution from the interviewees when talking about central government's influences in their decision-making. This behaviour can be explained by the level of control exerted by central government and its representatives on the council. One interviewee stated that, at that moment, central government was the most important stakeholder for their decision-making due to the factors involved in Hackney's current situation. The following quotation illustrates the concern with Hackney's situation. "Stakeholders are involved, but the main stakeholder involved is Central Government, because the council is under clear scrutiny at the moment" (interview with a member of the staff).

Besides the concerns above, the interviewees indicate that central government sets down the legal and financial framework to which the authority must comply with as the following quotation illustrates: "the government has certain mandatory standards for recycling to which we are not allowed to fail" (interview with a senior officer). The interviewees also indicated that central government is empowered to set the institutional agenda and the overall targets that steers Hackney's agenda (interview with a councillor).

Due to Hackney's current situation, central government and its representatives have been overseeing its activities trying to ensure that improvements in performance are pursued. The respondents regarded this situation as "unusual" (interview with a member of the staff) and they dutifully accept this situation as part of their role in the process of regaining citizens' support. The table below summarises the findings on central government's participation in Hackney's decision-making process.

Citizens

According to the findings, citizens are able to influence decision-making in three ways: as customers, as electors, and as taxpayers. On recognising citizens' importance in decision-making, the council carries out consultations with residents in order

to measure both their levels of expectation about services and their levels of satisfaction with the services provided as stated in the BVPP (Hackney, 2001).

From the findings, one can deduce that citizens are to be attracted to the decision making process. Citizen's participation is often referred to in the passive voice. For example, citizens are informed, reported, and involved. The evidence supports the view that citizens place expectations on council's performance as the following quotation illustrates: "We know things that people don't like and it includes the filthy on the streets and the poor quality of the Refuse Collection Services" (interview with a senior officer).

In sum, decision-makers in Hackney regard citizens as someone who vote for politicians to represent them on administering the council. They pay taxes and they expect quality in the services.

Councillors

According to the findings, the decision making process carried out in Hackney is made by councillors who are entitled to make the most important decisions within the council (interview with a senior officer). These decisions are strategic and operational decisions (interview with a senior officer).

The full council is empowered to make the strategic set of decisions while an executive committee is entitled to make the operational set of decisions. The following quotation illustrates the Hackney's decision-making.

"There are four or five main service committees. They are made up not for all councillors, but by a group of councillors. The number of representatives in the political groups is based on the overall number that fits political parties' participation in the full council" (interview with a councillor).

Embedded within the full council's competences, there is a duty for deciding the budget and setting down policies and plans on a corporate basis (Hackney, 2001a). Being in charge of operational decisions, the executive body (executive committee) has to

be accountable to the elected body (council) about the decisions made (interview with a councillor). The evidence of this stakeholder influences are presented in table 99.

Local businesses

The findings demonstrate that local businesses play a similar role as citizens in Hackney's decision-making. They are consulted, engaged, involved and informed about decision-making (always referred to in the passive voice) as well as they place expectations. The evidence of this stakeholder influences are presented in table 99.

Senior Officers

According to the findings, senior officers are the appointed professionals in charge of managing the council on a daily basis. They are appointed to carry out the managerial activities. Within their responsibilities, senior officers are in charge of managing services, making plans and preparing analysis which will support councillor's decisions (interview with a senior officer).

Some of the decisions within councillor's responsibilities can be delegated to the senior officers depending on the importance of the decision and the money involved (interview with a member of the staff). In sum, senior officers advise councillors and manage services on a daily basis as the evidence in table 99 indicates.

The Audit Commission's System

From the findings, it is obvious that the Audit Commission is regarded as a strong influential stakeholder able to exert influence on Hackney's decision-making. This fact can be explained by the council's current situation. As the interviewees declared, they are working very closely with the Audit Commission and the scrutiny process is still taking place. At the time the councillor was interviewed, the media published that Hackney's Education Department had been put under intervention. According to his statement, the local authority already expected this fact. Rather than being a merely central government's

representative, the Audit Commission and the Best Value Inspectorate represent strong influence on Hackney, as we can identify in the following quotations.

“The Audit Commission has actually been inspecting the council on a regular basis in the areas they are concerned about” (interview with a senior officer).

“They are our major stakeholders” (ibid)

“They tell us a lot of things that we do not want to hear at the moment” (ibid).

“They have been inspecting Hackney the way they haven’t inspected other councils in this country” (ibid).

“People have been forced to give inputs to the Audit Commission” (interview with a member of the staff).

The findings indicate that the Audit Commission itself, the Best Value Inspectorate and the District Auditors compose the Audit Commission system. The system main influences on Hackney’s decision-making are:

- To audit the local authority;
- To inspect the council;
- To scrutinise the council;
- To request accountings from the council.

The findings for the Audit Commission’s influences on Hackney’s decision-making process are presented in Table 99.

Various stakeholders

Some other stakeholders appeared both in the interview and in documents issued by Hackney. They are less relevant as compared to the other stakeholders but they are listed for further evaluation in the analysis. For methodological reasons, they are aggregated in table 100. These stakeholders are:

- The Improvement and Development Agency (IDeA) who has been working as a consultant with the council;

- Health Authorities, who were nominated in the interview with a councillor, as partners to be consulted and informed by the local authority;
- Voluntary Sector is another stakeholder mentioned due to its importance as a partner to be consulted and informed about the local authorities' plans (interview with a councillor);
- Contractors are nominated as partners to who the local authority needs to consult and to work with (interview with a member of the staff).

TABLE 100: EVIDENCE ABOUT VARIOUS STAKEHOLDERS PARTICIPATION IN DECISION-MAKING

Stakeholder	Senior Officer	Staff	Councillor	BVP (2001)
IdeA		Is involved Is an adviser		Are worked with
Health Authorities			Are consulted	Are partners
Voluntary Sector	We haven't worked much with them Co-operate with authority		Have to be consulted	Are partners
Contractors	Are consulted	Are regarded Co-operate Influence councillors		Have to be monitored

Source: Data findings

Some information about Hackney's performance

Hackney's bad image published in the media can be confirmed by the last results of the Best Value Performance Indicators Report (BVPIR) (Audit Commission, 2002). Table 101 presents some of Hackney's performance indicators. The figures are rather representative about how poor Hackney's performance already is. The user's satisfaction level with the authority overall performance (BVPI 3) is 23% which is the lowest level achieved by a local authority in England.

The Waste Collection Service's level of satisfaction is not different. The satisfaction with street's cleanness (BVPI 89) is 26% which is also the lowest level achieved by a local authority. The waste collection's level of satisfaction is 28% and it means the lowest level as well. On the other hand, the authority spent a value around the average to collect its refuse (BVPI 86).

TABLE 101: HACKNEY'S PERFORMANCE INDICATORS

	BVPI 3	BVPI 86	BVPI 89	BVPI 90
Hackney	25%	80.92	26%	28%
Top quartile	79 – 61%	23.28 – 15.27	87 – 58%	89 - 79%
Average	52%	81.28	57%	59%
Bottom quartile	49 – 25%	147.13 – 40.39	87 – 58%	89 – 79%

Source: the Audit Commission (2002)

(ii) A Rural Authority Led by the Labour Party

The investigation in Braintree was undertaken in September 2001. In previous correspondence, the senior officer responsible for the Best Value scheme was indicated to represent the council in the investigation. This person set down the timetable of the visits to the Town Hall. He also facilitated the contacts with other interviewees and gave me access to documents and information.

In the first day, a senior officer's representative was interviewed and observations and documents were collected. The interview carried out with the head of the Waste Collection Service was informal due to the lack of time in his agenda. However, it was regarded as a useful one. In the first day, it was not possible to interview a councillor's representative due to problems in his agenda, which was carried out later.

Braintree's structure of decision has at its top the full council that is led by an elected representative "Chair of the Council" (Braintree, 2001a, p. 11). According to Braintree's Constitution (ibid, p. 11), the main roles of the chair are:

- ⊖ To represent the whole district during his/her year of office;
- ⊖ As its representative, to enhance the image of the Council;
- ⊖ To act as a link between the Council and various groups and organisations;
- ⊖ To maintain an overview of the needs and concerns of the community he/she serves;
- ⊖ To take out into the community the needs and aims of the Council.

The second level of decisions is carried out by the Executive Committee, which is composed by up to nine councillors. The majority party indicates a councillor as the leader. Whether there is no majority, the leader is elected amongst the other members of the Executive. The Executive is responsible for the day-to-day decisions of the council. Besides the executive, Braintree also has scrutiny and overview committees that have the role to:

- Review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
- Make reports and/or recommendations to the full Council and/or the Executive and/or any area committee in connection with the discharge of any functions;
- Consider any matter affecting the area or its inhabitants; and
- Exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Executive and/or any area committees. (ibid, p. 12)

Three levels compose Braintree's structure of management: the Chief Executive, the Corporate Directors, and the Heads of Services (see appendix 4). The following quotation illustrates their main roles within decision-making.

"The Chief Executive is responsible for the overall corporate management of the Council ensuring the efficient, effective and economic delivery of services that meet the Council's overall policy objectives. The Corporate Directors are responsible for a broad range of services managed through the Heads of Service and the corporate management of the Council within those service and policy areas The Heads of Service (Chief Officers) are responsible and accountable for the day to day delivery of Council services" (ibid, p. 22).

In terms of the decision making process, Braintree's Constitution previews the types of decisions and who are empowered for taking them and it is quoted as follows:

EXHIBITION 4: TYPES OF DECISIONS IN BRAINTREE

Types of decision

(a) Decisions reserved to full Council. Decisions relating to the functions listed in Article 4.02 will be made by the full Council and not delegated.

(b) Key decisions.

(i) A 'key decision' means a decision made or to be made by a decision-maker in connection with the discharge of a function which is the responsibility of the Executive and which is likely:

(1) To result in the Council incurring expenditure which is, or the making of savings which are, in excess of Fifty Thousand Pounds (£50,000) or is significant having regard to the Council's budget for the service or function to which the decision relates; or

(2) To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the Council.

(ii) A decision taker may only make a key decision in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of this Constitution.

Source: Ibid, p. 26

The decision-making process starts in the full council who sets the main objectives down. The executive translates these objectives to the management team who are responsible to translate these objectives into actions to their departments and to devise the necessary resources to achieve the objectives. The process comes back from the officers to the full council through the Executive in a form of budget. The full council then decide about the budget in order to the policies be implemented.

Throughout the policy implementation process, there are some bodies entitled to decide without returning to the full Council, they are the Committees composed by Councillors. In Braintree there are three bodies empowered to decide policies on behalf of the full Council, the Strategy Committee, the Community Committee, and the Environment Committee. The whole decision making process is presented in Annex 1.

Braintree carries out its waste service with its own team. They also declared that they do not see any advantage for contracting with other organisations to deliver this service as the following quotation illustrates. "We have no intention of contracting out what is possible to avoid" (Senior Officer).

Table 102 presents stakeholder influences gathered in this case study and each one of them are dealt as follows.

Table 102: Detected stakeholder influences in the case of Braintree

Central Government			
Senior Officers	Councillors	Best Value Plan (2001)	Summary
Allocates money Controls performance Inspects finance and processes Sets the agenda Sets the legal framework	Allocates money Controls performance Hears local authorities Sets the agenda Sets the legal framework	Sets the agenda Sets the legal framework	Allocates money Controls performance Sets the agenda Sets the legal framework
Citizens			
Are consulted Are informed Are regarded Are reported Are represented Don't regard what we do Elect representatives Have expectations Have the chance to say Need to be re-educate Pay taxes	Are consulted Are informed Are invited Are involved Are represented Have needs Need help Need to be satisfied We want them to recognise us	Are accounted Are encouraged Are informed Are involved Express their views	Are consulted Are encouraged Are informed Are represented Are satisfied Elect their representatives Have needs
Councillors			
Are consulted Challenge the agenda Decide policies Delegate responsibilities Hold authority Lay out the general vision Represent local community Set the policy framework Start decision making process	Approve strategies Are consulted Delegate responsibility Hold authority Invite community representatives Make contracts Represent the community Set rules Set the budget Set the policy framework	Approve the BV Review Challenge policies Represent local community Set local priorities Set service targets	Approve policies Challenge policies Delegate responsibilities Hold authority Represent local community Set service targets Set the budget Set the policy framework Start decision making process
Local businesses			
Pay taxes Need to be attracted Are part of the problem	Are inspected by the council	Are consulted Are encouraged Are informed Are service delivery references	Are consulted Are encouraged Are informed Are references
Senior Officers			
Are asked Are listened Implement policies Make researches Recommend actions Recommend decisions	Are consulted	Review services Make delegated decisions	Are consulted by councillors Implement policies Make delegated decisions Recommend the council
The Audit Commission System			
Inspects our services Requires us to publish performance		Creates PIs Inspects services Issues guidance	Creates PIs Inspects services Issues guidance Requires us to publish performance

Source: Data Analysis

Central Government

Central government exerts influence on Braintree decision-making. These influences vary from providing (transferring) financial resources to setting targets to which the authority has to comply with. Central government is also responsible for setting the legal framework and the agenda. Interviews with Braintree's representatives were critical about central government's role in their day-to-day activities. They complained that central government has been centralising the definition of the main policies as well as stating many requirements to which they have to accomplish. In his interview, the senior officer's representative declared that, "We have very little in the way we run our decision-making". Furthermore, he declared that "central government set down targets and they expect us to accomplish it" (interview with a senior officer). In the same vein, a representative from the councillors gave the following statement which illustrates how the structure of power is centralised in Britain: "My personal experience across ten years in the last four or five governments probably listened more, but haven't reversed much of the centralising tendencies" (interview with a councillor).

Central government's main influences in decision-making are summarised in the table above. As local government is dependent upon central government money and support, it has to comply with the legal and financial framework issued by the former in order to achieve legitimacy. The analysis of Braintree's BVPP indicates that central government manages to create inspecting mechanisms for controlling local government's performance as the following quotation illustrates: "The Government has also put in place a process of inspection for local government" (Braintree, 2001, p. 26).

Another perceived central government's influence is associated with funding local authorities. According to the interviewees, central government is a substantive source of money to local government as the following quotation suggests, "Money is allocated by central government and allocated in proportion to population" (interview with a senior officer).

In Braintree, there is a feeling that central government is pushing local government too far. Decision-makers complained that: “the government requires us to do more, but in fact they don't provide us the means to achieve that” (interview with a councillor).

Citizens

Braintree regards citizens as an important source of information for its decision making process. According to results of interviews and the analysis of documents, citizens are consulted about a wide range of issues, such as budget, services and others. In the BVPP it is stated that

“To consult local taxpayers, service users, partners and the wider business community in the setting of new performance targets, and use fair and open competition wherever practicable as a means of securing efficient and effective services.” (Braintree, 2001, p. 6)

The findings also indicates that there is statutory duty to make local authorities more accountable to the local community, as the following extract from BVPP indicates,

“The Council is required to prepare and publish a Best Value Performance Plan by law. The Government's intention is that the Plan should be a means of ensuring that Councils are accountable to local people” (ibid, p. 7).

In the same vein, the councillor declared that: “we have already embarked on budget consultation with the Community and as part of the preparation of the community strategy” (interview with a councillor). In order to ensure accountability, citizens are to be reported and informed.

Analysing the findings, it is clear that Braintree acknowledges citizen's ability to influence the council in the extent that they elect their representatives who achieve the right to act on their behalf. Another citizens' influence is related to funding local authorities in the extent that they pay taxes. According to the senior officer's statement, local taxpayers are charged by the size of the house (interview with a senior officer).

Despite being a minimal portion of local authority's budget, accountability aspects indicated that taxpayers are also to be taken into account.

Councillors

According to the findings, the decision making process starts in a workshop in which the councillors define the general vision and aims for the period ahead (interview with a senior officer). In October-November, there is a strategy workshop in which the visions, which have been translated into plans, are split up into objectives and targets to be achieved by the different departments within the council. Elected members have the final word about the objectives and targets to what the whole organisation are going to dedicate in the future (ibid).

In this process, elected members set the final decision about the budget and they are to be consulted in case of changes on it (interview with a councillor). In the same vein, the findings demonstrate that:

“Politicians need to be very clear that they are not there to challenge the process, they are not there to challenge the expertise, but they are there to say whether that is the right decision, whether it is sufficient beneficial to the right people and whether it is worth to spend council's money on it” (interview with a senior officer).

From the findings, it became clear that another councillor's role is to set the main policies for the council. In other words, the councillors are there to set overall objectives and to approve money which will make feasible the whole project (Braintree, 2000). The findings indicate that some of the councillors' functions can be delegated to the senior officer (interview with a councillor).

By analysing the Best Value Performance Plan, it states that councillors are representatives for the local community. The following quotation illustrates this link. “We

hope you'd (local community)¹⁴ expect nothing less from the local Councillors your votes have elected.” (Braintree, 2001, p. 5)

Local businesses

Local businesses have a role similar to citizens and they are also regarded as service users and money suppliers. That is, they are able to influence as sources of resource as well as sources of information. A quotation about local businesses' influences relates to the fact that they sometimes can be seen as reference for the services provide which indicate that they are also able to exert institutional mimetic influence upon local governments. As part of the local community, they are also consulted, informed and reported about issues to be taken into account in the decision making process. The following quotation from BVPP illustrates local businesses' influence as source of information. “Increase opportunities for local people ... including ... Businesses and community groups, to contribute to and influence Council decisions” (ibid, p. 109)

Senior officers

The findings indicate that the senior officers are stakeholders whose participation within decision-making relies upon their ability to influence councillors while the decision making process is in action. Councillors, who rely heavily upon senior officers' analysis, experience and suggestions, make the final decision take the ultimate decisions. The main perceived role of this stakeholder is to influence the councillor's decisions to the extent that they supply information for decisions.

The findings indicate that senior officers are entitled to research, to plan and to implement policies (interview with a Senior Officer). Carrying out these duties, senior officers support councillor's decisions giving to them advices, suggestions and critics because, at the end of the day, they are appointed and remunerated for so doing. They are there to support councillor's decisions as the following quotation illustrates. “Some

¹⁴ My observation

decisions I could take as an individual by consulting officers. I can take it to my colleagues of the cabinet or I can take it to the full council” (interview with a Councillor).

The findings also indicate that some decisions are delegated from councillors to the officers in order to speed up decision-making process, as the following quotation illustrates. “It is the managers’ responsibility, although in some cases members make the final decision” (ibid, pp. 136-37).

The Audit Commission System

Within data collection, the investigation detected a strong influence delivered through inspection process. This influence was associated with the Audit Commission, with the Best Value Inspectorate (BVI), and with the District Inspectors. These three bodies compose, in fact, the government’s system for ensuring local government’s accountability and performance and they are part of the Audit Commission. The BVI is a body that works on behalf of the Audit Commission inspecting local authority’s performance. District Inspectors are entitled to audit local authority’s accounts and they are also members of the Audit Commission. Due to these, the investigation considers these three organisations at once as part of the Audit Commission system.

According to the findings, evidence detected in this case study considers that the Audit Commission’s System is entitled to influence decision-making because it is empowered to inspect performance and accounts as well as to create requirements to ensure high performance. The following quotation illustrates these issues:

“They fully inspect our services, but we also have district inspectors coming to inspect our finances and processes. We have the Best Value Inspectorate. We have to publish our performance indicators annually and there are very few areas in which local governments do not have to set some targets” (interview with a senior officer).

Various stakeholders

The remaining stakeholders have been grouped, because they raised few evidences in both interview process and analysis of documents. These stakeholders are

aggregated now, but they are to be dealt with in separate later in order to have their influences fairly assessed.

The evidence listed in the table below does not demonstrate that these are strongly influential stakeholder in decision-making. According to the findings, the influences are identified in the passive voice. The interviewees and the BVPP refer to them as ones who need to be informed, developed, engaged, acknowledged, and accounted. The investigation did not find any statement in which these stakeholders were referred as able to exert active influence in decision-making. The first impression is that these stakeholders are likely to be regarded, at the most, as sources of information.

TABLE 103: EVIDENCE FOR THE REMAINING STAKEHOLDERS' PARTICIPATION IN DECISION-MAKING

Stakeholder	Senior Officers	Councillors	BVP (2001)
Employees		Are consulted Need to be trained	Are to be developed Are to be engaged Are to be motivated
Service users			Are to be consulted
Upper and lower tier authorities		Are consulted Are informed	Are accounted Are consulted
Voluntary Sector		Acknowledge the council Are consulted	Are accounted Are consulted
Police Authorities	Deliver public services	Are consulted Are informed	Are accounted Are consulted
District Auditors			Audit process Publish audit findings
Health Authorities		Are consulted	Are accounted Are consulted

Source: Data findings

Some information about Braintree's performance

TABLE 104: BRAINTREE PERFORMANCE INDICATORS

	BVPI 3	BVPI 86	BVPI 89	BVPI 90
Braintree	68%	40.97	62%	80%
Top quartile	92 – 72%	57.91 – 33.76	88 – 72%	98 - 91%
Mean	69%	36.64	65%	81%
Bottom quartile	63 – 43%	25.54 – 15.37	62 – 42%	84 – 64%

Source: the Audit Commission (2002)

Table 104 presents some of Braintree's performance indicators for the period of 2000-2001 (Audit Commission, 2002). This information would help in the cross-analysis process.

In terms of the overall satisfaction of local community with the services provided by the authority (BVPI3), data indicates that 68% of the local community is satisfied with the services provided. This value is slightly below the average for District Councils and four percentile points below the top quartile. According to Best Value scheme,

“Authorities may also wish to use for comparative purposes any indicators which they have developed, for example with neighbouring authorities or similar types of authority. Comparison with other authorities will be necessary to set quality targets that are, as a minimum, consistent with the performance of the top 25% of all authorities” (DETR, 1999a, p. 11).

BVPI 89 and BVPI 90 measure user's satisfaction in relation to the Waste Collection services. The first measures the cleanness of the streets and the second measures the satisfaction with the waste collection service overall. In both, Braintree have performed below the mean and it needs to improve its performance in 16% and 13% respectively in order to be regarded as a top quartile authority in these criteria.

Finally, the investigation considers the cost of waste collected per person (BVPI6). In this criterion, the authority achieved a score well above the average and that means that Braintree spends more money for collecting its refuse. For accomplishing the Best Value requirements, the authority has to reduce its costs in at least 38%.

Despite being a Labour authority, the information gathered within Braintree's study demonstrated criticism about the amount of requirements and regulation issued by Central Government. Other complains about Central Government is related to the way money is allocated, the following quotation illustrates this issue:

“If we collect all of the business rates and all of the domestic rates, we will hand over 21 million pounds in rates. We receive around eight

millions pound back, because a lot of this money goes to areas like northwest and northeast” (interview with a senior officer).

(iii) An Urban Authority Led by the Conservative Party

The third case study involved the Metropolitan District of Calderdale, which has its headquarter at the city of Halifax. The investigation was carried out in October 2001 by interviewing decision-makers and collecting observation and information. The investigation had the opportunity to interview the Chief Executive and a member of the Waste Management Service. Due to problems in his agenda, the Councillor, who is the head of the Environment Committee, was interviewed through electronic mail. However, this obstacle did not cause any trouble to the data gathering process.

As a matter of illustration, the Metropolitan District is composed by the towns of Halifax, Brighouse, Elland, Hebden Bridge, Sowerby Bridge and Todmorden. According to the Best Value Inspectorate report (2001a) the decision-making structure of Calderdale is composed by

“... A leader with a cabinet and five scrutiny committees ... the functions of the Council are divided into five Group Directorates ... the scrutiny committees reflect the same responsibility as the Group Directorates” (p. 10).

The information from the BVI report is strengthened by an extract from the Chief Executive’s interview, which demonstrates in details the decision making process (an organisational structure is available in Appendix 7).

“That became law in 2000, but in 1999 we implemented our preferred choice already, which was a cabinet with scrutiny system. So, the decision making process now is carried out by a cabinet of seven councillors. The full council has 54 councillors in total. Seven councillors make all of the political decisions on how the council is run on a daily basis. The overall budget is set by the full council. They have to agree all the major policy decisions, but the cabinet makes all the political decisions on the daily basis” (Interview with the Chief Executive).

Table 105 summarises stakeholder influences according to the evidence gathered in this case study. From this point, they are presented in alphabetical order.

Table 105: Detected stakeholder influences in Calderdale

Central government				
Senior Officer	Staff	Councillor	BVP (2001)	Summary
Advises us Allocates money Control performance Creates performance indicators Introduced a new stakeholder It has to be accounted It has to be pleased Sets the agenda Sets the legal/financial framework	Sets the agenda Sets the legal framework	Sets the agenda Sets the legal framework	Sets the agenda Sets the legal framework	Advises the council Allocates money Controls performance Has to be accounted Has to be pleased Sets the agenda Sets the legal framework
Citizens				
Are consulted Are informed Are invited Are represented Are service users Are supportive Aren't able to measure the council's performance Elect the councillors Have different voices Have needs Have to be accounted Have to be involved Have to be pleased Have to be satisfied Help to shape the policy Need to be answered Need to be engaged Need to be supported Place requirements	Are invited Have to be consulted Have to be involved		Are consulted Are engaged Are informed Are involved Are partners Are reported Are to be supported Endorse policies Pay taxes	Are consulted Are engaged Are informed Are invited Are reported Are represented Are service users Elect the councillors Have different voices Have needs Have to be accounted Have to be satisfied Pay taxes Place requirements
Councillors				
Are controlled by the voters Delegate responsibility Have to be responsive to the community Make all decisions Monitor performance Represent community Sack senior manager Set policies Set the budget Set the major policy	Appreciate contracts Approve contracts Approve policies Make decisions Question officer's recommendation. Set policies	Delegate responsibility down Make decisions Set policies	Represent local community Respect local community interests Set out priorities Set the budget	Approve contracts Approve policies Delegate responsibilities Make decisions Monitor performance Question officer's recommendations Represent community Sack senior officers Set the budget Set the major policies Set out priorities
Local businesses				
Have expectations Need to be engaged Need to be involved			Are consulted Are engaged Are informed Are involved Are partners Are reported Endorse policies	Are consulted Are engaged Are informed Are partners Are reported Pay taxes

			Pay taxes	
Senior Officer				
Implement policies Make the delegated decisions The chief finance officer inspect the council's finance The monitoring officer monitor good governance	Advise members Consult the customers Implement policies Make recommendations Make analysis Put the parts together Report to the councillors	Make the delegated decisions Help on policy implementation		Advise members Implement policies Make analysis Make delegated decisions Make recommendations Put the parts together Report to the councillors
The Audit Commission System				
Are powerful stakeholders Can embarrass the council Inspects services Publish their findings Represent citizens and Government Shape the way we work				Can embarrass the council Inspect the council Publish their findings Represent citizens and Government Shape the way we work

Source: Data Analysis

Central Government

Evidence gathered in this case study identifies central government as responsible for setting the institutional agenda to which the council has to comply with. It also indicates that central government allocates money for the local authority (interview with a senior officer). The Chief Executive informed that: "About 70% of our funding comes from Central Government, being the local authority responsible for raising the other 30% of the budget" (interview with a senior officer).

The findings also demonstrate central government's power for setting targets to local authorities (interview with a senior officer). It was also raised the example of the Best Value regime which is regarded as a tough requirement from central government. Excessive centralisation is another complaint made by interviewees in this case study about central government. The following quotation has been extracted from Interview with a councillor in order to illustrate the real feeling about the matter.

"Central Government has far too much of a role in the affairs of local government, interfering, dictating. In short, it does not allow local democracy to be effective. Far too often, the Government gets involved in telling local authorities how they should run things, when local councillors know far better what is needed in their area" (interview with a councillor).

Citizens

As a senior officer declared: “citizens have different voices” (interview with a senior officer). Citizens are seen as service users, voters and taxpayers. The findings demonstrate that rather than an influential stakeholder in decision-making citizens are actors whose contribution is to be sought by the council (interview with a senior officer). The only case of active influence perceived is when citizens become voters and they are able and entitled to put pressure over politicians (interview with a senior officer). For each different role played by citizens, the local authority has to deal with in a different approach.

Councillors

Evidence gathered in Calderdale indicates that councillors can be seen as the strongest influential stakeholder who has great power to influence the way decisions are made. The whole decision-making process starts with the councillors at the moment that they set down visions and objectives for the council. After worked out by officers and staffs, the plans and strategies come back for councillor’s appreciation and final decision. The set of decisions made by the full council comprises the legal and financial framework under which other decisions within the council are to be made. From this point, the cabinet is in charge of the daily decisions. Some of these decisions are delegated down to officers (interview with a senior officer).

According to evidence gathered in this case, councillors have three roles in the decision making process and they are:

1. To set the policy for the council;
2. To represent the local community asking their constituencies what they want the council to do; and
3. To monitor performance (interview with a senior officer).

Local businesses

Evidence indicates that Local Businesses are seen as service users as well as taxpayers. In so doing, they are entitled to “place requirements upon and to have expectation about what the local authority should do” (interview with a senior officer). Involving local businesses in decision-making is, according to Calderdale, a strategy to improve their sense of ownership (interview with a senior officer) despite being a statutory requirement from central government.

Senior officers

In overall terms, senior officers are expected to supply relevant information upon which councillors take their decisions. In doing so, councillors’ decisions are supported by senior officers’ recommendations. According to the findings, senior officers and staffs analyse and weigh up the advantages and disadvantages embedded within decisions and they hand over these analyses back to the councillors’ who have the final word. Senior officers are also entitled to manage the council on daily basis being empowered to make some decisions delegated to them by the councillors (interview with a councillor).

The Audit Commission System

Evidence gathered in Calderdale suggested that the strongest influence exerted by the Audit Commission system in decision-making is through the Best Value Inspectorate. In his interview, a senior officer declared textually that: “The government has introduced a new and very powerful stakeholder in local government” (interview with a senior officer). He justified his statement pointing out that the Best Value Inspectorate’s findings can embarrass the whole council whether bad performance is identified.

Various Stakeholders

The following stakeholder list has been attached to this investigation for further assessment because it has been found insufficient evidence about their influence in decision-making. These stakeholders are:

TABLE 106: EVIDENCE FOR THE REMAINING STAKEHOLDERS' PARTICIPATION IN DECISION-MAKING

Stakeholder	Senior Officer	Staff	Councillor	BVP (2001)
Chamber of Commerce				Are consulted Are partners
Voluntary Sector				Are consulted Are partners
Tenants groups	Lobby for investments			
Police Authorities				Are consulted
Health Authorities				Are consulted
Parliament	Empowers us to work Generates the legal framework Sets the law			
IDEA	Examine all we do Help to shape the policy Report inspections Review performance			
Employees	Are involved			Are issued with core values, vision and corporate priorities Are to be developed Are to be encouraged Are to be stimulated Are to be valued

Source: Data Findings

- Local Chamber of Commerce who is regarded as a partner in the Best Value Performance Plan (Calderdale, 2001)
- Employees who have to be developed, involved and stimulated because they play an important role in service delivery process (ibid);
- Health and Police Authorities who are regarded as a partner to be consulted (ibid);
- The Improvement and Development Agency (IDeA) who was regarded in the senior officer interview as an additional inspectorate body;
- Tenants Groups who works as a pressure group asking for investments (interview with a senior officer);

- Voluntary Sector who is regarded as a partner to be consulted (Calderdale, 2001); and
- The Parliament who according to senior officer's information is the ultimate influential stakeholder in terms of setting the legal framework to which the authority has to comply. "Everything we do in the local authority is generated by act of Parliament. We can only do in law what parliament has empowered us to do" (interview with a senior officer).

Some information about Calderdale's performance

Table 107 presents some of Calderdale's performance indicators published by the Audit Commission for the period of 2000-2001 (Audit Commission, 2002).

TABLE 107: CALDERDALE'S PERFORMANCE INDICATORS

	BVPI 3	BVPI 86	BVPI 89	BVPI 90
Calderdale	50%	22.19	49%	78%
Top quartile	76 – 68%	23.62 – 17.51	74 – 60%	96 – 89%
Average	61%	29.83	53%	74%
Bottom quartile	55 – 45%	42.15 – 28.79	49 – 32%	81 – 51%

Source: the Audit Commission (2002)

Calderdale achieved an overall user satisfaction (BVPI3) level compatible with the bottom quartile indicates an expectation for improvement. The same can be said about user's satisfaction with the Waste Services. According to BVPI, in Calderdale 49% of the user is very/fairly satisfied with the cleanliness of the streets (BVPI 89) and 78% of the users are very/fairly satisfied with the way waste has been collected. On the hand, Calderdale collects its refuse (BVPI 86) spending less money (22.19) than the average of the Metropolitan Districts (29.83) as the table above shows.

(iv) *A Rural Authority Led by the Conservative Party*

The fourth case study was undertaken in the District Council of South Northamptonshire. The data collection was carried out through interviews with the Deputy Chief Executive, a member of the Waste Management Service and a councillor who was

the chairman of the Community Services Committee. All interviews were conducted at the same day. The Chief Executive and the member of the staff preferred to be interviewed at the same time, due to problems in their timetable. Despite being a sudden alteration in the agenda, these interviews turned into a very rich experience. The interviewees exchanged, throughout the questioning, experiences about the subject and this fact maximised the interview's results.

At the same day, documents were collected about the council's performance and strategic plans. These documents were the Best Value Performance Plan 2001, information about performance and a newspaper called "Review", which is issued and periodically sent by the council to the local community.

The decision making process of South Northamptonshire is changing to a cabinet structure. It has been agreed after consulting the local community according to the requirement of the Local Government Act 2000. The Council used to be managed under the scheme of committee systems. For the purposes of this investigation, it considers the old structure of decision-making because respondents recurred to it when answering questions. In such a system, 7 elected councillors were entitled to:

- Make all decisions on behalf of the full council;
- To set down the main objectives;
- To decide the budget; and
- Set the legal framework.

Some of those decisions are likely to be delegated down to officers. The committees' role within decision-making is to "develop the key decisions made by Cabinet and also scrutinise its resolutions" (South Northamptonshire, 2001, p. 5). The figure in annex 5 demonstrates the new decision-making structure.

Table 108 presents the evidence gathered in this case study. The influences are presented below in alphabetical order.

TABLE 108: DETECTED STAKEHOLDER INFLUENCE IN THE CASE OF SOUTH NORTHAMPTONSHIRE

Central Government				
Senior Officers	Staff	Councillors	BVP (2001)	Summary
Allocates money Control performance Forces to publish performance Sets targets Sets the agenda Sets the legal framework	Forces the way forward Sets targets	Controls performance Pushes us Sets targets Sets the agenda	Sets the agenda Sets the legal framework	Allocates money Controls performance Sets targets Sets the agenda Sets the legal framework
Citizens				
Are consulted Are informed Elect the councillors Expect good performance Have needs Have to be reported Influence what politicians do Know their rights Pay rates Wouldn't create enough pressure for improving performance	Accept the scheme Are listened Are our main service users Are users Claim Elect the councillors Express themselves	Are apathetic Are consulted Are difficult to engage Are not interest in what councillors do Don't attend meetings Don't turn out in elections Have needs Pay taxes	Are consulted Are encouraged to participate Are informed Are involved Are listened Are responded Are to be supported Are welcomed to meetings	Are consulted Are encouraged Are informed Are involved Are listened Are to be supported Elect the councillors Express themselves (phone calls) Have needs Influence what politicians do Pay taxes
Councillors				
Approve the budget Monitor budget Represent the community Set frameworks Set policies Set key objectives Set broad pictures	Set down policies Set the broad objectives	Implement policies Make all decisions Represent community Set down policies	Are elected Represent community Review services Set down policies	Approve the budget Delegate decisions Make all decisions Monitor performance Represent community Set frameworks Set policies Set key objectives
Senior Officers				
Make recommendations Make suggestions Make the delegated decisions Review service standards Translate objectives into actions	Make recommendations Supply ideas Translate objectives into actions	Drive the agenda Guide the councillors Help on deciding policies Persuades the councillors Prepare the budget Recommend policies Run the authority	Review services	Drive the agenda Guide the councillors Make delegated decisions Prepare the budget Recommend the councillors Review services Run the authority Translate objectives into actions
The Audit Commission System				
Inspect our services Publish our performance Report Central Government about our performance	Demand quite a lot information			Demand information Inspect services Publish performance Report about performance

Source: Data Analysis

Central Government

Evidence gathered in the South Northamptonshire case demonstrates that central government is considered as the most influential stakeholder with power to impact the decision-making process of the authority. The interviews and analysis of documents indicates that central government sets the legal and financial framework to which local governments have to comply with (interview with a senior officer). It was told that government also sets down targets (interview with a member of the staff) and “they now force us to publish how we perform against those targets” (interview with a senior officer).

The interviewees also revealed that local government agenda is driven by central government’s agenda, which keeps pushing forwards (interview with a councillor). The following quotation was extracted from the interview with the councillor: “Fair portion of the agenda is driven by the external influences mainly from the government.” As an example of the agenda setting influence, the interviewees recalled the Best Value scheme, which has been introduced in Britain since 1999 (evidence gathered from the interview with a councillor and a senior officer and the analysis of the Best Value Plan). As another example of how constrained by Central Government agenda local governments are, it was recalled the Local Government Act 2000 which set the guidelines for decision-making. This legal framework defined a set of choices on administrative systems under which councils in England and Wales have to decide among for stating their political and administrative structures. (South Northamptonshire, 2001)

As another influence lifted by the process is central government’s capacity of funding local authorities. As the findings indicate, local authorities rely heavily upon central government grants for their budgets. On answering the question about central government’s main influences, the Deputy Chief Executive of South Northamptonshire declared:

“I will say two main influences and one of them is funding. If you don't respond to government, you are in the risk of losing finance. The other is

they set the legal framework for you operating, and you can't ignore them" (interview with a senior officer).

Citizens

Findings from South Northamptonshire indicate some contradictory feelings about citizens' influences in decision-making. Citizens are, at the same time, regarded as influential stakeholder with ability to influence because they have the power to vote (interview with a senior officer), but they are regarded as not interested in what councillors do on their behalf (interview with a councillor). It has been said in the investigation that: "I don't think that the residents would have created enough interest or pressure on us" (interview with a member of the staff) and "My feeling is public is not interested in what councillors do" (interview with a councillor). In addition, "there is a huge apathy from the public. People are not interested in turn out and vote" (Interview with a councillor).

From the findings, one can conclude that although being an important and powerful stakeholder (mostly by their ability to vote), residents have little interest on following councillors' performance. Despite council's effort to bring residents along to participate in decision-making meetings, citizens are still in a lethargic state and the most common words related to residents are they have to be engaged, they are invited, and they are involved. These sets of actions indicate some sort of passivity in citizens' behaviour. Evidence gathered in the investigation indicates that citizens can be considered as sources of information for the service-delivery process (as customers) and as sources of legitimacy for the political process (as voters).

Councillors

The interviewees from South Northamptonshire declared that the main guideline for the decision making process is stated by the full council. These guidelines steer decisions that are mainly taken by the Executive Committee as the following quotation illustrates.

“Best Value Plan is approved annually by the elected members and they set up the very broad pictures about what we are going to try to achieve” (interview with a senior officer).

In the same vein, council’s main objectives are set down by councillors being and senior officers define each department’s objectives (interview with a member of the staff). According to a senior officer’s information, councillors are empowered to carry out the whole decision-making process being steered by the legal and financial framework issued by the full council. It was identified in the interview process that the Executive Committee is not allowed to make changes in the framework unless formally approved by the full council (interview with a senior officer).

Another councillors’ competence is to ensure that the budget and objectives defined by full council are pursued (interview with a senior officer).

Senior officers

Findings from South Northamptonshire indicate that senior officers are able to influence decision-making by their ability of supplying ideas and making suggestions to the elected members (evidence gathered in the interviews with a senior officer and with a councillor). Senior officers’ influences can also be seen in their power to drive the agenda in which the council’s meetings are driven upon (interview with a councillor).

In the interviews, the investigation detected that senior officers are entitled to translate the overall objectives set down by councillors into narrow objectives for each of the departments (interview with a member of the staff). Moreover, senior officers are also empowered to run services (interview with a councillor). Senior officers are also empowered to make some decisions that have been delegated to them by councillors (interview with a senior officer).

The Audit Commission System

Interviewees from South Northamptonshire did not mention specifically the Audit Commission. As they mentioned the Best Value Inspectorate, the findings are related to this department are analysed as part of the Audit Commission system.

As part of Best Value requirements, local authorities are periodically inspected and the results are made public. In this way, a bad report would bring more inspections and difficulties with central government (interview with a senior officer). The interviewees identified in the inspection activities the sort of influence that the Best Value Inspectors are able to exert in decision-making. In this way, local authorities are pressured to observe carefully their performance in order to avoid problems with the Best Value Inspectorate.

Despite regarding the Best Value Inspectorate as influential, councillors in South Northamptonshire do take into high account BVI reports as the following quotation illustrates: “The councillors see Best Value as something that government has imposed and they don't like it” (interview with a senior officer).

Various Stakeholders

Due to the weakness of the evidences gathered on the following stakeholders, they are aggregated in table 109 and they are to be dealt with in the discussion chapter. However, there is one stakeholder who is worth commenting on: ‘the local media’. There are three newspapers serving South Northamptonshire: one from Northampton, one from Oxfordshire, and another from Milton Keynes. According to the findings, the press does not put so much pressure on council’s performance as the following quotation indicates: “We don’t have a press on our backs which is a shame, because we need a debate putting things on the paper with other views” (interview with a councillor). This fact is an important indicator about local media’s influences in decision-making. As they are regarded as watchdog of the authority’s performance, the media has to have a more participant role in decision-making. Even though, there is evidence for regarding the local

media's influence in decision-making to the extent that it keeps the population updated about the council (interview with a senior officer).

TABLE 109: EVIDENCE FOR THE REMAINING STAKEHOLDERS' PARTICIPATION IN DECISION-MAKING

Stakeholders	Senior Officers	Staffs	Councillors	BVP (2001)
Local Media	Inform the population		Do not press us	
Voluntary Sector	Are consulted Are service deliverers			
Health Authorities	Are consulted Are service deliverers			Are consulted
Employees	Are consulted			Are consulted Are to be developed
Local businesses	Are consulted	Are consulted	Co-operate with us	Are consulted
Upper Tie Authorities	Are consulted	Are consulted		Are consulted
Police Authorities	Are consulted Are public service providers			Are consulted
IDEA	Give us advises Gives us guidelines Gives us training Helps the local authority	Help the authority Provide information Provide support		

Source: Data findings

Some information about South Northamptonshire's performance

According to the Best Value Performance Report in the period 2000-2001 (Audit Commission, 2002), South Northamptonshire achieved the following scores.

TABLE 110: SOUTH NORTHAMPTONSHIRE'S PERFORMANCE INDICATORS

	BVPI 3	BVPI 86	BVPI 89	BVPI 90
South Northamptonshire	72%	43.05	73%	93%
Top quartile	92 – 72%	57.91 – 33.76	88 – 72%	98 - 91%
Average	69%	36.64	65%	81%
Bottom quartile	63 – 43%	25.54 – 15.37	62 – 42%	84 – 64%

Source: the Audit Commission (2002)

The results indicate that South Northamptonshire is regarded as a top quartile performer authority in terms of the local community's overall satisfaction with the services provided by the authority (BVPI 3). The same can be said about the level of satisfaction with the Waste Collection Services (BVPI 90) and the level of cleanness of the streets (BVPI 89). The BVPI 86 indicates that to collect waste in South Northamptonshire costs 17% more than the average. According to the Best Value requirements (DETR, 1998), the

authority needs to reduce its costs with this service in, at least, 41% in order to be regarded as a top performer authority in this criterion.

Subsection 2: Cross-case analysis process on the results of phase 1

In this subsection, the findings gathered in the within case are cross-examined in order to identify commonalities and differences in the evidences. In doing so, findings from the four cases are placed into a meta-matrix in which the rule of thumb is to sort out the common influences identifying the stakeholders entitled to exert that sort of influence. The cases are placed side-by-side in tables. The aim to find out whether the differences upon which the case study has been designed matters to stakeholder influence identification. After this analysis, the patterns of behaviour are clustered and each is dealt with looking at the type of influence he/she is able to exert. When the sorting out influences is finished, it will be easier to identify patterns for them such as the environment from the influence come from and whether the influence comes about as resulting from power or interest. As a matter of methodology, the findings are dealt with looking at one stakeholder each time, which are presented in alphabetical order as follows.

The Audit Commission

Table 111 presents the cross-case analysis on the Audit Commission system influences in decision-making. The Audit Commission system is composed by the Audit Commission itself, the Best Value Inspectorate and the District Auditors. They have been put together because the findings suggested in that way. There are two common influences that pervade the four cases, namely to inspect services and to publish reports. If conceptualised, both influences are part of the same process, namely performance measurement can denote a concern with accountability. For this evidence, it can be said that the Audit Commission system is a strong institutional stakeholder armed with power to require information, and even likely to embarrass the full council.

Braintree	South Northamptonshire	Calderdale	Hackney
		Can embarrass the council	
	Demand information		Have to be accounted
Audit process Inspects services	Inspect services	Inspect the council	Evaluate process Inspects the council
Issues guidance Creates PIs		Shape the way we work	Make recommendations Produce PIs Produce subjects
Publish audit findings Requires us to publish performance	Publish performance Report about performance	Publish their findings	Release reports
		Represent citizens and the Government	Scrutinise the budget

Source: Data analysis

Central Government

The findings demonstrate that there is agreement about some influences that central government is able to exert in decision-making, namely to fund the council, to control its performance, to set the overall agenda, and to set the legal framework. The evidence is presented in table 112 and commented as follows.

TABLE 112: THE CROSS-COMPARISON ANALYSIS ON CENTRAL GOVERNMENT'S INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
		Advises the council	
Allocates money	Allocates money	Allocates money	Allocates money
Controls performance	Controls performance	Controls performance	Controls performance
	Forces the way forward		
		Has to be accounted Has to be pleased	Have a stake
			Instructs the council
			Place expectations Place requirements
	Sets targets		Sets targets
Sets the agenda	Sets the agenda	Sets the agenda	Sets the agenda
Sets the legal framework	Sets the legal framework	Sets the legal framework	Sets the legal framework

Source: Data Analysis

Allocating money

This influence pervades the four cases, which indicate that it is an important issue in the strategic management of local governments. As declared by the respondents, central government is responsible for around 70% of local government financial resources. One of the respondents was very critical about the way central government allocates

resources. It stated that if local authorities had more discretion in the way they spend money their situation would be a bit different, as the following quotation demonstrates, “If we were allowed to raise some taxes and even have to charge domestic rate that would generated a lot of money on business rates” (interview with a senior officer from Braintree).

Other seems to be conformed with central government allocating money as the following quotation demonstrates: “If we are here to please local community and to do what they want, but we also here to please central government which approves the legal financial framework which we work with” (interview with a senior officer from Calderdale). Another quotation exemplifies the acceptance of the institutional power that central government has to impose the rules of the game: “If you don't respond to government you are in the risk of losing finance and the other is they set the legal framework for you operating, and you can ignore them” (interview with a senior officer from South Northamptonshire).

Key issue 1: Evidence outlined above leads us to regard central government as a financial resource supplier to local government.

Controlling performance

Another consensus among the cases is that central government has power to control local government's performance, which is, in fact, a duty of the Audit Commission and of the Best Value Inspectorate. Due to the importance of these stakeholders (using the words employed by one informant), they are dealt with in other part of this section. It is understandable that informants states Central Government as responsible for controlling performance, because it is the head of the public services delivering system.

Due to this argument, the controlling performance influence is not considered in this part and it will be indicated elsewhere.

Key-issue 2: See Audit Commission and Best Value Inspectorate.

Setting the agenda

The analysis detected agreement central government's power to set the institutional agenda. From the findings, the investigation concludes that central government is responsible for laying out the utmost policies to which local government have to accomplish. According to the evidence, central government shapes the overall policy and the authorities have to adapt these policies to their realities. As an example, it has been indicated the Best Value Regime as the following quotation illustrates, "central government sets targets to which we have to meet in terms of the quantities of waste recycled. We have to meet these targets rather than the district residents think we should or not" (interview with a councillor from South Northamptonshire). Alternatively, another quotation shows that the main policy set down by central government is likely to affect the discretion of local services:

"The amount of time we are actually spending on doing the Best Value process is disproportionate to any gain that we have from it. Particularly, people get lost upon the mechanics of the process. They are worried on consulting properly. They are worried on comparing properly and they are worried on competing properly. So far, it has cost us a lot of money and resources which we could have spent elsewhere" (interview with a councillor from South Northamptonshire).

Key-issue 3: Evidence presented above allows the investigation to accept that central government has power to influence the agenda setting.

Setting the legal framework

The words legal and framework are cited either related to the financial issues, or related to the conjunction of laws and requirement to which local governments have to accomplish. In the former case, it means that central government states the overall budget for the whole country and local authorities have to adequate themselves to it. Here, it is different from the funding function because the legal framework defines the way budget must be prepared. In the last case, it means that central government set down the legal framework which is translated into requirements and regulations and which has to be

approved by the Parliament. An extract from Interview with a senior officer illustrates the matter.

“Some of the things that we do here other councils don’t do. In addition, there are other things that other councils do and we don’t do. Although, we all have to work within the same legal framework. there is still some flexibility to do things in our own way” (interview with a senior officer from Calderdale).

The influence for setting the legal framework would be mistaken with other influences from central government, such as setting policies or allocating money, because the political and administrative act comes out in the form of regulations. However and in this particular case, the investigation understands that this influence is purely related to the shape of the legal and financial framework to which all local authorities have to acquiesce in order to achieve legitimacy.

Key-issue 4: Evidence outlined above leads the investigation to conclude that central government is able to influence decision making by setting the legal and financial framework.

Citizens

Table 113 presents evidence on citizen’s influence in decision making as being a stakeholder. These roles are hard to be understood unless clustered into three groups:

- Service user;
- Voter; and
- Taxpayer.

TABLE 113: THE CROSS-COMPARISON ANALYSIS ON CITIZENS' INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
Are consulted	Are consulted	Are consulted	Are consulted
	Are listened	Have different voices	Have to complain
Are encouraged	Are encouraged	Are engaged	Are to be engaged
	Are involved	Are invited	Are to be motivated
Are informed	Are informed	Are informed	Are to be informed
		Are to be accounted	
		Are reported	Are reported
Are represented	Influence what politicians do	Are represented	Are represented
Are to be satisfied		Are to be satisfied	
Elect the councillors	Elect the councillors	Elect the councillors	Elect the councillors
Have needs	Have needs	Have needs	
		Are service users	Are service users
Pay taxes	Pay taxes	Pay taxes	Pay taxes
		Place requirements	Place expectations
	Are to be supported		

Source: Data analysis

The evidence presented in table 113 indicates some common features on citizens' influences in decision-making:

- Citizens are consulted by the local authority in a variety of issues;
- Citizens are encouraged and engaged to participate in decision making;
- Citizens are informed about local government issues;
- Citizens are represented by councillors who are empowered to make decisions on their behalf;
- Citizens do elect councillors;
- Citizens have needs and are service users;
- Citizens are suppliers of financial resources in the extent that they pay taxes.

According to the evidence listed above, citizens are regarded as either an active stakeholder able to influence decisively decision making (by electing their councillors, by paying taxes, and by consuming public services), or as a latent stakeholder who have to be persuaded to participate in decision-making. Due to these findings, citizen's role in decision-making should be split into two, as it is done below.

Key-issue 5: Evidence outlined above allows the investigation to assume that citizens have stakeholder influence as a financial resources supplier;

Key-issue 6: Evidence outlined above allows the investigation to assume that citizens have stakeholder influence in the extent that they are able to transfer power to decision-makers;

Consumer relationship – as members of the community, citizens are entitled to receive services for the local authority. This fact turns the resident into a consumer to be satisfied.

It is different from the way business organisations treat their customer, because those have more choices and freedom to choose their suppliers. However, since CCT (which has been discussed before) public organisations are exposed to competition with other organisations.

Key-issue 3: Evidence outlined above allows the investigation to assume that citizens have a stake in local authorities because they are consumers.

Citizens as a latent stakeholder

Citizens barely participate in the decision-making game. It is clear in the findings that they have to be induced in order to participate. One interviewee complained that they don't attend meetings and they don't turn out in elections. Forced by central government's requirements, local authorities have to create forms of engaging citizens in their decision-making. According to the findings, local authorities seek citizens' opinions through surveys, focus groups, and etc. In this consultation process, citizens are asked about the services to be delivered. The outcomes of this consultation feed the local authorities' planning process.

The second block of activities relates to the way citizens are informed about the local authority's activities and performance. It is done through reports, which are sent either through local newspapers or by mail directly to residences.

The third block of activities relates to the 'invitation' made by councils asking people to come out to meeting in which issues related to decision-making are discussed. This invitation process occurs as an attempt to make local community more involved with

council's matters and it is made aiming to improve turn out in local and general elections. The last fact is indeed a concern for politicians due to low turn out in elections. The lower the turn out in elections, the lower the legitimacy politicians will achieve, which seems to be a both a nightmare for politicians and a threat to the democratic process.

Councillors

The findings demonstrate that councillors play a key role in decision-making. If central government sets down the overall rules, councillors are empowered to set down the local policies and rules for their councils. Table 114 presents evidence about councillor's influences in decision-making, which demonstrates that councillors carry on the main executive functions in the process.

TABLE 114: THE CROSS-COMPARISON ANALYSIS ON COUNCILLORS' INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
	Approve the budget	Approve contracts	
Approve policies		Approve policies	Approve policies
			Approve plans
Delegate responsibilities	Delegate responsibilities	Delegate responsibilities	Delegate responsibilities
Hold authority			Hold authority
			Make contracts
Make decisions	Make decisions	Make decisions	Make decisions
	Monitor performance	Monitor performance	Monitor performance
Represent community	Represent community	Represent community	Represent community
		Sack senior officers	
Set service targets			
Set the budget		Set the budget	Set the budget
Set the policy framework	Set down policies	Set the major policies	Set down policies
	Set up the key objectives	Set out priorities	

Source: Data Analysis

There are four common influences associated with councillors, namely to delegate responsibilities, to make decisions, to set the budget, and to set policies. Whilst the former two influences are related to the council as an executive body, the latter are prerogatives of the full council. The evidence can be clustered into three groups of activities:

- Decision-making – councillor's participation as a decision-maker;
- Policy-making – councillor's participation as a policy-maker; and

➤ **Managerial activities – councillor’s participation as a manager.**

Data gathered in Braintree does not support councillors’ influences as monitoring performance. Therefore, this investigation concentrates on the other four groups of influence nominated in the paragraph above.

Key-issue 7: Evidence outlined above allows the investigation to assume that councillors are empowered to carry out decision making on behalf of their constituents.

Key-issue 8: Evidence outlined above allows the investigation to assume that councillors are empowered to define the council’s destiny (objectives) on behalf of the people who elected them.

As part of the councillors’ duties, some activities are regarded as managerial. These activities comprehend leading and participating in meetings as well as participating of the council’s daily activities. Obviously, professionals undertake council’s bureaucratic activities; nevertheless the councillors, on behalf of the electorate, monitor officer’s performance and operate the necessary changes in order to get the objectives achieved.

Key-issue 9: Evidence outlined above allows the investigation to assume that councillors are able to exert managerial influences in decision-making as long as they are empowered to delegate functions downwards the administrative structure.

Employees

TABLE 115: THE CROSS-COMPARISON ANALYSIS ON EMPLOYEES’ INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
Are consulted	Are consulted	Are involved	Are consulted
Are to be developed Need to be trained	Are to be developed	Are to be developed	
Are to be engaged Are to be motivated		Are to be encouraged Are to be stimulated Are to be valued	
			Want to see improvement

Source: Data analysis

According to the findings, employees are stakeholders involved in the service delivery process. The evidence indicates that this stakeholder has a rather passive attitude

in the decision making process. This assumption can be deduced from the evidence presented in table 115 because his/her actions are described in the passive voice.

Improvement and Development Agency (IDeA)

The IDeA is an independent organisation that aims to assist local authorities on management issues. According to one of the interviewees, the IDeA is an institutional stakeholder looking at the whole council's performance (interview with a senior officer from Calderdale). Table 116 indicates how this stakeholder is perceived. According to the evidence, the IDEA is involved examining local government's performance and it also helps them on shaping policies. Coincidentally, only non-rural authorities nominated this stakeholder.

TABLE 116: THE CROSS-COMPARISON ANALYSIS ON THE IDEA'S INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
		Examine all we do	Is involved
		Help to shape the policy	Work with the council
		Report inspections	
		Review performance	

Source: Data analysis

Local Businesses

Similarly to citizens, businesses owners have a stake on the way decisions are made in the local authority. This fact can be explained either because they are users of public services, or because they are taxpayers. Furthermore, business owners, on exercising their citizenship, have also the right to vote. Local businesses influence differ from the residents in the extent that the former have a business stake, i.e. a local organisation would have also interest within decision-making as a service/good provider. Table 117 demonstrates how this stakeholder has its influence perceived by the cases. It looks like that this is also a type of stakeholder who has to be invited (encouraged) participating in the game.

TABLE 117: THE CROSS-COMPARISON ANALYSIS ON LOCAL BUSINESSES' INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
Are consulted	Are consulted Are listened Express themselves	Are consulted	Are consulted
Are encouraged	Are encouraged		
		Are engaged	Are engaged
Are informed	Are informed	Are informed Are reported	Are reported
	Are involved		Are involved
	Elect the councillors		
			Place expectations
Are references	Are to be supported Have needs	Are partners	

Source: Data analysis

Local Media

Evidence gathered in the case studies does support the assumption that local media is a strong influential stakeholder at the local level of government. It was nominated in one case only and the evidence is weak. Table 118 presents the results of the cross-sectional content analysis. Even so, the evidence indicates that the Local Media both informs the population about the council's activities and it is regarded as helpless.

TABLE 118: THE CROSS-COMPARISON ANALYSIS ON LOCAL MEDIA'S INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
	Are helpless Do not press us		
	Inform the population		

Source: Data analysis

Senior officers

The findings presented in table 119 demonstrate that senior officer' influences in the decision making process can be classified as:

- Assistant activities;
- Counselling activities; and
- Managerial activities.

The groups above are detailed below in order to grasp the sort of influence each one is likely to represent to decision-making.

TABLE 119: THE CROSS-COMPARISON ANALYSIS ON SENIOR OFFICER'S INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
Are consulted by councillors		Advise members	Advise councillors
	Drive the agenda		
			Elaborate business plan
	Guide the councillors		
Make delegated decisions	Make the delegated decisions	Make delegated decisions	
Implement policies		Implement policies	
	Prepare the budget	Make analysis	Produce documents
Recommend the council	Recommend the councillors	Make recommendations	Recommend the councillors
	Translate objectives into actions	Put the parts together	Propose policies
	Review services		
	Run the authority		Manage the services

Source: Data analysis

Counselling Activities

Within this group of activities the findings indicate that senior officers support councillor's decisions and actions in the extent that they make researchers, consultations, and guide the agenda upon which decisions are made. They are the professional group that councillors rely upon for making decisions.

Key-issue 10: Evidence outlined above allows the investigation to assume that senior officers can influence decision-making because they exert the role of advisers in the decision-making process.

Managerial Activities

Within this group of activities, there are the whole set of activities related to the running of the council. These can be to elaborate plans, to review services, to elaborate the budget (at least parts of), and to implement policies. These activities can be seen as part of the day-to-day schedule of the council.

Key-issue 11: Evidence outlined above allows the investigation to assume that senior officers can influence the way money is spent, the definition of council's objectives as well as in the definition of the performance appraisal.

Private Partners (Contractors and the Local Chamber of Commerce)

Private partners can be organisations or groups able to deliver services as an agent for the local authority. The findings indicate that these agents are consulted and regarded in decision-making. In this field, the findings indicate the importance of the local Chambers of Commerce which is also consulted about issues in the decision making process. Table 120 demonstrates that this stakeholder received attention only from non-rural authorities.

TABLE 120: THE CROSS-COMPARISON ANALYSIS ON PRIVATE PARTNERS' INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
		Are consulted	Are consulted
		Are partners	
			Are regarded
			Co-operate with the council
			Influence the councillors
			Have to be monitored

Source: Data analysis

Public partners (Fire, Health, and Police Authorities)

Public partners are organisations empowered to deliver specific public services within the council. The services identified in this investigation were fire, health and police. Table 121 demonstrates how informants perceive these stakeholders.

TABLE 121: THE CROSS-COMPARISON ANALYSIS ON PUBLIC PARTNER'S INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
Are accounted Are informed			
Are consulted	Are consulted	Are consulted	Are consulted
	Are service delivers		Are partners

Source: Data findings

Voluntary Sector

In the local government scenario and according to the findings, Voluntary organisations are organisations invited to participate in the service delivery process. In this way, they are consulted and they co-operate with the local authority. Table 122 demonstrates the perceived influences of this stakeholder.

TABLE 122: THE CROSS-COMPARISON ANALYSIS ON THE VOLUNTARY SECTOR'S INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
Are accounted			
Acknowledge the council			
Are consulted	Are consulted	Are consulted	Have to be consulted
	Are service delivers	Are partners	Are partners Co-operate with the authority We haven't worked as much with them

Source: Data findings

Tier related Authorities

Some of the authorities investigated are linked institutionally with other authorities. This is the case of the districts, which are regarded as rural authorities. In those cases, it was possible to identify two sorts of tiers,

- Upper tier relations identified in the relationships between Districts and County Councils;
- Lower tier relations identified in the relationships between District and Parish Councils.

TABLE 123: THE CROSS-COMPARISON ANALYSIS ON TIE RELATED AUTHORITIES' INFLUENCES

Braintree	South Northamptonshire	Calderdale	Hackney
Are accounted			
Are consulted	Are consulted		
Are informed			

Source: Data findings

It is worth to point out that there is no subordination relation embedded in these relations. The fact is there is an overlapping in functions and authorities are empowered to carry out complementary functions. Looking at the example of Waste Services, County Councils are in charge of the disposal of the waste collected whilst District Councils are in charge of its collection.

With these findings, the presentation of the cross-sectional case studies is finished. At this point, it is feasible to conclude that there are two types of stakeholders able to participate in the decision making process of English local authorities, namely

latent and active. Just recalling, Mitchell and colleagues (1997) call a latent stakeholder the one that only possesses one of the attributes for identifying a stakeholder, namely urgency, legitimacy, and power. The others, who possess at least two attributes, they call salient stakeholders.

Subsection 3: Data collection process (phase 2)

In addition to the cross-sectional case studies, the investigation also examined documents issued by Central Government since 1999, the time in which the Best Value Regime came in force. These documents are laws, consultation papers and guidance issued in order to clarify points within the legal framework:

- **Modernising Local Government: Improving Local Services through Best Value** – a consultation paper issued by the DETR in September 1999, which aimed to seek support for the new scheme;
- **Local Government Act 1999**, which was issued in August 1999 and whereby the Best Value scheme came in force in Britain;
- **Local Government Act (LGA) 2000** whereby the New Councillors Constitution scheme has been introduced in Great Britain;
- **New Councillors Constitution: Guidance Pack Volume 1**, which was published by the DETR in October 2000 aiming to clarify points within LGA 2000;
- **Strong Local Leadership: Quality Public Services** – a white paper issued by the Government in December 2001, which according to the Prime Minister introductory words “seeks to establish a partnership between central and local government, reflecting the critical importance of local authorities as a tier of democratic government, delivering high quality public services to local people.” (Foreword);

- **Local Strategic Partnership: Government Guidance** – issued at March 2001 by the DETR;
- **Waste Strategy 2000: for England and Wales** issued in May 2000 by the DETR. This document aimed to set the main agenda in terms of Waste in Britain;
- **Best Value Performance Indicators 2001-2002** this is a packaged of guidance issued by the DETR in December 2000 aiming to regulate performance appraisal in that period.

Results from Analysis of Documents

The analysis was performed looking for evidence to support the decision making process described by the four cases. The evidence are presented in the alphabetical order

The Audit Commission System

As presented before, the Audit Commission System is seen in this investigation as composed by three organisations: the Audit Commission, the Best Value Inspectorate and the District Auditors. Each one's influences in decision-making are outlined in separate here.

The Audit Commission

According to the findings, the Audit Commission is empowered to formally oversee the decision making process of English Local Authorities as well as to issue guidance and performance indicators. The following quotations corroborate this statement,

“The Audit Commission is an independent body with a duty under Sections 44 and 46 of the Audit Commission Act 1998 to specify performance indicators for local authorities as it thinks fit” (The Audit Commission, 2002, p. 12)

The Audit Commission has published guides to devising sets of performance indicators and to setting and monitoring local performance targets (ibid, p. 12).

The Audit Commission may carry out an inspection of a best value authority's compliance with the requirements of this Part. (DETR, 1999a)

The Audit Commission is also able of advising local authorities in matters of performance as the following quotations illustrate:

“The Audit Commission provides advice to authorities wishing to clarify definitions of indicators.” (Audit Commission, 2002, p. 17)

The Audit Commission will have a leading role in helping to develop each council's inspection programme working with the other inspectorates. (DTLR, 2001, p. 30)

The Best Value Inspectorate

According to the findings, great importance is dedicated to the Best Value Inspectorate within the legal framework. This department has been created to inspect poor performing authorities. Corroborating evidence gathered in the interview with a senior officer from Calderdale, the Best Value Inspectorate have influence in decision making in the extent that the outcomes of their reports are likely to end in intervention if poor performance is reported as the following quotations illustrate:

“Where auditors and inspectors have concerns about poor performance, the Local Government Act 1999 provides for recommendations to be made to the Secretary of State as to the exercise of his powers of intervention” (DETR, 1999c, p. 16).

“A new Best Value Inspectorate, working with other Inspectorates, will oversee an objective and independent process of regular inspection of all local services” (DETR, 1999b).

“The Government attaches great importance to an objective and independent process of regular inspection for all local services. It has already announced its intention to form a new housing inspectorate within the Audit Commission, as part of a new Best Value Inspectorate” (DETR, 1999b).

The District Auditors

According to the legal framework in force, District Auditors have an important role to play in decision-making. They are also empowered to recommend intervention if poor performance is detected. However and according to evidence presented before,

District Auditors are more concerned with the rightness of the accountancy rather than performance. The following quotations illustrate the importance of the District Auditors in decision-making.

“During the course of their work with local authorities, the Audit Commission (in its role as Best Value Inspectorate) or the District Auditor might become aware of discrepancies between permits held and waste land filled” (DETR, 2000c, p. 34).

“We shall also ensure that local government officers (particularly, the S151 officer) and district auditors have the powers they need to ensure that the legal requirements are complied with” (DTLR, 2001, p. 83).

Central Government Influences

Evidences gathered in the cross-sectional case studies are corroborated by the analysis of documents on central government’s influences in decision-making. Great emphasis is placed on central government’s power as a financial resource supplier as the quotation below illustrates:

“Councils are responsible for around a quarter of public spending, covering a number of key services, such as education and social services. The Government's aims are to ensure the best value for money and the most efficient possible use of resources in the delivery of all public services, while keeping the overall burden of taxation as low as possible” (DETR, 1999b).

It also brings forward evidence about power to influence the institutional agenda. It is feasible to conclude that local government is an extension of central government for delivering locally public services as the Prime Minister declared:

“This white paper sets out a new vision for local government at the beginning of the 21st Century. It seeks to establish a partnership between central and local government, reflecting the critical importance of local authorities as a tier of democratic government, delivering high quality public services to local people” (DTLR, 2001, foreword).

In this context, Central Government sets down the institutional agenda and local governments have to adapt themselves in order to fit their objectives and aims to this agenda. The following quotations strengthen this point.

“Central to this programme is our agenda to modernise local government” (DETR, 1999b).

“The Better Government programme is setting out an agenda for central and local government to work together” (DETR, 1999b).

“The ambitious agenda for local government set out in this white paper presents significant challenges to local authorities, their members and staff” (DTLR, 2001, p. 47).

Councillor’s Influences

The analysis of documents corroborates the fact that councillors have two specific roles in decision-making: as an executive and as elector’s representative. The executive role is related to the operational decisions within council. The representative role is related to the councillors’ responsibility for their constituencies and for the council. The Local Government Act 2000 (DETR, 2000a) states the following roles for councillors:

- “Representing the views of their constituents;
- Acting together as the full council;
- Membership of committees and sub-committees; and
- Membership of overview and scrutiny committees (though not for members of the executive)” (p. 2-1).

According to the DETR (op. cit.), councillors, who compose the executive committee, have the responsibility of:

- “Leading the community planning process and the search for best value, with input and advice from overview and scrutiny committees, area committees and any other persons as appropriate;
- Leading the preparation of the local authority’s policies and budget;
- Taking in-year decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the full council; and

- Being the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs” (pp. 4-2).

The quotations above corroborate the findings that councillors are empowered to set locally the agenda as well as the framework (budget inclusive) within which decisions are to be made. It is worth to add that councillors, on representing their constituencies, participate in scrutiny bodies, which according to the Local Government Act 2000 (ibid), aim “to assist in the development of council policy and to question and evaluate the actions of the executive, both before and after decisions are taken” (p. 2-3).

Employees

According to the findings, employees are able to influence decision-making in the extent that they help on implementing policies as well as on delivering services. When a resident comes along the local authority’s counters, they are to be attended by a member of the staff. For this reason, the frontline employees are the ultimate responsible for making the user’s perceptions about good or bad service. The following quotations illustrate these points.

“The great majority of employees will carry out the authority's policies and deliver or secure services: They will be responsible to the political executive through their line management with statutory duties to account for their actions to the council in its scrutiny role” (DETR, 1999b).

“Well-motivated and well-trained employees are vital in the provision of best value services, whether they are working for local councils, the private sector, or the voluntary sector” (DETR, 1999b).

“The Government recognises that high quality services depend on highly motivated staff and employers who recognise their staff as a valuable resource” (DTLR, 2001, p. 50).

The Improvement and Development Agency (IDeA)

According to the findings, the IDeA carries out inspections on local governments looking at their corporate health. The way the IDeA influences decision-

making seems to be related to a generation of good practices whereby local government ought to adopt.

“The Audit Commission is also working with the Improvement and Development Agency (IDeA) to establish a library of definitions of local performance indicators and a database of those authorities that are using them” (Audit Commission, 2002, p. 12).

“To support these changes, we will work with the Local Government Association (LGA) and the IDeA to develop a best practice programme on how the new arrangements are operating” (DTLR, 2001, p. 16).

“A specified number of councils to have an Improvement and Development Agency (IDeA) Local Government Improvement Programme visit or re-visit each year...poor-performing councils to receive IDeA support” (DTLR, 2001, p. 25).

Citizen's influences

In the document analysis, evidence has been found to support the view that citizens are entitled to participate in decision-making through three distinct roles: as service users, as taxpayers and as voters.

Service Users

As service users, the findings indicate that the local community should be invited and consulted within decision-making as the following quotation illustrates: “Councils will have a duty to consult local people about plans and services, and will have a power to hold local referendums” (DETR, 1999b).

The document analysis also demonstrates a concern about making the local community more engaged which corroborates evidence from case studies' analysis as the quotation illustrates: “Local people will be encouraged to take greater interest in their council's affairs” (DETR, 1999b). The following quotations strengthen the points above.

“Involving local people and communities is vital for the successful development and implementation of community strategies and local neighbourhood renewal strategies, and key to achieving lasting improvements” (DETR, 2001, p. 13).

“The council needs to be clear about the services which local people expect and the resources and opportunities available to deliver them” (DETR, 1999b).

“Where they have them local authorities should also make use of decentralised structures such as area committees and forums to consult local people” (DETR, 2000a, p. 11-4).

Taxpayers

According to the findings, the services provided by the local authority are, in part at least, funded by taxes and rates paid by the local community. The following quotations illustrate this point:

“Strong local financial accountability means that local people can have an impact on their council's spending and taxation decisions. Those decisions need to be open and understandable. Local people need to take responsibility for the consequences of those decisions. And the costs of local services need to be shared fairly between local taxpayers through the council tax” (DETR, 1999b).

“The new political structures and improvements to local democracy described in the preceding Chapters are designed to give councils a new democratic legitimacy. With these changes councils will have a more robust democratic mandate to set taxes at the levels needed to deliver local services according to local priorities, of a quality and at a price local taxpayers demand and are willing to pay for” (ibid).

Local Voters

According to the findings, voters have influence in decision making because they are empowered to fix the council's composition. It is a legal and inalienable right. The findings corroborates that the electoral process has relation to the accountability of the political process. The quotations below illustrate these points.

“Would be entitled to vote as electors at an election of councillors for an electoral area which is situated within the area of the local authority concerned” (DETR, 2000a).

“Each councillor will become a champion of their community defending the public interest in the council and channelling the grievances, needs and aspirations of their electorate into the scrutiny process” (DETR, 1999b).

“But local accountability is maximised where the whole electorate in a council's area is involved in elections each time they take place” (ibid).

“Close links between councillors and the people they represent are vital to ensuring councils engage effectively with their local communities” (ibid).

The Local Government Association (LGA)

According to the findings, the LGA represents local authorities before central government and other spheres of power. The document analysis demonstrates that the LGA gets involved trying to sort out problems between central and local governments. They are consulted in a range of opportunities by Central Government. By the findings, it is feasible to conclude that the LGA is able to influence the decision making process in two ways as the following quotations illustrate:

- Directly – by issuing guidelines;
- Indirectly – by influencing the Central Government on setting frameworks.

“A protocol has been agreed with the Local Government Association setting out the principles under which these wide-ranging powers will be used and the procedures which will be followed at each stage of an individual case” (Audit Commission, 2002, p. 16).

“The national local government bodies - particularly the Local Government Association (the LGA) - are well placed to play the key role here” (DETR, 1999b).

“The Department of the Environment, Transport and the Regions and the Local Government Association have jointly published guidelines for consulting on new constitutions to accompany this guidance” (DETR, 2000a, p. 1-1).

“To support these changes, we will work with the Local Government Association (LGA) and the IDeA to develop a best practice programme on how the new arrangements are operating” (DTLR, 2001, p. 16).

Local media

The evidence gathered by the analysis of documents allows the investigation to regard the local media's influences in the extent that it works as a channel for connecting

local authorities with the local community. This influence is explicitly stated in government's document because local authorities have to publish their reports through the local media. It has also been found that the local media is able to scrutiny councillor's decisions as the following quotations indicate.

"Best value authorities have to publish their ACPIs for the given financial year in a local newspaper by October 31 each year" (Audit Commission, 2002, p. 17).

"Other decisions are capable of being taken quite properly by an individual subject to scrutiny by other councillors, the local media and the local community and subject to the protection given by the new ethical framework set out in chapter six below" (DETR, 1999b).

"Section 29 also requires that as soon as possible after such a resolution a local authority must make copies of the executive arrangements available for inspection by the public and publish a notice in at least one local newspaper" (DETR, 2000a, p. 11-8).

Senior Officer's Influences

The evidence gathered confirms that senior officer's influence in decision-making is a function of their ability to support councillor's decisions. The following quotations illustrate that decisions are to be made following advices and recommendations from officers. On the other hand, officers are also empowered to undertake day-to-day decisions in order to ease the councillors' agenda.

"Overview and scrutiny committees may wish to use this option if, following advice from the appropriate officers, they consider that the decision may have been contrary to the policy framework" (DETR, 2000a, p. 2-13).

"Decisions should be taken on the basis of due consultation and professional advice from officers" (ibid, p. 7-1).

"At the end of the day it is for elected members, supported by good quality advice and sound management by officers, to ensure that their financial management systems and decision making processes are robust and that the resources available to the authority are used efficiently and effectively" (DTLR, 2001, p. 67).

“Council officers will support them, or be accountable to them, in all of their roles” (DETR, 1999b).

“The Secretary of State believes that the extent of delegation to officers should in general increase as a result of new arrangements. Such delegations are encouraged as a way of ensuring more efficient decision-making and of preventing the executive from becoming overwhelmed by a large volume of very detailed managerial, operational and professional matters” (DETR, 2000a, p. 4-5).

Private Partners

The findings indicate that private partners should be consulted and involved in decision-making. The channel through which this stakeholder is likely to exert influence is similar to the one used by public partners. The following quotations illustrate how the legal framework states the relationships between councils and the private organisations.

“Effective local partnerships are fundamental to the success of councils' strategic role. It is essential that councils work with a wide range of agencies and organisations that operate locally, such as private organisations (e.g. registered social landlords)” (DETR, 1999b).

“Executive implements policy, making public how they intend to involve stakeholders: e.g. those who are affected by the policy (tenants, community groups etc.) and those who can help deliver the policy (e.g. the police, health service, voluntary sector and private sector)” (DETR, 2000a, p. 7-2).

“Local authorities should consult all those with an interest in how the area is governed and how the local authority takes decisions when drawing up their proposals. This should include: the public, tenants, other public bodies, the private sector and the community and voluntary sectors” (ibid, p. 11-4).

Political Parties influences

The analysis of documents did not bring forward any important evidence about this stakeholder influences in the decision making process of English Local Authorities. It does not necessarily mean that political parties have no interest or influence in decision-making, which shows a point for justifying political parties to influence agenda setting. Indeed, policy outcomes are likely to be a good argument to convince voters. The

quotation below argues that officers should not be connected to any political parties in order to fit to Best Value scheme.

“Without a highly effective, imaginative and politically neutral officer service councils will not reap the full potential benefits of these new models. Indeed, this is a pre-condition for a model in which a mayor provides a political steer to a council manager charged with executive delivery of the policy” (DETR, 1999b).

The acknowledgement of the neutrality of the officers can be detected in the following quotation, in which officers are advised to attend meeting and to look at ‘the political priorities’ in order to be updated with the main political orientations of the council.

“The chief executive attends every meeting of the cabinet and arranges chief officer attendance as necessary for items on the agenda. Officers are in general welcome to attend any meeting in order to have an understanding of real political priorities and the debate around them” (DETR, 2000a, p. 8-7).

About political whipping (links between political orientation and accountability), the Local Government Act 2000 advises that it is not expected that overview and scrutiny processes be subject to political linkages. The quotation below illustrates the point.

“Overview and scrutiny committees are to hold decision-makers to account. To do so effectively will require a change in the way members have traditionally questioned decisions. Although this is a matter for political parties to consider, both locally and nationally, the Secretary of State believes whipping is incompatible with overview and scrutiny and recommends that whipping should not take place” (DETR, 2000a, p. 3-8).

Public Partners

Public Partners such as Fire, Health, and Police Authorities are regarded as partners to whom decision-makers should consult and seek fair relationships on delivering public services. From the findings, the investigation is allowed to infer that public partners are likely to influence decision-making in the extent that they represent a reference on ‘good practice’.

“Bring together local plans, partnerships and initiatives to provide a forum through which mainstream public service providers (local authorities, the police, health services, Central Government agencies and so on) work effectively together to meet local needs and priorities” (DETR, 2001, p. 6).

“Effective local partnerships are fundamental to the success of councils' strategic role. It is essential that councils work with a wide range of agencies and organisations that operate locally, such as public bodies (e.g. executive agencies of Government, the new RDAs, TECs, and NHS bodies)” (DETR, 1999b).

“Local authorities should consult all those with an interest in how the area is governed and how the local authority takes decisions when drawing up their proposals. This should include: the public, tenants, other public bodies, the private sector and the community and voluntary sectors” (DETR, 2000a, p. 11-4).

“Executive implements policy, making public how they intend to involve stakeholders: e.g. those who are affected by the policy (tenants, community groups etc.) and those who can help deliver the policy (e.g. the police, health service, voluntary sector and private sector)” (ibid, p. 7-2).

“The contribution of upper-tier authorities, especially for education and social services, is equally important. This is the level at which links to other key service deliverers – such as the health service and the police – can most effectively be formed” (DTLR, 2001, p. 15).

Tier Related Authorities

Tier related authorities can be either upper or lower authorities. District Councils have relationships with both County Councils (Upper Tie Authorities) and Parish Councils (Lower Tie Authorities). As the focus of the investigation is placed on Waste Collection Services, some authorities are empowered to deliver this service and others not. Chapter two deals in details with this matter, but both single tie authorities and lower tie authorities are empowered to deliver Waste Collection Services (LGA, 2001). The quotations below illustrate how Tie Related Authorities are likely to influence decision-making. In overall terms, these organisations are there to be consulted on both policy-making and policy implementing matters.

“The elected mayor can also arrange for functions which are the responsibility of the executive to be discharged by area committees (where a local authority has devolved structures in place) or another local authority or jointly with one or more other local authorities” (DETR, 2000a, p. 4.10).

“A local authority should have effective arrangements for partnership working with other local authorities, including arrangements for joint consultation with local communities (particularly in two or three tier areas)” (ibid, p. 6-8)

“Local authorities should seek, through consultation with other local authorities of the same type and size, to ensure there are not large variations in the level of openness between authorities in the future, and that any convergence in the practice of authorities is in the direction of greater openness” (ibid, p. 7-5)

The Voluntary Sector

Evidence indicates that influences from the Voluntary Sector are similar to public and private organisations because they also help on delivering services. Influences from the Voluntary Sector in decision-making seem to be related to the policy-implementing process as well as reference of good practices. In this way, Voluntary Organisations are to be consulted as the quotations below indicate.

“Voluntary organisations are a key element in communities’ social fabric and are often best-placed to involve people who might otherwise prove hard to reach” (DETR, 2001, p. 7).

“Well-motivated and well-trained employees are vital in the provision of best value services, whether they are working for local councils, the private sector, or the voluntary sector” (DETR, 1999b).

“Local authorities should consult all those with an interest in how the area is governed and how the local authority takes decisions when drawing up their proposals. This should include: the public, tenants, other public bodies, the private sector and the community and voluntary sectors” (DETR, 2000a, p. 11-4).

Section 2: Validating the decision making process: evidence from interviews with key-informants

This section presents the results of interviews carried out with key-informants. This process has been undertaken aiming to validate evidence from last section. The investigation regards as key-informants people with acknowledged contribution to the local government study as well as those nominated by interviewees throughout the data collection process as a relevant stakeholder. They are reference groups, key-researcher, and key-stakeholders:

- Reference group is comprised by the Improvement and Development Agency (IDeA), the Local Government Association (LGA) and the Regeneration Development Agency (RDA);
- The key researcher group comprises three academics with acknowledged contributions to the public management study, they are Dr. Kate McLaughlin from the Institute of Local Government Studies (Birmingham University), Professor Steve Martin from Cardiff Business School, and Professor Tony Bovaird from University of West of England;
- The key stakeholders group comprises Nik O’Flynn, the editor of the Hackney Gazette, Terry Bracket representing the local Chamber of Commerce of Calderdale, and Ian Davidson representing the Best Value Inspectorate (BVI).

Subsection 1: Data Collection Process

Data collection has been carried by applying semi-structured interviews with the informants. The process started by contacting every interviewee and explaining about the investigation’s aims. They were also asked to choose how, when and where the interview was going to be carried out. Some interviewees preferred the mail process due to

agenda convenience. Others preferred the eye-to-eye process and they set the interview arrangements (place and time). The process started in December 2001 and it lasted up to February 2002. The whole set of interviews was recorded and transcribed by myself and reviewed by a native speaker.

The interview's process aimed to identify how these people perceive the decision making process of English Local Authorities and to what extent stakeholders take part in the process. The following questions were asked to the interviewees:

1. Please tell how do you see the way local authorities make decisions in this country?
2. Do you think that they regard stakeholders within their decision making process? If yes, what sort of stakeholders?
3. How do you analyse the central government's role within local authorities' decision-making process?
4. Can you see any relation between the Best Value Regime and the process through which decisions are made?
5. Being regulated by the same central government, some local authorities are able to perform better than others. Can you tell me your analysis about this fact?

Subsection 2: Results of the data collection process

The findings are presented in the same fashion as before. That is, the analysis looks at stakeholders individually trying to identify the sort of influences they are able to exert in decision-making as well as whether this information matches to the collected by the other data collection methods.

The Audit Commission System

The validation process strengthens the idea that the Audit Commission is a strong influential institutional stakeholder who has central government support for doing so. The following quotation illustrates the institutional link between local governments and the Audit Commission: "The local government answer to bodies like the Audit

Commission under a whole set of initiatives” (Interview with Dr. Kate McLaughlin). Indeed, the interviewees declared that the Audit Commission has an institutional role to play in the decision-making of English Local Authorities because the Local Government Act 1999 (DETR, 1999a) requires that every local authority have to report to the commission.

Included in the Audit Commission competences, there is a duty to inspect local authorities. The Best Value Inspectorate carries out this duty. The findings indicate that this department aims to improve local authorities’ performance, as the following quotation demonstrates.

“I think that the inspections is facilitating the improvement as well as about seeing best services now. We want to make recommendations, but it is important that the council understand why we are making that recommendation, why that service has got that varies as not working well, or why we are saying that it needs improvement in its improvement plan” (Interview with a representative from the BVI)

A key-researcher supported the argument above:

“This hand the inspectors a new and enhanced role in making Comprehensive Performance Assessment on the basis of which authorities will be categorised in four groups, which will then be subject to quite different kinds of regulatory regimes” (Interview with Professor Steve Martin).

The representative from the BVI, when explaining the differences between Best Value Inspectorate and the District Auditors, declared that the District Auditors are focused on accounting and on figures, while the BVI is focused on the management process and on performance. The quotation below illustrates these points:

“District auditors look at the historical aspects. They look at the council figures in historical terms. We actually look at how they do the service now and if they are going to improve in the future” (Interview with a representative from the BVI).

The findings from interviews reinforce that the Audit Commission System is regarded as a strong influence stakeholder empowered to influence the decision making process of English Local Authorities by inspecting, auditing and overseeing performance.

Central Government

The findings corroborated that central government controls local authorities (interview with Professor Tony Bovaird) and it has been challenging the way local government delivers services to the local population. In other words, central government is at the top of the political structure empowered to set the agenda upon which local governments have to set their local agendas. This central government's normative role of is clear in the following quotation: "Central government has been prescriptive about local authorities' behaviour in some areas than in others" (interview with a representative from the LGA).

Key informants' interviews corroborated that the message through which central government has been setting the agenda is not clear and too ambitious as the following quotation illustrates:

"If central government could specify the outcomes that they want for the money they are going to give to local government, but be less involved on specifying the way in which local government might achieve those outcomes. I think that ought to be beneficial" (Interview with an IDeA's representative).

The findings support the idea that local authorities rely heavily upon central government's funding as the following quotation suggests:

"However, the lack of a buoyant local tax base means that LAs are very much dependent of Central Government revenue to carry out even core tasks. This is the strongest tool that Central Government has to control LAs, particularly on the side of capital expenditure and finance" (Interview with Professor Tony Bovaird).

In relation to the influence of setting the legal and financial framework, the findings indicate that local governments operate in an iron cage constrained by requirements of all sorts and having little discretion about what they want and need to do, even though the contrary has been said by the government. The following quotations illustrate this point:

“The local authority may need to do something, but the money has been made available by the Central Government (80%) can only be used for specific purposes” (interview with a representative from the LGA).

“Legislation frames the decisions made. However, legislation is often vague and subject to varying interpretations, so that it is not usually a final determinant of decisions (although LAs often like to blame unpopular decisions on Central Government, claiming ‘it is their fault, they insist we do it this way’)” (interview with Professor Tony Bovaird)

The evidence outlined above corroborates central government’s influences in decision-making as:

- Funding local governments;
- Setting the institutional agenda;
- Setting the legal and financial framework; and
- Controlling the performance of local governments.

Councillors

The findings warranted councillors’ role in decision-making as the most important as the following quotation illustrates, “It is not our job to make decisions for the council, that’s what the elected councillors are there to do” (interview with a representative from the local media)

Indeed, the findings indicate that Councillors have the final word in the decision making process (interview with Professor Tony Bovaird) despite their decisions being supported by members of the Management Team. Being elected, councillors are empowered to run the council and they regard themselves as the ultimate power within the council to decide where the money is to be spent:

“Other key problem which local authorities have is related to the members, because they don’t want less money. They are elected and they see themselves in the right of deciding the quality of services to be provided” (interview with a representative from the BVI).

In terms of the ‘ideal’ decision making process, a representative from the IDeA declared that:

“The most important determinant that I have seen is the ability of the organisation to achieve strong, coherent and consistent leadership and that is both politically in terms of the role of the councillors, but also managerial in terms of having effective determined skilled managers within the organisation”.

The evidence outlined above corroborates the findings from case studies about councillor’s role in the decision making process of English Local Authorities. Due to this, the investigation regards councillors as the ultimate decision-makers within authorities and they carry out their duties acting on behalf of the local community.

Employees

No evidence whatsoever has been found about employee’s influences in decision-making in this part of the investigation.

The Improvement and Development Agency (IDeA)

Due to the nomination of the IDeA as an important stakeholder (interview with a senior officer from Calderdale), the investigation managed to interview a representative from this organisation. Throughout the interview, it was possible to collect evidence that indicate the IDeA as a sort of good-practice reference for local governments in this country. The IDeA makes available through its homepage at the Internet a handbook for good practice called “Benchmark of the ‘Ideal’ Local Authority”, which can be found in the following address: www.idea.gov.uk.

It is worth to quote the interviewee’s definition for an ideal decision making process.

“I think that decision have to be made taken into account the best possible information and the interest of key-stakeholders. I think that local authorities have invested in understanding their customer and stakeholder needs in both qualitative and quantitative terms and this is the best place to make decisions well. Of course information isn’t enough to make decision, you also need some kind of leadership and consensus around decisions been made and I think that is where individual who have skills and foresight to be able to use that information well also critical to affect decision-making” (Interview with the representative of the IDeA).

The evidence outlined above indicates that the influence exerted by the IDeA stem from its institutional role as performance developer. That is, central government has introduced this stakeholder with the objective of helping on performance improvement.

The Local Government Association (LGA)

The LGA is an organisation created to represent English local governments. As stated in the interview, the LGA helps local governments by liaising with central government in order to make local government's life easier. The quotations below illustrate the LGA's participation in decision-making.

“The services we provide are basically of three types:

1. We represent the interest of local government to Central Government and other national and international organisations. We try and get government gives more money to local authorities. We try to persuade government to widen powers and change these powers for local authorities can do their job better;
2. To publicise the achievement to raise the public profile of local government by communicating successes;
3. To advice in a range of issues that authorities may raise and ask us to do that” (interview with a representative from the LGA).

“Sometimes, it is just the organisation that represents local government itself: the Local Government Association” (interview with a representative from the Regeneration Development Agency).

From the findings, it is plausible to conclude that LGA's is able to influence decision-making in the extent that it is an ally who makes efforts to diminish local government troubles.

Local community

The findings indicate that the influences from local community come about in two branches: source of information and source of legitimacy. As source of information, the findings of this investigation corroborates that decision-makers have to consult citizens and local businesses about the services to be delivered. As source of legitimacy, the investigation indicates that local authorities are there to satisfy local community needs.

The local community influence is seen as composed by three different roles: consumers, financial resource providers and voters. The evidence about each one of these roles is presented below.

Consumers

From the findings, it is clear that decision-makers need to scan the local community's levels of expectations and satisfactions in order to envisage an effective service delivery process. For doing so, meetings are arranged and the local population is invited to participate, personally or by setting a representative. Despite local government's efforts, citizens are still regarded as indifferent about things their councils do, as the quotation below illustrates.

“The turnout in terms of voting for local government is very low...The people levels of interest and their levels of expectation is quite low. If you say to most of the people what do your local council do? It has been pools done about this. They probably will answer you they empty my bin and they collect my council tax” (interview with a representative from the BVI).

The validation process corroborates the evidence collected through case studies about local resident's lack of participation within decision-making. Despite being invited, the level of turn out in meetings is rather low forcing local authorities need to work out different approaches for engaging the local community as the following quotation illustrates:

“Birmingham recognised that public meetings are not the ideal way for communicating with local community and getting their involvement. They have started to look at alternative ways for doing so” (interview with Dr. Kate McLaughlin).

Despite the weakness in the evidence of citizens as influential in decision-making, the findings pointed out that the local community's opinions are regarded in the agenda setting process as the quotation below illustrates:

“Because corporate aims should reflect what that community need. If it does reflect what the community need, those services need to be

proactive at the boarding room” (interview with a representative from the BVI).

Financial resource suppliers

Evidence collected in the validation process corroborates the findings from the case studies for ensuring taxpayer as an influential stakeholder in decision-making as the following quotation illustrates.

“But, of course, the decisions of councillors are constrained by the law ..., their budgets (as explained to them by their officers and as constrained by their views of how many taxes local people are willing to pay), and by the cost-benefit calculus in relation to any given issue... ” (interview with Professor Tony Bovaird).

Voters

The findings also supply information about the local community’s influences by legitimising the decision making process. According to the findings, voters legitimise the whole process the moment they transfer their rights to councillors through the electoral process. By electing councillors, citizens are entitled to be accountable about politician’s acts. In this way, councillors are voter’s representative on leading the council as the following quotation illustrates: “It is not our job to make decisions for the council, that’s what the elected councillors are there to do” (interview with a representative from the local media)

Local Media

The local media, in its own words, acts as a type of watchdog overseeing the decision making process. The highest threat that this stakeholder is likely to exert in decision-making is to publish bad performance as well as to report bad practices. In fact, the local media is not an institutional stakeholder and its influences come about at the informal side of the decision making process.

“The newspaper sees itself as a kind of watchdog on the council. We report on what they are doing and how these decisions will affect the people of Hackney” (interview with a representative from the local media).

“They (outcome of the inspectorate process)¹⁵ are published. We do a summary which goes to all the local newspapers” (interview with a representative of the BVI).

The local media is also invited to attend meetings as the following quotation illustrates:

“We attend meetings, we report on meetings but we do not have any part of the decision making process. If we did we could easily be accused of being biased in our coverage” (interview with a representative from the local media).

Senior officers

According to the findings, senior officers are able to influence decision-making because they can influence councillors’ decisions. This sort of influence can be explained by the fact that councillors are only involved with council’s matters in a small part of their work life. Their agenda as well as their decisions are based upon officers’ recommendations and support. The quotation below supports this argument:

“The decisions of councillors are constrained by the law (as it is interpreted and presented to them by their officers), their budgets (as explained to them by their officers and as constrained by their views of how many taxes local people are willing to pay), and by the cost-benefit calculus in relation to any given issue (as explained to them by their professional officers and advisors)” (interview with Professor Tony Bovaird)

Senior officers can also be appointed to manage services by delegation of the council. The following quotation is an example of this influence.

“Part of the Best Value scheme is growing in mind that you do need to continue to look at the services and officers running them to ensure that they are going well” (interview with a representative from the BVI).

Another important perceived officers’ influence is related their ability of leading employees. The BVI representative in this investigation declared that: “I know that enthusiastic officers work as a medicine”. It has also been said that officers are expected to have the required expertise for advising councillors about policy-making. The quotation

¹⁵ My observation

below demonstrates the extent that the management team can be the differential between success and failure. The importance of this quotation is that the representative of an organisation that helps on improving performance issued it.

“I think that one of the most important determinant that I have seen is the ability of the organisation to achieve strong, coherent and consistent leadership and that is both politically in terms of the role of the councillors, but also managerial in terms of having effective determined skilled managers within the organisation” (interview with a representative from the IDeA).

Private Partners

Since the advent of the CCT, private organisations have been contracted to help on delivering public services. The findings demonstrate that these organisations participate either as substitutes, or partner of public organisations as the quotation below indicates.

“Even where LAs are doing quite badly, the powers of intervention are usually either very mild (e.g. not allowing them to raise high levels of capital finance for investment purposes) or VERY¹⁶ draconian (like insisting the service be handed over to a private company, e.g. Islington Education Service), so that there is little political will to go down that route” (interview with Professor Tony Bovaird).

Public Partners

Public partners comprise the whole set of decentralised services which exist in each council. The findings indicate that they work as partners for the local authorities in the policy-delivering process. Their influences are similar to other stakeholders invited to participate in decision-making. That is, they are involved and listened throughout the process.

The relationship between public partners and the local authorities, besides being institutionally regulated, reflects a sort of co-operative connection with no strong influence coming about.

¹⁶ Emphasised in the original

The Voluntary Sector

The findings indicate the Voluntary Sector as an alternative service supplier that local governments are able to engage in order to attend the local population. The quotations below strengthen this view.

“Sure, there are going on some very specific experiences we had but in regeneration and multiple regeneration initiatives often local authorities will be given opportunity to use the voluntary sector and to conduct activities that actually involve local people in determining how resources are allocated” (interview with a representative from the IDeA).

“However, there are other people involved such as the Health Service, the Education Services and the Police Services often voluntary groups and again I think that they have important role to play” (ibid).

The Voluntary Sector is regarded as a partner in the service delivery process and, therefore, it is invited to participate in meetings, when it has the opportunity of being listened. The quotation below illustrates that point.

“In this meeting there were voluntary organisations as well. Not only people like the local chamber and local government. Other people from different side may want to see things getting better. It is a type of detailed meeting. It is quite open to discussion and everybody has the chance to debate and to say what he/she think” (interview with a representative from the Chamber of Commerce).

The evidence above comprised the findings about stakeholder influences gathered through interviews with key-informants. These interviews have been carried out in order to validate the findings from section one. Even though it has not covered the whole set of stakeholders, it has provided enough evidence to support the findings so far.

Conclusion

This chapter presented an investigation which main aim was to fulfil the question about how stakeholder influences come about in the decision making process of English Local authorities. It has been done through two different and complementary data collection processes, namely a cross-sectional case study and interviews of validation. The first approach provided a description about how English Local Authorities make decisions,

the stakeholders entitled to participate in the process, and the sort of influence each one has in the process. The second approach provided evidence to support the findings gathered in the first approach.

As a result, it has been discovered that there are some stakeholders stronger than others able to exert great influence in decision-making. These stakeholders are:

- Councillors who are empowered to make the most important decisions within the council;
- Central government which is empowered to fund the council, to set the legal and financial framework, and to set the agenda;
- Senior officers, who are empowered to influence decisions by employing their expertise.

The evidence gathered in this chapter helped to corroborate the findings from last chapter that indicated as relevant stakeholder the same list as above. Another important contribution of this chapter is related to the nature of the influences. Some stakeholders are powerful because they have control over resources, which is the case of central government (financial) and senior officers (skills). Other stakeholders are important because they are able to use their institutional power to influence decision-making, which is the case of central government (agenda setting). The investigation also raised issues about stake. Some stakeholders approach local government because they need something from it, which is the case of contractors, partners, and the local community when demanding satisfaction for its needs. Looking at the findings, one can assume that the decision making process of English Local Authorities is a multidimensional and multistakeholder process to which scholars have to dedicate more attention.

In the next chapter the triangulation analysis is presented. In this process the findings are placed together in order to identify the real contributions and limitations of the present research to public service management theory.

Recalling the research question, it is about local government decision-making and it is trying to unearth the characteristics of such processes in order to provide contributions to the stakeholder management theory, at least for local government organisations. This investigation explores to what extent decision-making in local government is a stakeholder-based process. In order to answer the main question, some intermediate questions have been proposed:

- Who is likely to be a stakeholder to the English Local Authorities?
- How much influence is each one likely to represent to the process?
- How those influences come about in the decision making process of those organisations?

The first question and the second question have been answered by consulting the chief executives of English Local Authorities. In order to answer the third question, the findings from a cross-sectional case study and interviews were put together. The cross-sectional case study was carried out with four English Local Authorities. The interviews were carried out with key-informants from different areas related to the local government context with both theoretical and practical expertise on the subject.

This chapter presents a data triangulation analysis undertaken with the findings from the two studies presented in previous chapters. The aim is to identify whether the research question has been fully answered. In doing so, it is structured in three sections: a section to discuss the findings from a quantitative approach which has been presented in chapter five; a section to discuss the findings from a qualitative approach which has been presented in chapter six, and a section in which an answer to the research question is proposed. At the end of this chapter a model depicting the environmental influences and the several stages of the decision-making process of English Local Authorities is proposed.

Section 1: A stakeholder analysis for local government organisations based on identification and salience

This section analyses the quantitative investigation findings. The quantitative investigation was carried out by consulting the chief executives of English Local Authorities. The consultation had two aims:

1. To identify who Chief Executives consider as a stakeholder in the decision-making process of their authorities;
2. To identify how influential those stakeholders are in influencing the decision-making process of English Local Authorities.

As stated before in the literature review, stakeholder identification and salience is an incomplete field within local government stakeholder management literature (LGSML). In this way, the findings contribute to this literature providing a stakeholder map for a given local government organisation.

Subsection 1: A preliminary stakeholder's list for local government organisations

Table 124 presents a stakeholder list, which resulted from an empirical investigation. In order to sort stakeholder identification out, a stakeholder nomination index (SNI) assessed how pervasive within chief executives' daily activities some stakeholders are. From the index, which is reproduced in the table below, it is clear that central government and citizens are more popular than trade unions. No breakpoint has been adopted because all stakeholders are likely to participate in decision-making. However, and as discussed in chapter five, low SNI might undermine the reliability of the findings.

TABLE 124: PROPOSING A STAKEHOLDER'S LIST FOR ENGLISH LOCAL AUTHORITIES

Stakeholders	Overall SNI	No Rural Authorities	Rural Authorities	LAB	CON	NOC
The Audit Commission	0.33	0.29	0.29	0.24	0.22	0.29
Central Government	0.97	1.00	0.92	1.00	0.89	0.96
Citizens	0.93	0.94	0.92	1.00	1.00	0.92
Contractors	0.36	0.35	0.29	0.38	0.33	0.38
Councillors	0.67	0.65	0.67	0.62	0.67	0.83
Employees	0.70	0.68	0.71	0.81	0.56	0.75
Fire Authorities	0.41	0.44	0.29	0.57	0.22	0.46
Further Education	0.33	0.35	0.21	0.52	0.22	0.21
Health Authorities	0.75	0.82	0.63	0.81	0.67	0.75
Local Businesses	0.89	0.85	0.92	0.81	1.00	0.83
Local Media	0.56	0.53	0.54	0.52	0.56	0.58
Lower Tie Authorities	0.34	0.32	0.38	0.29	0.67	0.38
Management Team	0.34	0.32	0.29	0.29	0.33	0.38
Other Local Authorities	0.31	0.32	0.21	0.38	0.11	0.29
Partner Agencies	0.38	0.32	0.38	0.24	0.33	0.38
Police Authorities	0.77	0.85	0.63	0.81	0.67	0.75
Political Parties in General	0.41	0.41	0.33	0.43	0.44	0.38
Pressure Groups	0.59	0.62	0.50	0.67	0.67	0.46
Service Users	0.54	0.56	0.46	0.52	0.67	0.63
Trade Unions	0.28	0.24	0.25	0.24	0.22	0.25
Upper Tie Authorities	0.51	0.50	0.54	0.62	0.44	0.63
Voluntary Sector	0.72	0.77	0.63	0.71	0.78	0.63

Source: Data Analysis

In order to outline this particular type of organisation, it has been related to the political and geographical context in which it operates. The former relates to the political party empowered to lead the council and in England they are the Labour Party, the Conservative Party, the Liberal Democrat Party, and others. In some cases, no political party achieves the majority and they are labelled no-overall control councils. The latter relates to the geographic aspects of the area in which the council is located. Here, the Countryside Agency classification was employed, in which sorts out rural from not rural authorities. Another issue related to local government is about the status of the council. As presented in chapter two, in England local government are unitary or tier related authorities. An authority is said to be unitary when the council is responsible for delivering the whole set of public services to the local population. Tier related are those authorities that share their competencies with other spheres of power. The consultation involved chief executives from Metropolitan Districts, London Boroughs, and Unitary Councils, which

have the status of unitary authorities, and District Councils, which share their functions with County Councils.

The table above presents all alternatives explored in this investigation for assessing stakeholder identification. In the column overall SNI, it is presented the overall results for stakeholder identification. Central government achieved the highest SNI (0.97) and trade unions the lowest (0.28). The third column presents stakeholder identification for no rural authorities. Again, central achieved the highest SNI (1.00) and trade unions achieved again the lowest (0.24). The fourth column presents stakeholder identification for rural authorities. Central government, citizens and local businesses achieved the highest SNI (0.92) and further education organisations and other local authorities achieved the lowest (0.21). The fifth column presents stakeholder identification for authorities in the Labour context. Central government and citizens achieved the highest SNI (1.00) and partner agencies, the Audit Commission and trade unions achieved the lowest (0.24). The sixth column presents stakeholder identification according to the Conservative Party context. Citizens and local businesses achieved the highest SNI (1.00) and other local authorities achieved the lowest (0.11). Finally, the seventh column presents stakeholder identification according to the non-overall control context. Central government achieved the highest SNI (0.96) and further education organisations the lowest (0.21).

The table above indicates two extremes on stakeholder identification, the well 'voted' central government and the poorly 'voted' trade unions. This fact could be explained by central government's strategy behind CCT of weakening public trade unions. As said before, the survey aimed to identify the stakeholder of local government organisations as well as their salience. In terms of stakeholder identification, empirical evidence indicates that the stakeholder's list above represents a consensus between local authorities about the actors present in their daily activities. This calculation is presented in chapter five and it demonstrates strong correlation among stakeholder identifications.

Despite some discrepancies in the nomination of some stakeholders, this fact indicates that the political and the geographical context are not a determinant in stakeholder identification.

Subsection 2: A preliminary stakeholder salience index for local government organisations

In terms of stakeholder salience, the survey applied Winstanley et al.'s (1995) typology for assessing stakeholder powers to influence decision-making. This methodology measures stakeholder powers as comprising two dimensions, namely criteria and operational powers. Criteria power represents stakeholder's control over the organisation's strategic plan. Operational power represents stakeholder's control over operations. The dimensions are recollected as follows.

Criteria Power of Stakeholders

Table 125 presents criteria power results.

TABLE 125: STAKEHOLDER SALIENCE ACCORDING TO THE CRITERIA POWER

Criteria Power								
Stakeholders	Criterion 1		Criterion 2		Criterion 3		Criterion 4	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Central Government	3.91	1.01	3.88	1.05	4.62	0.73	3.62	1.18
Citizens	3.58	1.07	3.37	1.01	2.42	1.01	4.27	0.93
Councillors	4.87	0.34	4.71	0.61	3.59	1.01	4.14	1.00
Employees	2.93	1.11	3.51	1.15			2.97	1.04
Health authorities	3.00	0.82	2.75	0.90	2.20	0.93	2.88	0.97
Local businesses	2.98	0.91	2.64	0.83	2.00	0.86	3.22	1.09
Police authorities							2.93	0.97
Voluntary organisations			2.37	0.88				

Source: Data Analysis

In this group, councillors are regarded as strong influence (SSI > 4.0) in criteria 1, 2 and 4 and as useful strong influence (3.0 < SSI < 4.0) in criterion 3. Central government is regarded as strong influence in criterion 3 and useful strong influence in criteria 1, 2 and 4. Citizens are regarded as strong influence in criterion 4, useful strong influence in criteria 1 and 2 and medium influence in criterion 3. The other stakeholders

are regarded as medium influence. It is worth to recall that the other stakeholders from the list are not considered due to reliability problems. As discussed in chapter five, there is no empirical evidence for supporting the hypothesis that either political or geographical contexts be seen as determinants in stakeholder salience.

Operational Power of Stakeholders

Table 126 presents the stakeholders that have operational power for influencing decision-making according to the consultation with chief executives. Applying the same parameter as before, councillors are regarded as a strong influence in criteria 5, 6 and 7. Central government is regarded as strong influence in criterion 5 and useful strong influence in criteria 6 and 7. Employees are regarded as strong influence in criterion 7. Once again, the other SSIs are omitted due to low reliability.

TABLE 126: STAKEHOLDER SALIENCE ACCORDING TO THE OPERATIONAL POWER

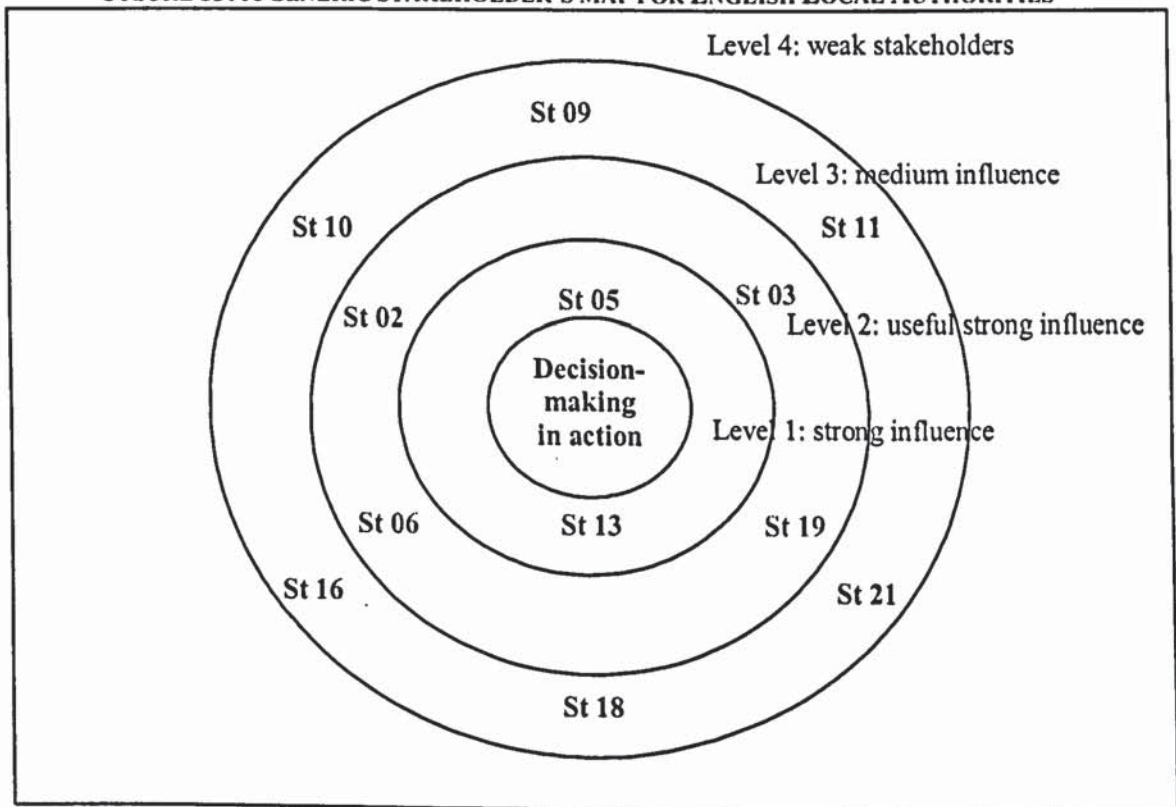
Operational Power						
Stakeholders	Criterion 5		Criterion 6		Criterion 7	
	Mean	SD	Mean	SD	Mean	SD
Central Government	4.48	0.77	3.75	1.16	3.61	1.14
Citizens	2.19	1.03				
Councillors	4.58	0.87	4.59	0.97	4.22	0.85
Employees	2.95	1.31	3.17	1.25	4.13	1.03
Health authorities	2.13	1.02	2.83	0.98		
Local businesses	1.98	0.92	2.82	1.04	2.58	0.79
Police authorities	2.20	1.09	2.85	0.96		
Voluntary organisations			2.71	0.96	2.60	0.85

Source: Data Analysis

In terms of overall power in decision-making, the consultation results indicate that councillors, citizens and central government, in this order, are the most powerful stakeholders entitled to influence decision-making. Senior officers are also regarded as strong stakeholders. Unfortunately, the reliability analysis does not support their inclusion in this list. Whether drawing a stakeholder's map for English local authorities and using as a reference the solar system, the core has to be the decision-making process, which is run by councillors with the help of senior officers. Surrounding the core, there are central

government and the others stakeholders each one empowered to influence according to different levels of influence. Figure 13 presents a general stakeholder's map for English local authorities. According to the Lickert scale employed to measure up stakeholder salience, there are five levels of influence. The stronger stakeholders are to be placed nearer to the core due to managerial reasons. That means decision-makers need to be alert to them. Using a stakeholder analysis terminology, these stakeholders' criteria for judging the local authority performance are critical to the organisation performance management. The other levels of influence vary according to stakeholder salience index. The further the level from the core, the smaller the stakeholder influence on decision-making process.

FIGURE 13: A GENERIC STAKEHOLDER'S MAP FOR ENGLISH LOCAL AUTHORITIES



Section 2: Depicting stakeholder participation in decision-making

This section deals with the findings gathered through qualitative research which has been undertaken in order to identify the process through which English Local Authorities make decision and the extent that stakeholder are relevant to the process.

Subsection 1: Depicting the boundaries of stakeholder influences in decision-making

The latest decision making process for English Local Authorities has been set up by central government in the Local Government Act 2000 (DETR, 2000a). Besides, the investigation sought to identify how decisions are made and the stakeholders' participation in the process. The main result of chapter six is that there are eight different clusters representing the classes of stakeholder influences in the decision-making of English Local Authorities. They are dealt with in alphabetical order:

Starting from the data gathered in chapter six, a pattern analysis was done in order to identify the pattern of the relationships between each stakeholder and local governments. For doing so, the analysis was done according to the following steps:

1. The whole set of categories which emerged from the content analysis was organised into tables in order to discard the repeated elements;
2. After alphabetically ordered, the categories were classified in order to facilitate the visualisation of the various manners by which stakeholders approach local government decision-making. At that moment, a taxonomy analysis on the categories was appropriate and it was done as follows;

Type 1: stakeholder participation can be characterised either as an influence received from or exerted in decision-making. Therefore, stakeholder participation can be described as passive or active in decision-making.

Type 2: stakeholder participation can be characterised as an expression of power or interest. The parameters applied in this analysis rely upon basis of power and basis of interests;

Type 3: stakeholder participation can be characterised according to its source. In this concept, the institutional and technical concepts of environment are employed.

3. The next step is to group stakeholder’s participation into clusters in order to find out a rationale for depicting the arena in which local governments make decisions and the relationships with their main stakeholders. The clusters represent the key-issues raised in page 242 onwards.

Table 127 presents the analysis detailed above. It combines concepts presented in the literature review chapter involving Freeman’s matrix of power and interest, Mintzberg’s concepts of power, and Scott’s classification of environments. It is a helpful tool for identifying stakeholder influences and it supports the content analysis presented onwards.

TABLE 127: A PROPOSED TAXONOMY FOR UNDERSTANDING STAKEHOLDER INFLUENCES

Type 1: The nature	Type 2: The basis		Type 3: The source
Passive Active	<u>Sources of interest:</u> ✓ Community interest ✓ Customer ✓ Ownership	<u>Sources of Power:</u> ✓ Control over Resources ✓ Control over Skills/knowledge ✓ Legal Prerogatives	Institutional Technical

Source: Adapted from Freeman, 1984; Mintzberg, 1983; Scott, 1998

Resulting from the stakeholder analysis carried out in chapter six, the following findings are gathered. Before starting to present the analysis, it is worthwhile to present the criteria for power/interest classification, which is outlined in the table below. The analysis is presented by using tables, which have two main columns. The first main column presents a stakeholder analysis and it is split into two columns. The second main column presents the stakeholder participation taxonomy. In so doing, it is split into three columns,

which one representing the participation main characteristics. As stakeholder influences have been sorted out, the best presentation for the analysis seems to be looking at each cluster in order to depict the stakeholder influences taking part in the process and the main characteristics of those influences.

Cluster 1: Decision-Making Process in action

This cluster comprehends those influences delivered with the clear intention of keeping the decision-making process running. According to the findings, the main influential stakeholders were the councillors empowered to make the most important decisions within the council. In so doing, they decide policies, they make daily decisions, and they delegated decisions to senior officers.

The influences depicted in this cluster are the result of power rather than interest and they are the result of control over skills and legal prerogative. Senior officers' power derives from the fact that they are appointed according to their knowledge or technical skills with they are supposed to put into practice in running the public services. Councillor's power to run the council is transferred to them by the local community through elections. Table 128 summarises cluster 1.

TABLE 128: STAKEHOLDER INFLUENCES AS DECISION-MAKERS

Stakeholder Analysis		Classification		
Stakeholder	Influence/interest	Type 1	Type 2	Type 3
Senior officers	Implement policies	Power	Control over skills	Technical
	Manage services			
Councillors	Approve policies	Power	Legal prerogative	Technical
	Delegate responsibilities			
	Monitor performance			
	Implement policies			
	Lead the council			
	Make decisions			
	Represent community	Power	Legal prerogative	Institutional
Senior officers	Make delegated decisions	Power	Legal prerogatives	Technical

Source: Data Analysis

Cluster 2: Agenda Setting

The findings indicated that councils have to take into account stakeholder's expectations in the council's policies (DETR, 2000a). In this way, they consult local residents, local businesses, and other relevant stakeholders in order to balance their expectations. Despite consulting the local community as a whole, council's policies are also shaped by the agenda set down by central government. According to Bryson (1995) there are two types of agenda, namely the systemic and the institutional agenda. The systemic agenda relates to the issues shared by the local political community. The institutional agenda relates to the issues raised by the institutional power for the consideration of the policy-makers.

Due to this, the agenda setting process is influenced by two external agendas: the institutional agenda which is set down by central government, and the systemic agenda which is set by the process of widening concerns and expectations to which public authorities become aware (Parsons, 1995). Table 129 summarises the cluster.

TABLE 129: STAKEHOLDER INFLUENCES ON HELPING TO SHAPE THE AGENDA

Stakeholder Analysis		Classification		
Stakeholder	Influence/interest	Type 1	Type 2	Type 3
Local businesses	Are consulted, are listened	Interest	Customer	Technical
	Are encouraged, are involved			
	Are informed, are reported			
	Express themselves			
Local residents	Are consulted, are listened	Interest	Customer	Technical
	Are encouraged, are involved			
	Are informed, are reported			
	Are service users			
	Have needs			
	Have to be satisfied			
	Place requirements			
Show low interest level				
Tie Related Councils	Are accounted, are informed	Interest	Customer	Institutional
	Are consulted		Customer	
Central Government	Sets the overall agenda	Power	Ownership	Institutional
The full council	Sets the local agenda	Power	Ownership	Institutional

Source: Data Analysis

Cluster 3: Facilitators for decision-making process

Local government decision-making process is led by people from the local community who are not expected to have expertise in managerial activities. Due to this, professionals are appointed in order to support and facilitate the elected member’s job. The findings demonstrated that officers are entitled to drive the agenda, to advise councillors and to propose policies. In the same way, employees also have their say when the decision making process is running. This fact clarifies senior officer’s influences identified in the survey presented in previous chapter. The quality of the decisions depends solidly on the quality of the advice and recommendations made by these professionals. Table 130 summarises the analysis.

TABLE 130: STAKEHOLDER INFLUENCES AS FACILITATORS IN DECISION-MAKING

Stakeholder Analysis		Classification		
Stakeholder	Influence/interest	Type 1	Type 2	Type 3
Senior officers	Advice councillors	Power	Control over skills	Technical
	Drive the agenda			
	Elaborate businesses plans			
	Make recommendations			
	Propose policies			
Employees	Are consulted	Power	Control over skills	Technical
	Are involved			

Source: Data Analysis

Cluster 4: Performance development facilitators

Findings indicate that there are some stakeholders interested in the development of the decision making process. These stakeholders are the Audit Commission, the LGA, and IDeA. The Audit Commission has a statutory power to control and recommend local government organisations about the way they are performing. Using its political power and skills to make local government’s life easier comprises the LGA’s main contributions to decision-making. For doing so, the association makes efforts before central government trying to reduce the roughness of the legal framework as well as to get local authorities more financial resources. The IDeA is an organisation that helps local

governments to improve their performance. According to the findings, this organisation inspects and recommends local governments as a corporation and it does not look at services individually.

Another stakeholder that has power to influence the performance developments of local governments in England is the Audit Commission and its departments which are entitled to inspect and to audit local government's performance. As a requirement from the Best Value scheme, every local authority has to present a plan informing its aim of performance, which is audited and inspected by the Audit Commission. Table 131 presents the influences gathered in this cluster.

TABLE 131: STAKEHOLDER INFLUENCES AS PERFORMANCE DEVELOPERS

Stakeholder Analysis		Classification		
Stakeholder	Influence/interest	Type 1	Type 2	Type 3
LGA	Advises local governments	Interest	Community Interest	Institutional
	Publish good histories			
	Represent local governments			
	Try to arrange more money			
	Try to ease the legal framework			
IDEA	Examines all councils do	Interest	Control over skills	Technical
	Help to shape the policy			
	Report inspections			
	Review performance			
The Audit Commission	Make recommendations	Power	Legal prerogative	Institutional

Source: Data Analysis

Cluster 5: Legitimising Decision- Making

In order to depict this cluster, the neologism 'legitimiser' was used for describing someone's ability to legitimise a process. The findings demonstrate that councillors behave as surrogates, making decisions on behalf of local residents (particularly voters). Therefore, voters are empowered to influence the decision making process by electing councillors and transferring to them the right to decide. Table 132 summarises the findings.

TABLE 132: STAKEHOLDER INFLUENCES AS ‘LEGITIMISERS’ IN DECISION-MAKING

Stakeholder Analysis		Classification		
Stakeholder	Influence/interest	Type 1	Type 2	Type 3
Local residents	Are represented	Power	Legal prerogatives	Institutional
	Elects the council			

Source: Data Analysis

Cluster 6: Controlling Decision-Making

The Audit Commission and its representatives, namely Best Value Inspectorate and the District Auditors are empowered to exert influence in decision-making and their empowerment results from legal requirements. The Audit Commission is able to influence decision-making by:

- Assessing their performance;
- Creating performance indicators to which they have to comply with; and
- Publishing their performance.

The processes indicated above can cause embarrassment to the authorities as well as to their staffs. The Best Value Inspectorate is a body within the Audit Commission empowered to inspect local government’s performance. According to the findings, it is focused on customer’s satisfaction and in the way local authorities deliver services. The District Auditors is also part of the Audit Commission’s system empowered to audit local government’s accounts. Besides these sorts of influences, there is evidence that central government has interest in local government’s performance. The interest stems from a sense of ownership that central government has over local government’s performance. Despite its low nomination throughout the investigation, the analysis includes this stakeholder at this moment and it shall return to it latter.

The local media exerts influences in decision-making to the extent that it controls a crucial resource for politicians: information. The triangulation analysis indicates little evidence for local media as an influential stakeholder and it is verified in the findings from the case studies. However, there is reasonable evidence for considering it as a

stakeholder. According to the findings, the local media is able to influence decision-making by informing local population about the local authority's performance (by publishing Best Value Performance Plans) and by informally scrutinising its activities (by publishing bad histories about the authority). It is a technical sort of influence that is likely to end in dependence to the extent that politicians need a good image in order to aspire to re-election.

The findings indicate that in this cluster there are two types of influences, namely formal (stemming from statutory requirements) and informal. While the Audit Commission and its representatives are statutorily empowered to oversee local governments, the local media has power to scrutinise local government's activities to the extent that they have control of an important resource, namely information. Finally, central government has interest in overseeing local government's performance because it will be the indirect beneficiary of local government success. Table 133 summarises the analysis.

TABLE 133: STAKEHOLDER INFLUENCES AS CONTROLLERS IN DECISION-MAKING

Stakeholder Analysis		Classification		
Stakeholder	Influence/interest	Type 1	Type 2	Type 3
Local Media	Does not press the council	Power	Control over resources	Institutional
	Inform the population			
	Publicises council's arrangements			
	Publishes performance indicators			
	Scrutinises councillors decisions			
	Transmits information			
The Audit Commission	Assesses performance	Power	Legal prerogative	Institutional
	Audits processes			
	Can embarrass the council			
	Creates PIs			
	Demands information			
	Inspects services			
	Publishes performance			
Central Government	Controls performance	Interest	Ownership	Technical

Source: Data Analysis

Cluster 7: Delivering Services

As local authorities are organisations entitled to deliver services to the local population, they share a task environment with some other organisation, which are entitled to deliver services and can be seen as sources of threat or opportunity. Since CCT, British public services have been exposed to competition. For this reason, private and voluntary organisations have become stakeholders for local authorities achieving the right to influence decision-making.

In this cluster, the findings indicate that the Voluntary Sector, Public and Private Sector Partners and the employees can have a stake in decision-making. In this case, only the latter has power to influence decision-making, because, in fact, they are the ultimate service deliver agent who deals in a daily basis with the ‘customers’. The other stakeholders participate in the arena because they have some sort of interest in the service delivery process. Table 134 summarises the analysis.

TABLE 134: STAKEHOLDER INFLUENCES AS MEMBERS OF THE SERVICE DELIVERY PROCESS

Stakeholder Analysis		Classification		
Stakeholder	Influence/interest	Type 1	Type 2	Type 3
Employees	Are to be developed	Power	Control over skills	Technical
	Are to be encouraged			
	Are to be valued			
Voluntary Sector	Acknowledge the council	Interest	Customer	Technical
	Are consulted			
	Are partners			
	Are service delivers			
	Co-operate with the authority			
Public Partners	Are accounted, are informed	Interest	Customer	Technical
	Are consulted			
	Are involved			
	Are partners			
	Are service delivers			
Private partners	Are consulted	Interest	Customer	Technical
	Are regarded			
	Co-operate with the council			
	Influence the councillors			
	Have to be monitored			

Source: Data Analysis

Cluster 8: Policy-Boundary Setting

The findings indicate that there is a legal and financial framework bounding the decision making process of English Local Authorities. Their legitimacy is related to the compliance to that set of rules and regulations. According to the findings, the rules are set down by Central Government at the macro level and by the full council at the local level.

One of the interviewees was categorical when he stated that “seven senior elected councillors do all decision-making and they have to be sure that the decisions have been made according to the framework.” Table 135 summarises the results of this cluster analysis. It is also pointed out that the Audit Commission issues requirements, which have to be accomplished by local authorities. Furthermore, local residents have an interest to the way local authorities spend money in the extent that they pay taxes.

TABLE 135: STAKEHOLDER INFLUENCES FOR DEFINING POLICY-FRAMEWORKS

Stakeholder Analysis		Classification		
Stakeholder	Influence/interest	Type 1	Type 2	Type 3
Central Government	Sets the legal framework	Power	Legal prerogative	Institutional
Councillors	Set the budget	Power	Legal prerogative	Institutional
	Set down local policies			
Central Government	Allocates money	Power	Control over resources	Institutional
Local residents	Pay taxes	Power	Customer	Technical

Source: Data Analysis

Subsection 2: The power-influence model

According to the findings, councillors are the leaders of the process because they have the ultimate word in decision-making. In this way and trying to shape the model, the decision-making process in action has to be at the centre of the system being surrounded by the other ‘bodies’. The model is analogy between local government decision-making and the solar system. The solar system has the sun at the centre and the other planets are attracted to it by gravity (Hawking, 1988). In the model, each element is connected to the centre by an arrow through which influences flow. Figure 14 represents the interaction between stakeholder influences and the decision-making process of English Local Authorities. The golden rectangles surrounding the decision-making box represent

the clusters of influences. The pale yellow and dotted boxes represent the stakeholders entitled to exert that sort of influence. These boxes are dotted due to the stakeholder concept, which embeds a notion of flexibility, and stakeholders are likely to change according to different environmental conditions. The pale blue rectangles represent the sort of influence transferred through the arrows. The model summarises the findings about stakeholder identification and salience in the decision-making process of English Local Authorities.

Section 3: Putting the parts together

In this section the findings are organised together by triangulation (Denzin, 1970). This investigation used triangulation analysis for assembling the findings from the survey, case studies and the validation process. The first supplied stakeholder identification and salience. The second supplied the process through which stakeholder influences come about. Finally, the validation process strengthened to the findings.

Subsection 1: A brief recollection of the theoretical framework

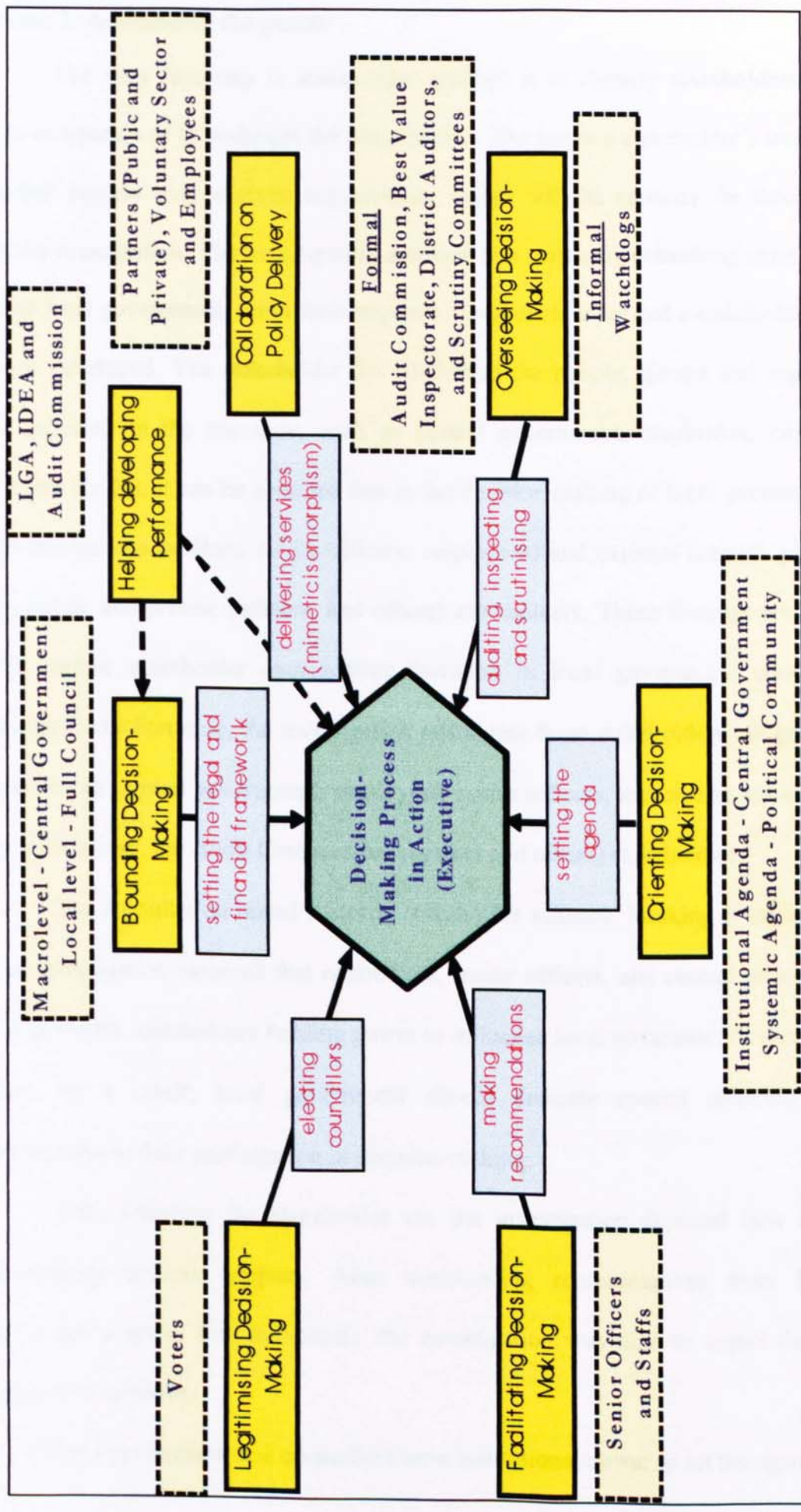
The investigation started with a question about the nature of the decision-making process in the local government context. It started from the point that, as an organisation, local government have their behaviour and performance influenced by environmental factors. This is a tenet of the open system theory. The contingency theorists defend this approach because organisations are in constant interrelationships with one another and with their environments.

In the same vein, population ecologists offer explanations for this puzzle where organisations keep moving forward looking for adaptation and fit to the environmental conditions. For this reason, resource dependence and institutional theories were used as a theoretical basis for explaining an organisation's behaviour and performance as influenced by its environment.

In the resource dependence view, organisations embrace relationships with people, groups and other organisations in their environments because they are not self-sufficient in resources, such as labour, finance, skills and information. Depending on the importance of those resources for the organisation's operation, it is likely to become attached to certain resource suppliers causing dependence relationships. In the institutional theory view, organisations inhabit worlds in which their behaviour is constrained by institutional rules and norms of behaviour. In this view, organisations are pressed by this set of rules and norms of behaviour to which they have to comply in order to achieve legitimacy.

In this way, the investigation explored local government decision-making by employing resource dependence and institutionalism as a research framework. Under this perspective, local government embraces relationships with other people, groups or organisations in order to get resources and because it needs legitimacy. Based on past experiences, such as Oliver (1991) and Greening & Gray (1994), the investigation employed stakeholder theory as a theoretical basis that congregates resource dependence with institutionalism. Stakeholders are people, groups or organisations able to exert influence on an organisation's behaviour and performance as well as able to receive influence from this very organisation. According to the stakeholder theory, the organisation needs to identify its stakeholders pointing out their capacity to threaten and co-operate in order to improve its performance.

FIGURE 14: A POWER-INFLUENCE MODEL FOR REPRESENTING ENVIRONMENT INFLUENCES IN DECISION-MAKING



Subsection 2: Assembling the puzzle

The very first step in stakeholder analysis is to identify stakeholders and their ability to co-operate or to endanger the organisation. The larger a stakeholder's technical and institutional powers over a given organisation, bigger will its capacity for threatening or helping the organisation. The investigation assessed this matter by consulting chief executive in English local government. From their response, a stakeholder list and a stakeholder salience rank were developed. The stakeholder list confirmed the people, groups and organisations already indicated in the literature, such as central government, employees, citizens, and others. From the list, it can be assumed that in the decision making of local government there are both internal (councillors, senior officers, employees) and external (central government, citizens, public and private partners, and others) stakeholders. These findings are consistent with the current stakeholder management literature in local government context. As a contribution to the literature, the investigation raised that these stakeholders can be classified also as technical (central government, employees, senior officers, and others) and institutional (central government, the Audit Commission, partners and others) stakeholders.

The consultation raised issues in stakeholder salience. Looking at the stakeholder rank, the investigation assumed that councillors, senior officers, and central government are the most powerful stakeholders holding power to influence local government's discretion and operation. As a result, local government should dedicate special attention to these stakeholders due to their participation in decision-making.

After knowing the stakeholder set, the investigation depicted how the whole decision-making process happens. After interviewing representatives from four local authorities and a set of key informants, the investigation was able to depict the decision making process in which:

- Central government and councillors have institutional power to set the agenda;

- Central government, councillors and local taxpayers have technical and institutional power to set the framework within which decisions are to be made.
 - Technical power means that they have control over the financial resources to the extent that central government and councillors control the budget and local taxpayers supply the money used in the budget.
 - Institutional power means that central government and the full council are empowered by acts of the Parliament to decide on the legal framework within which decisions are to be made;
- Councillors are empowered to take the most important decisions. In some cases, these decisions are delegated to senior officers;
- Citizens, exercising their right of electing councillors, are empowered to legitimate decision-making;
- The Audit Commission, the Local Government Association, and the Improvement and Development Agency (IDeA) are able to influence decision-making because they have statutory power (the former) and expertise (the latter) for improving local government's performance;
- Senior officer and employees are able to facilitate decision-making because they control skills and knowledge;
- Public and private partners, contractors, and voluntary organisations have power over decision-making because they are able to inspire mimetic isomorphism, or because they in fact own resources upon which the service delivery process is to be run;
- The Audit Commission system and the local media are able to scrutinise decision-making they have statutory power (the Audit Commission system's power stems from legal requirements) and control over resources (the local media does not have statutory power but is has control over information).

In order to strengthen the conclusions above, the cross-tabulation analysis performed at the end of the chapter five is recollected. This analysis helped on exploring similarities in stakeholder salience. The whole set of stakeholder salience was confronted in order to assess statistically associated among them. At that moment, the investigation assumed that a pattern of high association between two or more SSI would indicate that these stakeholders were similarly perceived by chief executives, which indicated a high probability that those stakeholders are members of the same cluster. Table 136 presents the overall results of such analysis.

TABLE 136: THE OVERALL RESULTS OF THE CROSS-LIKENESS ANALYSES PERFORMED IN SSI

Pairs	Occurrences
Central government and councillors	2
Citizens and councillors	3
Citizens and local businesses	5
Councillors and local businesses	3
Health and police authorities	6
Local businesses and health authorities	4
Local businesses and police authorities	2
Local businesses and pressure Groups	3
Local businesses and voluntary organisations	3
Police and upper tie authorities	3
Police authorities and voluntary organisations	3

Source: Data Analysis

Taking the examples of health and police authorities, the analysis indicated that their SSI is strongly correlated with one another and it has been identified in six of the seven criteria that indicated a pattern of behaviour in the perception of these SSIs. This evidence indicates that there is a high probability that these two stakeholders compose the same cluster of influence, namely services deliverers. Another example is identified in citizens and local businesses salience. Evidence indicates a reliable pattern of behaviour in these two stakeholders salience to the extent that there are strong statistical associations between them in five of the seven criteria. Indeed, evidence from the qualitative investigation indicated that they play similar roles in decision-making as voters, users and consumers.

Subsection 3: The ethics behind the stakeholder-local government relationships

After depicted the patterns of relationships between a given local government organisation and its stakeholders, the investigation needed to understand the issues behind this relationship. The findings indicated that some stakeholders approach local government due to economic motives. This seems to be the case of employees, contractors, partners and others. Other stakeholders are motivated by institutional reasons, such as the Audit Commission, central government, and other spheres of government, trade unions and others. All stakeholders appeared to have a particular type of motivation, which induces them to approach local government.

As a public organisation, local government has to be accountable to the society as a whole. Therefore, technical and institutional partners are also accountable. Accountability is the process through which someone becomes responsible for his/her acts before someone else. It is a norm of behaviour based on trust and accountancy. For this reason, the enabling of the accountability in the relationships between local government and its key stakeholders should be built upon these two pillars. Both sides need to be clear that the figures are correct and that it came up from reliable procedures.

Since the adoption of performance measurement scheme, British local governments are required to demonstrate that resources are being used with strict notions of economy, efficiency and effectiveness through performance indicators. Rather than focusing on the old fashion model of accountability, which mainly took into account the accuracy of the accountancy, modern local government are required to act seeking to improve its management as well as to ensure its accountancy. This is evidence about the multiple requirements to which local governments are required to accomplish with.

According to the model, which is a fair representation of the relations between British local governments and their key stakeholders, there are several different points of contact (channels) through which this type of organisation can enable relations with those

stakeholders. In order to assess whether accountability is present in these different relations, the investigation firstly needed to characterise the type of relation embedded. This analysis was carried out by examining the communications channels in separate.

Agenda developers

Through this pole of influence, this investigation identified as influencers central government and the full council. The former is empowered to develop the overall agenda for the nation and the latter follows this agenda adapting it to the local community requirements. This investigation identified that the both stakeholders have ownership over the process because have been legitimised for doing so. Therefore, they are empowered to exert coercive force due to legal requirements. The sort of accountability required in this case seems to be related to the managerial accountability in which stakeholders might know about agenda setting. An attempt to narrow down decision-maker's power for widening agendas is the Best Value Performance Plan in which local authorities are required to state clearly "the nationally set objectives, any medium term financial strategy, and identify service priorities" (DETR, 1999e, p. 16).

Decision-making facilitators

At this pole, this investigation identified that senior officer and employees are able to influence decision-making because they have the required skills upon which councillors rely for making decisions. The analysis indicated that their power stems from the fact that they have control over a resource and councillors have dependence relations with them. For this reason, councillors are likely to feel themselves responsible to these stakeholders in order to maintain commitment. In the accountability literature, a feasible way through which senior officers and employees would hold councillors accountable to the issues they delivered to the decision making process was not found.

Performance developers

At this cluster, the investigation identified that the Audit Commission, the LGA, and the IDeA are able to exert influence in decision-making. Whilst the first has institutional power, the second and the third have a stake in decision-making. In the Audit Commission's case, local governments are managerially accountable to it because it is required to publish performance indicators. However, local government's relationship of accountability in relation to the stakeholders able to influence as performance developers is not defined in the current model of accountability and these stakeholders are not therefore able to hold the authority accountable.

Decision-making 'legitimisers'

At this cluster, this investigation identified that citizens are the most and the only stakeholder empowered to influence decision-making. Decision-makers must account to electors in order to have their support in the next elections. The formal model of accountability labelled this process as political accountability.

Decision-making controllers

At this cluster there are central government, the Audit Commission, councillors, and the local media that have power to influence decision-making by supervising it. Central government is influential because local government is part of the administrative system for delivering public services. This fact denotes a sense of ownership that central has over local. Central has an institutional power to control local government behaviour and performance, but it can delegate it to others such as the Audit Commission. The Audit Commission and its components achieved the power to oversee local government's behaviour and performance from laws. Therefore, the Audit Commission is empowered to oversee local government on accounting and performance. The formal model of accountability states mechanisms for both procedures, namely financial (auditing) and managerial (inspecting) means of accountability.

The full council is empowered by law to scrutinise decision-making. For doing so, it indicates members of the full council to compose a scrutiny committee. According to the Local Government Act 2000 (DETR, 2000a), the scrutiny committee is a body empowered to scrutinise the executive committee in the implementation of policies and frameworks set by the full council.

The local media is a particular case. There is evidence for regarding it as able to scrutinise decision-making due to its control over the critical resource of information. Local governments are held accountable to the local media in the extent that bad image is very likely to undermine politicians ambitions.

Service deliverers

At this cluster, this investigation identified four different types of stakeholders, namely employees, voluntary organisations, public partners and private partners. Whilst the first has power to influence decision-making because it controls resources (labour), the others have the institutional power of inspiring mimetic isomorphism. The formal model of accountability does not define any specific mechanisms for holding local government accountable to them.

Policy-framework developers

At this cluster, this investigation identified central government, the full council and local taxpayers as influential stakeholders able to influence decision-making. The first two stakeholders have power due to institutional aspects. They define the legal and financial framework within which decisions are to be made because they are legally empowered for doing so. The local community, the moment it pays taxes and rates, has power because it controls resources. For both cases, the formal model of accountability holds local government accounted to.

Conclusion

In this chapter a triangulation analysis on the findings gathered throughout the investigation has been presented. It aimed to answer the following research question proposed at the end of the chapter three: Is local government decision-making a stakeholder-based process? The diagram in the next figure illustrates the triangulation process. The findings enable the investigation to conclude that the answer is 'yes' due to the amount of influence some stakeholder have on the process overall. Central government and councillors have power to make the whole process unattainable if they reduce resource availability or if they state unattainable objectives. Senior officers and employees have the power to undermine decision-making if they are unmotivated due to low payments or bad work conditions. Some decision-making controllers, if they do not have the power to stop the process, they are able to slow it down. The Audit Commission and its constituents, namely the District Auditors and the Best Value Inspectors, seem to represent real examples of this influence.

A question still remains in this investigation and it is about councillors' role as decision-makers. About stakeholder's meaning, its landmark concept shall be recollected: "A stakeholder in an organisation is (by definition) any group or individual who can affect or is affected by the achievement of the organisation's objectives" (Freeman, 1984, p. 46). The doubt is: Are councillors stakeholders the moment they are taking decisions? Or yet: Are managers stakeholders? In the agency theory perspective, the answer is 'not' because it contends a dual relationship between a principal (stakeholders) and an agent (managers) and this assumption is valid to both for-profit and non-profit organisations. Looking at the problem through stakeholder analysts' perspectives – such as Bryson (1995), Mitchell et al. (1997) – in order to be recognised as stakeholders, people, groups or even organisations have to fulfil some criteria. Mitchell and colleagues (*ibid*) indicate a three-dimension model power, urgency and legitimacy. It has been demonstrated in this thesis throughout that councillors have power to either carry on or stop decision-making. It also has been demonstrated that they

are genuine actors in the process because they gain legitimacy from voters. Finally, it has not been demonstrated that they have urgency in the process, but it does not disqualify them as being a stakeholder. According to those authors' perspectives (ibid), councillors can be considered as a dominant stakeholder.

The next chapter presents the final thoughts of the investigation. In so doing, issues about contributions and limitations of the investigation are presented. Moreover, the investigation has gathered evidence to support the assumption that local government decision-making is, indeed, a stakeholder-based process.

CHAPTER 8: FINAL ISSUES AND CONCLUSION

The study presented in this thesis is an attempt of understanding the environmental issues involved in local government decision making. It has been undertaken trying to answer a question about the nature of such process as well as trying to depict the whole set of environmental actors involved. The investigation brought about genuine empirical and theoretical contributions to the local government stakeholder management literature. The empirical contributions derive from the fact that it presents new evidence about stakeholder identification and salience, which had not been found in the literature. It also raises a discussion on the nature of stakeholder identification process because it is a subjective rather than an objective process. Theoretical contributions are proposed in a model in which stakeholder influences are depicted and the relations between local governments and stakeholders better understood.

The investigation started from the question: Is local government decision-making a stakeholder-based process? By answering the question, the investigation identified a comprehensive list of more than twenty stakeholders able to raise issues in English local government decision-making. Employing Donaldson and Preston's classification (1995), it is a descriptive contribution to stakeholder theory. The literature review presented in chapter three indicated that stakeholder identification is still at large of the studies been undertaken. As a matter of fact, stakeholder identification is an issue that depends on value judgement of those empowered for doing so. Trying to assess stakeholder salience, a stakeholder's power over decision-making rank arose from the findings, which is an instrumental contribution to the stakeholder theory.

The investigation employed a dual-approach methodology based on quantitative and qualitative methods. For this reason, the investigation is split into two studies: a survey with chief executives from English Local Authorities aiming and a qualitative approach combining the results of cross-sectional case studies with interviews of validation.

In the first study, this investigation uncovered that chief executives regard some stakeholders as more influential than others. They are councillors, senior officers¹⁷ and central government¹⁸ and they compose a strong influence group able to impact decision-making. Other stakeholders are regarded as useful strong influence, such as employees and some public partners. Others are regarded as medium influence, such as pressure groups, public partners, local businesses and the local media. Despite not supported by the reliability analysis, it is worth to mention that other local authorities and the trade unions are considered as having no influence at all in decision-making. Probably, the effort leveraged by central government by creating the CCT has proved worthwhile. This investigation identified that there are some stakeholders whose salience is congruent, which indicates that they have the same sort of influence in the process and English Local Authorities devise similar strategies to deal with them.

Despite the importance of the findings, more investigation needs to be done due to the low response rate achieved in the survey. However, scholars would use the stakeholder's list proposed here as a starting point.

In the second study, this investigation identified that local government decision-making in England (further investigation on other types of public services locally managed are though needed) is a complex, multifaceted and stakeholder-based process. It was identified that influences come about through communication channels and stakeholders participate either alone or in groups. Although, stakeholder influences is better understood as embedded into clusters.

Because stakeholder-organisation is a bilateral relation, further investigations exploring the type of compensation the stakeholders expect from local government would enhance the stakeholder theory. The system formed by stakeholders' influences and local

¹⁷ Further investigations should be done in order to ensure senior officer's influences. In this investigation, the low response rate in this specific stakeholder has undermined its reliability.

government decision-making is a balanced force field whose integrity is maintained by a centripetal force compelled by dependence on resources and legitimacy. The higher the dependence of an organisation on their stakeholders, the more stable the power-influence system will be.

This investigation identified that one feasible solution for understanding compensation would be set in the ethics of the relations and the concept of accountability was used for doing so. This simplification is likely to reduce the scope of the model to the extent that other sorts of compensations are likely to be found in the economic theory and management theory and regarded as feasible explanations for the integrity of the model. A stakeholder being attracted to participate in decision-making would be rather steered by profitability than ethics or transparency. However, the investigation pointed out that it is imperative to review the current model of accountability or the local government decision-making process fails accounting its main interested stakeholders.

Research Contributions and Limitations

In this section the investigation's contributions and limitations are presented. In doing so, the section is split into two subsections. In the first subsection the investigation's empirical and theoretical contributions are presented. In the second subsection, the limitations are dealt with and further investigations are suggested.

Empirical Contributions

As stated before, one reason that compelled this investigation was the absence of empirical evidence about stakeholding in local government studies. Probably this is due to the huge amount of stakeholders orbiting local government decision-making as well as to the variety of services provided and, even, due to the ambiguity of the stakeholder concept itself.

¹⁸ Standard deviation places central government in the strong influence level because its stakeholder salience index indicates that it is a useful strong influence stakeholder.

The stakeholder's definition employed in this investigation throughout has been borrowed from Freeman (1984): "A stakeholder in an organisation is (by definition) any group or individual who can affect or is affected by the achievement of the organisation's objectives" (p.46).

Looking at Freeman's definition, one can argue that councillors should not be considered as a stakeholder because they are the ultimate representation of decision-making and without them it does not exist. However and as demonstrated at the end of the last chapter, councillors are temporary decision-makers. They are elected (empowered) by voter for carrying out the most important decisions within the council on their behalf. According to Mitchell and colleagues' classification (1997) of stakeholder identification, councillors have power and legitimacy for participating in decision-making and they are therefore genuine stakeholders. This conclusion raises an issue about the stakeholder nature to be explored in the stakeholder theory: can a stakeholder become a no stakeholder?

The other empirical contributions are related to the concept of salience. In overall terms and according to chief executives' views, the most influential stakeholder is a councillor, who is entitled to make the most important decisions within the council. The second most influential stakeholder is a senior officer who support and assist those decisions, and the third is central government. These are the most important stakeholders able to exert influence in decision-making. Local government should manage its relations with according to the issues on threats and opportunities that have been contended by scholars such as Huse & Eide (1996), Rotarius & Liberman (2000) and Savage et al (1991).

The analysis on stakeholder salience indicates that some stakeholders are perceived by chief executives as able to exert similar amount of influences in decision-making. This fact is likely to mean that these stakeholders should be dealt with as members of the same cluster. Therefore, managers can either devise similar strategies to deal with them in separate or face them as a unified group. This sort of evidence has been found in Police, Fire

Authorities and Health Authorities influences. It has also been found in local residents and local businesses influences. Further investigation in this subject should be carried out, but at the moment, it indicates that they can be regarded as members of the same group of influence.

Theoretical Contributions

Donaldson & Preston (1995) have suggested that stakeholder theory has been built upon three main bases, namely descriptive, instrumental and normative, which is detailed in chapter three. They also suggested a fourth basis: managerial. The investigation employed their approach to demonstrate the contributions of this investigation.

Descriptive basis

A descriptive contribution of this study relates to the description of the arena in which local government decision-making comes about. In so doing, the investigation described the types of stakeholders entitled to participate in the process as well as the pattern of relations that they are likely to embrace with the process. By consulting chief executives, the investigation raised a set of potential stakeholders and the power they have to impact the process overall. From the list and applying stakeholder management strategies¹⁹, English Local Authorities can identify how to manage their relationships with their stakeholders in both technical and institutional environments.

A second descriptive contribution of this investigation is a model in which the decision-making arena is better comprehended. As the model indicates, there are several poles generating influences on local government decision-making. The poles identified in the model are recollected in the model in alphabetical order.

¹⁹ Savage et al (1991) and Oliver (1990) suggested some strategies to be applied when an organisation faces external threats. Pfeffer and Salancik (1978) also proposed some strategies. However, the latter are feasible for resource dependence.

Instrumental basis

According to Donaldson and Preston (1995), the instrumental of the stakeholder theory is placed upon the attempt of connecting stakeholder management practices to organisational goals and performance. The problem is local government performance often appears to be uncorrelated or negatively correlated to managerial efforts.

While researching local government performance, the author assessed statistical association between performance (GCSE results) and the levels of expenditure on education by English local authority. The analysis was repeated using performance indicators data from 1997, 1998 and 1999 and in all cases the results indicated negative correlation, which is likely to mean: the higher the level of expenditure in education the lower the result on GCSE. It seems to be a little contradictory, but it can be easily explained. Education activities involve financial resources to pay and train teachers and staffs and to buy and maintain equipments. Despite spending higher amounts of money than other authorities, an authority can achieve superior performance due to extra factors, such as library availability both in the city and in pupils' houses, parent's educational levels and others social and economical factors. Therefore, determinants of local government performance are not achieved in a straight way. It seems to be a multivariate analysis associating outcomes on one way and a myriad of factors on the other.

Despite the impediments presented above, this investigation has raised an instrumental issue, which would help to connect operation-related factors to performance, namely the stakeholder salience rank. Starting from the rank, investigators should be able to explain, for example, the connection between senior officer's skills and superior performance. This investigation also suggested a feasible hypothesis for the study: more skilled senior officer would lead to superior performance.

Normative basis

Donaldson and Preston (1995) suggested that the normative basis of stakeholder theory should focus on the ethics of the relations encompassing two critical issues: the legitimacy of the claim and the intrinsic value of the retribution stakeholders are entitled to. A serious problem within public organisation is corruption, which involves illicit advantages, bad lobbying and other practices of persuasion.

In this basis, the investigation has significantly contributed to the theory by raising issues in the ethics of the relationships between stakeholders and local government decision-making. It has been discussed that people, groups and organisations are able to influence decision-making through several poles (clusters presented in the model). For doing so, these stakeholders are empowered and, some times, able to exert influence expecting some sort of retribution from the decision-making process. It can be money from economic transactions, prestige and status just talking about accepted outcomes. Sometimes, the local population doubts the honesty of the relations between local government and some stakeholders and it ends in apathy and lack of involvement. It is worthwhile to recall the syndrome of 'the game of marked cards' in which the winners have already been decided. Local community and other stakeholder want to see openness, transparency and accountability in the whole set of relations throughout the decision making process. Despite the improvement perceived in public accountability, the model still lacks to cover the whole set of relations formed between local government and its environment as it has been presented in chapter 8.

Limitations of the investigation and directions for future researches

The main limitations of this investigation are discussed and presented here, and they are due to length of time and to the focuses of the investigation. These two restrictions are probably due to the objectives of the research. As limitations, the issues raise possibilities for future investigations.

Length of Time

As the first study has been undertaken through mail questionnaires sent to chief executives, it expectedly caused a low response rate due to the circumstances involving such research strategy. In spite of this fact, the time the questionnaires were sent out England was facing the outbreak of 'the foot-and-mouth' disease, which took local authorities' time, attention and resource mainly from those rural ones. At that very time, local authorities' officers were involved in the local ballot process. These two main facts can explain, but not justify, a low response rate in the survey. However, this investigation found support in the literature for accepting such low response as stated in chapter four.

Choice on Respondents

The other limitation is related to the respondents themselves. The questionnaire targeted chief executives due to their positions in decision-making hierarchy. However, nobody can be quite sure whether he/she responded to the questionnaire or delegated this task to someone else. This is problem was completely out of researcher's control.

Another issue in this matter is related to the respondent's position in the decision-making hierarchy. Chief executives are expected to have an overview about decision-making which depends on their position as head of the managerial structure. Some medium level officers, such as head of departments, should share the perception about stakeholder identification, but they should see stakeholder salience in a slightly different way. For this reason, it would be helpful to see researchers comparing stakeholder salience in fully comprehensive vertical approach within organisations. This investigation employed case studies but, at that time, the focus was placed mainly on identifying the patterns of influences rather than on comparing different perceptions on salience. In-depth case studies in which decision-makers' views were crossed over would fulfil this gap.

In the second investigation, which was done through cross-sectional case studies and interviews with key-speakers, the major constrain was that time and resources available to

interview more people. Some of the interviews were undertaken by electronic mail and this process has reduced the scope and inclusiveness of this important source of data. However, the findings indicate that this problem did not have a negative impact on the results.

Final Words

In this chapter, the contributions and limitations of this investigation have been discussed and some insights for further studies suggested. Definitely, it has been a challenging and stimulating to live, to work and to comprehend, superficially though, the fascinating British's culture of public management.

From this investigation, the investigation learned that stakeholder theory is a feasible and helpful technique to understand the complexity of public management. It has the basis and the approaches to understand why some public organisations are successful whilst others are not. It provides a platform upon which the concept of effectiveness is to be defined. Lastly and not least, the investigation has also helped me to address stakeholder theory as a feasible technique to widen the concept of accountability, which in developing countries is still a black box.

Finally, it is important to point out that this investigation has brought about new contributions to the stakeholder management literature. Analysing the thesis, one can figure out that stakeholding in local government is a field from which good fruits would come up. It is up to the scholars to work out and to devote themselves in order to accomplish it.

LIST OF REFERENCES

- Abzug, R. & N. J. Webb. (1999). "Relationships Between Nonprofit and For-Profit Organisations: A Stakeholder Perspective". Nonprofit and Voluntary Sector Quarterly 28(4) pp. 416-431.
- Agle, B. R. et al. (1999). "Who Matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEO values". Academy of Management Journal 42(5) pp. 507-525.
- Alexander, V. D. (2001). "Analysing Visual Materials" in Gilbert, N. (ed.) Researching Social Life, 2nd edition London: Sage Publications.
- Amaratunga, D. and Baldry, D. (2001). "Case study methodology as a means of theory building: performance measurement in facilities management organisations". Work Study 50(3) pp. 95-104.
- Ansoff, H. I. (1988). The new corporate strategy. New York: Willey.
- Atkinson, A. A. et al. (1997). "A stakeholder approach to strategic performance measurement". Sloan Management Review 38(3) pp. 25-37.
- Audit Commission (2000). Management Paper – aiming to improve: the principles of performance measurement London: Kent Litho. Available from www.audit-commission.gov.uk.
- Audit Commission (2002) Best Value Performance Indicators 2001-2002 London: Audit Commission. Available from www.audit-commission.gov.uk.
- Backoff, R. & et al. (1993). "The Challenge of Strategic Management in Local Government" Public Administration Quarterly Summer, pp. 127-144.
- Baker, T. C. (1988) Doing Social Research New York: McGraw-Hill Book Company.
- Barney, J. B. (1991). "Firm Resources and Sustained Competitive Advantage". Journal of Management 17 pp. 99-120.
- Berman, S. L. et al. (1999). "Does stakeholder orientation matter? The relationship between stakeholder management models and firm financial performance". Academy of Management Journal 42(5) pp. 488-506.
- Best Value Inspection Report (2000). Hackney LBC – Corporate Governance Inspection. London: Audit Commission, November, 50 pgs.
- Best Value Inspection Report (2001a). Calderdale Council – Exchequer Services. London: Audit Commission, September, 29 pgs.
- Best Value Inspection Report (2001b). Braintree District Council – Leisure and Sport Services. London: Audit Commission, July, 26 pgs.
- Best Value Inspection Report (2001c). South Northamptonshire – Leisure Services. London: Audit Commission, April, 24 pgs.

- Bouckaert, G. (1992). "Productivity analysis in the public sector: the case of the fire service". International Review of Administrative Science (58) pp. 175-200.
- Bourne, M. et al. (2000). "Designing, implementing and updating performance measurement systems". International Journal of Operations & Production Management 20(7) pp. 754-771.
- Bovaird, T. & Halachmi, A. (2001). "Performance Measurement and Best Value: An International Perspective" International Journal of Business Performance Measurement 3(2-4) pp. 119-137.
- Boyne, G. A. (1995). "Population Size and Economies of Scale in Local Government". Policy and Politics 23(3) pp. 213-222.
- Boyne, G. A. (1996a). "Scale, Performance and Local Government Reorganisation: An Analysis of the Non-Metropolitan Districts". Public Money & Management (Jul-Sep) pp. 55-60.
- Boyne, G. A. (1996b). "Scale, Performance and the New Public Management: an empirical analysis of local authorities' services". Journal of Management Studies 33(6) pp. 809-836.
- Boyne, G. A. (1996c). "Competition and Local Government: A Public Choice Perspective". Urban Studies 3(4-5) pp. 703-721.
- Boyne, G. A. (1997). "Comparing the Performance of Local Authorities: An Evaluation of the Audit Commission Indicators". Local Government Studies 23(4) pp. 17-43.
- Boyne, G. A. (1998). "Public Services under New Labour: Back to Bureaucracy?" Public Money & Management (Jul-Sep) pp. 43-50.
- Boyne, G. A. et al. (1999). "Competitive Tendering and Best Value in Local Government". Public Money & Management 19(4) pp. 23-29.
- Braintree District Council (2001a). Constitution. Braintree. Approved by the Council in 20 June 2001.
- Braintree District Council (2001b). Best Value Performance Plan. According to the requirements of the Local Government Act 1999.
- Bryman, A. (1988). Quantity and quality in social research. London: Routledge.
- Bryman, A. (2001). Social Research Methods. Oxford: Oxford University Press.
- Bryson, J. M. (1995). Strategic Planning For Public and Non-Profit Organisation. San Francisco: Jossey-Bass Publishers.
- Calderdale, Metropolitan District of (2001). Best Value Performance Plan. According to the requirements of the Local Government Act 1999.
- Cameron, K & Whetten D. A. (1983). "Organisational Effectiveness: one model or several?" In Cameron, K. & Whetten D. A. (eds.). Organisational Effectiveness: a comparison of Multiple Models. New York: Academic Press.

- Chakravarthy, B. S. (1986). "Measuring Strategic Performance". Strategic Management Journal (7) pp. 437-58.
- Child, J. (1972). "Organisation structure, environment and performance: the role of strategic choice". Sociology (6) pp. 1-22.
- Child, J. (1973). Managerial and Organisational Factors Associated with Company Performance. Working Paper, Birmingham: University of Aston.
- Child, J. (1976). Organisation Design and Performance: contingency theory and beyond. Birmingham: University of Aston Management Centre.
- Clarkson, M. B. E. (1995). "A Stakeholder Framework for Analysing and Evaluating Corporate Social Performance". Academy of Management Review 20(1) pp. 92-117.
- Coakes, S.J. & Steed L.G. (1999). SPSS: Analysis without Anguish. Brisbane: John Wiley & Sons.
- Cochrane, A. (1993a). Whatever happened to local government? Buckingham: Open University Press.
- Cochrane, A. (1993b). "From financial control to strategic management: the changing faces of accountability in British local government" Accounting, Auditing and Accountability Journal 6(2) pp. 30-51.
- Collin Cobuild (2000) Learner's Dictionary Glasgow: Harper Collins Publishers.
- Connolly, T. et al. (1980). "Organisational Effectiveness: a multiple-constituency approach". Academy of Management Review 5(2) pp. 211-217.
- Conservative Party (1979) The Conservative Party Manifesto. Available from <http://www.politicos.co.uk/resources/manifestos/pcon79.htm>
- Conway, S. (1999). The Philosophy of Management Research. Birmingham: Aston University (unpublished).
- Countryside Agency (2000). The State of the Countryside Report. Wetherby: The Countryside Agency. Available from www.countryside.gov.uk.
- David, F. R. (1995). Concepts of Strategic Management. New Jersey: Prentice Hall.
- Day, P & Klein, R. (1987). Accountability: five public services. London: Tavistock Publications.
- Denscombe, M. (1998). The good research guide, for small-scale social research projects. Buckingham: Open University Press.
- Denzin, N. K. & Lincoln, Y. S. (1998). Strategies of Qualitative Inquiry. Thousand Oaks: Sage Publications.
- Denzin, N. K. (1970). The Research Act in Sociology: A Theoretical introduction to Sociological Methods. London: Butterworth & Co.

- DETR (1998). Local Government Act 1999. London: DETR/Stationary Office. Available from www.detr.gov.uk.
- DETR (1999a). Modernising Local Government: Improving local services through best value. London: DETR/Stationary Office. Available from www.detr.gov.uk.
- DETR (1999b). Best Value and Audit Commission Performance Indicators for 2000/2001. London: DETR/Stationary Office. Available from www.detr.gov.uk.
- DETR (1999c). Implementing Best Value: a consultation paper on draft guidance. London: DETR/ Stationary Office. Available from www.detr.gov.uk.
- DETR (1999d). Circular 10/99. London: DETR/ Stationary Office. December 1999.
- DETR (2000a). New Councils Constitution: Guidance Pack Volume 1. London: DETR/ Stationary Office. Available from www.detr.gov.uk.
- DETR (2000b). Turnout at Local Elections. London: DETR/ Stationary Office. Available from www.detr.gov.uk.
- DETR (2000c). Waste Strategy 2000 – for England and Wales. London: DETR/ Stationary Office. Available from www.detr.gov.uk.
- DETR (2000d). Guide to Quality Schemes and Best Value. London: DETR/ Stationary Office. Available from www.detr.gov.uk.
- DETR (2001). Local Strategic Partnership. London: Department of the Environment, Transport & the Regions. Available from www.detr.gov.uk.
- DiMaggio, P. J. & Powell, W. W. (1991). "The iron cage revisited: institutional isomorphism and collective rationality in organisational fields" in Powell, W. W. & DiMaggio, P. J. (eds). The New Institutionalism in Organisational Analysis. Chicago: The University of Chicago Press, pp. 63-82.
- Doherty, T. L. & Home, T. (2002) Managing Public Services: Implementing Changes – A Thoughtful Approach to the Practice of Management London: Routledge.
- Donaldson, T. & Preston, L. E. (1995) "The Stakeholder Theory of the Corporation: concepts, evidences, and implications" Academy of Management Review 20(1) pp. 65-91.
- Driver, S. & Martell L. (1998). New Labour, politics after Thatcherism. Cambridge: Polity Press.
- DTLR (2001). Strong Local Leadership – Quality Public Services. London: DETR/ Stationary Office. Available from www.detr.gov.uk.
- Dutton J. E. & Jackson, S. E. (1987). "Categorizing Strategic Issues: Links to Organisational Action". Academy of Management Review 12(1) pp. 76-90.
- Dutton, J. E. & Ottensmeyer, E. (1987) "Strategic Issue Management Systems: Forms, Functions, and Contexts" Academy of Management Review 12(2) pp. 355-365.
- Dutton, J. E. & Webster, J. (1988) "Patterns of Interest around Issues: The Role of Uncertainty and Feasibility" Academy of Management Journal 31 (3) pp. 663-675.

- Eisenhardt, K. M. (1989a). "Agency Theory: An Assessment and Review". Academy of Management Review 14(1) pp. 57-74.
- Eisenhardt, K. M. (1989b). "Building Theory from Case Study Research". Academy of Management Review 14(4) pp. 532-550
- Elcock, H. (1998). "Councils Leaders in the "New Britain": Looking Back and Looking Forward". Public Money & Management 18 (3) pp. 15-21.
- Enz, C. A. et al. (1993). "Graduate-Level Education: A Survey of Stakeholders". The Cornell H.R.A Quarterly (August) pp. 90-95.
- Evans, E. J. (1997). Thatcher and Thatcherism. London: Routledge.
- Ferris, J. M. & Graddy, E. A. (1998). "A Contractual Framework for New Public Management Theory". International Public Management Journal 1(2) 225-240.
- Foster, J.J. (1998). Data Analysis Using SPSS for Windows. London: Sage Publications.
- Fottler, M. et al. (1989). "Assessing Key Stakeholders: Who Matters to Hospitals and Why?" Hospital & Health Services Administration 34 (4) pp. 525-456.
- Freeman, R. E. (1984). Strategic Management: A Stakeholder Approach. Boston, MA, Pitman.
- Frooman, J. (1999). "Stakeholder influence strategies". Academy of Management Review 24 (2) pp. 191-205.
- Gilbert, N. (1995). "Research, Theory and Methods". In Gilbert, N. (ed.) Researching Social Life. London: Sage Publications.
- Gilbert, N. (2001). Researching Social Life. 2nd edition. London: Sage Publications.
- Goode W. J. & Hatt, P. K. (2002). "Methods in Social Research". In Miller, D. C. & Salkind, N. J. (eds.) Handbook of Research Design & Social Measurement. 6th edition. Thousand Oaks: Sage Publications, pp. 33-36.
- GREAT BRITAIN, Stationary Office (1988). Local Government Act 1988. London: Her Majesty Stationary Office. Available from www.detr.gov.uk.
- GREAT BRITAIN, Stationary Office (1992). Local Government Act 1992. London: Her Majesty Stationary Office. Available from www.detr.gov.uk.
- Greening, D. W. & Gray, B. (1994). "Testing a Model of Organisational Response to Social and Political Issues". Academy of Management Journal 37(3): pp. 467-498
- Greenley, G. E. & Foxall, G. R. (1996). "External moderation of associations among stakeholder orientations and company performance". International Journal of Research in Marketing (15) pp. 51-69.
- Greenley, G. E. & Foxall, G. R. (1997). "Multiple Stakeholder Orientation in UK Companies and the Implications for Company Performance". Journal of Management Studies 34(2) pp. 259-284.

- Greenwood, R. & Hinings, C. R. (1996). "Understanding Radical Organisational Change: bringing together the old and the new Institutionalism". Academy of Management Review 21(4) pp 1022-1054.
- Guba, E. G. & Lincoln, Y. S. (1994). "Competing Paradigms in Quality Research". In Denzin, N. K. & Lincoln, Y. S. (Eds.) Handbook of Qualitative Research. Thousand Oaks: Sage Publications.
- Hackney, London Borough of (2001a). Best Value Review for Waste Management. According to the requirements of the Local Government Act 1999.
- Hackney, London Borough of (2001b). Best Value Review of Waste Management (Final Report). According to the requirements of the Local Government Act 1999.
- Halachmi, A. (2002). "Performance Measurement and Government Productivity". Work Study 51(2) pp. 63-73.
- Hannan, M. T. & Freeman, J. (1977). "The Population Ecology of Organisations". American Journal of Sociology 82(5) pp. 929-964.
- Hardy, C. (1996). "Understanding Power: Bringing about Strategic Change". British Journal of Management 7(Special Issue) pp. S3-S16
- Harrison, E. F. & Pelletier, M. A. (1998). "Foundations of strategic decision effectiveness". Management Decision 36(3) pp. 147-59.
- Hawking, S. (1988). A Brief History of Time: From the Big Bang to Black Holes. London: Bantan Books.
- Healy, M. & Perry, C. (2000). "Comprehensive criteria to judge validity and reliability of quality research within the realism paradigm". Quality Market Research 3(3) pp. 118-126.
- Herman, R. D. & Renz, D. O. (2000). "Board Practices of Especially Effective and Less Effective Local Nonprofit Organisations". American Review of Public Administration 30(2) pp. 146-160.
- Hill, C. & Jones, G. R. (1998). Strategic Management Theory: an integrated approach. New York: Houghton Mifflin Company.
- HMSO (1988). Local Government Act 1988. London: Stationary Office.
- HMSO (1992). Local Government Act 1992. London: Stationary Office.
- Hood, C. & Dunsire, A. (1981). Bureaumerics. Farnborough: Gower Publishing Company Limited.
- Hood, C. (1995). "Contemporary Public Management: a new paradigm?" Public Policy and Administration 10(2) pp. 104-117.
- Horton, S. (1990). "Local Government 1979-89: a decade of change". In Savage, S. P. & Robins, L. (eds.) Public Policy Under Thatcher. London: Macmillan, pp. 172-186.
- Huse, M & Eide, D. (1996). "Stakeholder Management and the Avoidance of Corporate Control". Business & Society 35(2) pp. 211-243.

- Jackson, P. M. & Stainsby, L. (2000). "Managing Public Sector Networked Organisations". Public Money & Management 20(1) pp. 11-16.
- Jackson, P. M. (1995). "Public Service Performance Evaluation: a strategic perspective". In Jackson, P. M. (ed.) Measures for Success in Public Sector: a public finance reader. London: CIPFA, pp. 19-26
- Jackson, P. M. (1995a). "The Management of Performance in the Public Sector". In Jackson, P. M. (ed.) Measures for Success in Public Sector: a public finance reader. London: CIPFA, pp. 27-32.
- Jackson, S. E. & Dutton, J. E. (1988). "Discerning Threats and Opportunities". Administrative Science Quarterly (33) pp. 370-387.
- Jørgensen, T. B. et al. (1998). "Public Organisations, Multiple Constituencies, and Governance". Public Administration (76) pp. 499-518.
- Joyce, P. (1999). Strategic Management for the public services. Philadelphia: Open University Press.
- Kanter, R. M. & Summers, D. V. (1987). "Doing Well while Doing Good: Dilemmas of Performance Measurement in Nonprofit Organisations and the Need for a Multiple-Constituency Approach". In Powell, W. W. (ed) The Nonprofit Sector: A Research Handbook. Yale: Yale University Press.
- Kaplan, R. S. & Norton, D. P. (1996). The Balanced Scorecard: translating strategy into action. Boston: Harvard Business School Press.
- Katz, D. & Kahn, R. L. (1978). The Social Psychology of Organisations. 2nd edition, New York: Wiley.
- Kavanagh, D. (1997). The Reordering of British Politics: politics after Thatcher. Oxford: Oxford University Press.
- Kazmier, L. J. (1967). Statistical Analysis for Business and Economics. New York: McGraw-Hill Book Company.
- Keeley, M. A (1978). "Social-Justice Approach to Organisational Effectiveness". Administrative Science Quarterly 23(2) pp. 272-292.
- Kerley, R. (1994). Managing in Local Government. London: The Macmillan Press Ltd.
- Key, S. (1999). "Toward a new theory of the firm: a critique of stakeholder theory". Management Decision 37(4) pp. 317-328.
- King, D. S. (1987). The New Right: Politics, Markets and Citizenship. Hampshire, Macmillan Education Ltd.
- Kingdom, J. (1991). Local Government and Politics in Britain, Hertfordshire: Philip Allan.
- Kinnear, P.R. & Gray, C. D. (1999). SPSS for Windows Made Simple. 3rd edition, East Sussex: Psychology Press Ltd, Publishers.

- Kirchhoff, J. J. (1997). "Public Services Production in Context: Toward a Multilevel, Multistakeholder Model". Public Productivity & Management Review 21(1) pp. 70-85.
- Klijn, E. & Koppenjan, J. M. F. (2000). "Public Management and Policy Networks: foundations of a network approach to governance". Public Management 2(2) pp. 135-158.
- Klijn, F. A. et al. (1995). "Managing Networks in the Public Sector: a theoretical study of management strategies in policy networks". Public Administration (73) pp. 437-454.
- Kloot, L. (1999). "Performance measurement and accountability in Victorian local government". The International Journal of Public Sector Management 12(7) pp. 565-583.
- Lawrence, P. R. & Lorsch, J. W. (1967). Organisation and Environment: managing differentiation and integration. Boston: Harvard University Press.
- Levin, R. I. & Rubin, D. S. (1998). Statistics for Management. 7th Edition, Upper Saddle River, New Jersey: Prentice-Hall, Inc.
- Local Government Association (2001). Local Government Structure. London: LGA. Available from www.lga.gov.uk.
- Macdonald, K. (2001). "Using Documents" in N. Gilbert (Ed.) Researching Social Life. 2nd Edition, London: Sage Publications, pp.194-210.
- Martin, S. & Hartley, J. (2000). "Best Value for all? An empirical analysis of local government's capacity to implement Best Value principles". Public Management 2(1) pp. 43-56.
- Martin, S. (2000). "Implementing "Best Value": Local Public Services in Transition". Public Administration 78(1) pp. 209-227.
- Mclean, J. (1987). Public Choice: an introduction. Oxford: Basil Blackwell.
- Mcsweeney, B. & Duncan, S. (1998). "Structure or agency? Discourse or meta-narrative? Explaining the emergence of the financial management initiative". Accounting, Auditing & Accountability Journal 11(3) pp. 332-61.
- Meyer, J. W. & Rowan, B. (1991). "Institutionalized Organisations: formal structure, myth, and ceremony". In Powell, W. S. & DiMaggio, P. J. (eds.) The New Institutionalism in Organisational Analysis. Chicago: The University of Chicago Press.
- Miles, M. B. & Huberman, A. M. (1994). Qualitative Data Analysis: an expanded sourcebook. 2nd edition, Thousand Oaks – California: Sage Publications.
- Miller, D. C. & Salkind, N. J. (2002). Handbook of Research Design & Social Measurement. 6th edition, Thousand Oaks, Sage Publications.
- Mitchell, R. K. et al. (1997). "Toward a Theory of Stakeholder Identification and Saliency: Defining the principle of who and what really counts". Academy of Management Review 22(4) pp. 853-86.
- Mondragon, J. (1998). "The analysis of intergovernmental relations within the autonomous Basque community: The introduction to a case study on the subject of social action". International Journal of Public Sector Management 11(2/3) pp. 219-228.

- Municipal Yearbook and Public Services Directory (2000a). Volume II and I. London, Municipal Publication.
- Mwankwo, S. & Richardson, B. (1996). "Organisational leaders as political strategists: a stakeholder management perspective". Management Decision 34(10) pp 43-9.
- Mwita, J. I. (2000). "Performance management model: A systems-based approach to public service quality". The International Journal of Public Sector Management 13(1) pp. 19-37.
- Nohria, N. (1992). "Is a Network Perspective a useful way of studying Organisations?" In Nohria, N. & Eccles, R. G. (eds.) Networks and Organisations: structure, form, and action. Boston, Massachusetts: Harvard Business School Press.
- Nutley, S. & Osborne, S. P. (1994). The Public Sector Management Handbook. Essex: Longman Group Ltd.
- Oliver, C. (1990). "Determinants of Interorganizational Relationships: Integration and Future Directions". Academy of Management Review 15(2) pp. 241-265.
- Oliver, C. (1991). "Strategic Responses to Institutional Processes". Academy of Management Review 16 (1) pp. 145-179.
- Oliver, C. (1997). "Sustainable Competitive Advantage: combining institutional and resource-based views". Strategic Management Journal 18(9) pp. 697-713.
- Orrù, M. et al. (1991). "Organisational Isomorphism in East Asia". In Powell, W. S. & DiMaggio, P. J. (eds.) The New Institutionalism in Organisational Analysis. Chicago: The University of Chicago Press. Pp. 361-389.
- Osborne, S. P. (1996). Selecting a Methodology for Management Research Issues and Resolution. Working Paper Series N. 34, Birmingham: Aston Business School.
- Osborne, S. P. et al. (1993). Performance Management in Complex Public Programmes. Working Paper N. 21, Birmingham: Aston Business School.
- Parsons, W. (1995). Public Policy: An Introduction to the Theory and Practice of Policy Analysis. Cheltenham: Edward Elgar.
- Pennings, J. M. & Goodman, P. S. (1977). "Toward a Workable Framework". In Goodman, P. S. & Pennings, J. M. (eds.) New Perspectives on Organisational Effectiveness. San Francisco: Jossey-Bass Publishers.
- Perry, C. (1998). "Processes of a case study methodology for postgraduate research in marketing". European Journal of Marketing 32 (9/10) pp. 785-802.
- Peteraf, M. A. (1993). "The Cornerstone of Competitive Advantage: a resource-based view". Strategic Management Journal 14, pp. 179-191.
- Peters, T. J. & Waterman, R. H. (1982). In search of excellence, lessons from America's best-run companies. New York, Harper and Row.
- Pfeffer, J. & Salancik, G. R. (1978). The External Control of Organisations: A Resource Dependence Perspective. New York: Harper and Row.

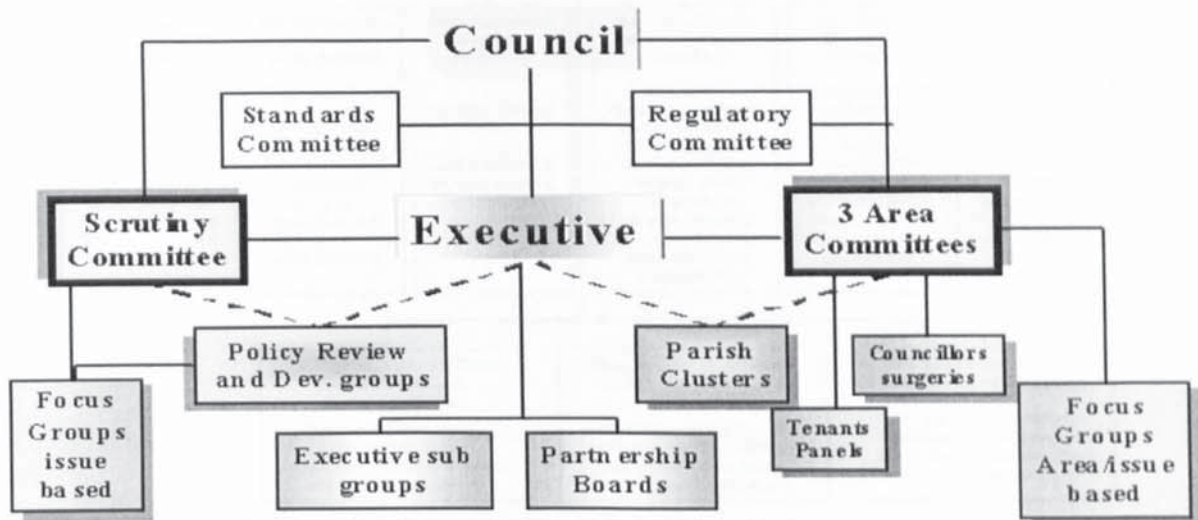
- Pfeffer, J. (1981). Power in Organisations. Marshfield: MA, Pitman.
- Pfeffer, J. (1982). Organisations and Organisation Theory. Boston: Pitman Publishing Inc.
- Pollitt, C. (1993). Managerialism and the Public Services. 2nd edition, Oxford, Blackwell Publisher.
- Porter, M. E. (1985). Competitive Advantage: Creating and Sustaining Superior Performance. New York: Free Press.
- Porter, M. E. (1991). "Towards a Dynamic Theory of Strategy". Strategic Management Journal 12, pp.95-117.
- Porter, M. E. (1998). The Competitive Advantage of Nations. Basingstoke, MacMillan.
- Pratchet, L. (1999). "New Technologies and the Modernization of Local Government: an analysis of biases and constraints". Public Administration 77(4) pp. 731-750.
- Procter, M. (2001). "Measuring Attitudes". In Gilbert, N. (ed.) Researching Social Life. 2nd edition. London: Sage Publications, pp. 105-122.
- Rahman, S. (2001). "A Comparative Study of TQM practice and organisation performance of SMEs with and without ISO 9000 certification". International Journal of Quality and Reliability Management 18(1) pp. 35-49.
- Rhodes, R. A. W. (1992). "Local Government Finance". In Marsh, D. & Rhodes, R. A. W. (eds.) Implementing Thatcherite Policies: Audit of an Era. Buckingham: Open University Press, pp. 50-64.
- Rhodes, R.A.W. (2001). Understanding Governance: Policy Networks, Governance, Reflexivity and Accountability. Buckingham: Open University Press.
- Rizzo, A. (1987). "Stakeholders in Public Sector Education: An Alternative Approach". American Review of Public Administration 17(4) pp. 87-92.
- Rogers, S. (1999). Performance Management in Local Government. 2nd edition. London: Financial Times Professional Limited.
- Rose, A. & Lawton, A. (1999). Public Services Management. Essex: Pearson Education Ltd.
- Rotaries, T & Liberman, A. (2000). "Stakeholder Management in a Hyperturbulent Health Care Environment". Health Care Management 19(2) pp. 1-7.
- Rowley T. (1997). "Moving Beyond Dyadic Ties: a network theory of stakeholder influences". Academy of Management Review 22(4) pp. 887-910.
- Roy, C. & Séguin, F. (2000). "The Institutionalization of Efficiency-Oriented Approaches for Public Service Improvement". Public Productivity & Management Review 23(4) pp. 449-468.
- Sapsford, R. & Jupp, V. (1996). Data Collection and Analysis. London: Sage Publications.
- Saslow, C. A. (1982). Basic Research Methods. New York: Random House.

- Savage, G. T. et al. (1991). "Strategies for Assessing and Managing Organisational Stakeholders". Academy of Management Executive 5(2) pp. 61-75.
- Savage, G. T. et al. (1997). "Governance of Integrated Delivery Systems/Networks: A Stakeholder Approach". Health Care Manage Review 22(1) pp. 7-20.
- Scott W. R. & Meyer, J. W. (1991). "The Organisation of Societal Sectors: propositions and Early Evidence". In Powell, W. S. & DiMaggio, P. J. (eds.) The New Institutionalism in Organisational Analysis. Chicago: The University of Chicago Press, pp. 108-140.
- Scott, W. R. (1987). "The Adolescence of Institutional Theory". Administrative Science Quarterly (32) pp. 493-511.
- Scott, W. R. (1991). "Unpacking Institutional Arguments". In Powell, W. S. & DiMaggio, P. J. (eds.) The New Institutionalism in Organisational Analysis. Chicago: The University of Chicago Press, pp. 164-182.
- Scott, W. R. (1995). Institutions and Organisations. California: Sage Publications, Inc.
- Scott, W. R. (1998). Organisations rational, natural, and open systems. 4th edition, New Jersey: Prentice-Hall Inc.
- Seal, W. & Vincent-Jones, P. (1997). "Accounting and trust in the enabling of long-term relations". Accounting, Auditing & Accountability Journal 10(3) pp. 406-431.
- Seeley, I. H. (1978). Local Government Explained. London: The Macmillan Press Ltd.
- Seldon, A. & D. Collings (2000). Britain Under Thatcher. Essex: Longman.
- Selznick, P. (1966). TVA and the Grass Roots: a study in the Sociology of Formal Organisation. New York: Harper Torchbooks.
- Shankman, N. A. (1999). "Reframing the Debate Between Agency and Stakeholder Theories of the Firm". Journal of Business Ethics 19 pp. 319-334.
- Shawn, L B. et al. (1999). "Does stakeholder orientation matter? The relationship between stakeholder management models and firm financial performance". Academy of Management Journal 42(5) pp. 488-506.
- Sheffield, J. et al. (2001). "Best Value and the Evolution of Performance Indicators in Scottish Local Government". International Journal of Business Performance 2 (2-4) pp. 109-118.
- South Northamptonshire, District Council of (2001). Best Value Performance Plan. According to the requirements of the Local Government Act 1999.
- Stake, R. E. (1998). "Case Studies", In Denzin N. K. & Lincoln, Y. S. Strategies of Qualitative Inquiry. Thousand Oaks: Sage, pp. 86-109.
- Stanyer, J. (1976). Understanding Local Government. Glasgow: Fontana
- Stewart, J (1983). Local Government: The Conditions of Local Choice. Institute of Local Government Studies. London: George Allen & Unwin.

- Streib, G. (1992). "Applying Strategic Decision-making in Local Government". Public Productivity & Management Review XV (3) pp 341-354.
- Stuart, J. (2000). The nature of British Local Government. Series: Government Beyond the Centre. Series Editor: Gerry Stoker, London: MacMillan Press.
- Tricker, M. (2000). Quantitative Research Methods and Analysis: exploring alternatives research design, Birmingham: Aston Business School (unpublished).
- Tucker, D. J. et al. (1992). "The Institutional Ecology of Human Services Organisations". In Hasenfeld, Y. (ed.) Human Services as Complex Organisations. California: Sage Publications, pp. 47-72.
- Turley, S. K. (1999). "A Case of Response Rate Success". Journal of Market Research Society 41(3) pp 301-307.
- Ullmann, A. A. (1985). "Data in Search of a Theory: A Critical Examination of the Relationships Among Social Performance, Social Disclosure, and Economic Performance of U.S. Firms". Academy of Management Review 10(3) pp. 540-557.
- Ulrich, D. & Barney, J. B. (1984). "Perspectives in Organisations: Resource Dependence, Efficiency, and Population". Academy of Management Review 9(3) pp. 471-481.
- Winstanley, D. et al. (1995). "When the Pieces Don't Fit: A Stakeholder Power Matrix to Analyse Public Sector Restructuring". Public Money & Management (Apr-Jun) pp. 19-26.
- Wit, Bob de & Meyer, R. (1998). Strategy: process, control, contest. London: International Thomson Business Press.
- Wood, D. J. (1991). "Corporate Social Performance Revisited". Academy of Management Review 16(4) pp. 691-718.
- Woodward, W. (2002). "Schools inspectors to run Hackney education". In The Guardian (Tuesday, January 15) p. 6.
- Worral, L. et al. (1998). "Managing strategy in local government". International Journal of Public Sector Management 11(6) pp. 472-493.
- Yin, R. K. (1994). Case study research, design and methods. 2nd edition. Applied social research methods series, v. 5, Thousand Oaks, CA: Sage.

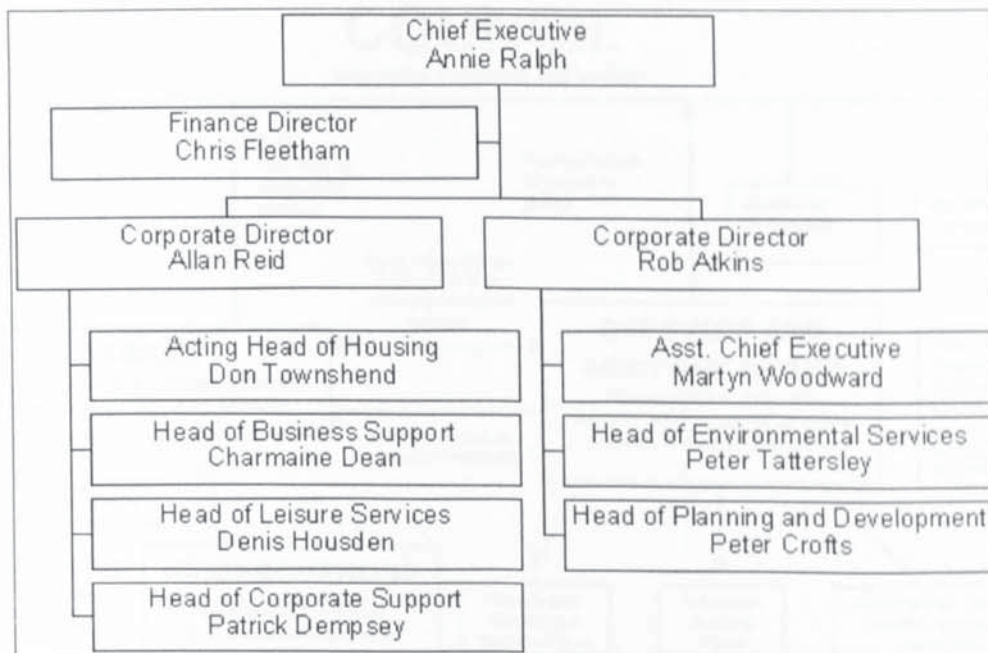
Annex 1: Braintree's Structures of Decision-Making

Decision Making Structure

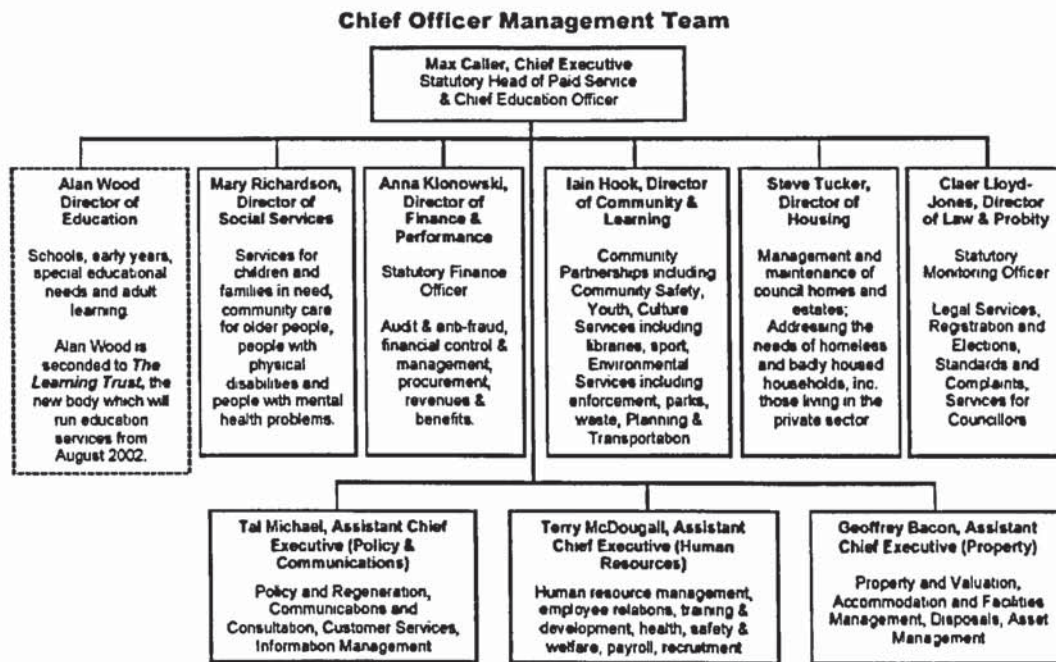


March 2002/am en dl

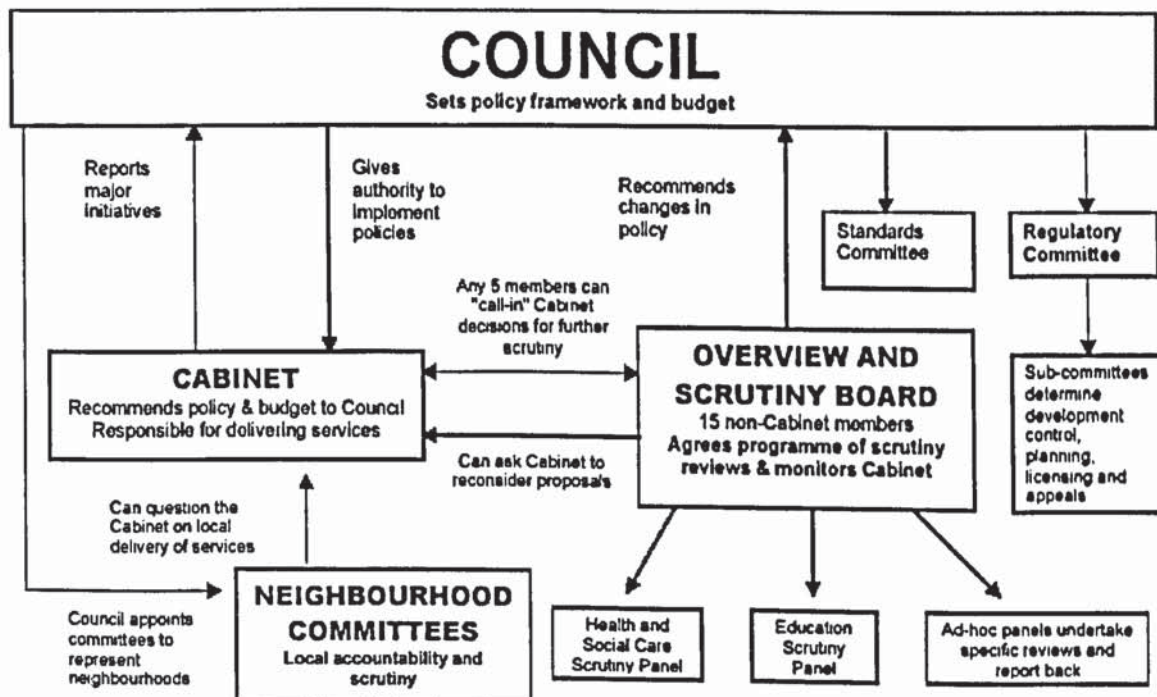
Annex 2: Braintree's Management Structure



Annex 3: Hackney' management Structure



Annex 4: Hackney's Structure of Decision-Making



Annex 5: South Northamptonshire Political Structure



Source: South Northamptonshire: 2001, p. 4-5

Annex 6: The Quantitative Investigation Data Collection Tool

Birmingham, 12/03/01

SURVEY OF THE INFLUENCES OF KEY STAKEHOLDERS ON THE PERFORMANCE OF LOCAL AUTHORITIES

Dear Sir or Madam,

I am a visiting academic from Brazil, undertaking a research project at Aston Business School in Aston University. The project is exploring the influences, which different stakeholders have on the performance of Local Authorities. It is hoped that the findings will be helpful in increasing understanding of the current constraints on local government and how they have responded to important initiatives like Best Value.

I would be very grateful if you could help in this research by completing and returning - through the envelope provided - the attached short questionnaire. **The questionnaire is designed to be completed quickly and should not take more than ten minutes of your time.**

All individual responses will of course be treated in strict confidence and no information on individual authorities will be released. However, a summary of the overall findings will be sent to all authorities who participate in the survey.

I look forward to receiving your completed questionnaire, but in the meantime if you would like further information on the research project or would like to discuss any aspects of it, please do not hesitate to contact me by phone or email address.

Thank you very much for your help.

Yours Sincerely,

RICARDO CORREA GOMES
Research Degree Programme - Aston Business School - Aston University
Aston Triangle - Birmingham - B4 7ET - UK
Telephone: 0121 359 3611 Extension 5083 - Fax: 0121 333 5620
E-mail: gomesrc@aston.ac.uk

The following questions were structured to find out how much important for the English Local Authorities performance some stakeholders are. For stakeholders, I mean the external and internal agents who own power and interest on local authority's goals, performance and outcomes. These agents can be the employees, the Central Government, the users of the services, the citizens, the taxpayers, the local community, the political parties, the media, and so forth.

For this end, I am asking you to answer this questionnaire. It is structured into two stages. On the first stage I am asking you to list as many stakeholders as you think have power for influencing your authority in its strategic plan. On the second stage I am asking you to rate the importance of each stakeholder related to the proposed issues.

Stage One: Please list on the attached table all the stakeholders that you think have influence on the work of your authority.

Stage Two: Applying the parameters of the Lickert Scale below to the list that you have made, please rate how you see the influence of each stakeholder on the following issues.

Not influence at all	Weak Influence	Medium Influence	Reasonable Influence	Strong Influence
1	2	3	4	5

Issues:

1. Power for influencing the statement of the main objectives of your Authority plan;
2. Power for influencing how services are to be provided by your Authority;
3. Power for influencing the criteria by which your Local Authority's performance will be evaluated;
4. Power as a result of being a stakeholder whose satisfaction is likely to be an aim for your Authority plan;
5. Power for controlling the critical assets (money and supplies) that your authority employs to carry on its activities.
6. Power for possessing technical skills that your authority employs to carry on its activities;
7. Power for influencing the service delivery process of your authority.

Annex 7: Statistical Association Analysis of SSI

Correlation Analysis on Criterion 1

	Pearson Correlation	Sig. (2-tailed)	N	Central Government	Councillors	Employees	Health Authorities	Local Business	Management Team	Local Media	Police Authorities	Pressure Groups	Citizens	Service Users	Upper Tie Authorities	Voluntary Sector
Central Government	Pearson Correlation			1.000	.042	-.204	.071	.113	.073	.189	-.001	-.124	.208	.065	.471*	.216
	Sig. (2-tailed)			.56	.807	.206	.677	.450	.787	.300	.996	.522	.143	.744	.013	.235
	N			37	37	40	37	47	16	32	38	29	52	28	27	32
Councillors	Pearson Correlation			.042	1.000	-.338	-.310	.059	-.105	.069	-.281	-.012	.130	.243	-.202	-.292
	Sig. (2-tailed)			.807	.39	.058	.151	.754	.689	.760	.194	.955	.449	.317	.423	.212
	N			37	39	32	23	31	17	22	23	23	38	19	18	20
Employees	Pearson Correlation			.204	-.338	1.000	.167	.140	.378	-.176	.009	.014	.063	.028	-.187	.139
	Sig. (2-tailed)			.206	.058	.42	.415	.423	.182	.390	.964	.947	.705	.901	.538	.22
	N			40	32	28	26	35	14	27	27	25	39	23	17	22
Health Authorities	Pearson Correlation			.071	-.310	.167	1.000	.364*	-.433	.342	.792**	.493*	.078	.292	.514*	.682**
	Sig. (2-tailed)			.677	.151	.415	.000	.048	.139	.129	.000	.027	.657	.211	.024	.000
	N			37	23	28	40	30	13	21	39	20	35	20	19	28
Local Business	Pearson Correlation			.113	.059	.140	.364*	1.000	-.485	.043	.463**	.604**	.374**	.408*	.292	.673**
	Sig. (2-tailed)			.450	.754	.423	.048	.000	.093	.829	.009	.001	.009	.039	.147	.000
	N			47	31	35	30	50	13	28	31	28	48	26	26	30
Management Team	Pearson Correlation			.073	-.105	.378	-.433	-.485	1.000	-.354	.062	-.314	.194	.315	-.600	-.566*
	Sig. (2-tailed)			.787	.689	.182	.139	.093	.000	.285	.841	.320	.472	.410	.154	.044
	N			16	17	14	13	13	18	11	13	12	16	9	7	13
Local Media	Pearson Correlation			.189	.069	-.176	.342	.043	-.354	1.000	.288	.211	-.012	-.041	.371	.279
	Sig. (2-tailed)			.300	.760	.390	.129	.829	.285	.32	.206	.371	.950	.857	.236	.263
	N			32	22	27	21	28	11	32	21	20	29	22	12	18
Police Authorities	Pearson Correlation			-.001	-.281	.009	.792**	.463**	.062	.288	1.000	.674**	.231	.334	.355	.649*
	Sig. (2-tailed)			.996	.194	.964	.000	.009	.841	.208	.000	.002	.175	.150	.124	.000
	N			38	23	27	39	31	13	21	41	19	38	20	20	30
Pressure Groups	Pearson Correlation			.124	-.012	.014	.483*	.604**	-.314	.211	.674**	1.000	.199	.258	.287	.791**
	Sig. (2-tailed)			.522	.955	.947	.027	.001	.320	.371	.002	.311	.311	.322	.401	.000
	N			29	23	25	20	28	12	20	19	31	28	17	12	20
Citizens	Pearson Correlation			.206	.130	.063	.078	.374**	.194	-.012	.231	.199	1.000	.672**	.145	.127
	Sig. (2-tailed)			.143	.449	.705	.657	.009	.472	.950	.175	.311	.311	.000	.471	.504
	N			52	36	39	35	48	16	29	36	28	55	27	30	30
Service Users	Pearson Correlation			.065	.243	.028	.292	.406*	.315	-.041	.334	.256	.672**	1.000	-.347	.367
	Sig. (2-tailed)			.744	.317	.901	.151	.039	.410	.857	.150	.322	.000	.248	.134	.134
	N			28	19	23	20	26	9	22	20	17	28	29	13	18
Upper Tie Authorities	Pearson Correlation			.471*	-.202	-.187	.514*	.292	-.600	.371	.355	.267	.145	-.347	1.000	.385
	Sig. (2-tailed)			.013	.423	.473	.024	.147	.154	.236	.124	.401	.471	.248	.104	.104
	N			27	18	17	19	7	7	12	.12	12	27	13	19	19
Voluntary Sector	Pearson Correlation			.216	-.292	.139	.682**	.673**	-.566*	.279	.649**	.000	.127	.367	.385	1.000
	Sig. (2-tailed)			.235	.212	.538	.000	.000	.044	.263	.000	.000	.504	.134	.104	.104
	N			32	20	22	28	30	13	18	30	20	30	18	19	35

*. Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Correlations - Criterion 2

	Central Government	Councillors	Employees	Fire Authorities	Health Authorities	Local Business	Management Team	Police Authorities	Pressure Groups	Citizens	Voluntary Sector
Central Government	1.000	-.243	-.145	.024	.006	-.130	-.196	-.018	-.194	-.010	-.112
Pearson Correlation		.147	.366	.915	.971	.379	.451	.915	.303	.944	.535
Sig. (2-tailed)		37	41	22	37	48	17	37	30	55	33
N	57	37	41	22	37	48	17	37	30	55	33
Councillors	-.243	1.000	-.350	-.162	-.116	.232	-.149	-.219	-.055	.231	.326
Pearson Correlation		.147	.053	.535	.599	.217	.582	.314	.809	.170	.173
Sig. (2-tailed)		38	31	17	23	30	16	23	22	37	19
N	37	38	31	17	23	30	16	23	22	37	19
Employees	-.145	-.350	1.000	-.133	-.049	.232	.078	.074	.417*	-.175	.152
Pearson Correlation		.053	.366	.611	.813	.790	.790	.720	.038	.273	.500
Sig. (2-tailed)		41	31	17	26	35	14	26	25	41	22
N	41	31	42	17	26	35	14	26	25	41	22
Fire Authorities	.024	-.162	-.133	1.000	.820**	.160	.253	.862**	.114	.098	.685**
Pearson Correlation		.535	.611	.000	.000	.538	.480	.000	.724	.657	.003
Sig. (2-tailed)		17	17	23	23	17	10	23	12	23	16
N	22	17	17	23	23	17	10	23	12	23	16
Health Authorities	.006	-.116	-.049	.820**	1.000	.195	-.113	.730**	-.089	.173	.669**
Pearson Correlation		.599	.813	.000	.000	.303	.714	.000	.708	.305	.000
Sig. (2-tailed)		23	26	40	40	30	13	39	20	37	28
N	37	23	26	40	40	30	13	39	20	37	28
Local Business	-.130	.232	.232	.160	.195	1.000	.325	.284	.475*	.430**	.611**
Pearson Correlation		.217	.179	.538	.303	.279	.279	.128	.011	.002	.000
Sig. (2-tailed)		30	35	17	30	50	13	30	28	48	30
N	48	30	35	17	30	50	13	30	28	48	30
Management Team	-.196	-.149	.078	.253	-.113	.325	1.000	.215	.265	.401	.053
Pearson Correlation		.582	.790	.480	.714	.279	.1000	.481	.405	.111	.863
Sig. (2-tailed)		16	14	10	13	13	18	13	12	17	13
N	17	16	14	10	13	13	18	13	12	17	13
Police Authorities	-.018	-.219	.074	.862**	.730**	.284	.215	1.000	.130	.292	.576**
Pearson Correlation		.314	.720	.000	.000	.128	.481	.000	.596	.080	.001
Sig. (2-tailed)		23	26	23	39	30	13	40	31	29	20
N	37	23	26	23	39	30	13	40	31	29	20
Pressure Groups	-.194	-.055	.417*	.114	-.089	.475*	.265	.130	1.000	.190	.285
Pearson Correlation		.809	.038	.724	.708	.011	.405	.596	.000	.324	.360
Sig. (2-tailed)		22	25	12	20	28	12	19	.000	.29	.20
N	30	22	25	12	20	28	12	19	.000	.29	.20
Citizens	-.010	.231	-.175	.098	.173	.430**	.401	.292	.190	1.000	.285
Pearson Correlation		.170	.273	.657	.305	.002	.111	.080	.324	.000	.120
Sig. (2-tailed)		37	41	23	37	48	17	37	29	.000	.31
N	55	37	41	23	37	48	17	37	29	.000	.31
Voluntary Sector	-.112	.326	.152	.685**	.669**	.611**	.053	.576**	.216	.285	1.000
Pearson Correlation		.173	.500	.003	.000	.000	.863	.001	.360	.120	.000
Sig. (2-tailed)		19	22	16	28	30	13	29	.20	.31	.35
N	33	19	22	16	28	30	13	29	.20	.31	.35

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations - Criterion 3

	Central Government	Citizens	Councillors	Health Authorities	Local Businesses	Police Authorities	Upper tie authorities
Central Government	1.000	-.021	-.187	-.049	.064	-.096	-.232
Pearson Correlation		.883	.291	.774	.668	.573	.255
Sig. (2-tailed)		.51	.34	.37	.47	.37	.26
N	55						
Citizens	-.021	1.000	.519**	.221	.558**	.243	.148
Pearson Correlation		.883	.001	.196	.000	.153	.489
Sig. (2-tailed)		.51	.36	.36	.46	.36	.24
N	51	55					
Councillors	-.187	.519**	1.000	.462*	.521**	.469*	.533*
Pearson Correlation		.001	.37	.031	.004	.028	.033
Sig. (2-tailed)		.36	.22	.22	.29	.22	.16
N	34	36	37				
Health Authorities	-.049	.221	.462*	1.000	.404*	.792**	.762**
Pearson Correlation		.196	.031	.41	.024	.000	.000
Sig. (2-tailed)		.36	.22	.41	.31	.40	.19
N	37	36	22	41			
Local Businesses	.064	.558**	.521**	.404*	1.000	.545**	.370
Pearson Correlation		.000	.004	.024	.002	.002	.075
Sig. (2-tailed)		.46	.29	.31	.50	.31	.24
N	47	46	29	31	50	31	24
Police Authorities	-.096	.243	.469*	.792**	.545**	1.000	.372
Pearson Correlation		.153	.028	.000	.002	.000	.117
Sig. (2-tailed)		.36	.22	.40	.31	.41	.19
N	37	36	22	40	31	41	19
Upper tie authorities	-.232	.148	.533*	.762**	.370	.372	1.000
Pearson Correlation		.489	.033	.000	.075	.117	.000
Sig. (2-tailed)		.24	.16	.19	.24	.19	.27
N	26	24	16	19	24	19	27

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations - Criterion 4

	Central Government	Citizens	Councillors	Employees	Health Authorities	Local businesses	Police Authorities	Voluntary Sector
Central Government								
Pearson Correlation	1.000	.026	.411*	-.036	.161	-.097	.165	-.159
Sig. (2-tailed)		.857	.017	.837	.349	.529	.336	.385
N	53	49	33	35	36	44	36	32
Citizens								
Pearson Correlation	.026	1.000	-.043	.058	.059	.414**	.085	-.025
Sig. (2-tailed)	.857		.811	.737	.738	.006	.625	.899
N	49	52	34	36	35	42	35	28
Councillors								
Pearson Correlation	.411*	-.043	1.000	.003	-.039	-.088	-.013	-.245
Sig. (2-tailed)	.017	.811		.988	.862	.667	.955	.328
N	33	34	35	28	22	26	22	18
Employees								
Pearson Correlation	-.036	.058	.003	1.000	.226	.259	.232	.263
Sig. (2-tailed)	.837	.737	.988		.289	.167	.275	.276
N	35	36	28	37	24	30	24	19
Health Authorities								
Pearson Correlation	.161	.059	-.039	.226	1.000	.594**	.899**	.485**
Sig. (2-tailed)	.349	.738	.862	.289		.001	.000	.008
N	36	35	22	24	40	29	39	29
Local businesses								
Pearson Correlation	-.097	.414**	-.088	.259	.594**	1.000	.747**	.565**
Sig. (2-tailed)	.529	.006	.667	.167	.001		.000	.002
N	44	42	26	30	29	46	29	27
Police Authorities								
Pearson Correlation	.165	.085	-.013	.232	.899**	.747**	1.000	.488**
Sig. (2-tailed)	.336	.625	.955	.275	.000	.000		.006
N	36	35	22	24	39	29	40	30
Voluntary Sector								
Pearson Correlation	-.159	-.025	-.245	.263	.485**	.565**	.488**	1.000
Sig. (2-tailed)	.385	.899	.328	.276	.008	.002	.006	
N	32	28	18	19	29	27	30	34

* - Correlation is significant at the 0.05 level (2-tailed).

** - Correlation is significant at the 0.01 level (2-tailed).

Correlations - Criterion 5

	Central Government	Councillors	Employees	Health Authorities	Local Businesses	Management Team	Local Media	Police Authorities	Pressure Groups	Citizens	Service Users	Voluntary Sector
Central Government	1.000											
Pearson Correlation		-.205	-.239	.066	-.033	-.368	-.038	.004	.128	-.080	-.023	-.082
Sig. (2-tailed)		.253	.160	.701	.830	.177	.840	.981	.501	.579	.914	.660
N	54	33	36	36	46	15	30	36	30	50	25	31
Councillors		1.000										
Pearson Correlation			.231	-.068	.408*	.632**	.113	-.026	.251	.457**	.410	.277
Sig. (2-tailed)			.228	.769	.031	.009	.635	.910	.260	.006	.115	.265
N	33	36	29	21	28	16	20	21	22	35	16	18
Employees			1.000									
Pearson Correlation				.106	.093	.439	-.219	-.044	-.030	-.090	-.217	-.124
Sig. (2-tailed)				.623	.606	.154	.305	.840	.893	.593	.359	.602
N	36	29	39	24	33	12	24	24	23	38	20	20
Health Authorities				1.000								
Pearson Correlation					.234	.195	-.225	.911**	.037	.006	-.058	.673**
Sig. (2-tailed)					.213	.544	.340	.000	.873	.974	.818	.000
N	36	21	24	40	30	12	20	39	21	35	18	28
Local Businesses					1.000							
Pearson Correlation						-.052	.319	.355	.673**	.442**	.695**	.366
Sig. (2-tailed)						.878	.113	.054	.000	.002	.000	.055
N	46	28	33	30	49	11	26	30	29	45	24	28
Management Team						1.000						
Pearson Correlation							-.033	.217	.059	.212	.611	.242
Sig. (2-tailed)							.924	.499	.856	.431	.108	.448
N	15	16	12	12	11	17	11	12	12	16	8	12
Local Media							1.000					
Pearson Correlation								-.252	.655**	.494**	.501*	-.086
Sig. (2-tailed)								.30	.002	.006	.024	.743
N	30	20	24	30	26	11	30	19	20	29	20	17
Police Authorities								1.000				
Pearson Correlation									-.024	.046	.046	.722**
Sig. (2-tailed)									.920	.794	.860	.000
N	36	21	24	39	30	12	19	40	20	35	17	29
Pressure Groups									1.000			
Pearson Correlation										.678**	.598*	.091
Sig. (2-tailed)										.000	.018	.695
N	30	22	23	21	29	12	20	20	32	28	15	21
Citizens										1.000		
Pearson Correlation											.763**	.120
Sig. (2-tailed)											.000	.542
N	50	35	38	35	45	16	29	35	28	54	25	28
Service Users											1.000	.155
Pearson Correlation												.566
Sig. (2-tailed)												.000
N	25	16	20	18	24	8	20	17	15	25	26	16
Voluntary Sector												1.000
Pearson Correlation												
Sig. (2-tailed)												.155
N	31	18	20	28	28	12	17	29	21	28	16	34

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations - Criterion 6

	Central Government	Councillors	Employees	Health Authorities	Local Businesses	Local Media	Police Authorities	Upper tie authorities	Voluntary Sector
Central Government	1.000	.565**	-.070	.229	.302*	.285	.187	.465*	.005
Pearson Correlation		.000	.669	.172	.039	.114	.262	.015	.979
Sig. (2-tailed)		37	40	37	47	32	38	27	32
N	56								
Councillors	.565**	1.000	-.320	.369	.532**	.421	.379	.163	-.099
Pearson Correlation		.	.074	.083	.002	.051	.074	.517	.677
Sig. (2-tailed)		39	32	23	31	22	23	18	20
N	37								
Employees	-.070	-.320	1.000	-.191	-.193	-.292	-.316	-.445	-.113
Pearson Correlation		.074	.	.351	.267	.139	.109	.074	.618
Sig. (2-tailed)		32	42	26	35	27	27	17	22
N	40								
Health Authorities	.229	.369	-.191	1.000	.585**	.472*	.862**	.807**	.610*
Pearson Correlation		.083	.351	.	.001	.031	.000	.000	.001
Sig. (2-tailed)		23	26	40	30	21	39	19	28
N	37								
Local Businesses	.302*	.532**	-.193	.585**	1.000	.197	.635**	.400*	.609*
Pearson Correlation		.002	.267	.001	.	.315	.000	.043	.000
Sig. (2-tailed)		31	35	30	50	28	31	26	30
N	47								
Local Media	.285	.421	-.292	.472*	.197	1.000	.460*	.478	.259
Pearson Correlation		.051	.139	.031	.315	.	.036	.116	.300
Sig. (2-tailed)		22	27	21	28	32	21	12	18
N	32								
Police Authorities	.187	.379	-.316	.862**	.635**	.460*	1.000	.682**	.561**
Pearson Correlation		.074	.109	.000	.000	.036	.	.001	.001
Sig. (2-tailed)		23	27	39	31	21	41	20	30
N	38								
Upper tie authorities	.465*	.163	-.445	.807**	.400*	.478	.682**	1.000	.431
Pearson Correlation		.517	.074	.000	.043	.116	.001	.	.065
Sig. (2-tailed)		18	17	19	26	12	20	28	19
N	27								
Voluntary Sector	.005	-.099	-.113	.610**	.609**	.259	.561**	.431	1.000
Pearson Correlation		.677	.618	.001	.000	.300	.001	.065	.
Sig. (2-tailed)		20	22	28	30	18	30	19	35
N	32								

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations

	Central Government	Councillors	Employees	Health Authorities	Local Businesses	Management Team	Police Authorities	Pressure Groups	Citizens	Service Users	Voluntary Sector
Central Government	1.000	.321	-.221	.164	.346*	.091	.216	-.109	.358*	.384	.045
Pearson Correlation		.064	.194	.338	.020	.728	.206	.566	.012	.053	.805
Sig. (2-tailed)		.34	.36	.36	.45	.17	.36	.30	.49	.26	.32
N	54	1.000	-.014	.081	.350	.340	.178	-.098	.562**	.512*	-.089
Councillors	.321	1.000	.940	.720	.063	.168	.429	.655	.000	.036	.718
Pearson Correlation		.37	.30	.22	.29	.18	.22	.23	.35	.17	.19
Sig. (2-tailed)		.014	.000	.139	.210	.045	-.055	.047	.088	.250	-.192
N	34	1.000	.517	.517	.248	.878	.798	.832	.603	.274	.417
Employees	-.221	-.014	1.000	-.139	.277	-.013	-.055	.047	.088	.250	-.192
Pearson Correlation		.940	.517	.517	.248	.878	.798	.832	.603	.274	.417
Sig. (2-tailed)		.30	.39	.24	.32	.14	.24	.23	.37	.21	.20
N	36	1.000	.139	1.000	.277	-.013	.863**	.000	.248	.21	.20
Health Authorities	.164	.081	-.139	1.000	.277	-.013	.863**	.000	.248	.21	.20
Pearson Correlation		.720	.517	.517	.248	.878	.798	.832	.603	.274	.417
Sig. (2-tailed)		.22	.32	.24	.32	.14	.24	.23	.37	.21	.20
N	36	1.000	.139	1.000	.277	-.013	.863**	.000	.248	.21	.20
Local Businesses	.346*	.350	.210	.277	1.000	-.057	.376*	.280	.360*	.551**	.301
Pearson Correlation		.063	.248	.248	.139	.964	.041	.141	.018	.005	.120
Sig. (2-tailed)		.29	.30	.30	.48	.13	.30	.29	.43	.24	.28
N	45	1.000	.878	.964	.853	1.000	-.057	-.058	.175	.535	.171
Management Team	.091	.340	.045	-.013	-.057	1.000	-.057	-.058	.175	.535	.171
Pearson Correlation		.168	.878	.964	.853	.853	.846	.850	.502	.138	.560
Sig. (2-tailed)		.18	.32	.30	.48	.13	.14	.13	.17	.18	.14
N	17	1.000	.045	.045	.045	.045	.045	.045	.045	.045	.045
Police Authorities	.216	.178	-.055	.863**	.376*	-.057	1.000	.138	.313	.046	.341
Pearson Correlation		.429	.798	.000	.041	.846	.561	.561	.071	.857	.065
Sig. (2-tailed)		.22	.24	.39	.30	.14	.40	.20	.34	.18	.30
N	36	1.000	.047	.000	.280	-.058	1.000	1.000	.112	.314	.137
Pressure Groups	-.109	-.098	.832	1.000	.141	.850	.561	1.000	.570	.236	.542
Pearson Correlation		.655	.23	.21	.29	.13	.20	.32	.28	.16	.22
Sig. (2-tailed)		.562**	.088	.248	.360*	.175	.313	.112	1.000	.651**	.061
N	30	1.000	.603	.158	.018	.502	.071	.570	.000	.000	.760
Citizens	.358*	.000	.603	.158	.018	.502	.071	.570	.000	.000	.760
Pearson Correlation		.35	.37	.34	.43	.17	.34	.28	.53	.26	.28
Sig. (2-tailed)		.49	.37	.34	.43	.17	.34	.28	.53	.26	.28
N	49	1.000	.250	-.146	.551**	.535	.046	.314	.651**	1.000	.735**
Service Users	.384	.512*	.250	-.146	.551**	.535	.046	.314	.651**	1.000	.735**
Pearson Correlation		.036	.274	.550	.005	.138	.857	.236	.000	.000	.001
Sig. (2-tailed)		.17	.21	.19	.24	.9	.18	.16	.26	.27	.17
N	26	1.000	-.192	.348	.301	.171	.341	.137	.061	.735**	1.000
Voluntary Sector	.045	-.089	-.192	.348	.301	.171	.341	.137	.061	.735**	1.000
Pearson Correlation		.718	.417	.064	.120	.560	.065	.542	.760	.001	.000
Sig. (2-tailed)		.19	.20	.29	.28	.14	.30	.22	.28	.17	.35
N	32	1.000	.20	.29	.28	.14	.30	.22	.28	.17	.35

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

PAGE
NUMBERING
AS ORIGINAL



Illustration removed for copyright restrictions