Profit or Care:

The motivations of care home owners and managers in England

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Preface

The research presented in this thesis was undertaken while I was working on the Commissioning and Performance project funded by the Department of Health. While some of the ideas discussed here were inspired by the project, the work presented is new and independently carried out by the author.

I would like to express my gratitude to my supervisors Martin Knapp and Julian Le Grand for their continuous support and encouragement. I am particularly grateful for the efforts they both invested in commenting on different versions of the chapters. Their exceptional enthusiasm for the subject was a great driving force behind this project. In particular, I would like to thank to Martin Knapp for providing me with the opportunity to be involved in the project and for giving me the time to complete the thesis.

I would like to extend my thanks to colleagues from the Commissioning and Performance team. Their assistance with the data collection is greatly appreciated. In particular, I am grateful to Jose-Luis Fernandez for providing me with valuable comments and support with respect to the econometric aspects of the analysis.

Some of the analyses included in two of the thesis chapters (chapters 5 and 6) have also been published in jointly authored academic journal articles (in *Ageing and Society*; and *Social Policy and Administration*).

My greatest gratitude is to my husband Dusan and my five year old son Lennart who were the main source of motivation for completing the thesis. They both provided unreserved help and support. This thesis would not have been completed without their encouragement and enthusiasm.

Abstract

Social care actors' motivations and attitudes play a central role in the delivery of services. This thesis examines the underlying motivations for providing care home services for older people, drawing data from private, voluntary and local authority homes in eight areas of England. The study explores care home owners'/managers' motivations. The majority of respondents were found to be primarily motivated by meeting the needs of older people and professional achievements. With regards to professional motivations, interviewees reported high levels of job satisfaction. Care home owners/managers were satisfied with their career choice and felt that, through their work, they were contributing to society as a whole. The study identified a range of personal and external factors that could influence owners'/managers' intrinsic motivations and professional aspirations.

Local authority commissioners' perceptions of care-home owners'/managers' motivations are also identified as playing an important role. Commissioners' views of care home owners'/managers' motivations, their perceived strengths and weaknesses, and their motivations will have a bearing on commissioning decisions. The results indicate that owners/managers are generally perceived by commissioners as highly altruistic, but also relatively financially motivated individuals. Further analysis revealed significantly different views towards profit maximising, which commissioners perceive as very important, while providers consider it to be of little motivational value. Private sector care home owners/managers are described by commissioners as significantly more motivated by personal income. Associations are found between commissioners' perceptions of motivations and the nature of their relationships with providers. The study also examined changes in owners'/managers' motivations between 1994 and 2003. The findings

indicated that, overall, care home owners'/managers' main motivations remained unchanged over time.

The policy implications of the main findings are discussed with a specific focus on care home owners'/managers' intrinsic motivations, commissioner-provider relationships, and the role of motivations in social care markets.

Table of Contents

PREFACE 2

ABSTRACT 3

CHAPTER ONE: INTRODUCTION 11

1.1. RESEARCH QUESTION AND CONTEXT OF THE THESIS 11

1.2 WHY IS OWNER/MANAGER MOTIVATION IMPORTANT? 14

1.2.1 Policy perspective 14

1.2.2. Owner/manager perspective 17

1.2.3. Local authority commissioner perspective 19

1.3. STRUCTURE OF PHD 22

CHAPTER TWO: CARE HOME SERVICES FOR OLDER PEOPLE: POLICY CONTEXT... 25

2.1. INTRODUCTION 25

2.2. CARE HOME SERVICES IN THE 1980S 25

2.3. MARKETS IN SOCIAL CARE 28

2.4. COMMUNITY CARE CHANGES IN THE 1990S: POLICY FRAMEWORK 31

2.4.1 The rationale for the purchaser/provider split 34

2.5. RECENT POLICY DIRECTIONS: CHOICE, PREVENTION AND PERSONALISED CARE 37

2.6. COMMISSIONING AND CONTRACTING: EARLY EXPERIENCES 45

2.6.1. Commissioning care home services 45

2.6.2. Contracting care home services 50

2.7. MOTIVATIONS AND MARKETS IN SOCIAL CARE 58

2.8. CONCLUSIONS 60

CHAPTER THREE: CARE HOME OWNER/MANAGER MOTIVATIONS: CONCEPTUAL FRAMEWORK 62

3.1. INTRODUCTION 62

3.2. THE PROBLEM OF MOTIVATION 63

3.3. THEORETICAL EXPLANATIONS FOR MOTIVATIONS 64

3.4. INTRINSIC MOTIVATION 67

3.4.1 Perceiving others as intrinsically or extrinsically motivated 69

3.4.2. Intrinsic motivation and altruism 71

3.4.3. Intrinsic and prosocial motivations 73

3.5. CONCEPTUAL FRAMEWORK: MOTIVATIONS OF SOCIAL CARE ACTORS 75

3.5.1. Reasons for engagement: theoretical background 75

3.5.2 Intrinsic motivation and monetary incentives *79*
3.6. WORK MOTIVATION 83
3.7. PUBLIC SERVICE MOTIVATION 90
3.8. CONCLUSIONS 93

CHAPTER FOUR: METHODOLOGY 95

4.1. INTRODUCTION 95
4.2. EXPLORING MOTIVATION: METHODOLOGICAL CHALLENGES 96
4.3. SAMPLING APPROACH 97
4.3.1. Care home owner/manager sample *97*
4.3.2 Local authority commissioner sample *100*
4.4. RESEARCH DESIGN 101
4.4.1 Ethical feasibility of the research *101*
4.4.2 User involvement *102*
4.4.3 Research instruments *102*
4.5 METHODS FOR DATA ANALYSIS 106
4.5.1 Factor analysis *107*
4.5.2 Panel data *108*

CHAPTER FIVE: CARE HOME OWNERS/MANAGERS AS PROFESSIONALS: UNDERSTANDING THE MOTIVATIONS OF CARE HOME OWNERS/MANAGERS IN ENGLAND 111

5.1 INTRODUCTION 111
5.2 EMPIRICAL EVIDENCE ON OWNERS'/MANAGERS' MOTIVATIONS 114
5.3 CONCEPTUAL FRAMEWORK: INTRINSIC MOTIVATION AND PROFESSIONAL MOTIVATIONS . 117
5.3.1 Intrinsic motivation *118*
5.3.2 Professional motivations *120*
5.4 RELATIONAL DIMENSIONS AND CARE HOME OWNER/MANAGER MOTIVATIONS 123
5.5 METHODOLOGY 125
5.5.1 Sampling framework and data collection *125*
5.6 RESULTS 126
5.6.1 Sample description *126*
5.6.2 Expressed motivations *128*
5.6.3 Owners'/managers' motivational structures *135*
5.6.4 Associations between relational attributes and motivational typologies *139*
5.6.5 Care home owners'/managers' professional motivations *144*
5.7 CONCLUSIONS AND POLICY IMPLICATIONS OF THE FINDINGS 149

CHAPTER SIX: MOTIVATION AND COMMISSIONING: PERCEIVED AND EXPRESSED MOTIVATIONS OF CARE HOME OWNERS/MANAGERS 153

6.1 INTRODUCTION 153

6.2 COMMISSIONING IN THE POLICY CONTEXT 154

6.3 PREVIOUS EVIDENCE ON OWNERS'/MANAGERS' MOTIVATIONS 158

6.4 METHODS FOR DATA COLLECTION 162

6.4.1 Sampling strategy and data collection 162

6.5 RESULTS 164

6.5.1 Interviewees' profiles 164

6.5.2 Commissioners' views of owners'/managers' motivations 165

6.5.3 Owners'/managers' expressed motivations 170

6.5.4 Similarities and differences between perceived and expressed motivations 173

6.5.5 Role of motivations in the commissioning environment 178

6.5.6 Perceived motivations and relationships 181

6.5.7 Contractual arrangements 185

6.6 CONCLUSIONS AND POLICY IMPLICATIONS 187

CHAPTER SEVEN: CHANGES OVER TIME: THE MOTIVATIONS OF CARE HOME OWNERS/MANAGERS IN ENGLAND BETWEEN 1994 AND 2003 194

7.1. INTRODUCTION 194

7.2. SECTOR BALANCE AND EXPENDITURE ACTIVITY 195

7.3 POLICY CONTEXT AND CARE HOME OWNERS'/MANAGERS' MOTIVATIONS 198

7.3.1 Regulation and care homes for older people 198

7.3.2 Care staff recruitment and retention 200

7.3.3 Bureaucratisation of care home services for older people 201

7.4 WHY COMPARE OWNERS'/MANAGERS' MOTIVATIONS OVER TIME? 202

7.5 SAMPLING FRAMEWORK AND DATA COLLECTION 202

7.6. RESULTS – PART 1 204

7.6.1. Sample characteristics 204

7.6.2 Comparisons over time: expressed motivations 205

7.6.3. Comparisons over time: ranked motivations 210

7.7 RESULTS – PART 2 221

7.7.1. Relationship between motivations and markets 221

7.7.2. Data collection and sources 222

7.7.3. Motivation models 225

7.8. CONCLUSIONS AND POLICY IMPLICATIONS 230

CHAPTER EIGHT: DISCUSSION AND POLICY IMPLICATIONS 234

8.1 INTRODUCTION 234

8.2 STUDY OBJECTIVES 234

8.3 SUMMARY OF THE FINDINGS 236

8.3.1 Care home owner/manager motivational profiles *237*

8.3.2 Owners'/managers' and commissioners' perceptions of their relationships *239*

8.3.3 Care home owner/manager motivations between 1994 and 2003 ..... *241*

8.4 POLICY IMPLICATIONS 243

8.4.1 Professional social care workforce *243*

8.4.2 Owner/manager-Commissioner relationships *247*

8.4.3 Implications for the market *250*

8.5 IMPLICATIONS FOR THE THEORY OF MOTIVATION 251

8.6 STUDY LIMITATIONS AND RESEARCH DIRECTIONS 253

8.6.1 Sample characteristics *253*

8.6.2 Instruments for data collection *256*

8.6.3 Methods for data analysis *258*

8.7 CONCLUSIONS 259

REFERENCES: 263

Appendices

APPENDIX 4-1 278

APPENDIX 4-2 279

APPENDIX 4-3 298

APPENDIX 4-4 299

APPENDIX 4-5 301

APPENDIX 4-6 302

Tables and Figures

Figure 3.1. Conceptual framework of social care actors' motivations 94
Table 5.1 Number of homes by size and sample type 127
Table 5.2 Owners'/managers' expressed motivations by sector 129
Table 5.3 Ranking of personal motivations 131
Table 5.4 Changes in owners'/managers' motivation 133
Table 5.5 Distribution of motivational indicators across four components 137
Table 5.6 Differences between sector of ownership and factor scores across four motivational components 139
Table 5.7 Correlations between relational indicators and motivational components 142
Table 6.1 Perceptions of owners'/managers' motivations by sector 167
Table 6.2 Ranking of motivations by sector 169
Table 6.3 Owners'/managers' expressed motivations by sector 171
Table 6.4 Ranking of owners'/managers' expressed motivations 172
Figure 6.1 Similarities and differences between owners/managers and commissioners perspectives 174
Table 6.5 Differences between commissioners' and owners'/managers' perceptions of motivations 176
Table 6.6 Differences in commissioners' views of motivations by sector 177
Table 6.7 Changes in owner/manager motivations 180
Table 6.8 Correlations between commissioners' views of owners'/managers' motivations and relationship with owners/managers 183
Table 7.1 Expenditure trends for older people services in England between 1994 and 2003 197
Table 7.2 Sample sizes in 1994, 1997 and 2003 203
Table 7.3 Expressed motivations in 1994, 1997 and 2003 205
Table 7.4 Expressed motivation in 1994 by sector 207
Table 7.5 Expressed motivations in 1997 by sector 208
Table 7.6 Expressed motivations in 2003 by sector 209
Table 7.7 First ranked motive by year: 1994, 1997 and 2003 211
Table 7.7.1 Differences between 1994, 1997 and 2003 in first ranked motive 213
Table 7.8 Second ranked motive by year: 1994, 1997 and 2003 214
Table 7.8.1 Differences between 1994, 1997 and 2003 in second ranked motive 215
Table 7.9 Third ranked motive by year: 1994, 1997 and 2003 216
Table 7.9.1 Differences between 1994, 1997 and 2003 in third ranked motive 217
Table 7.10 First ranked motive in 1994 by sector 218
Table 7.11 First ranked motive in 1997 by sector 219

Table 7.12 First ranked motive in 2003 by sector 220
Table 7.13 Data sources 223
Table 7.14 Descriptive statistics 225
Table 7.15 Motivation models – income motivation 226
Table 7.16 Motivation models – professional motivation 227
Table 7.17 Motivation models – meeting the needs of older people motive 228

Chapter One

Introduction

1.1. Research question and context of the thesis

How to improve the quality, accessibility, choice and efficiency of social care services remain central questions facing the government. Following the principles of modernisation, social care services for older people in England have recently undergone major organisational and ideological changes in order to respond to ever increasing demands for high quality personalised services.

Social care services rest on a complex system of social, economic, interagency working and regulatory mechanisms, with each of them playing an important part in the process of care service delivery. This study will focus on the provider side of the care home sector, concerning itself in particular with individuals' motivations for providing care home services. Although the process of adopting a community-based model of social care, and opening the social care market to the independent sector providers have been on the policy agenda since the mid 1970s, it was the 1990 National Health Service and Community Care Act that brought a real shift from institutional care toward community care. Furthermore, the greater encouragement of markets in social care resulted in some major organisational changes across the social care sector. Instead of acting as the main providers, local authorities had to develop the responsibilities of commissioning and purchasing care services from private and voluntary sector providers, commonly referred to as the independent sector.

As a result, the independent sector flourished and with that scepticism in the real motivations of private sector providers developed. Whereas the public's perception of the private care home sector was essentially associated with profit maximising, the voluntary and public sector organisations were largely perceived by the general public, local authorities and policy-makers as primarily being altruistically motivated. One aim of the thesis is to examine to what extent these commonly held views about motivations are justified in the case of care home owners/managers.

Over the years, social policy commentators have increasingly turned their attention toward understanding individuals' motivations for getting involved in social care. Attempts to understand social care actors' motivations are primarily made in order to improve the quality of care, service delivery, and responsiveness of the current system to improve the system's ability to meet the needs and expectations of care service users. But getting behind individuals' real motivations has proved to be no easy task.

The purpose of the work described in this thesis is to explore motivations among owners/managers of care home services for older people. The social care environment in which the care home owners/managers operate is characterised by the system of economic transactions, regulatory and monitoring requirements, and service delivery. Even though each of these elements is guided by a set of very specific principles, nevertheless they all share one common objective – ensuring good quality care. Owners'/managers' motivations are relevant for each of these processes as they represent an integral part of the social care context.

The thesis builds in part upon earlier work on owner/manager motivations conducted by the Personal Social Services Research Unit (PSSRU) as part of

the Department of Health-funded Commissioning and Performance research programme, formerly Mixed Economy of Care (MEOC) programme. As part of this research programme three care home owner/manager studies were conducted between 1994 and 2003. All three studies examined the nature of owners'/managers' motivations in the context of care home services for older people.

The main objectives can therefore be summarised as:

- To examine the main motivations of care home owners/managers;
- To explore commissioner-provider relationships and their possible effects on owners'/managers' motivations;
- To examine local authority commissioners' perceptions of owners'/managers' motivations, and the level of agreement between owners'/managers' expressed motivations and commissioners' perceptions of those motivations;
- To examine changes in owners'/managers' motivations between 1994 and 2003; and hence
- To contribute to the body of knowledge on the role of motivations in social care markets.

The thesis is broadly concerned with individuals' needs, wants and values with regards to provision of care home services for older people. The conceptual approach adopted here was developed after consulting a range of academic literatures, including sociology, social policy, economic, social psychology, and organisational psychology. Using this framework the thesis explores the following aspects of care home owners'/managers' motivations: self-reported expressed and perceived motivations, differences between their reported motivations and the way their motivations are perceived by local authority

commissioners, and possible changes in motivations as a consequence of the development of markets in social care.

1.2 Why is owner/manager motivation important?

Individual motivations are complex and socially conditioned dimensions. It has been recognised that understanding owners'/managers' motivations is important in designing incentives to promote user choice, care quality, best value, and user welfare (Knapp et al. 2001). Although motivations are not that often explicitly discussed in the policy arena, nonetheless they are extremely important in the process of care provision. The delivery and quality of care services are largely influenced by a range of complex social relationships between providers, local authority commissioners and service users. This section is concerned with discussing the relevance of studying social care actors' motivations in the context of care home services for older people within three broadly defined perspectives. Firstly, the importance of examining motivations is considered from the policy perspective. Secondly, the relevance of studying motivations from the care owners'/managers' point of view is presented. And thirdly, the reasons for greater understanding of owners'/managers' motivations are discussed from the perspective of provider-commissioner working relationships.

1.2.1 Policy perspective

From the social policy perspective there are indeed some significant policy implications of studying the motivations of social care providers. Recently published figures concerning the current state of the care home market in England showed that at the end of March 2007, there were 10,390 homes for older people with a capacity of 350,840 care home places (CSCI 2008).

Although the government policies are focused on prevention and encouraging the use of home care services and other types of support for people in their own homes, nonetheless residential care is still used by a substantial number of older people. The available statistical evidence suggests relatively modest shifts in the balance of provision from residential to community care in the period between 2001 and 2006 (CSCI 2008). The latest figures (for 2007) indicate that the number of residents aged 65 and over in residential and nursing care homes has decreased by 4 per cent over the last year and 12 per cent since 2003 (Community Care Statistics 2007a: Supported Residents (Adults), England). There are number of reasons for this relatively small change in the overall patterns of service provision: demographic pressures in terms of an overall increase in the ageing population, people living longer could also indicate that their levels of dependency are likely to increase, and non-availability of home care and other types of community care services. These are only some of the factors which could potentially account for the current trends in the provision of care home services.

The latest statistics indicate that of the total Personal Social Service expenditure by local authorities in 2005-6, 61 per cent of the resources were spent on services for older people (CSCI 2008). As for the involvement in care provision of private and voluntary care organisations, the latest figures indicate that 82 per cent of residential care placements for older people are provided by private and voluntary homes (CSCI 2008). Thus, given that the largest proportion of social services resources are spent on providing care for older people and that the independent sector is the major provider of those services, achieving the right balance between resources, services and outcomes by using public funds to purchase services from the private and voluntary sector providers, inevitably raises interest in the independent sectors'

motivations for providing care services. Therefore, one of the main issues, in particular for local authorities, is how to use relatively scarce resources most efficiently and effectively in order to meet the needs of older people.

It has been recognised that understanding motivations is essential for the development of social care polices and incentives structures (Le Grand 1997, 2003; Taylor-Gooby 1999; Knapp et al. 2001). To devise an incentive system for care providers which is able to encourage desired behaviours and also limit any undesired actions, policy-makers need to understand the nature of social care actors' motivations. Failure to design the right set of incentives could undermine other sources of motivation with potentially negative effects on service delivery. Thus, social policies need to be robust and yet well-balanced in order to respond adequately to social care actors' motivations.

The 'modernisation' agenda for adult social care looks quite different in 2007 from that set out in the first stage of modernisation: the 1998 White Paper. While the early stages of modernisation focused on processes, recent policy development is more strongly focused on outcomes (Department of Health 2007b). Transforming adult social care and changing the style of care services are crucial for the delivery of outcomes such as personalisation, independence, choice, and user control. As for the future developments of personalised care, the evidence so far suggests that service users feel that too much attention is devoted to the 'personal' and too little to the 'social' aspects of their role (Wistow 2005). To avoid the danger of creating a system largely focused on meeting the needs of individuals in isolation, there needs to be the right balance between personalised services but within a wider social context.

Following on from the current policy directions toward improving the outcomes the study emphasises the importance of professional motivations

and satisfaction in the context of service delivery, commissioning processes, and most importantly the quality of care. It argues that recognising and nurturing owners'/managers' professional motivations are essential for delivering good quality care and responding adequately to the policy objectives for more personalised care services.

1.2.2. Owner/manager perspective

The study examines the main motivations for providing care home services for older people. The emphasis is on the motivations of owners/managers of care homes in particular, intrinsic aspects of motivations including their work motivations, professional aspirations, recognition and job satisfaction. The importance of studying owners'/managers' motivations is based on the assumption that in their role as owners/managers of homes their motivations directly affect the quality of care provided to older people. The very nature of residential care is such that the quality of care partly depends on both formal and informal relationships between the independent sector providers and local authority commissioners. One important aspect of this relationship is the owners'/managers' main motivations for delivering care services and how they are perceived and interpreted by local authority commissioners. The study argues that providers' motivations are likely to affect the way they engage in the relationships with commissioners which are then, through their actions, subsequently reflected in the quality of care.

The main focus is on care home owners'/managers' *intrinsic* motivation which is considered to be essential for the quality of care and the quality of their relationships with commissioners. Intrinsic motivation is desirable from both commissioners' and users' perspectives as the intrinsically motivated actions are generally associated with higher quality services and better outcomes.

Nonetheless, motivations, and in particular intrinsic motivational tendencies, are difficult to measure as they are easily influenced by socially desirable norms and expectations.

Furthermore, the concept of intrinsic motivation is relatively broad. It is quite difficult to unpack the term and clearly distinguish between intrinsic and other motivations. For instance, while some commentators assume that prosocial motivation is a specific form of intrinsic motivation, others argue that the two motivations are generally based on different assumptions. Intrinsic motivation usually adopts a hedonic perspective focussing on pleasure and enjoyment, whereas prosocial motivation is more concerned with the meaning and purpose of individuals' actions (Ryan and Deci 2001).

The study argues that intrinsic motivation consists of different types of intrinsically motivated beliefs, values, and behaviours all collectively determine the nature of an individual's intrinsic motivation.

The thesis also examines care home owners'/managers' professional motivations in relation to their job satisfaction and professional aspirations. The emphasis is on exploring the nature of work motivation and the level of job satisfaction among the providers of care home services. Further analysis examines work motivations with regards to the sector of ownership in order to test for differences in professional motivations between public, private-for-profit and voluntary sector providers.

The evidence on the nature of owners'/managers' motivations is largely based on various interpretations of providers' motivations rather than their accounts of their own motivations. However, it is possible to argue that indeed very often perceived and expressed motivations differ in the values attached to different motivational characteristics. This is particularly important from the

policy perspective as often policies and incentive structures are formulated on the basis of 'perceived' rather than 'expressed' motivations. Thus, the aim is to highlight the importance of re-examining existing representations of care home owners'/managers' motivations as largely profit-orientated in order to obtain informed views of their underlying drives.

1.2.3. Local authority commissioner perspective

Relationships between commissioners and providers are crucial for the development of local care home markets which are capable of meeting the needs of local populations. Local authority commissioners play a key role in developing local markets. Commissioners need to offer a real choice of services, both in innovative alternatives to residential care and in higher quality local care homes. For instance, a failure to consider the supply of services for local residents could result in shortages of care and higher fees.

Therefore, to create a market that could successfully respond to the needs of the local population, it is paramount for commissioners to develop good working relationships with care home owners/managers. It is possible that, to some extent, the quality of those relationships is determined by commissioners' perceptions of providers' motivations where the lack of understanding of providers' real motivations could lead to difficulties in establishing longer term relationships with their care home managers and/or owners. This study examines the nature of commissioner-provider relationships by focusing on the key barriers and opportunities for developing good working relationships between commissioners and managers/owners.

Furthermore, it highlights the importance of information sharing in establishing effective relationships between commissioners and providers.

Generally, compared to owners/managers, commissioners are in a position of having better information about the local market conditions, funding capabilities, future needs and client expectations. Such commissioner's superiority of information puts them in a relatively powerful position primarily in negotiating care fees.

Therefore, the balance of power is one of the essential elements for understanding commissioner-provider relationships. In recent years, a struggle between commissioners and providers of care home services indicated that gradually the provider side is gaining in power (Scourfield 2007). The balance of power is likely to become even more important with regards to improving choice and providing more personalised care. The extent to which it is possible to increase user choice and control is largely determined by shifts in commissioning practices which require radical changes not just in organisational leaderships but also in care management practices.

For instance, the introduction of direct payments (DP) and moves toward individual budgets (IB) represent devolution of purchasing power away from care managers and towards individual service users. This is part of a trend in services collectively called 'self-directed support' (SDS), by which individuals are enabled to be in control of the services they receive. The move toward self-directed support models of care is based on the arguments that these arrangements are capable of delivering better outcomes and greater user satisfaction at the same or lower costs.

The English government is understandably keen to 'personalise' and 'individualise' care services by providing people with flexible packages of care tailored to their needs. Local authorities are encouraged to give people needing support money through direct payments to allow them to purchase

the support they want and to use who they want to provide that support. The implications of this significant shift in the power of purchasing from local authority commissioners to individual service users and carers (or to agents working under their direction) are profound. Many service providers depend on block contracts from local authority commissioners and their survival may be threatened by the move from the longer-term contracts to a more flexible, and largely uncertain, individual purchasing arrangements. However, this thesis does not discuss these issues very much as the data were collected in a period before the widespread discussion of self-directed support, particularly in relation to older people.

In sum, the present study argues for adopting a more inclusive concept of motivation by recognising the importance of the social context, in particular the interactions between care providers and local authority commissioners. The focus is largely on the relational aspects of social care actors' motivations. Thus, the emphasis is on the complex interactions between the individual driving forces and their social environment which have often been marginalized in examining individuals' needs. Social dimensions of human motivation are important for constructing more socially sound and valid assumptions about individuals' motives and behaviours. deCharms and Muir (1978) refer to the social aspect of motivation as *social motivation* which tries to account for both impulsive and deliberate action, is concerned with internal as well as external influences, and looks for the causes of and reasons for behaviour as well a the intentions embedded in action.

Thus the social care environment has been far from tranquil but rather extremely dynamic and changeable. The Green Paper *Independence, Well-Being and Choice* (Department of Health 2005) and the 2006 White Paper *Our health, our care, our say* clearly set out the future vision for health and

social care focusing on outcomes, early intervention and prevention. The main objectives of the current policies include fostering independence and control, promoting well-being and preventing ill health, protecting vulnerable adults, changing the culture of care, and modernising the workforce (Department of Health 2007b). Therefore, in order to successfully respond to those challenges, policy-makers and local authority commissioners need to develop better understanding of their care owners'/managers' motivations which, according to Hills et al. (2007), represent one of the key requirements for making social policy work.

1.3. Structure of PhD

This section provides a brief outline of the thesis structure and content.

Chapter Two presents the policy context, focusing in particular on the policy changes which emerged as a result of the 1990 NHS and Community Care Act and the associated direction and guidance. Some of the current policy developments and initiatives are also presented. The relevance of studying motivations in social care provision is briefly discussed. The chapter concludes with a short overview of these policies and their links with owners'/managers' motivation.

Chapter Three provides an overview of the relevant theoretical frameworks for understanding human motivation. It examines different aspects of care home owners'/managers' motivations in the context of their expressed motivations, perceptions of their motivations by commissioners, and their relationship with local authority commissioners. It also presents a brief outline of the commissioning context in relation to care home owners'/managers' motivations.

Chapter Four describes the methods used for data collection and data analysis. In particular, it presents the sampling strategies developed in order to gather data from care home owners/managers and local authority commissioners. The chapter describes the research instruments employed to collect information from these samples. It also provides an overview of the main statistical methods used for data analysis.

Chapter Five examines the underlying motivations for providing residential care services for older people. The focus is on the motivations of owners/managers of care homes sampled from across eight English local authorities, exploring intrinsic aspects of motivations and, in particular, their work motivations. The latter include professional achievement, recognition and job satisfaction. The chapter identifies a range of personal and external factors that could influence owners'/managers' intrinsic motivations and professional aspirations.

Chapter Six examines commissioners' views of owner/manager motivations and compares their perceived motivations with providers' expressed motives. The emphasis is on exploring possible associations between commissioners' perceptions of motivations and the nature of their relationships with care home owners/managers.

Chapter Seven focuses on the relationships between markets and motivations. The aim is to explore whether, as a consequence of social care marketisation and increased competition, independent sector providers' motivations have changed over time. The chapter examines the motivations of independent sector care home owners/managers for older people in England between 1994 and 2003.

Chapter Eight discusses the main policy implications that follow from the main findings. It identifies a number of challenges for social care in the years ahead. The main results are also considered in terms of their overall contribution to a better understanding of motivational processes in the context of care home services for older people.

Chapter Two

Care home services for older people: policy context

2.1. Introduction

This chapter examines the policy context of care home services for older people in England. It provides an overview of the complex policy landscape emphasising the policies which have been particularly relevant to the development of the independent care home market for older people as well as the initiatives designed to create a more responsive commissioning environment.

2.2. Care home services in the 1980s

A common feature of most public service provision in the United Kingdom is a complex mix of public and independent (private-for-profit and voluntary) sector providers. During the 1980s, across the Western world 'privatisation' of public services was at or near the top of policy agenda. With the private sector becoming one of the major players in the delivery of welfare services, the concepts of 'private' and 'public' became political slogans rather than carefully analysed concepts (Katz and Sachße 1996). The meanings of the private and public services had never been as extensively debated as they were in the context of the welfare state.

Since 1979 in the UK there has been a commitment by central government – initially and not surprisingly from the Conservative governments of Margaret Thatcher and John Major, but also carried on by the Labour administration of

Tony Blair – to reduce the role of the state in the direct provision of social services. The policy focus on decentralisation of service provision and the subsequent changes that took place in social care in the late 1980s put considerable emphasis on creating an external market with the *funding of care* placed at the centre of the policies. One stimulus was the rising costs of providing residential care, driven particularly by the perverse incentive of the social security budget taking responsibility for funding people with inadequate means to fund themselves (Wistow et al. 1994).

Until the early 1980s, the majority of the care services received by older people in the United Kingdom were both publicly funded and provided directly by public sector organisations[1]. Since then there have been a number of changes in the funding and organisation of care services in the United Kingdom. During the 1980s there was a concern that older people with a relatively low level of dependency were entering residential care partly due to the absence of alternative home-based services (Glendinning 1998). Responsibilities for both assessing potential care users and managing public spending on residential and nursing home care were transferred from the national social security system to local authority social services departments. The redirection of public funding from the Department of Social Security to social services departments played a significant role in changing the social care landscape (Knapp et al. 2001).

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[1] However, there has always been an extensive private-payer sector. The latest figures for the number of people funding their care indicate that as of 31 March 2006, an estimated 118,000 older people were paying privately for their care home services (CSCI 2008). There are number of reasons for people paying the full costs of care. For instance, in some cases, individuals choose not to approach their local authority. Others fail to meet the local authority eligibility criteria. and in some instances, even though people approach their local authority and satisfy the eligibility criteria, nonetheless they may have personal savings above the relevant upper assets threshold which disqualify them from receiving financial help to pay for the care services they need (CSCI 2008).

The growth of the independent care home sector during the1980s had been largely opportunistic and highly variable across the country. There were also concerns that the transfer of resources from the social security budget to local authorities would destabilise the substantial share of the independent sector provision. Furthermore, the balance of care was also largely altered by the government requirement that 85 per cent of the transferred funding received should be spent on services outside the public sector (Knapp et al. 2001). It was also assumed that the 85 per cent requirement would encourage local authorities to purchase more domiciliary and day care services (Wistow et al. 1994; Glendinning 1998; Knapp et al. 2001). The 85 per cent rule prompted authorities to move more firmly towards a purchaser/provider split in the belief that an enabling role in the sense of managing a social care market was inevitable. The critics of the 85 per cent rule argued that "the most significant central government intervention in the field of community care was the imposition of the 85 per cent rule late in 1992, which had the effect of forcing authorities to continue spending more on institutional care because that was where the bulk of independent provision lay, and which limited the investment possible in in-house services, thereby inhibiting their capacity to change" (Lewis and Glennerster 1996, p.200).

Thus the policy changes of the 1980s and 1990s have increased differences between different areas across the country. Some commentators argue that the "influence of welfare mix and marketisation policies has led to a very uneven development of both institutional and domiciliary care" (Glendinning 1998, p.23).

2.3. Markets in social care

As discussed earlier in this chapter, until the late 1980s most social care services were both funded and provided by the state. This was also the case for education, health care and social security (Le Grand 1991). For most local authorities social services were, and still are, one of the highest revenue spending departments. Within social service budgets, residential and domiciliary services for older people accounted for the largest amount of expenditure. A large proportion of the resources were used for funding local authority in-house services and costly residential care services without (it would seem) much regard for their efficiency. Therefore, it was proving difficult to justify the need for local authorities to maintain large and expensive care homes. The state-run bureaucracies were considered to be largely ineffective mechanisms for the delivery of public services (Kirkpatrick 2006).

In this context, community care for older people in particular presented itself to government, in both financial and policy terms, as an obvious area of care provision into which the introduction of market principles would be beneficial (Powell 2001). As a response to growing concerns about raising public expenditure and the slow transition to community care, the government introduced the 1990 NHS and Community Care Act which signalled the arrival of 'quasi-markets' in this field.

Quasi-markets emerged as an alternative to the traditional welfare state associated with limited choice and inefficient structures. The post 1990s developments in social care marked the beginning of the quasi-market in the welfare state. According to Le Grand (1991), "they are markets because they replace the monopolistic state providers with competitive independent ones.

They are 'quasi' because they differ from conventional markets in a number of key areas. The differences are on both the supply and the demand sides" (p. 1259-1260). The supply side is not necessarily driven by the profit motive, and as for the demand side, the users do not make choices regarding purchasing of services but the services are purchased by a third party on their behalf. In order to evaluate current health and social policy against a 'quasi-market' paradigm, Bartlett and Le Grand (1993) use efficiency, responsiveness, choice and equity as criteria. A number of conditions need to exist if these criteria are to be met successfully. Firstly, the market must be competitive in a sense that there should be many purchasers and providers or the opportunity for new providers to enter the market. Secondly, it is essential that both provider and purchasers have access to accurate information mainly about costs and quality of services. Thirdly, the costs associated with adopting a 'quasi-market' model must be lower than other costs and kept to the minimum. Finally, there should be no incentive for purchases and providers to discriminate between users in favour of those who are least expensive ('cream-skimming').

Critics of the public services market model argue that the success of market economies primarily lies in the principle that markets are best at producing what people want. Under certain conditions, a competitive market system is capable of achieving *social efficiency*[2] where it would not be possible to improve one person's situation without making another person worse-off.

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[2] This is only one view of social efficiency. As Knapp (1984) suggested, "...a cost effective technique or process need not to be 'socially efficient. Cost effectiveness indicates only the most sensible among different ways of doing something; it does not tell us whether we should be doing the thing in the first place. Full *social efficiency* is achieved when net social benefits (social benefits less social costs) are maximised. By considering social benefits and costs we immediately concentrate attention on the full ramifications of the care service under consideration. (p. 79)"

But, in order to respond efficiently to the market, the better-off individuals can always distribute some of their surplus to the others and still retain sufficient funds for themselves (Taylor-Gooby 1997). Furthermore, Taylor-Gooby (1997) questions the relevance of instrumental rationality to market behaviour in welfare markets from a conceptual perspective mainly with regards to the difficulties of understanding some aspects of human nature such as altruism and creativity using a rational approach.

In order to improve efficiency, it was argued by proponents of the market-led reforms, local authorities were to assume their new roles of commissioners and purchasers of services while externalising their provision to the independent sector. Most social policy commentators broadly agree that the purchaser/provider split is one of the key aspects of marketization in transforming the welfare state (Le Grand 1991; Wistow et al. 1996; Exworthy et al. 1999, Knapp et al. 2001). In social care, "... the purchaser/provider split would necessarily have a fundamental impact on the processes by which resources were allocated to services through the substitution of contractual for hierarchical relationships" (Wistow et al. 1996 p.7). The White Paper (1989) *Caring for People* set out the proposals for the new approach to social care provision. The policy focus was on developing quasi-markets in social care by separating out the roles of purchaser and provider. In order to provide a working framework for the external purchasing of care services and to formalise those newly formed provider-purchaser relationships, contracts have been introduced including details on price, volume and quality characteristics of the services purchased.

The performance of social care markets needs to be assessed in terms of the ability to deliver good quality personal services to individual users. The focus on user choice was among the main objectives of the 1990s reforms and it has

remained one of the top policy priorities since then. As Netten and Davies (1990) noted, "increasing consumer choice is seen as a mechanism by which efficiency and effectiveness in the delivery of social care could be increased" (p. 331).

2.4. Community Care changes in the 1990s: policy framework

The community care changes introduced over the period from 1990 to 1993 provided an opportunity for local authorities to take on new or enhanced roles as planners and purchasers, and to reduce their roles as direct providers of care services. At that time many authorities had already externalised a substantial proportion of their services to the independent sector providers. Since the 1990s legislation, local authorities have become the main purchasers of services.

In order to better understand the pressures that social care services were facing at the time, including the emphasis on moving away from an institutional model of care provision, demographic changes in having to cope with an increasing numbers of older people, and financial pressures, the government commissioned Sir Roy Griffiths to review the social care sector and produce a report which would address these issues. The Griffiths report in 1988 represented a turning point in the development of the modern social care policies and system. The review focused on improving efficiency of the way social care resources were allocated and used. As Lewis and Glennerster (1996) observed, the main responsibility of Sir Roy Griffiths "... was to sort the money problem" (p.6).

Among the shortcomings of the community care system at the time was the fragmentation of services and divided responsibilities at the local level. Thus,

the recommendations that followed from the review were largely orientated toward changing the funding of social care (Wanless 2003). The report recognised the importance of the Supplementary Benefit payments from the social security funds that could be used to pay for care home placements. Nevertheless, the consequence of such arrangements was that they essentially acted as 'perverse incentives' in relation to the development of community care services. According to Lewis and Glennerster (1996), the review carried out by the Audit Commission "documented the rise in spending and argued that the government was being wholly inconsistent. It was telling local authorities that it wanted old people to stay at home for as long as possible because that was the most cost-effective and desirable thing to do, but at the same time it was pushing large sums of public money into expensive residential and nursing home care" (pp. 5-6). Therefore, with this secure funding for care home services there was little incentive to consider other service options such as domiciliary care and thereby stimulate the development of non-residential care for older people.

Among the main recommendations of the report was a more cautious approach to public spending. As suggested by Griffiths (1988), "public finance should only be provided following separate assessments of the financial means of the applicant and of the need for care. The assessment should be managed through social services authorities" (paragraph 6.39)

The Griffiths review (1988) recommended changing the role of local authorities from providers of care to organisers and purchasers of services. According to a more recent review of the social care system, "the idea of the local authority as broker and care manager, but not necessarily as direct provider was revolutionary at the time" (Wanless 2006, p.13). The Griffiths report described social services departments as "designers, organisers and

purchasers of non-health care services and not primarily direct providers, making the maximum possible use of voluntary and private sector bodies to widen consumer choice, stimulate innovation and encourage efficiency (Griffiths 1988, paragraph 1.3.4.)

In 1989, following the Griffiths report, the government published a White Paper 'Caring for People', which encompassed most of the reviews' recommendations. The White Paper set out six key objectives:

- to promote the development of domiciliary, day and respite care to enable people to live in their own homes
- to ensure that service providers make practical support for carers
- to make proper assessment of need and good case management the cornerstone of high quality care
- to promote the development of a flourishing independent sector
- to clarify the responsibilities of agencies making it easier to hold them to account for their performance
- to secure better value for taxpayers' money.

Wistow et al. (1994) suggested that, at closer inspection, these objectives were essentially designed to operate at three different levels: the macro (service system) level, the micro (individual user) level, and the inter-agency level (p. 9). Furthermore, the 1989 White Paper indicated that the focus would be on process not on structure. However, expectations with respect to the changing roles of social services departments, particularly in terms of becoming 'enablers', made it almost inevitable that there would need to be some organisational changes (Lewis and Glennerster 1996).

In sum, the community care reforms in the early 1990s brought about "...the most far-reaching changes since the creation of the postwar welfare state in the late 1940s" (Knapp and Wistow 1996, 355). At the time, the Thatcher government introduced a set of polices that would led to separation of the roles of purchasing and providing of care services. The changes resulted in provider markets that were substantially publicly funded[3]. As for the broader policy context, social policy commentators argued that the changes " were not primarily driven by a desire to improve the relations between the various statutory authorities, or to improve services for elderly people, or to help those emerging from mental hospital. They were driven by the need to stop haemorrhage in the social security budget and to do so in a way that would minimise political outcry and not give additional resources to the local authorities themselves" (Lewis and Glennerster 1996, p.8).

2.4.1 The rationale for the purchaser/provider split

The rationale behind the introduction of markets and competition into the area of social care was that "pluralism will facilitate innovation, and that competition between service providers will enhance choice and cost-effectiveness" (Wistow et al. 1992, p.36).

There was an enormous amount of work involved in devising and putting in practice the separation of purchasing from providing, and even in authorities with an advanced understanding and implementation strategies, it was

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[3] As mentioned earlier in this chapter, there are substantial numbers of people who are paying privately for their care. In terms of the care home services, there were around 118,000 self-funding care home users compared to some 199,000 local authority supported residents in March 2006. In the same period, there were approximately 150,000 older people who were privately paying for the community care services (CSCI 2008).

difficult to predict the course of implementation (Lewis et al. 1996). In order to introduce changes at the local authority level, a number of key organisational decisions had to be made, in particular the extent and depth of the structural separation between purchasers and providers.

Wistow et al. (1992) identified four elements of the purchaser/provider split model. They are: a) the *starting point* (the point at the higher levels of a local authority or SSDs where the split starts), b) the *end point* (the position at the department down to which the split extends), c) the *financial empowerment*: the scope of budgetary devolution and the services covered, and d) the *component responsibilities*: the range of activities which are allocated to purchasers and providers including training, staff, financial and legal advice. The study findings demonstrated that indeed a majority of local authorities in their sample had strategically approached a separation of purchasers and providers roles.

This study also concluded that local authorities were generally resistant to the idea of markets, with an overall agreement between the interviewees that *social care is different.* Wistow et al. (1992) found that in 1991 around a third of the sample had no clear strategy of mapping needs in their locality. There was a lack of information regarding the supply capacity of the independent sector providers. On the supply side of the mixed economy of care, the findings indicated that, across the sample, the importance of services provided by public sector was highly valued. In the early days of the reforms the extent to which local authorities were adopting the market model through the separation processes between providers and purchasers was also determined by the level of support that directors and deputy directors had for the changes (Walsh et al. 2000). Furthermore, local authorities inherited a very different set of market conditions when the new arrangements came into force which

meant that there were substantial variations in terms of the balance between supply and demand of services.

While state finance of services has continued, the reforms have resulted in decentralisation of decision-making and, in most cases, the introduction of competition in provision. Local authorities had to develop a range of skills which would assist them to manage the *interface* between purchasers and providers more effectively (Wistow et al. 1996).

According to Wistow et al. (1992), "the purchaser-provider distinction was, therefore, a fundamental organisational principle of the reforms" (p.27). The study also found that overall, there were three very different interpretations of the enabling role including enabling as personal development, enabling as community development, and enabling as market development (Wistow et al. 1992). The authors noted that the first two were very much in line with the ethos of social services departments, and the last one was perceived as being incompatible with social care culture. The evidence from the study of 24 local authorities in 1991 indicated that the majority of authorities were at the stage where they were only starting to devise plans for the development of a mixed economy of care, while others had no firm plans to move toward the mixed provision of care model (Wistow et al. 1992).

The mixed economy of care is not new but it has become a more prominent feature since the early 1980s (Forder et al. 1996). The share of the private and voluntary sector provision of residential care and nursing home provision has demonstrated a significant growth since the mid 1980s. During the same period the voluntary sector has also witnessed a significant increase in terms of service provision, planning and innovation in residential care services. Essentially, the introduction of social care markets rests on the set of basic

assumptions that the changes in community care legislations will create greater pluralism in provision ensuring greater participation of the independent sector providers. Furthermore, it was assumed that the market mechanisms would formalise commissioner-provider relationships through contracts, and they will ensure better regulation and monitoring of services (Forder et al. 1996).

2.5. Recent policy directions: choice, prevention and personalised care

The 1998 White Paper put an emphasis on future development of community care, independence, development of preventative services, and changing the focus from who provides care to the quality of care. It was recognised that in some instance care service are inflexible and that they "... sometimes provide what suits the service rather than what suits the person needing care" (Modernising Social Services 1998, Department of Health, paragraph 1.4). The emphasis was also on eliminating the inconsistency and inefficiency of the current system. To adequately address these issues it was necessary to modernise the system and the modernisation was to be achieved by adopting a 'third way for social care'. "Our third way for social care moves the focus away from who provides the care, and places it firmly on the quality of services experienced by individuals and their carers and families" (Modernising Social Services 1998, paragraph 1.7). More specifically, the 1998 White Paper set out new directions for social services, focusing on promoting individual's independence, more consistency in service provision across the country, and making the system more centred on service users and their families (paragraph 2.4).

The focus on independence and prevention was essential for future policy development. Although the development of community care has been remarkable, nonetheless home care packages seemed to be getting more and more intensive and less able to meet the needs of less dependent individuals but still in need of care services. To address these concerns, the 1998 White Paper focused on prevention and rehabilitation as ways of achieving and maintaining independence. The government announced new grants totalling £165 million over three years. The extra resources were primarily put toward improving user independence and developing effective preventative strategies.

The development of partnership between social services and NHS, housing, and other agencies was recognised as one of the main drivers of modernisation of care system. While relationships with the voluntary sector were singled out as particularly important, the value of working in partnership with the private sector providers was also mentioned for the future developments of social care services but without specific emphasis on the partnerships with private providers.

In 1999 the government set up a Royal Commission on the funding of long-term care. The review highlighted a number of shortcomings of the system such as limited choice, recognising that people in need of care but with certain assets were disadvantaged as they had to pay more for their care, and the current system was favourable to use of care home services rather than home care. The Commission recommended provision of free personal care that would be funded from the main tax revenue, but the government rejected the proposal for personal care free of charge.

A few years later, further attempts were made to improve the quality of care home service. As a result, in 2001 the government published the National

Service Framework (NSF) for Older People (Department of Health 2001a) and National Minimum Standards for Care Homes for Older People (Department of Health 2001b).

The National Service Framework (NSF) for Older People consists of eight standards grouped under the four main headings:

Person-centred care

- Standard 1 – tackling age discrimination
- Standard 2 – developing person-centred care

Whole system working (across care services)

- Standard 3 – developing intermediate care services

Timely access to specialist care

- Standard 4 – providing specialist hospital care
- Standard 5 – improving stroke services
- Standard 6 – improving falls services
- Standard 7 – improving mental health services

Promoting health and active life

- Standard 8 – promoting health and active life

Source: *National Service Framework for Older People* Department of Health (2001a)

The main objective of the NSF was changing the approach to older people but not just with regards to the way in which services are delivered but also in terms of addressing a wider set of issues related to promoting health and active life, placing the care services in a broader context. The need for development

of a *whole system approach* has been one of the main policy objectives since the late 1990s. However, it has been recognised that the infrastructure necessary for the implementation of the whole system model of care is relatively patchy and in need of further improvements. With regards to policy, if the whole system approach is to be effective than the policies promoting the shift toward well-being and independence need to be better integrated (Audit Commission 2004a, p.48).

National Minimum Standards for Care Homes for Older People (Department of Health 2001b) identified a set of minimum requirements that all care home providing accommodation and nursing or personal care for older people needed to comply with. The standards focus on achievable outcomes for older people which are grouped under the following topics: choice of home, health and personal care, daily life and social activities, complaints and protection, environment, staffing, management and administration (Department of Health 2001b). The standards provide minimum requirements under which no care home organisation expected to operate. The standards emphasise the need to maintain and promote independence through prevention, rehabilitation and community support.

A Green Paper *Independence, Well-Being and Choice* (2005), focused on development of personalised care based on quality and choice of care, prevention, independence, and the role of wider community. The following main outcomes for social care for adults were identified: improved health, improved quality of life, making a positive contribution, exercise of choice and control, freedom from discrimination and harassment, economic well-being, and personal dignity (p.26). It was intended that these outcomes would provide a framework against which the social care system would be assessed. The future of social care was largely perceived in terms of improving

user choice and control through better coordination of assessments, to increase the take-up of direct payments and to introduce individual budgets.

In recent years, preventative services have become quite important in health and social care policies, partly due to their capacity to reduce demand for high-intensity and high-costs services (Wanless 2006, p.169), and partly because they improve the overall well-being of older people, hence postponing the use of social care services. The government launched the *Partnerships for Older People Projects: Making the shift to prevention* (POPP) initiative focused on the development of preventative strategies at the local level (Department of Health 2007c). A total of £60 million ring-fenced funding was allocated for council-based partnerships to lead pilots projects for older people. The overall aim of the POPP programme is to improve health, well-being, and independence of older people mainly through promoting provision of person-centred and integrated care, and encouraging investment in preventative services and thereby reducing the use of hospital ad other institutionalised care.

The White Paper *Our Health, Our Care, Our Say* (2006) set a new direction for the whole health and social care system. The future policy direction would be toward more personalised care, giving people a greater control of their care. This White Paper identified the following challenges which it was hoped would drive future developments in the care system: to meet the expectations of the public, to meet the needs and expectations in a way that is affordable and provides value for money, and to re-direct the care system toward prevention and community based care (p. 16-17). To respond effectively to those challenges it is necessary to adopt a new strategic direction that would enable people to live more independently in their own homes and focus more on their own well-being.

In 2006, the King's Fund published the Wanless social care review *Securing Good Care for Older People: Taking a Long-Term View*, which provided a detailed analysis of the current system and offered a valuable contribution to the debate on the future of social care. The review was primarily concerned with addressing the issues of the future funding of social care for older people in England in 20 years time and the types of funding arrangements that were likely to be in place. The report stated that more than one million older people aged 65 and over were in use of publicly funded social care services.

The Department of Health in March 2007 published its *Commissioning Framework for Health and Well-Being* (Department of Health 2007d), recognising that the current commissioning of care services was still largely focussed on volume and prices rather than quality and outcomes, a significant proportion of services were provided in institutional settings, and that the care system was mainly focused on intervention rather than prevention. The document identified eight steps to more effective commissioning through putting people at the centre of commissioning, understanding the needs and of populations and individuals, sharing and using the information more effectively, assuring high quality providers for all services, recognising the interdependence between work, health and well-being, developing incentives for commissioners for health and well-being, local accountability, and capability and leadership.

In December 2007, central and local government signed a landmark agreement to reform social care and support independent living. The concordat *Putting People First* is part of the ongoing changes toward the development of the new adult care system. The funding for reform will come from the Department of Health over the next three years to support system-wide transformation in every local authority. The Government pledged an

extra £520 million of ring-fenced funding, over the three year period under the Social Care Reform Grant. It was expected that by the end of the Comprehensive Spending Review (CSR) in March 2011, care service users and their carers, front line staff, and providers of services to experience a substantial progress in all local authority areas (Putting People First, HM Government, local government, NHS, social care professional and regulatory organisations 2007, p.5).

The document recognises the good intentions of the community care reforms of the early 1990s. The outcomes of the reforms have resulted in a system which can be rather complex and less responsive to individuals' needs and expectations than originally predicted. The document aims to establish a collaborative approach between central and local government, professionals, providers and regulatory bodies.

The reforms will have long lasting effects on the nature of commissioning. The government announced that "local government will need to spend more existing resources differently and the Government will provide specific funding to support system-wide transformation through the Social Care Reform Grant, in line with agreements on new burdens" (Putting People First, HM Government, local government, NHS, social care professional and regulatory organisations 2007, p. 1). As part of the system-wide transformation, commissioners are expected to encourage quality provision by offering high standards of care services that protect and promote dignity, choice and control for care users.

The vision for the future of social care can be encapsulated as maximum choice, control and power for individuals over the services delivered. Since the publication of the Green Paper in 2005, there has been a significant policy

drive toward personalisation of care. In the *Putting People First* concordat, the policy commitment is very much toward personalised care, emphasising that individuals who use social care services will largely shape and commission their own care. For instance, with Individual Budgets, individuals will be able to chose and purchase their own services. The role of local authority commissioners will also change from an overall controlling agency to a more enabling role.

Putting People First (2007) provides a list of agreed and shared outcomes which should ensure that people are supported to:

- live independently,
- stay healthy and recover quickly from illness,
- exercise maximum control over their own life and where appropriate the lives of their family members,
- sustain a family unit which avoids children being required to take on inappropriate caring roles,
- participate as active and equal citizens, both economically and socially,
- have the best possible quality of life, irrespective of illness or disability, and
- retain maximum dignity and respect.

(Adopted from *Putting People First* 2007 pp. 2-3)

The Department of Health has announced that the next step will be to consult with public, private and voluntary sector organisations as well as the general public to outline a Green Paper identifying key issues and options for reform (Department of Health 2007).

2.6. Commissioning and contracting: early experiences

The planning and provision of services in social care are supported by a complex web of relationships between providers and commissioners. The implementation of the 1993 community care changes placed a greater emphasis on the needs-led as opposed to service-driven approach to assessments and care management. The services were supposed to be tailored to individual needs and choices of older people. But, due to local authorities' budget constraints, assessments and care management had taken on different roles, with the former being used as a tool for prioritising needs, while the latter employed a range of managerial procedures that tended to delay the assessment process for all but those older people with the highest needs (Rummery and Glendinning 1999, Glendinning 1998).

2.6.1. Commissioning care home services

To provide the context in which care home providers operate it is necessary to understand the main structures and processes associated with the commissioning of social care services. "Commissioning is the process whereby public resources are used effectively to meet the needs of local people" (Department of Health 2006, p.161). The White Paper *Our Health, Our Care, Our Say* proposes a more person-centred commissioning process that would require both local authorities and PCTs to focus on community well-being with a greater involvement of people who use services. The involvement of local people in the commissioning process will be essential in achieving more personalised care services. The main challenge for the commissioners of care services is to develop a range of services which are

tailored to respond to the rising expectations and needs of the older population.

In the light of recent policy directions toward personalised care and the development of preventative strategies, commissioning is defined as "the means to secure the best value for local citizens. It is the process of translating aspirations and need, by specifying and procuring services for the local population, into services for users which:

- deliver the best possible health and well-being outcomes, including promoting equality
- provide the best possible health and social care provision
- achieve this within the best use of available resources"

(*Commissioning framework for health and well-being*, p.11, Department of Health 2007d)

With regards to the commissioning process, Figure 2.1 illustrates four main stages in the commissioning cycle.

Figure 2.1: The commissioning cycle

Source: *Joint Reviews* (2003) (http://www.joint-reviews.gov.uk/money/commissioning/files/CommissioningHardCopy.pdf, p.22)

The latest commissioning framework proposes eight steps for more effective commissioning. They include:

- putting people at the centre of commissioning
- understanding the needs of populations and individuals
- sharing and using the information more effectively
- assuring high-quality providers for all services
- recognising the interdependence between work, health and well-being
- developing incentives for commissioning for health and well being
- making it happen – accountability
- making it happen – capability and leadership

(*Commissioning framework for health and well-being*, p.16, Department of Health 2007d)

The issues related to understanding local needs for care services, information sharing, successfully managing the market to ensure high-quality providers for all types of services, and developing incentives for commissioning for health and well being are of particular importance for the present study.

With regards to understanding needs, it has been recognised that in mapping their local needs, commissioners often refer to an historic service use and investment model, rather than to an assessment of current and projected needs at both local and individual levels. There are, however, limitations to the traditional 'cost and volume' commissioning, in particular with regards to commissioning services on the basis of value for money. The new style of commissioning needs to adopt a more transformational approach developed upon joint strategic needs assessment by health and local authority commissioners (Department of Health 2007d, p. 24).

The main challenge for commissioners with regards to securing high quality service providers is to stimulate the market that would have the capacity to offer innovative services. To achieve this it is essential that commissioners develop effective partnerships with existing and potential providers through involving providers in needs assessments and how to address need, engaging providers constructively and transparently about issues and priorities for market shaping and development, develop better market intelligence and greater understanding of the role of all providers, devise strategies to motivate providers to improve their services and respond to market demands for certain types of services. With regards to the incentive structures, commissioners need to know their local market before developing incentives to encourage provision of the existing services or responding to the demands for innovative

services. For instance, some incentives can be integrated in the care contracts, while others can be in a form of selecting preferred providers.

Developing good working relationships between commissioners-providers is essential for effective commissioning. The report from Joint Reviews Team (2003) specified a number of recommendations for developing successful relationships with providers. Commissioners were advised:

- To develop relationships based on mutual trust with providers
- To promote transparency in sharing information with providers that is not restricted to the negotiation of fee levels but encourages shared problem solving, management of risk, and forward planning
- To encourage providers to be represented in formal discussions through their care associations and also to keep open the channels of communication with providers who are non-affiliated providers
- To develop collaborative support system for providers through shared training and staff development
- To ensure that small providers have the opportunity to develop their contracting skills to be able to compete with larger provider organisations
- To share the information with providers about the role of in-house provision whether in-house services are to complement or to compete with the independent sector.

At the strategic level, "commissioning is a multidimensional link between purchasers and providers; between planning and activity; between the identification of needs; the deployment of resources and the achievement of outcomes; and between policy and practice. In each such respect commissioning is also a key in managing the mixed economy of care" (Knapp et al. 2001, p.294). With regards to the maturity of the social care market,

the evidence suggests that even in the late 1990s, local authorities were still developing the skills to manage the mixed economy (Knapp et al. 2001). There is no simple blueprint for successful commissioning and that commissioning styles adopted by local authorities need to be responsive to the needs and requirements of their local population.

Largely due to outcomes not being easy to measure, it makes it difficult to monitor and assess the performance of care services. Therefore, trust, robust negotiation policies and competition are essential for the development of mature purchasing relationships. As a pre-requisite to developing trusting relationships, purchasers and providers need to be more accustomed to each other's motivations, behaviours and incentives in the changing market environment (Knapp et al. 2001). Introducing more certainty and predictability into purchaser-provider relationships would enable them to form more trusting relationships. However, neither local authority purchasers nor care home providers are perfect in their roles and they are both hampered by a short-term view of their financial future (Pearce 2001).

2.6.2. Contracting care home services

2.6.2.1 Social care contracts

The role of local authorities was defined as being in charge of market development and market management (Walsh et al. 2000). That was to be achieved by using contracts and planning in order to meet local needs. Social care contracts are an integral part of the commissioning process for a majority of the care services provided. The main types of social care contracts are summarised in Box 1. According to Walsh et al. (2000), "contract, in its

traditional, neoclassical, form is a relatively impersonal process in which the parties to an agreement state their formal commitments to each other" (p. 21).

Box 2.1 Contracts in social care

Block contracts link service specifications and reimbursement to provider facilities – for instance, buying a defined number of care home places – and payment is made regardless of whether the service is actually used. Because block contracts guarantee a level of revenue, small or risk-averse providers may be prepared to accept smaller payment in return for predictability. Purchasers, however, run the risk of having either too few or too many places in the facilities that clients want to use. The larger the purchaser the lower the risk of a mismatch between demand and capacity.

Spot and call-off contracts are price-by-case arrangements where the individual service user is the basis for reimbursement: the provider is only paid if the client uses the service. Purchasers sometimes prefer the flexibility that comes from spot purchasing, but risk paying a premium for this, particularly in markets for highly specialised services. Spot contracts are usually more expensive to operate than block contracts because the latter offer economies of scale in drafting and negotiating. These contracts have a price band set prior to purchase, negotiated by a centralised purchasers, and occasionally with some variation to allow for the dependency characteristics of users. Care managers or other decentralised agents then call off services from the contract. They are clearly the most flexible contract form, but bring certain disadvantages.

Cost-and –volume contracts are combination of block and price-by-case arrangements. A guaranteed level of service is purchased: beyond that level, additional reimbursement is made according to the number of users. There is also the possibility of more easily building in other contingencies. Linking purchaser payments to the (expected) volume of services provided can confer advantages on both purchasers and providers, but the associated transaction costs might be seen to be too high relative to block contracts, and the constraints on choice might be seen to be too great relative to spot contracts.

Sources: *Commissioning for Quality: Ten Years of Social Care Markets in England*; Knapp, M., Hardy, B. and Forder, J. (2001); *The State of Residential Care Supply in England: Lessons from PSSRU's Mixed Economy of Care (Commissioning and Performance) Research Programme*; Kendall, J. et al. (2002).

Contracting cultures emerge and are determined by the interactions between purchasers and providers. According to Mackintosh (2000), there are three main distinctions with regards to contracts in social care. The first distinction is between 'spot' contracts and 'longer-term' contracts. The second distinction refers to complete contracts which include all possible contingencies, and incomplete contracts. The third is between explicit contracts and implicit contracting arrangements in the form of unspecified understanding. As for social care contracts, they are mostly incomplete and largely implicit.

As indicated in Box 2.1, block contracts commit local authorities to pay an agreed amount for care services whether or not the care for a specific number of residents was provided. Mackintosh (2000) refers to block contracts in social care as *partnership assets.* Block contracts have generally been perceived as more desirable partly because they require less monitoring and invoicing, and because they are associated with better working relationships and development of partnership. One of the disadvantages of block contracts was their 'inflexibility' with regards to choice of services for both purchasers and providers. On the other hand, spot contracting is described as *relational contracting* which "...refers to the terms of a repeated working relationship that are not only implicit but also cannot be fully specified in advance. Implicit relational contract terms include a commitment by the parties to seek to sustain the relationship" (Mackintosh 2000, p.14).

2.6.2.2 Contracting experiences across sectors

In the provider/purchaser framework the role of contracts has been central. Local authorities had to formulate contracts that would encapsulate their

overall strategy for the planning and provision of services. Often, it has been the case that the relationships with the independent sector have been described as being cooperative with the voluntary sector while the private-for profit providers tended to be seen in a less favourable light.

Wistow et al. (1992) found a fair degree of reluctance among local authorities in 1991 to adopt a competitive tendering and contracting approach in welfare. The process of transition and the full implementation of the community care reforms encountered some practical problems for instance in a politically contested areas where the Labour governed local authorities were ideologically resistant to market approach and where local authority staff were suspicious of the motivations of private sector providers.

With regards to the contracting culture in social care, there seemed to be more risk-sharing and cooperative approaches, in particular when dealing with voluntary organisations. However, the view held in the voluntary sector has been that the introduction of contracting has had negative effects on the smaller providers (Walsh et al. 2000).

Voluntary organisations had been one of the main care providers for older people up until the twentieth century when the state and the private sector occupied central roles in the delivery of services for older people (Kendall 2000). Todd and Ware (2000) examined the effects of the changes in voluntary sector providers prompted by the early 1990s community care reforms. This study focused on voluntary sector providers' experiences, understanding and implementation of the contractual arrangements with their local authorities. According to Todd and Ware (2000), the voluntary sector expressed a number of concerns related to the introduction of the market

model and contracting arrangements. Some of the concerns are summarised as follows (Todd and Ware 2000):

- Loss of independence
- Erosion of value base
- Demands on time
- Increased competition
- Threats to innovation and flexibility
- Impact on volunteers

The findings further indicated that local authorities had a great deal of confidence and trust in the voluntary sector which was perceived as sharing the same values as the public sector providers. Overall, the voluntary sector managers believed that voluntary provision is a distinctive resource primarily concerned with meeting the clients' needs and very little interest in making profit. This study also found that the introduction of the contracting process contributed to a change in the nature of the relationship between the voluntary organisations and their local authority. Many voluntary sector respondents claimed that "... there had been a shift from relatively relaxed and informal relationships to a model that set out more unambiguously the purchaser and provider responsibilities" (Todd and Ware 2000).

Overall, the voluntary sector providers felt that the voluntary sector had, in the past, enjoyed in some ways a special status among the rest of the independent sector and that they had a long history of working in partnership with the local authorities. But, due to the changes in the nature of social care provision and with new providers entering the market, they believed that would have an effect on their relationships with local authorities. Despite

these largely special relationships with the voluntary sector and, to some extent, a nostalgic feeling for the days when there were no contracts between voluntary sector and local authority providers, some voluntary sector managers were quite enthusiastic to develop new forms of partnerships and to increase their presence at the market.

There is also an issue surrounding the role that the public services have in the provision of services. The term 'public' suggests multiple dimensions of political and social experiences. The first association with the public services is that they are owned, financed and provided by the state. It further means that the services are available to all.

According to some commentators certain services are better provided by public sector organisations (François 2000). The most prominent argument in favour of private as opposed to public provision is that the private sector being more profit orientated it is likely to generate more efficient service. According to François (2000), private sector providers potentially have a huge incentive to delivery services with greater efficiency. However, the profit motive has its limitations for instance in the area of contracting and especially where contracts are incomplete. The example would be delivery of services to older people where it would be almost impossible to describe every aspect of the care services delivered including intangible elements of the service delivery or the outcomes to be achieved.

One argument in favour of public service delivery is in that organisations where profit is not an issue there is little incentive to compromise on quality. Furthermore, although both private and public sector providers might be equally driven by improving quality and making an extra effort, it is the value attached to those extra inputs that actually makes a difference between the two

sectors. For instance, while private sector providers' extra efforts usually translate into some type of added value for shareholders or proprietors, the effort in the public sector are usually associated with a valuable commitment of the worker. Thus, following this line of argument the government would be able to recruit individuals willing to provide some effort towards the goal of service provision for free.

Forder et al. (1996) examined the development of social care markets, focusing their analysis on the possible *structural* and *information imperfections.* The study discussed market failures and outlined the framework that would potentially aid the shaping and managing of social care markets. Information imperfections for commissioners, service providers, service users and their families are almost inevitable in social care markets because service quality and service outcomes are largely intangible and difficult to measure. Furthermore, there are also a number of difficulties associated with the complexities of the relationships between inputs, outputs and user characteristics (Forder et al. 1996).

However, some of the information imperfections could be reduced by the market itself. For instance, in situations where there is a certain degree of information imperfection, the evidence showed that the purchasers of social care services prefer employing public sector and voluntary sector providers rather then private care agencies (Forder et al. 1996). The main reasons for their preference were greater trust in voluntary sector organisations and also a perception of the voluntary sector providers as professionals (Wistow et al. 1994). Furthermore, the ethos in which the voluntary organisations operate, where the profit and financial performance is less important than in the private sector, created a greater confidence in the voluntary sector in terms of the quality of care and, to some degree, innovative approaches to responding

to users' needs. Many voluntary organisations have long track records in service provision and user involvement and as such they had developed good relationships with their local authorities in turn partly due to a set of common values to which they (public and voluntary sector providers) ascribed (Forder et al. 1996).

There have been a number of policy initiatives to improve the working and contracting relationships between providers and local authority commissioners. In a contractual arrangement it is expected that both parties are bringing something to the relationship. The Joint Review Team (2003) identified four main elements for successful contracting relationships: *sustainability, trust, openness*, and *accountability.* Sustainability refers to encouraging providers to invest and develop services, and recommending that purchasers take action in order to secure the supply they need for the future. With regards to trust, while purchasers need to ensure that they make payments on time and generally honour their commitments, providers need to take a responsibility for monitoring service delivery. As for openness, purchasers are advised to ensure that the reasons for selection of a particular provider are clear and that the process of decision-making is transparent with open access to providers. Accountability refers to purchasers being clear in specifying their requirements, and providers being responsive to care managers' needs.

2.7. Motivations and markets in social care

As a result of the very nature of social care where outcomes are determined by the way individuals respond to regulations, benefits, services and values in the context of social expectations, policies are often based on assumptions about motivations for individual behaviours. The introduction of the purchaser/provider split was intended to reduce the influence of providers' vested interests in the assessment and care service specifications, which would make it more likely that services will reflect users' rather than providers' interests. Lewis et al. (1996) suggested that "the assumption running through both the government guidance and much of the academic commentary is that providers are essentially self-interested" (p.2).

Relationships between motivations and behaviours are usually quite difficult to establish. Nevertheless, evidence from the Commissioning and Performance (formerly Mixed Economy of Care) research programme, which was jointly undertaken by the Personal Social Services Research Unit (PSSRU) at the London School of Economics, and the Nuffield Institute of Health, University of Leeds, provides little support for the profit-maximising perception of provider motivations. Those findings indicated that indeed motivations are complex concepts including a range of altruistic, professional, independence, and monetary motives (Kendall et al. 2000). Furthermore, it was mainly the corporate providers who were more financially orientated but that would be expected considering their responsibilities toward the shareholders, and as a result they had higher price-cost mark-ups (Forder et al. 2000).

The nature of local authorities' commissioning strategies most certainly affects provider motivation and behaviour (Knapp et al. 2001). The evidence form the Mixed Economy studies indicates that indeed many providers had poor relationships with local authority purchasers. The main areas of concern for providers included late payments, local authorities' low prices, lack of involvement in designing and reviewing care packages, and local authorities preferences for their in-house providers over the independent sector (Matosevic et al. 2001).

Similarly, Rose-Ackerman (1996) argues that not-for-profit organisations with committed managers and staff have two possible advantages over the private for-profit organisations. Firstly, the 'quality control' benefits and the 'product differentiation' benefits. The voluntary organisation will seek to recruit staff whose values and vision closely correspond to the organisational values and goals and because the staff want services to reflect these values, they will generally need little monitoring. In those circumstances, it might be easier to attract highly committed staff if the organisation is not-for-profit.

In summary, developing trusting relationships between care providers and local authority commissioners is essential for providing good quality care. From a strategic market perspective, it has been argued that, in order for a market model to be successful in achieving welfare goals, it is necessary to develop a strong and transparent regulatory framework in order to encourage trust that "takes time to establish, but is easy to destroy" (Taylor-Gooby 1997, p.98).

2.8. Conclusions

Since the late 1980s the policy direction in social care for older people has been moving away from the institutional model of care provision toward community-based care and support. Prior to the introduction of the community care reforms many small family-owned care homes had entered the market and their businesses were often heavily reliant on privately funded residents. Furthermore, the voluntary care homes were also catering for a substantial proportion of the population. Following the 1990 Act, funding responsibilities were transferred to local authorities. Since then purchasing budgets were largely limited creating a less certain financial future for many of the small providers. These changes had attracted more larger providers to the care home market. As the evidence presented in this chapter indicates, the community care reforms were designed to shift the balance between institutional and community care, to change the social care system priorities from supply-led and provider-dominated system of care, towards needs-led and purchaser-dominated model of care (Forder et al. 1996).

However, the change of the local authority role from being in control to interdependence with other providers represented unfamiliar ground and, in some cases, was indeed a source of serious tensions. Many care providers had a great pride in their social care, they perceived social services as being different from other types of services where the market mechanisms were introduced, they believed that a number of trusted agencies were either unwilling or had no capacity to become competitive business, and they were concerned about the impact that markets would have on volunteering and provision of informal care (Wistow et al. 1992).

From the strategic perspective, better understanding of providers' motivations is important for developing services capable of responding adequately to expected demographic changes. With the marked emphasis on personalised care services, choice, prevention and rehabilitation, and improving the interface between health and social care, it is difficult to predict what the social care system will look like over the few decades.

Chapter Three

Care home owner/manager motivations: conceptual framework

3.1. Introduction

The chapter provides an overview of the relevant theoretical approaches concerning the nature of human motivation. In developing the conceptual framework used in this study a variety of literatures was consulted including psychology, social psychology, economics, organisational psychology and social policy theories of motivations. Given the relatively complex nature of individuals' motives, the literature review was primarily focused on the cross-disciplinary conceptualisation of the motivation phenomenon rather than an extensive coverage of a range of psychological, organisational or economic assumptions regarding providers' motivations. Essentially, the aim was to identify a number of theoretical assumptions about motivations which would provide a conceptual basis for developing a more inclusive approach to understanding different aspects of care home owners'/managers' motivations in the context of their self-reported expressed motives, perceptions of their motivational drives by commissioners, and their relationship with local authority commissioners.

This chapter is organised as follows. In the first section a brief overview of some common challenges associated with the definitions and conceptualisations of motivation are presented. The second section outlines the relevant theoretical approaches to motivation. These include theories concerned with the reasons for engagement (for example, cognitive evaluation

theory and self-determination theory), theories of work motivation, and the conceptualisation of public service motivation. The chapter ends with a brief conclusion.

3.2. The problem of motivation

The power of self-interest has long been recognised as one of the main driving forces of individual behaviours. Some of the most prominent theories of motivation in evolutionary biology, behaviourism, psychoanalysis, and neoclassic economics assume that individuals are driven by their self-interest and utility maximisation (Miller and Ratner 1998). The empirical evidence however, often failed to demonstrate a self-interested model of human nature, indicating that the self-interested framework may not be the suitable frame of reference for understanding individuals' needs and desires (Batson and Shaw 1991).

Even though one-dimensional interpretations of *economic man* as being primarily motivated by financial incentives no longer provide a valid basis for understanding individuals' motivations, nonetheless it is still relatively common to describe social actors' behaviours in terms of their self-interested drives where the financial incentives constitute the driving force behind human actions. As Alkire and Deneulin (1998) observed, homo-economicus lives on, and his assumptions must be reviewed carefully as they continue to form the basis of much of modern economics and policy directions. In order words, they suggested that homo-economicus should be *'coloured in'* in order to be more realistic.

An increasing body of evidence indicates that purely rational approach to individuals' motivation fails to account for the existence of intrinsically

motivated behaviours. Jones and Cullis (2000) argued that allowances must be made for what the authors call 'individual failure' - behaviour which deviates from that of homo-economicus - when designing social policies. Yet, this study assumes that those individual failures could be potentially desirable characteristics in the context of social care. As Ray (1998) concluded "in the absence of perfect information, a standard 'rational choice' of individual behaviour that ignores the social construction of individual's cognitive environment is at best incomplete" (p. 412).

Miller and Ratner (1998) explored the extent to which individuals' belief in the power of self-interest leads them to overestimate its impacts on the attitudes and actions of others. In a series of experiments they found that theoretical assumptions and collective representations may have a tendency to overvalue the role of self-interest in human relations.

In conclusion, even though the concept of homo-economicus is a social construction and not a biological entity, nevertheless the portrayal of individuals as self-interested carries potentially strong social and psychological consequences. In recent decades economists have started to revise some traditional conceptions of human nature and begun re-examining the psychological and organisational premises of economic discipline. It has been largely recognised now that for instance, altruism and prosoacial behaviours are difficult to understand within the standard economic framework (Rose-Ackerman 1996).

3.3. Theoretical explanations for motivations

The term motivation describes the reasons that drive actions and its understanding is central to understanding individual and collective

behaviours. Essentially, motivation refers to the psychological processes that guide, energize and sustain action. The desire to carry out certain tasks can derive from a range of external and internal sources. The former are often identified with external controls, incentives, punishment and reward systems. The latter approach is more concerned with the internal reasons for performing a task including satisfaction and enjoyment derived from certain actions (Herzberg 1966).

There is a long history of different ways of thinking about motivation. Motivational science is concerned with the nature of motives and their relation to knowing, feeling and doing. Weiner (1992) defines motivation as "the study of the determinants of thought and action - it addresses *why* behaviour is initiated, persists, and stops, as well as what choices are made" (p.17). The psychological theories of human motivation can be grouped into two broad categories, *content* and *process* theories. The former focus on the specific factors that motivate individuals in an attempt to answer the question 'what drives behaviour?' The main emphasis is on human needs where individuals' motivations are internal to the individual while incentives are external factors which give value to the goal or outcome of the individual's behaviour. The latter are concerned with the processes behind one's behaviours including the interactions between external factors and an individual's motivational profile.

The content theories of motivation are primarily concerned with individual needs. The underlying assumption is that needs and desires create a state of disequilibrium within individuals which acts as a driving force toward reducing the disequilibrium. A distinction is commonly made between physiological needs and psychological needs which include self-esteem, pleasure and self-actualisation. The principal argument postulates that in the

case of unsatisfied needs, individuals experience psychological and physiological discomfort (dissonance) which subsequently motivates them to take initiatives in order to satisfy those unmet needs. The well-known proponent among the need theorists is Maslow (1954) with his need hierarchy theory. The model identifies five major categories of needs, from the more basic and largely physiological, to the more complex higher order needs such as self-esteem and self-actualisation. While the former refers to the lower-order needs for food and safety, the latter refers to the individuals' needs for self-esteem, prestige and status. Thus, to satisfy their need for self-actualisation individuals may take on and pursue tasks simply because they find them challenging.

According to the needs theory of motivation, the lower-order needs are dominant until satisfied, and then they are followed by the higher-order needs. One of the problems associated with the need theories is the assumption that only an unsatisfied need is a driving force of one's actions. However, that poses the question of what happens once the need is satisfied. It is possible to argue that physiological and psychological needs are different in terms of their fulfilment. Maslow proposed that self-actualisation cannot be satisfied like other needs and that it becomes more, rather than less powerful as individuals experience self-actualisation.

In sum, the present study argues that individuals' motivations are complex human dimensions whose nature is largely determined by the interplay between individual and social elements.[4] The emphasis is on neither

[4] As Sennett (2008) pointed out "we share in common and in roughly equal measure the raw abilities that allow us to become good craftsmen; it is the motivation and aspiration for quality that takes people along different paths in their lives. Social conditions shape their motivations" (p.241).

individual nor external environments, but on *interactions* between individual and social factors with regards to care home providers' motivations.

3.4. Intrinsic motivation

The focus of this study is primarily on the intrinsic motivations and the relationships between intrinsic motives and externally mediated factors which are likely to influence them. Among the early attempts to understand the sources of motivations, deCharmes (1968) introduced the dichotomy between intrinsic and extrinsic motivations. He argued that intrinsic and extrinsic motivations differ in their locus of causality. Whereas intrinsically motivated actions are internally energised without any external incentives, extrinsic motivations are largely end products of externally motivated behaviours. When an individual engages in an activity he/she may take either an intrinsic or an extrinsic motivational orientation. The distinction concerns whether the reason for engaging in the activity is seen to be inherent in the activity, or is instead seen to be mediated by the activity (Pittman 1998). If one adopts an intrinsic motivational orientation, the rewards for an intrinsically motivated activity are essentially in the task itself. On the other hand, when an individual adopts an extrinsic motivational orientation, the primary focus is on rewards that are mediated by but not part of the target activity.

Deci and Ryan (1991) identified four main approaches to intrinsic motivations. According to the first approach, intrinsically motivated behaviours can occur without any apparent external rewards. The second approach argues that intrinsically motivated actions are those that an individual performs out of *interest*. The third motivational approach suggests that intrinsically interested activities are optimally challenging. For instance,

Csikszentmihalyi (1975) argued that when activities are optimally challenging for an individual's capabilities, the individual is likely to enjoy them and to engage in so-called 'flow' experiences. Similarly, Deci (1975) suggested that when people are intrinsically motivated they would seek out optimal challenges. Finally, the fourth approach assumes that intrinsically motivated actions are driven by innate psychological needs.

Some evidence suggests that the role of information is greatly important in differentiating between intrinsic and extrinsic motivations. For instance, whereas under the conditions of *symmetric* information the intrinsic and extrinsic motivations can be clearly separated, in the context of *asymmetric* information the two types of motivations are less easy to differentiate from each other (Bénabou and Tirole 2003).

Even though this framework could be helpful, due to the inherent difficulties of making a clear distinction between intrinsic and extrinsic motivations it does not fully account for the complexity of individuals' motivational processes. For instance, Lane (1991) remarked that a major difficulty in distinguishing between extrinsic and intrinsic motivations is that "... the 'reward' for intrinsic motivation is the inner feeling, but the information that produces that feeling is often extrinsic - and, indeed, may be manipulated by another" (p. 368). Similarly, Dec and Ryan (1985) argued that the simple intrinsic/extrinsic framework had in a sense outlived its usefulness. The two types of motivation are different and need to be kept apart for some investigative purposes.

3.4.1 Perceiving others as intrinsically or extrinsically motivated

As suggested in Chapter One, perceptions of individuals' motivations are important for understanding the nature of their social relationships and networks. The social psychology of agency raises questions about the accuracy of principals' inferences (perceptions) of agents' motivations. The evidence suggests that principal indeed encounter problems inferring how agents are motivated. According to Heath (1999), incorrect assumptions may arise because individuals in general have misguided perceptions of motivations based on the principles of the theories about the way others are motivated.

As the evidence presented later in this chapter indicates, social controls often undermine interest and enjoyment that individuals experience when they engage in activities (Deci 1971, Deci and Ryan 1985). These authors argue that controlling social context undermines personal autonomy, resulting in a change of the perceived locus of causality for one's behaviour. Although there is strong support for the argument that controlling environment interferes with intrinsic motivations, nevertheless social controls do not always undermine interest and enjoyment in activities.

The research indicates that *interpersonal cues* about the motivation of others who are performing a task can also affect interest and enjoyment during task engagement (Wild et al. 1997). According to Wild et al. (1997), perceptions of another's motivation to engage in an activity are likely to affect the perceiver's interpretation about quality of interpersonal relations (for instance, the extent to which the other will support one's autonomy or control one's behaviour), and experiential involvement in the task (for instance, the extent to which interest and pleasure will occur during the task performance). In

turn, these expectations systematically modify the perceiver's motivation when an individual engages in the task (Wild et al. 1997).

Wild et al. (1997) evaluated these predictions in a reading comprehension task that perceiving a teacher as extrinsically motivated would undermine the perceiver's task enjoyment and interest in further learning. The study results provided support for the underlying assumptions. They found that individuals who received information confirming that another person is extrinsically motivated reported that they found the task less enjoyable, that there were less psychological relatedness between the individual and the other person, believed that engaging in an activity would be less enjoyable and valued, and that performing a task would be perceived as having less positive affect, compared to the individuals who received information confirming that another person is intrinsically motivated (Wild et al. 1997). On the other hand, under the conditions where individuals were given additional information that the other person was less extrinsically motivated, it was believed that they would enjoy the task more and that engaging in the task would be more highly valued and enjoyable. It was also expected that that there would be more psychological relatedness between the individual and the other person, and that task engagement would be associated with more positive effects.

The authors concluded that the effects of interpersonal cues on expectations related to intrinsic motivation are indeed important in understanding the processes underlying perceptions of others as intrinsically and extrinsically motivated. Thus, the findings indicated that all that is necessary to undermine interest and enjoyment in activities are perceptions that others are extrinsically motivated. As Wild et al. (1997) suggested there is no simple straightforward mapping between social events and motivational processes.

Indeed, perceptions of others as intrinsically or extrinsically motivated need to be considered as another important type of contextual influence on motivational processes (Wild et al. 1997).

In the context of the intrinsic and extrinsic framework, there is a real possibility of *extrinsic incentives bias* where individuals overestimated the extrinsic elements of the job and underestimated the degree to which individuals were motivated by intrinsic features of a job (Heath 1999). An extrinsic incentives bias might essentially lead principal to devise ineffective contracts with agents or providers. This is an important assumption for the present study where the relationships between care home managers/owners and commissioners are largely formed on the basis of each other's perceptions and understanding of motivations and behaviours. Furthermore, those relationships are formalised through contracts which include certain incentives for owners/managers to delivery care services. For those incentives to work it is essential that commissioners get the appropriate set of incentives in place. They also need to be aware of a likely bias in their perceptions of care home managers/owners as mainly motivated by extrinsic incentives. The evidence presented later in this thesis suggests that indeed principal and agents differ in their perceptions and information regarding agents' motivations, both of which are hugely important for the principal-agent relationships.

3.4.2. Intrinsic motivation and altruism

Is altruism part of human nature? Is motivation aimed at benefiting another individual within the repertoire of normal human behaviours?

Advocates of universal egoism suggest that all our actions, no matter how beneficial they are to others, are essentially directed towards the ultimate goal

of self-interest. However, there is more to motivation than just egoism. Indeed, individuals are capable of different forms of motivations including motivation with an ultimate goal of benefiting another human being (Batson and Shaw 1991). The authors further observed that it is far simpler to explain all human actions as driven by self-interested motivations than it is to account for a *motivational pluralism* that allows both self-interest and another benefit to serve as final goals.

The word altruism was introduced by Auguste Comte in the nineteenth century and since then it has been widely used to address a variety of motivations and actions (Ray 1998). Comte was sceptical of the view of human nature as mainly self-interested individuals and he believed that people are also driven by other motives and not just by a pure pursuit of self-interested goals. Thus, altruism and egoism were two different motivations within the individual.

Partly derived from Comte's view of altruistic behaviours, Batson and Shaw (1991) suggested the following definition: "Altruism is a motivational state with the ultimate goal of increasing another's welfare. Egoism is a motivational state with the ultimate goal of increasing one's own welfare (p. 108)". Overall, the two motivational states have some common features; for example, both have ultimate goals of their motivation, and for each the ultimate goal is projected in increasing someone's welfare. But, they depart at one crucial point and that is the issue of whose welfare is the ultimate goal – is it another individual's welfare or one's own (Batson and Shaw 1991).

In psychology and social psychology there is a large body of evidence demonstrating a reduction in intrinsic motivation following rewards (Deci 1975, Deci and Ryan 1985). The basic explanation of this phenomenon has

emphasised a shift in the individual's self-perceived motivation from intrinsic to extrinsic. The underlying assumption of the self-determination approach to motivation is that extrinsic rewards such as monetary payments can have undermine an individual's intrinsic motivation for the rewarded activity. This finding was particularly important as it demonstrated that desired outcomes such as rewards can have the unintended consequence of reducing intrinsic motivation largely because they limit one's sense of self-determination, making them feel controlled by the rewards.

3.4.3. Intrinsic and prosocial motivations

Prosocial motivation is driven by desire to benefit other people in order to protect and promote the welfare of others (Batson 1987). Traditionally, intrinsic and prosocial motivations have been studied in separate literatures with little efforts to integrate the two types of motivations. Overall, the two motivations differ in their temporal focus, with the intrinsically motivated behaviours mainly being present-focused and gaining the enjoyment form performing that task. On the other hand, prosocial motivation is future focused and largely concerned with achieving a meaningful outcome upon completing the work (Batson 1998).

The evidence on the relationship between intrinsic and prosocial motivation in the context of work environment suggests that the two motivations are indeed interdependent (Grant 2008). For instance, a study of firefighters found that prosocial motivation was positively associated with overtime when intrinsic motivation was high but negatively related to overtime when intrinsic motivation was low, which provided a support for the role of intrinsic motivation in determining the association between prosocial motivation and persistence (Grant 2008). Furthermore, it was demonstrated that intrinsic

motivation moderated the association between prosocial motivation and performance and productivity.

The self-determination approach to motivation assumes that different forms of self-regulation are mutually independent, devoting little attention to interactions between different forms of motivations. However, the evidence suggests that under the conditions of high intrinsic motivation, employees experience prosocial motivation as a form of identified regulation, and when the intrinsic motivation is low, employees experience lower levels of prosocial motivations (Grant 2008). The findings further indicated that the combination of enjoying the process and valuing the outcome can enable higher levels of persistence, performance and productivity.

The role of motivations in the context of caring for older people can be explained by focusing on prosocial and helping behaviours. There is an extensive literature in the field of social psychology on helping others and the processes involved in assessing and responding to the needs of others by offering help. Personal norms and values are recognised as important elements in understanding helping actions. Some argue that because people hold and follow a certain set of norms, the failure to respond accordingly is likely to leave them in distress. Therefore, it is possible to argue that in order to avoid those psychologically uncomfortable states, people choose to help others (Schwartz 1977). Another school of thought emphasizes the role of empathy as a motive of helping behaviour, arguing that empathy is the main driving force behind helping behaviour and not so much the need to avoid personal distress (Batson 1987).

The next sections provide a brief outline of the theoretical frameworks which argue that intrinsic motivation is influenced by various internal and external

factors. For instance, Deci & Ryan (1985) proposed a set of factors likely to influence intrinsic motivation. To account for the interaction between different motivational forces Frey (1997) introduced the concepts of *crowding-in* and *crowding-out*, which provide a useful framework for understanding the relational processes between external and internal influences. Overall, crowding theory is an attempt to bring together psychological and economic interpretations of intrinsic motivation.

3.5. Conceptual framework for understanding motivations of social care actors

As noted above, the aim of this section is to present the theories concerned with individuals' motivations that were used as the building blocks for developing a conceptual framework in this thesis. The discussion will broadly focus on the two main theoretical orientations regarding the concept of motivation, with particular attention to the nature of intrinsic drives. One approach is primarily concerned with exploring the factors which determine the nature of one's motivations. The proponents of the other approach are focused on the effects that the external environment may have on the intrinsically motivated actions.

3.5.1. Reasons for engagement: theoretical background

Theories focused on the *reasons for engagement* attempt to explain why people take on certain tasks. When individuals are intrinsically motivated, they engage in an activity because they find the task interesting and enjoyable. As for the extrinsically motivated behaviours, those are essentially carried out for instrumental reasons, such as financial or other types of external rewards.

The cognitive evaluation theory (CET) adopts a micro-analytical perspective focusing on the dimensions of environmental factors, such as the type of performance feedback, influence perceived, mastery and control, task interest and behaviour. According to Deci & Ryan (1985), "Intrinsic motivation is based in an innate, organismic need for competence and self-determination. It energizes a wide variety of behaviours and psychological processes for which the primary rewards are the experience of effectance and autonomy" (p.32).

The emphasis is on both cognitive changes in self-perceived motivation and the role of feelings of competence and self-determination as they are affected by information feedback in making predictions about the subsequent nature of motivation (Pittman and Heller 1987). Furthermore, controlling rewards and environmental constraints decrease subsequent intrinsic interests, and informational rewards or rewards accompanied by positive competence information maintain or increase interest.

One of the theories focusing on the reasons for engagement is the self-determination theory (SDT) (Deci and Ryan 1991). The theory is based on the two main assumptions regarding individuals' motivations. First, a) people are motivated to maintain an optimal level of stimulation, and second, b) people have basic needs for competence and personal causation or self-determination. The theory of self-determination is concerned with the interplay between the active self and various forces that an individual encounters in the process of development. It is also concerned with the social context within which the interactions occur. According to Deci and Ryan (1991), internalisation is the process through which individuals make the adaptation and through which they accept values and regulatory processes in the social context.

Deci and Ryan (2000) postulated that self-determination theory (SDT) has differentiated the concept of goal-directed behaviour taking a quite different approach. The theory distinguished between the *content* of goals or outcomes and the *regulatory processes* through which outcomes are pursued, making predictions for different contents and processes.

The SD theory is essentially concerned with the three psychological needs: *competence, relatedness*, and *autonomy,* which are essential for understanding the what (i.e. content) and why (i.e. process) of goal pursuits. Within the framework of the SDT needs are defined as "innate, organismic necessities rather than acquired motives" and "needs specify innate psychological nutriments that are essential for ongoing psychological growth, integrity, and well being" (Deci and Ryan 2000, p.229).

Therefore, SDT provides a promising framework for understanding care home managers' and/or owners motivations as it accounts for both the contents and the processes associated with the motivations of social care actors. To understand the role of needs for human activity, the concept of disequilibrium needs to be addressed. The approach adopted within the SDT framework assumes that rather than viewing people as passively waiting for disequilibrium, individuals are viewed as proactive and naturally inclined to engage in tasks that interest them, and move toward personal and interpersonal coherence.

The theory suggests that intrinsic motivation comprises the need for *competence* and *self-determination.* The former refers to individuals seeking and taking on challenges that correspond to their level of competence, referred to as optimal challenges. The subjective feelings of competence are highly influenced by the presence or absence of positive feedback. The influence of

feedback on intrinsic motivation depends on what type of information is provided and whether the information is viewed as positive or negative. The latter refers to the opportunities to exercise self-determination which increases intrinsic motivation whereas the lack of freedom to make choices undermines intrinsic motives. As for the intrinsic motivations, intrinsic drives are only maintained when individuals feel competent and self-determined.

Self-determination theory has gone through several revisions over the years with the most recent version published at the beginning of the1990s (Deci and Rayn 1991). The authors suggest that it is not enough to distinguish between intrinsic and extrinsic motivation in a dichotomy. Rather, those constructs need to be considered on a continuum in which different types of intrinsic and extrinsic motivation range from a high to a low level of self-determination. It essentially assumes three basic psychological needs: autonomy, competence and relatedness, where the fulfilment of those needs is essential for psychological growth (for instance intrinsic motivation), integrity (internalisation of cultural codes and contexts), and well-being (such as life satisfaction and psychological health) (Ryan and Deci 2000).

Among the theories focusing on the reasons for engagement is the *flow theory* (Csikszentmihalyi 1990). Intrinsically motivated behaviour is considered to be the immediate subjective experience that occurs when people are engaged in an activity. This emotional state Csikszentlmihalyi labelled 'flow' is characterised by a holistic feeling of being immersed in an activity, and feeling in control of one's actions and environment. Flow is, according to Csikszentlmihalyi (1975), "... a holistic sensation that people feel when they act with total involvement (p.36)". Flow is only possible when an individual feels that the opportunities for action in a certain situation correspond to one's ability to master the challenges.

Although the self-determination theory and the flow theory seem to be very different, where the former conceptualise intrinsic motivation in terms of innate, basic needs, and the latter emphasises the importance of subjective experiences, nevertheless the two interpretations of intrinsic motivations essentially represent two sides of the same coin (Eccles and Wigfield 2002). Whereas the flow approach is concerned with the immediate reasons for engaging in a certain task and the enjoyment derived from performing a task, the self-determination theory is largely focused on the ultimate reasons for action.

According to Csikszentlmihalyi (1990), the experience of flow is a reward that ensures that individuals will seek to increase their competence. The repeated experience of flow is only possible when individuals seek out increasingly challenging tasks.

3.5.2 Intrinsic motivation and monetary incentives

Social psychologists recognised the role of 'hidden costs of reward' where monetary incentives may undermine intrinsic motivation (Lepper and Greene 1978). This concept was further developed in the context of the cognitive evaluation theory described earlier in this chapter which identified psychological processes that underline crowding-in and crowding-out phenomena (Deci and Ryan 1985). It was found that in the circumstances where external interventions are controlling, the individual's intrinsic motivation to perform the task is reduced. Therefore, theoretical foundations for the crowding effect are largely based on the understanding of motivations within the area of social psychology.

Titmuss (1970) was critical of introducing market mechanisms in blood transfer programmes in order to increase blood supply. He postulated that essentially market structures might diminish willingness to donate blood. Titmuss argued that introducing monetary compensation tends to undermine the individual's sense of civic duty. The assumption was that, in the context of blood donations, paying people to donate blood would reduce their intrinsic motivation and therefore affect their willingness to donate blood. This argument was quite the opposite from the traditional price effect which postulates that if the price of blood is raised the total quantity offered would increase in accordance with a normal supply function of blood.

The importance of studying intrinsic motivation is evident in the arguments put forward by Frey (1997). He argues that services are more efficiently provided when people are intrinsically motivated. Frey adopts the interpretation of intrinsic motivation conceptualised in cognitive evaluation theory. Although cognitive evaluation theory and crowding-in and crowding-out concepts are similar in their main assumptions, the former explains intrinsic motivation on an individual level whereas the latter is concerned with the influence of external rewards on intrinsic motivation. In particular, the emphasis is on the relationship between intrinsic motivations and monetary rewards. The crowding theory assumes that intrinsic motivation is partially destroyed when price incentives are introduced and as a result the price mechanism becomes less effective. Furthermore, under some conditions, a price increase may reduce supply (Frey and Oberholzer-Gee 1997, p.746).

According to Frey, the 'crowding-out' effect takes place when external interventions are controlling, resulting in decreased intrinsic motivation. On the other hand, when external influences are supportive they may result in increased intrinsic motivation (crowding-in effect). Furthermore, Frey

distinguishes between two kinds of external interventions: monetary incentive and command (regulation).

The crowding theory acknowledges the effects that extrinsic rewards can have on intrinsic motivations. Frey and Jegen (2001) refer to the meta-study of the hidden costs of rewards by Deci et al. (1999) which concluded on the basis of 128 studies that well-controlled experiments exploring the effects of extrinsic rewards on intrinsic motivation are consistent. Thus, they suggested that rewards are indeed able to control individual's behaviour. As for the negative effects of rewards, Deci et al. 1999 concluded that rewards are likely to undermine self-regulation which in turn could result in individuals taking less initiative in motivating themselves (Frey and Jegen 2001). Similarly, Le Grand (1997) argued that institutional reforms and policies can indeed influence 'knightly' motivations.

Frey and Jegen 2001 observed that the relationships between two parties are likely to change if non-monetary arrangements are transformed into monetary relations, and as a result an individual's intrinsic motivations are reduced. Although crowding effects are indeed relevant for understanding individuals' motivations, nonetheless this phenomenon does not always prevail over the relative price effect (Frey and Jegen 2001).

The crowding effect has been demonstrated in a few studies that explored the effects of monetary incentives on individuals' intrinsic motivations. One study tested the response to monetary compensation offered for a nuclear waste repository in Switzerland. The results of the survey undertaken among the community residents found that more than half (50.8%) agreed to have the nuclear waste compound built in their community. Thus, the proposal was widely accepted despite the fact that a nuclear waste compound is largely

seen as a heavy burden for the residents of the host community (Frey and Oberholzer-Gee 1997). The residents were subsequently asked the same question about their willingness to accept the proposal for the construction of a nuclear waste compound. But this time they were also told that the government had decided on a substantial compensation for all residents of the community. It was found that only 24.6% of the respondents agreed with the proposal when offered compensation compared to 50.8% accepting proposal without monetary compensation.

These findings provide support for the assumption that introducing financial incentives crowd-out an individual's intrinsic motivation. Among the main conclusions was that " ... the use of price incentives needs to be reconsidered in all areas where intrinsic motivation can empirically be shown to be important" (Frey and Oberholzer-Gee 1997, p.753). This evidence demonstrated that the importance of intrinsic motivation appears to be a matter of balance.

As Jones and Cullis (2003) argued in the case of charitable donations, the evidence suggests that an increase of funding for good causes tends to encourage altruistic motivation. One study examined altruistic behaviour through individual donations to international charities using the information from the public opinion survey that was assumed to refer to various dimensions including moral duty, concern for others and self-interest (Ray 1998). The aim was to analyse the impact of these motives on altruistic behaviours and to explore the extent to which the perceived giving by others encourages or discourages altruistic actions. Contrary to expectations, the evidence showed that individuals were more likely to give to overseas aid the more they were aware of the international aid's activities. According to Ray (1998), "this concern with the well-being of an 'other' has been the defining

mark of altruism in much of the economic and psychological literature' (p. 385-386).

Therefore, the empirical evidence on the relationship between intrinsic motivation and external rewards suggests that there are indeed foundations to support the findings that externally applied rewards, which are experienced as controlling, tend to have a negative effect on individual's intrinsic motivation (Osterloh and Frey 1999).

3.6. Work motivation

This section discusses the theoretical conceptualisations of work motivation. Admittedly, motivation in the work context is a difficult concept to define or study. Broadly speaking, work motivation has been defined as the process by which actions are energised, directed, and sustained in a work setting (Steers and Porter 1991). According to Sennett (2008), "the modern world has two recipes for arousing the desire to work hard and well. One is the moral imperative to do work for the sake of the community. The other recipe invokes competition: it supposes that competing against others stimulates the desire to perform well, and in place of communal cohesion, it promises individual rewards. Both recipes have proved troubled. Neither has – in naked form – served the craftsmen's aspiration for quality" (p. 28).

The determinants of work motivation operate at the level of an individual, organisational factors, and cultural context. In the context of work motivations, a positive self-concept and sense of job self-efficacy enhances an individual's work motivation by providing them with personal incentives for task accomplishments (Franco et al. 2002). Individuals differ greatly in terms of the goals, values and motives they have toward their work. Not all

individuals in an organisation will have the same mix of motives and goals, and the importance of particular goals, values and motivations will vary across time and situations. While financial incentives may be important determinants of individuals' motivations, it has been recognised that they alone cannot resolve all motivation problems (Franco et al. 2002). Furthermore, overemphasis on financial incentives in the public sector could result in the individuals perceiving financial rewards as more important than other types of incentives. This could create a conflict between their own understanding of the public sector values and messages about working for financial rewards.

Gagné and Deci (2005) examined self-determination theory in the context of organisational structures. In principle, self-determination theory of work motivation makes a distinction between *autonomus motivation* and *controlled motivation* (Gagné and Deci 2005). The theory further assumes that extrinsic motivation can vary in the degree to which it is independent versus controlled. The tasks that are less interesting require extrinsic motivation, in which case their initial enactment depends upon the perception of a contingency between the behaviour and a desired consequence such as implicit approval or tangible rewards. A behaviour that is motivated in this way is referred to as *externally regulated* (Gagné and Deci 2005). Other types of extrinsic motivation result when behavioural regulation and the value associated with it have been internalised where internalisation is defined as individuals adopting values, attitudes and regulatory structures, such that the external regulation of a behaviour is transformed into an internal regulation and therefore no longer requires the presence of an external contingency.

Given the context of organisations, SDT suggests that a work environment that promotes satisfaction of the three basic psychological needs will increase

an individual's intrinsic motivation and promote full internalisation of extrinsic motivation. As a result of that individuals' can display effective performance, job satisfaction, positive work-related attitudes, and psychological adjustment and well-being. The evidence further suggests that when rewards were given independent of specific tasks as in the case of salary or when the rewards were not anticipated, tangible extrinsic rewards did not affect intrinsic motivation suggesting possible ways to use rewards without having detrimental effects (Deci, Koestner and Ryan1999).

As discussed earlier in this chapter, cognitive evaluation theory assumes that feelings of competence and autonomy are important for intrinsic motivation, where optimally challenging activities were highly intrinsically motivated. However, Gagné and Deci (2005) argued that cognitive evaluation theory (CET) could not fully account for the effects of extrinsic rewards in work organisations where monetary rewards are an integral part of working arrangements. Therefore, in order to develop a framework that would fully account for the role of extrinsic rewards, it was necessary to expand the self-determination theory (SDT) by incorporating CET. This provided a more inclusive conceptualisation of individuals' motivations within work environments.

The organisational structures, which may influence individuals' motivations include organisational management structures, communication processes within the organisation, and organisational support structures and processes. However, the prevalent approach to work motivation assumes that behaviour is a function of both environment and personality. This approach suggests dynamic reciprocal interactions between individuals and their environment.

Handy (1987) proposed a model representing the way motivation affects individuals' decisions. The model is based on the assumption that "... man is a self-activating organism, and can, to some degree, control his own destiny and his own responses to pressures, that he can select his goals and choose the paths towards them" (Handy 1987, p. 35). The model essentially assumes that each person has a set of *needs* and *desired results* and in the process of making decisions how to respond to their needs, they engage into *the motivation calculus.* In that process they decide on the amount of E (energy, effort, excitement, expenditure, etc) which they want to allocate in order to satisfy their needs. Although this is a quite simplified model of the motivational processes, nevertheless it does offer a basis from which one can start to understand the reasons for individuals' decisions, preferences, and efforts in order to respond to certain needs.

One important indicator of work motivation is the level of job satisfaction. In the literature of organisational psychology, the degree of job satisfaction is usually viewed as a function of an individual's outputs and productivity. However, the empirical evidence is mixed in establishing a definite link between job satisfaction and productivity (Rose 2001). The reasons for studying job satisfaction may be more transparent in other professions and within different working environment than they are in the caring professions such as provision of care home services to older people. In the present study of care home providers' motivations, the emphasis is on evaluating care owners'/managers' job satisfaction against a set of specific criteria including the degree to which a job creates a sense of involvement and self-actualisation, personal recognition, empowerment, and professional development (Chapter Five).

Another important aspect of work motivation is concerned with the sector of organisation. For instance, the perception of public sector organisations often differs from that of the private sector. The differences are largely a product of the functions that each sector serves in society. Public organisations are usually associated with the provision of complex and distinctive services that are sometimes difficult to produce under standard market exchange conditions. Therefore, the underlying assumption of the public-sector literature on work motivation is that characteristics of employees and their work contexts in the public sector are different from those in the private sector (Wright 2001). There is however, relatively little research into the motivations of individuals in the public sector organisations. It has been argued that "public sector organisations are under constant pressure to improve their productivity and reduce their costs ..., a better understanding of work motivation is essential to any efforts to describe, defend, or improve efficiency and effectiveness of public organisations" (Wright 2001, p.560).

What is the evidence that job context and tasks differ directly as a function of sector? The review of the evidence suggested that the perceived differences between the sectors in the work context are far from conclusive with only a little evidence in support of the view that the sectors are different. For instance, studies on the significance attached to job characteristics between the two sectors, found that public sector employees may experience greater task significance and job challenge than private sector employees largely because public sector organisations provide employees with opportunities to address important social issues (Perry and Wise 1990). There are however disadvantages associated with the public sector ethos such as certain formal constraints of the system which are expected to reduce the autonomy, variety, and task identity of public sector jobs (Wright 2001). There is some evidence

to suggest that public sector employees perceive private sector employees as having a *better capacity* to provide more challenging, exciting and fulfilling work (Gabris and Simon 1995).

Public sector employees generally have been viewed as more dissatisfied with their jobs than the individuals employed in the private sector. One possible explanation for the work dissatisfaction has been that, although the public sector ethos may provide greater opportunities for individuals to meet their altruistic and other higher order needs, the very structure of public organisations hinders the realisation of these opportunities (Wright 2001).

To better understand the relationships between work motivation and job characteristics, the *goal theory* framework may provide useful insights into public sector motivations (Wright 2001). Essentially, the theory emphasises the importance of gaining better insights into the underlying processes that explain how goals affect work motivation. The two main aspects of goal-directed actions include *goal content* and *goal commitment.* The former refers to how certain characteristics of goals (for instance, goal difficulty, specificity and conflict) can have an effect on goal-performance relationships. The latter is a job attitude that concerns the conditions under which the individual accepts the goal and is determined to reach it.

There is growing recognition of the importance of commitment in understanding employee performance. A number of factors that may affect goal commitment had been identified but two aspects are particularly important. One refers to the individuals' belief in their own ability to perform tasks i.e. they are more committed to their task objectives when they perceive the objective as achievable, leading to important outcomes for themselves. The second refers to the extent to which they are committed to

organisational goals (Wright 2007). These two conditions, termed as self-efficacy and job-goal importance, largely determined the degree of commitment to performing work tasks. For individuals to exhibit commitment to their work objectives, it is necessary that they perceive those objectives and tasks generally achievable and within their abilities.

The intrinsic value that individuals perceive in the mission of their organisation is likely to affect their work motivation primarily by increasing the importance placed on their own work. The use of goal theory to understand the work motivation of individuals employed in public sector organisations indicated that the intrinsic rewards provided by the nature of the organisation might be more important to public sector employees than extrinsic rewards.

Wright (2007) in the analysis of pubic service motivations observed that it is commonly assumed that public sector organisations tend to employ individuals whose values correspond to the public service ethos and people with these shared values are more likely to apply for public sector jobs. Individuals employed in the public sector have been found to place a lower value on financial rewards and more value on helping others compared to the private sector employees. Furthermore, these differences between sectors in reward preferences are also associated with the performance of public sector organisations. To account for the potential effects of sector of organisation on individuals' work motivation, the importance that employees attach to the organisation's values enhances their perceived importance of their job, which in turn increases their motivation.

In the area of health care services, Le Grand (2001) explored the arguments concerning the public versus the private provision of health care. Some of the

common assumptions about the private and public sector indicated that indeed the two sectors were perceived differently. The latter was usually associated with inefficiency, resistance to change in terms of adopting technological innovations, relative unresponsiveness to patients' needs, and generally in favour of long-established working practices with little incentive to change. The former, however, were concerned with the efficient use of resources in order to maximise their profits, they were open to the use of new technologies, and providing services which are very much focused on meeting patients needs. As Le Grand (2001) argued, these differences are essentially associated with the values attached to the private and public care providers. While the private sector providers are usually characterised by self-interested motives, the public services were perceived as being primarily altruistic. Yet there is a mix of motivations in both private and public providers, with neither altruism nor self-interest being exclusive to either sector. In that case, there is little evidence to support the argument that the use of either sector will be morally superior or perform better or worse with regards to quality or quantity (Le Grand 2001).

3.7. Public Service Motivation

The concept of public service motivation (PSM) is a relatively recent construct within the public administration literature. Perry and Wise (1990) defined public service motivation as "an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions and organisations "(p.368). They suggest that individuals with a high sense of public interest are more likely to enter public service careers. The theory postulates that public service motivation is a significant development in the area of social dimensions of individual's motivations. Individual behaviour is

not just the product of rational self-interested choices but is also shaped by normative and affective motives as well. While focusing on a rational, incentive-driven aspect provides only a partial account of individual's motivation, taking into account the social processes that shape individuals' normative beliefs and emotional understanding of the world offers a more comprehensive understanding of motivations. Overall, the assumptions of public service motivation approach suggest that human motivation is driven by rational, normative, and affective processes; that individuals are motivated by their own self-concept. Furthermore, the theory argues that preferences and values, which are constructed in social processes, should be endogenous to any theory of motivation.

According to Moynihan and Pandey (2007), the public service motivation theory has significant practical relevance in that it explores the relationship between motivation and public interest. The authors further recognised that the majority of the research has focused on exploring employees' motivations across sectors in order to establish the existence of PSM. In their study of the role of organisations in development of public service motivation, the evidence suggests that the public service motivation of individuals employed in the public sector is a result of not only individual social background but also their organisational environment.

Le Grand (2003) recognised that in the delivery of public services there are certain reward thresholds which largely determine the relationships between financial rewards and altruistic motivation. The main challenge for policy-makers is to strike the right balance between financial incentives and motivations in order to maximise the level of intrinsic motivation. Once the thresholds are determined, it would be quite easy to devise a reward scheme that would generate the required amount of services. If however, there is little

information about individuals' motivations then it would be advisable to design robust incentive structures that would "appeal to both the knight and the knave" (67).

Can public service motivations co-exist with motivations associated with private-for-profit organisations? The empirical evidence suggests that individuals are indeed capable of holding both public and private sectors motivations without one crowding-out the other. In a study of motivations and values of hospital consultants in south-east England, Humphrey and Russell (2004) interviewed 60 surgeons and physicians to examine the reasons for working in the National Health Service and doing private practice. The interviews revealed a complexity of motivations including a range of beliefs and assumptions used to justify their activities. Among the reasons for doing private practice were a range of rewards to doctors, not just the financial benefits commonly associated with professional self-interest but also greater professional autonomy, greater opportunities to realise their professional aspirations, and greater sense of being valued (Humphrey and Russell 2004).

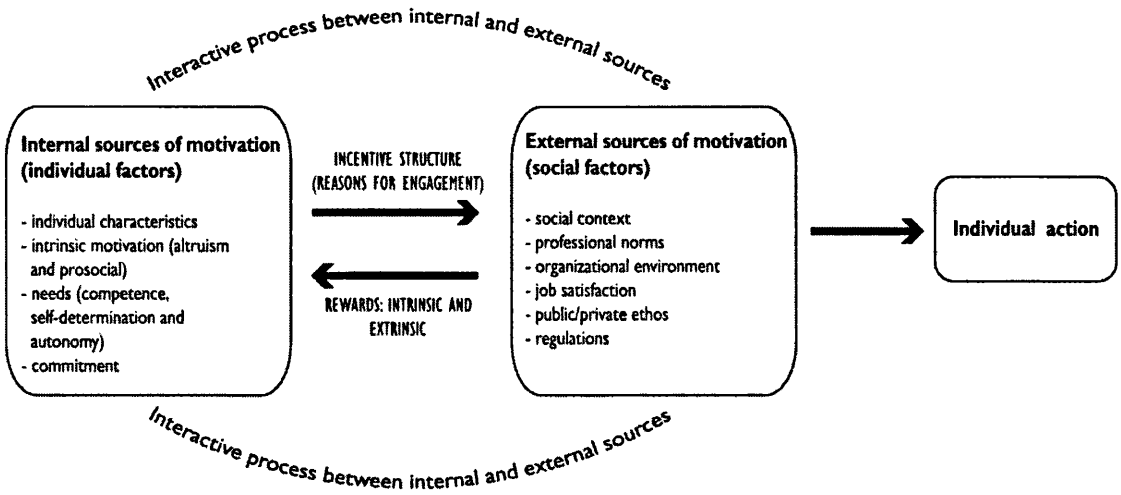
The findings revealed that for most respondents monetary incentives represented only part of their motivation. Strategic influence and personal control were found to be important for the respondents' overall motivation. According to the respondents, the strategic influence was very much related to the sense of strategic control of their position and recognition that they are the ones who bring in the money. The personal control was more about their own control over whom they work with, which and how many patients they see, and how and when they treat them. These professional freedoms and autonomy would be very difficult to have in the NHS.

Respondents were also motivated by their status and recognition in private practice. Finally, opportunities for professional development in the private sector were highly valued among the respondents. The study found that despite the advantages of the private practice, very few respondents considered leaving the NHS completely. It was evident from the interviews that most respondents enjoyed the NHS working environment including the teamwork and everyday challenges. They were also quite committed to making their contribution to the NHS as a collective public service (Humphrey and Russell 2004).

3.8. Conclusions

The theoretical and empirical evidence presented in this chapter suggests that by focusing on individuals' motivation researchers have learned a great deal about the reasons why individuals choose to engage or disengage in different activities and how their beliefs, values and goals relate to their achievement behaviours. The literature review was primarily concerned with the interdisciplinary understanding of individuals' drives and incentives. The chapter addressed some commonly held misconceptions about social care actors' motivations. The discussion was mainly focused on exploring the nature of intrinsic motivations and the influences that the social environment may have on the intrinsically driven actions. Therefore, individuals' work motivations were examined in the context of extrinsic rewards, job satisfaction, and sector of organisation. In particular, the emphasis was on the nature of public sector motivation in relation to the individuals' social background and their organisational environment. Figure 3.1 presents a conceptual framework developed in this study.

Figure 3.1. Conceptual framework of social care actors' motivations



This schematic representation of the motivational content and process aims to integrate the main building blocks that were identified, through the literature review, as the basis of the conceptual approach to individuals' motivations adopted in this thesis. As the above figure indicates, individuals' motivations and actions are essentially the outcomes of the interactive processes between individual and external motivational dimensions where the nature of those interactions is largely mediated by a specifically designed incentive structure. A further discussion of these issues is presented in the empirical part of this study (Chapters Five, Six and Seven).

Chapter Four

Methodology

4.1. Introduction

This chapter presents the methodological framework employed in the thesis. For the purpose of this study, care homes are defined as entities which provide specified care services for individuals. In social care, the sector of ownership and type of service constitute the main dimensions for distinguishing between service providers. Within the sector category, there are four main provider groups, broadly defined as: the public sector (local authorities), the voluntary sector (charities and other non-profit care organisations), the private sector (privately owned and run care organisations), and the informal care sector which includes individual carers such as family members who are not paid for the help and service they provide. However, these are very broad sector categories and each of them comprises considerable heterogeneity in terms of size, legal structure, and underlying philosophical or other principles.[5] As for the type of services, many care organisations provide a variety of care services: of these, domiciliary care and care home constitute the largest proportion of

[5] In terms of size, there are small private and voluntary care providers characterised by a relatively small market share and covering a limited geographical areas. At the other end of the spectrum are large private and voluntary corporate providers, associated with substantial market shares and a significant geographical coverage in terms of care service provision. As for the legal structure of independent sector providers, they vary from companies registered as private-for-profit organisations, limited companies, sole-proprietorships, small voluntary not-for-profit organisations, and partnerships. Organisations also vary in their underlying objectives and philosophies: some are driven by religious principles, some by commitment to serve particular population groups (defined by occupation, nationality, ethnicity and so on), and some are linked closely to particular localities or regions.

the overall care provided.[6] For the purpose of this thesis the focus is on care homes mainly providing personal care services for older people.

The next section provides a brief outline of the methodological challenges which are commonly encountered in the process of exploring individuals' motivations. This is followed by information regarding the sampling framework, the methodological design, and the methods for data analysis.

4.2. Exploring motivation: methodological challenges

The nature of underlying drives and incentives is largely inferred on the basis of individuals' self-reported motivations. The main advantage of this approach is its directness and simplicity. However, using a self-report method has certain disadvantages, especially in the case of exploring motivations where there is a relatively high risk of individuals' giving socially desirable responses. Unlike individual behaviours, which are directly visible, motivations are unobservable personal characteristics, therefore relatively difficult to identify and measure. Social desirability refers to the situations where the respondents are usually determined to be seen in a positive light, and may therefore be reluctant to give fully honest reports of their motivational preferences or any other aspect of their personality which they think would be regarded negatively. Equally, individuals may censor some of their characteristics so as to avoid being evaluated negatively. Thus the use of self-report measures of individuals' motivations raises questions about whether reported motivations are representative of their real motivational drives or they tend to express

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[6] These are broadly defined categories, and there are lots of variations within each of those service groups.

socially desirable motivations commonly associated with the caring professions. One of the ways of reducing social desirability effects is to make the measurement process as natural as possible, and preferably in a context where it would not be explicitly obvious to respondents' what it is that is being measured. In the context of the present study the methodological framework was carefully design in order to minimise the effects of social desirability (see Chapter Five for more information).

4.3. Sampling approach

4.3.1. Care home owner/manager sample

Information on the motivations of residential care homes for older people was gathered as part of a wider study concerned with the development of the mixed economy of social care carried out by the Personal Social Services Research Unit (PSSRU) and the Nuffield Institute for Health. As noted in Chapter One, this research programme was funded by the Department of Health. The eight local authorities were selected in 1994 from a larger sample of 25 local authorities which were originally sampled in 1990 as being representative of the national context in terms of sector market share and patterns of expenditure on personal social services per level of population, expenditure on personal social services on supporting residents in voluntary and private homes, and expenditure on personal social services going to general contributions to voluntary organisations and privately registered homes for older people. This section describes the sampling framework employed in order to select the original sample of care homes for the 1994 study followed by the two subsequent data collections in 1997 and 2003.

The aims of the sampling strategy used in this thesis were twofold. The first objective was to collect follow-up data from care homes included in two previous PSSRU studies, one in 1994 and the other in 1997. The second objective was to revise the original sampling framework, which was entirely focused on independent sector care homes. To achieve a more representative sample that would account for a diversity of care home market, the original sampling strategy was extended to include voluntary corporate homes, private sector corporate care homes, local authority-run homes, and local authority floated-off care homes.

In the process of recruiting the sample, respondents were given background information about the study in order to capture their interest by putting the emphasis on the aspects of this research that might be particularly relevant to the subjects themselves (Appendix 4.1). All interviewees were assured that the information they provided would be treated in complete confidence and anonymity.

To ensure a representative mix of providers across different localities, the sample was selected from two London boroughs, three Shire counties and three Metropolitan districts. Data collection for the 2003 study was carried out using a two-stage method. First, all of the 40 care homes surveyed in the two earlier studies were approached in order to see if they would agree to participate in the study. From this original sample, a total of 27 providers agreed to take part in the study. Second, as mentioned above, the sampling strategy was adapted in order to include a wider range of homes with respect to home size and sector of ownership.

After the sampling inclusion criteria for the care homes were specified, the director of adult social services in each locality was contacted in order to

obtain information regarding the numbers of homes and the contact details of the home managers of the local authority-run and floated-off care homes. During this process it became evident that the two London boroughs had transferred all of their in-house care homes for older people to the independent sectors. In the remaining six localities, five authorities were still managing some of in-house care homes and were able to provide information about the local authority's own services. The sampling strategy was to randomly select two care home managers for interview from each of the authorities, unless local authorities had no homes under their management or they only had one or two remaining establishments. In this way a total of nine local authority care home managers were selected for interview.

The inclusion criteria for voluntary and private corporate homes were primarily determined by the number of beds registered in the eight local authorities managed by the major voluntary and private corporate organisations. A definition of a major organisation was adopted from Laing and Buisson (2001) where a 'major organisation' is defined as a care home organisation with more than 500 registered places. The strategy was to construct a list of major corporate providers by obtaining the information from *Laing and Buisson Directory of Major Providers of Long Term Care*, 15th Edition (2002).

For the purpose of this study, major "private" and "voluntary" corporate care homes were identified and included in the sample. In total, 21 voluntary corporate homes and 56 private corporate organisations were selected. From this sample a smaller number of private and voluntary corporate homes were assigned to the final sample. The next step was to select a sample of the voluntary corporate homes from those 21 organisations already selected. Based on the earlier specified requirements, nine care homes were included in

the study. Similarly, the private corporate homes were selected using the same selection criteria. During the sampling stage, the research team approached 23 home managers across six local authorities, of which 13 respondents agreed to an interview.

4.3.2 Local authority commissioner sample

The sampling strategy regarding the local authority commissioners' sample was designed to include one respondent from the commissioning department, preferably occupying a more senior commissioning position, from each of the eight selected authorities. Initial information about the potential commissioners was obtained from the sample of care home managers. They provided the details of the main contacts within their local authority's commissioning department. The rationale for adopting this approach was that by consulting providers, there was a greater chance that the commissioners' perceptions' of providers would, to a certain degree, reflect their direct experiences of dealing with those same providers interviewed for this study.

The commissioner sample consisted of ten interviewees selected across the eight sample authorities. Although the sampling strategy was designed to include one commissioner per authority, largely due to a complexity of the commissioning context, commissioners in two local authorities opted for a joint interview with another colleague. The purpose of the joint interviews was to provide a more comprehensive account of local commissioning practices and experiences. As later noted in Chapter Six, the information from the joint interviews was analysed as if collected from a single interviewee.

In sum, the interviews with commissioners were carried out in 2005. The information was collected using a semi-structured interview schedule addressing a range of topics. On average, the interviews lasted approximately one hour. The interviews were all tape-recorded and transcribed.

4.4. Research design

This section describes the research instruments used to collect data from the care home owner/manager and commissioner samples. The first part deals with some aspects concerning the ethical feasibility of the present study. This is followed with a brief reference to the importance of user involvement in the future development of social care services. The third section outlines the instruments for data collection: face-to-face interviews and postal questionnaires. The statistical methods used for data analysis are presented in the last section.

4.4.1 Ethical feasibility of the research

At the design stage of this study, ethical issues were considered, focusing in particular on the welfare of the respondents recruited to take part in the research. In particular, we wanted to ensure that all respondents participating in the research gave their fully informed consent, and that they were given the necessary instructions and background information relevant for the study before deciding whether or not to participate. Respondents were informed about their right to withdraw from the study at any time, and were given a guarantee that the information which they provided would be treated with complete confidentiality and anonymity. Given the largely 'narrative' nature of the evidence collected for this thesis, no formal ethical approval was requested from the Ethics Committee at the London School of Economics

and Political Science. Nonetheless, any future research proposals of this nature, regardless of the nature of data collected, would need to be considered by the Schools' Ethics Committee.

4.4.2 User involvement

Even though the users of care home services were not directly involved and consulted at the initial stages of developing a research framework, nonetheless the purpose of this study was essentially to bring to the attention of policy-makers and the wider research community the importance of taking into account the motivational and relational aspects of care home owners/managers in order to improve the quality of care that older people receive. However, user involvement in this or a similar type of research is absolutely vital and would need to be appropriately addressed for any future work in the area of social care services.

4.4.3 Research instruments

Data collection: care home owner/manager sample

As mentioned earlier in this chapter, the study builds upon two previous collections of evidence on care home owners/managers of care home services for older people, carried out in 1994 and 1997. Similar to the two previous studies, the most recent data collection in 2003, which is the main source of information for the analyses reported in this thesis, was conducted using both face-to-face interviews and postal questionnaires. A total of 58 care home owners/managers from the eight local authorities were interviewed, 27 coming from the original sample and 31 from the newly selected sample. In the new sample, nine homes were local authority-managed establishments while 22 were from the private and voluntary corporate organisations.

The literature on research methods suggests that using questionnaires and interviews has both strengths and weaknesses as each of them has different degrees of internal and external validity (Ray 1998). The internal validity is related to the degree to which the findings apply to the respondents in the study. The external validity refers to the degree to which it possible to apply the findings not just to the sample but also more widely across the general population. In general, interviews have high internal validity with a relatively modest risk of the investigators projecting their own expectations onto the interviewees. On the other hand, questionnaires are generally characterised by high external validity where a large sample size offers greater certainty that the study findings are representative of the general population. Overall, using different methods of data collection and analysis has become a common practice in social research. The special appeal of applying a variety of techniques is that it makes it possible to go beyond the limitations of a single method by combining several methods (Flick 2002). The aim of combining different methods - in what is now often referred to as a "mixed methods" approach - is to add "... breadth and depth to our analysis but not for the purpose of pursuing 'objective truth'" (Flick 2002, p.46).

As the original sampling approach was different from the sampling strategy used in 2003, the interview schedule was revised in order to account for a range of specific dimensions concerning private for-profit, public and voluntary not-for profit care homes. With this change in the sample composition, the original interview schedule from 1994 and 1997 was adapted in order to accommodate various aspects of relational and organisational structures across sectors.

Prior to conducting the full-scale data collection, pilot interviews were carried out in order to test the validity of the interview schedule. The purpose of

these interviews was therefore to establish the clarity and understanding of the issues which the schedule was designed to address. Furthermore, the pilot interviews were used to ascertain the length of time needed for conducting a full interview. Thus a modified version of the interview form used in 1997 was piloted with four care home owners/managers in four different localities during September 2002. The homes selected for the pilot interviews had broadly similar characteristics to those of the owners/managers subsequently interviewed as part of the main data collections. Based on the feedback from the pilot interviews some minor amendments were made to the schedule. Through a combination of semi-structured and structured questions, the interview schedule gathered information covering five broad areas (Appendix 4.2):

- care home characteristics;
- owners'/managers' expressed motivations;
- owners'/managers' professional motivations, work interest and job satisfaction;
- their relationship with the local authority, and
- their relationship with regulators of residential care homes for older people.

There were in total 38 questions related to the above listed dimensions of interviewees' motivations and different aspects of their relationships with the local authority. Throughout the schedule, and to a much greater extent than in the previous studies, significant emphasis was placed on teasing out those factors governing owners'/managers' motivations for working in the care home sector.

The interview schedule was further adapted for the 'new' sample of private and voluntary corporate homes as well as those managed by local authorities.

For the purpose of maintaining broad comparability with the material from earlier studies, even though the main topics remained the same across the sample, some changes needed to be made in order to account for different relational aspects within local authority structures. In particular, the questions on relationships with the local authority (focusing on three tiers within the authority: front-line staff, contracting and purchasing staff and strategic purchasers and commissioners) were amended taking into account local authority care home managers and their internal relationships with strategic local authority commissioners. Interviews with care home owners/managers lasted 60-90 minutes. They were all recorded and transcribed.

Following a round of face-to-face interviews, a two-page postal questionnaire was sent to all 58 interviewees. The postal survey collected information on funding sources of residents, amount of time spent on dealings with local authority purchasers and inspectors, their perception of market competition, and information about contracts and prices (Appendix 4.3 and 4.4). A total of 38 questionnaires were completed (66 per cent response rate). As the majority of the questions addressing those issues were quite generic, for the purpose of this thesis only the information about the amount of time owners/managers spend on performing a variety of tasks within their capacity as care home owners/managers was used in the analysis.

The analysis presented in this thesis is largely based on the information gathered through the semi-structured face-to-face interviews with care home owners/managers.

Data collection: local authority commissioner sample

Information about local authority commissioners' perceptions of care home owners'/managers' motivations was gathered using semi-structured interviews.

As Gaskell (2000) has pointed out: "... the qualitative interview provides the basic data for the development of an understanding of the relations between social actors and their situation. The objective is a fine-textured understanding of beliefs, attitudes, values and motivations in relations to the behaviours of people in particular social contexts" (p. 39).

The interview schedule consisted of five broadly defined areas concerning commissioners' perceptions and experiences of working with private, voluntary and public sector care home owners/managers. The interviewees were asked about different aspects of their relationships with owners/managers, including (Appendix 4.5 and 4.6):

- their perspective on the local care home market;
- their understanding of the role of service providers as stakeholders;
- their relationships with care home owners/managers;
- contracting arrangements with independent sector residential care home owners/managers; and
- strategies for developing effective partnerships with independent sector owners/managers.

These specific dimensions were identified as the essential building blocks for developing and improving commissioner-provider relationships (*Making Ends Meet: Commissioning Social Care*, Joint Reviews 2003).

4.5 Methods for data analysis

The coding of the expressed motivational scores employed categorical measures. More specifically, data were coded using the Yes/No categories for

presence or absence of a particular motive. The responses regarding the three most important motives were ranked so that the first ranked motive was given a value of 3, the second a value of 2, and the third a value of 1. The information from the provider sample was analysed using factor analysis.

4.5.1 Factor analysis

Factor analysis was used to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. In principle, it is a method used to examine a large set of variables in order to find a way of reducing and summarising data by using a smaller number of factors or components. The term factor analysis encompasses a variety of different, although related methods. One of the main distinctions is between principal component analysis (PCA) and factor analysis (FA). The two methods are similar in many ways and are often used interchangeably as they both attempt to produce a smaller number of linear combinations of the original variables in a way that captures most of the variations in the pattern of correlations (Pallant 2001).

To assist in the decision concerning the number of factors to retain, the eigenvalues over 1 approach was used. Following this method, only factors with an eigenvalue of 1 or more were retained for further analysis. The eigenvalue of a factor essentially represents the amount of the total variance explained by that factor (Pallant 2001).

After the number of factors had been identified, the next step was to interpret the selected categories. In order to improve the interpretability of factors the rotation option was used as part of the main analysis. In principle, rotation maximises the loading of each variable on one of the extracted factors whilst

minimising the loading on all other factors. In this study Varimax rotation was performed, in order to minimise the number of variables with high loadings on each factor.

4.5.2 Panel data

In order to explore changes in motivations over time, panel data analysis was employed primarily to examine the relational aspects of the individuals' motivations and the number of specific social care market indicators.

Panel data analysis is an increasingly popular form of longitudinal data analysis among social scientists. A panel is a cross-section or a group of people who are surveyed periodically over a given time period. The panel data approach is used to identify individual-level changes where the same individuals are interviewed at different points in time, referred to as waves. Reflecting both the cross-sectional (between individuals) and time-series elements, panel data are also referred to as cross-sectional time series data (Rafferty 2007). In this thesis, panel data analysis was used to examine the underlying dynamics of change in care home owners'/managers' motivations over the period between 1994 and 2003. Panel data allow a dynamic analysis to explore how past events influence current outcomes. One of the disadvantages of using panel data is the problem of non-response bias over time, which may happen where individuals in one wave of a data collection refuse to take part in the next wave of collecting the data.

The panel data was used to explore the relationships between owners'/managers' motivations and a range of social care market indicators. Since motivations are primarily considered to be the products of the interactive processes between individuals' preferences and their social

environment it was assumed that some of the market indicators would indeed play an important role in determining individuals' motivational profiles. Therefore, to examine the effects of markets on social care actors' motivations, a number of market variables and motivational dimensions were incorporated in the dataset. The former referred to a variety of care home market dimensions:

- number of local authority supported residents
- number of care home places
- local authority population over 65
- local authority personal social services (PSS) gross expenditure
- whether the home remained open since 1994
- local authority property prices
- weekly gross earnings
- sector of ownership
- size of care home
- owners'/managers' motivations

The data for the variables listed above were primarily drawn from government departments' routine collections of statistical data for 1994, 1997 and 2003. The main sources of data used were: Department of Health Statistical Bulletin, Department of Health Personal Social Services Statistics, Office for National Statistics (Population Statistics), Community Care Statistics, New Earnings Survey, Land Registry Statistics, and the Commissioning and Performance (C&P) research programme (formerly known as the Mixed Economy of Care (MEOC) programme). In particular, the C&P database

was the main source of information with respect to sector of ownership, size of care home and owners'/managers' motivations.

Among the statistical packages designed for panel data analysis, STATA is known for a particularly variety of panel analytic procedures. Therefore, STATA was used in this study to examine the associations between motivational categories and a number of relevant market indicators. In particular, a series of regression analyses were carried out in order to investigate possible relational effects between owners'/managers' motivations and the market conditions under which they operate. The results of the regression analyses are presented in Chapter Seven.

To conclude, it can be seen that a variety of research methods are used in this thesis. Some of the details of the methods will be set out in the empirical Chapters Five, Six and Seven.

Chapter Five

Care Home Owners/Managers as Professionals: Understanding the Motivations of Care Home Owners/Managers in England

5.1 Introduction

This chapter examines the underlying motivations for providing residential care services for older people. The focus is on the motivations of owners/managers of care homes sampled from across eight English local authorities, exploring intrinsic aspects of motivations and, in particular, their work motivations including professional achievement, recognition and job satisfaction. The chapter aims to identify a range of personal and external factors that could influence owners'/managers' intrinsic motivations and professional aspirations.

The financial and social climate in which the residential care sector operates has changed substantially over recent years. As discussed in Chapter Two, the policies in relation to care for older people have focused particularly on providing good quality care, ensuring that services meet needs, and that they support independence. These principles were evident, for example, in the government's 1989 White Paper, *Caring for People,* which marked a new approach to services primarily focusing on the needs-led aspects of care provision for older people. The same principles underpinned the 1998 White Paper *Modernising Social Services* (Department of Health 1998). At the top of the policy agenda were user independence, services tailored to individual needs and greater service continuity.

A few years later, through its launch of the *National Service Framework for Older People* (2001a), the government addressed a number of issues related to older people's care, including improvements in standards of care, extended access to services and development of new types of residential and other forms of care assistance that would lead to more independent living (Department of Health 2001a). The National Service Framework represented a first coordinated attempt to approach the care of older people systematically across the health and social care domains, and was clearly intended – among other things – to improve quality of care for older people and deal with inconsistencies in service delivery. Similar policy emphases can be seen elsewhere, for example in the policy strategy for older people issued by the Welsh Assembly Government (2003).

Given the often intimate, and certainly relational nature of social care, the motivations of service owners/managers are likely to play a crucial part in the delivery of care home services and the establishment of care quality. For instance, it is through their work as managers or owners of homes that their motivations directly affect the quality of care, establishing the character of relationships with local authority commissioners. The aim of this thesis is to examine these underlying motivations in the context of care home services for older people.

Individual motivation has long been recognised as an important ingredient for development of effective policies in social work and social care provision (Le Grand 1997; Taylor-Gooby et al. 2000). This chapter seeks to establish the motivations of owners/managers of care homes across eight English local authorities. The focus is on the intrinsic aspects of care home owners'/managers' motivations and, in particular, their work motivations, including professional achievement, job satisfaction and recognition. Of

particular interest is the extent to which motivations are influenced not only by personal motivational structures, but also by a range of social and financial factors, some of which are arguably within the sphere of influence of national policy makers and local authority commissioners. With the growing interest in the professional aspects of care home managers' work and the recent policy directions toward raising the profile of the caring profession in general (Henwood 2001; Social Services Inspectorate and Audit Commission 2004), the present study aims to explore the motivations and attitudes of owners/managers in relation to their professional aspirations.

The objective is also to investigate relational factors between care home owners/managers and local authority commissioners. For example, whether there are supportive relationships where two parties work in partnership *with* each other, or whether there is a tendency to engage in a more controlling type of relationship where owners/managers mainly work *alongside* the local authority. The aim is to explore the relational aspects of respondents' motivations primarily through business interactions with their principal local authority. In this context the term 'relationship' is used to refer to a specific set of relational attributes including: working arrangements between care home managers and commissioners; opportunities to use skills and expertise; and use of communication channels regarding commissioners' purchasing plans and forward planning.

The chapter is organised as follows. The first section describes a conceptual framework of intrinsic and professional motivations, followed by an outline of the study methodology. The second section presents the main findings, where the dominant motivational attributes of care home owners/managers are identified based on their expressed personal motivations. Respondents' professional motivations as well as possible associations with a number of

external relational factors and motivational dimensions are also explored. The final section presents a discussion of the main findings and examines their relevance for the future of care home policies.

5.2 Empirical evidence on owners'/managers' motivations

What is the existing evidence on the nature of motivations within the context of social care provision, dealing with the subject of motivation and particularly in residential care settings?

Broadly speaking, there is a relatively limited amount of empirical evidence about owners'/managers' motivations in the social care sector. The investigation carried out by the Commissioning and Performance research team (formerly known as the Mixed Economy of Care (MEOC) programme) at PSSRU, some of it jointly with a team from the Nuffield Institute for Health at the University of Leeds, represents one of the most comprehensive examinations of owners'/managers' motivations in the area of social care provision.

In earlier work within this stream, Kendall (2001) examined the motivations of care home owners/managers for older people in England. Independent sector residential care owners/managers were classified according to their principal motivational orientations into three groups: empathisers, professionals and income prioritisers. The majority of the sample consisted of people with empathic motives as the main motivation, followed by what Kendall described as 'professionals' and a third category labelled as 'income prioritisers'. Kendall (2001) argued that in addition to what Le Grand (1997) has labelled as self-interested 'knaves' and altruistic 'knights', there is also a third 'mercantile' aspect of motivation that should be considered in the design

of social care policies. Mercantile motivations are centred on autonomy and the need to exercise control over their business. It has been recognised that in order to operate residential care markets successfully, purchasers need to acknowledge the diversity of motivations among private, voluntary and public sector managers and owners (Wistow et al. 1996). For example, policy and incentive structures based on the assumption of dominant self-interested motivation could undermine other aspects of someone's motivation and can have potentially detrimental effects on the quality of care delivered.

In another study of residential care homes for older people, Peace and Holland (2001) reported that, for the owners/managers in their sample, the reasons for opening a residential home consisted of a combination of personal, family and financial factors. Among the main motives were financial gain, control over the work environment, and a preference to work from home. The proprietors expressed a great deal of personal satisfaction from running the care home. In contrast, half of the sample felt that in terms of financial gains they would have been financially better off in a different line of work.

A study by Andrews and Kendall (2000) came to similar conclusions. They examined the experiences of former nurses in their new roles as proprietors of residential care homes for older people. The findings revealed that, for the former nurses, independence in running a care home was the most commonly expressed reason for owning a care home business. The second most important motive was caring motivation. As for the financial incentives, these were less frequently cited.

A study exploring motivations among independent sector home care owners/managers across eleven localities in England found that developing and using skills was one of the main motivations for three-quarters (73%) of

the sample (Kendall et al. 2003). A similar proportion (71%) indicated professional accomplishment as an important motive, while 60 per cent reported meeting the needs of elderly people as one of their primary motivations. By adopting a more inclusive conceptual approach the motivational framework employed in this home care study employed a significantly different line of inquiry in this field. Four "motivational typologies" were identified based on owners'/managers' expressed motivations, situational factors and personal experiences related to provision of domiciliary care. They were labelled as 'satisfied team players', 'demoralised isolates', 'ambivalence-experiencing go-getters', and 'ambivalence-experiencing quiet lifers' (Kendall et al. 2003).

This stylised representation of owners/managers indicated a range of experiences and motivational tendencies among domiciliary care owners/managers. The first category, 'satisfied team players', included just over half of the sample and was characterised by a combination of emphatic motives, skills use and autonomy in providing care services. The second group, 'demoralised isolates', accounted for a small proportion of the sample (13 per cent), generally expressed dissatisfaction with their experiences of working in the home care sector. The third and fourth categories, 'ambivalence-experiencing go-getters' and 'ambivalence-experiencing quiet lifers', even though the two groups had in common subjective experiences and opportunities, nevertheless they differed in the weight attached to extrinsic elements within their motivational profiles. Compared to 'quiet lifers', 'go-getters' tended to put much more emphasis on the extrinsic elements.

More recent studies have demonstrated that policy-makers' assumptions of the motivations of social care professionals often themselves serve to generate expressed motivations (Martin, Phelps and Katbamna 2004). Interviews with

care managers revealed a tension between the care manager's role of distributing limited social services resources on the one hand and looking after the best interest of their clients on the other. The authors also noted that state policies were not just operating on the individual motivations but were "making knaves and pawns of their professionals by structuring their roles according to its presumptions about their motivation" (p.482). Their conclusion was that bureaucracy and limited resources often overshadow knightly and knavish motivations. The relationship between limited resources and motivations is further explored in Chapter Seven.

To summarise the evidence from these recent social care studies, is it clear that the nature of human motivation appears to be rather complex in both its structure and the processes involved in care provision. The PSSRU earlier research in residential and home care settings had suggested that owners'/managers' motivations consist of many layers. Other studies show that social factors such as professional cultures are very likely to influence owners'/managers' overall motivations. There was also evidence that limited financial resources in social care frequently shift the balance of owners'/managers' underlying motivations in favour of monetary incentives.

5.3 Conceptual framework: Intrinsic motivation and professional driving force

As outlined in Chapter Three, intrinsic motivations are relatively complex individual characteristics determined by a range of internal and external factors. The conceptual framework developed here builds upon and extends the approach to the existing structures of provider motivations, which over the years, had been developed within the ongoing research programme (Kendall

2001; Kendall et al. 2003). The aim is to further develop this model of owners'/managers' motivations by focusing on the professional aspect of motivations. The evidence from the earlier studies demonstrated that professional aspirations were indeed among the main drivers of owners'/managers' motivations. By focusing on the professional motivational attributes the aim is not to impose a reductionist view of individual motivation nor claim that professional aspects are most important for understanding core underlying motivations. Rather, this thesis aims to demonstrate that owners'/managers' professional motivation is an important and often overlooked *driving force* in the provision of care services.

5.3.1 Intrinsic motivation

The nature and role of intrinsic motivation has been discussed in Chapter Three. This section aims to integrate some of the conceptual frameworks largely through integrating different interpretations of individuals' motivations. As noted in Chapter Three, motivation is considered as intrinsic if an activity is carried out for one's immediate need satisfaction and in the absence of any apparent external reward. Intrinsic motivation is characterised by the need for *competence* and *self-determination* (Deci and Ryan 1985). The opportunity to be self-determining enhances intrinsic motivation. It is also argued that people seek optimal challenges that correspond to their level of competence. In addition, their intrinsic motivation is maintained only when they feel competent and in control of their actions. This approach has been criticised for only recognising the need to be competent and the need for self-determination as the two most important needs as there are other aspects that should be taken into account. For example, enjoyment derived from carrying out a task is also important for an individual's overall intrinsic motivation.

The feeling of enjoyment derived from an activity has been acknowledged as one of the central dimensions of intrinsic motivation (Csikszentmihalyi 1975).

As indicated in Chapter Three, the concept of intrinsic motivation has been well integrated into the sphere of social policy, both in policy design and its subsequent implementation. Le Grand (2003) considered motivation in the context of the policy-making environment. The main assumption is that policy-makers' views regarding human motivation play an important role in the development of social policies. There are two main types of social actors according to Le Grand, self-interested *knaves* and predominantly altruistic *knights*. The knaves are defined as "... motivated entirely by the desire to acquire material wealth that they consume themselves for their own benefit" (Le Grand 2003, p.25). On the other hand, "...knights are individuals who are motivated to help others for no private reward, ... activities which benefit others and which do not positively affect their own material welfare" (Le Grand 2003, p. 27-28).

One of the implications of the 'knights and knaves' argument is that the design of public policies should consider (i) the likely effect of existing motivations on the attainment of desired objectives, and (ii) the influence of public policies themselves on the nature of the motivations of key actors in society. Indeed, the effects of external factors on intrinsic motivation have also been recognised in the provision of services. As illustrated in Chapter Three, services are more efficiently provided when people are intrinsically motivated (Frey 1997). As for the external influences on intrinsic motivations, the motivation crowding theory (MCT) suggests that controlling interventions are likely to crowd-out intrinsic motivation. If, however, the external factors are perceived as supportive they tend to 'crowd-in' intrinsic

motivation (Frey and Jegen 2001). Frey (1997) formulates several propositions where external intervention is either perceived as controlling or supportive, including personal relationships, participation in decision-making, the nature of external interventions, hard versus soft regulations and recognition of the intrinsic motivations. With regards to personal relations and involvement in decision-making, the theory postulates that the more personal and involving the relationships are between the actors, it is more likely that they will be intrinsically motivated. The contribution of the MCT approach for the present study is primarily in adopting a broader approach to intrinsic motivation focusing on the nature of motivations in a wider social context, including relational dimensions.

The significance of the motivation crowding theory is that it re-examines the role of monetary incentives and concludes that the power of payment-based incentives is often overestimated. The crowding-out effect suggests potentially the opposite of the most fundamental economic assumption that raising monetary incentives increases supply. The theory argues that under certain conditions, raising monetary incentives is likely to reduce, rather than increase supply. This is important because social policy arguments based on economic models of human motivation may mistakenly have negative effects on intrinsic motivation and social relations.

5.3.2 Professional motivations

As indicated in Chapter Three, professional motivations are considered to be an integral part of intrinsic motivation. Previous studies have demonstrated that a provider's professional background is an important factor in overall expressed motivations (Wistow et al. 1996). The study findings indicated that, mainly through the processes of professional socialisation, professional

caring background tended to transcend self-interest and financial gains in favour of professional achievement.

This section explores care home owners'/managers' professional motivations with especial attention to career choice and job satisfaction. These dimensions have been identified as the main elements of motivation in the work context (Franco, Bennett and Kanfer 2002). The literature on the social psychology of work suggests that people derive a certain degree of intrinsic satisfaction from working (Argyle 1982). Possible reasons for experiencing work as intrinsically motivating include professional recognition and achievement, a feeling of contributing to society and enjoyment derived from performing a task.

It would be expected to find that care home owners/managers are likely to differ in their professional aspirations, views about their work, degree of job satisfaction, and the importance attached to reputation and recognition. Different perceptions of work could be related to previous professional experiences and working conditions in general. In the analysis of professional motivations described below the focus is therefore on respondents' experiences of work itself, responsibilities associated with management of a care home, and professional achievement and development.

Broadly speaking, work motivation is the sum product of numerous interactions between an individual and their work environment (Franco, Bennett and Kanfer 2002). At the individual level, personal expectations, career goals and self-perception are identified as important determinants of professional motivation. A useful point of reference for this study is therefore the *motivation-hygiene theory* (Herzberg 1966), according to which two main categories of factors affect attitudes toward work: *hygiene factors* or dissatisfiers,

and *motivators* or satisfiers. The former refer to various external job dimensions such as company policy, supervision, salary, interpersonal relations and working conditions. These elements are most likely to determine the level of job dissatisfaction. Considered to be of a lower-order they primarily affect professional motivation in the short–term. The latter set of factors, known as 'motivators', includes achievement, recognition, work itself, responsibility and advancement. They are found to be effective in motivating the individual to greater performance. The higher-order 'satisfiers' are considered to be intrinsically motivating. The main contribution and relevance of Herzberg's theory for the present study is in drawing attention to intrinsic features of work, which were mainly ignored in the earlier research on work motivation.

To understand how job features contribute to the feeling of intrinsic motivation, the *job characteristics theory* (JCT) of Hackman & Oldham (1980) provides further analysis of factors known as 'satisfiers'. These authors identified the critical features of a job, which affect work motivation, making it intrinsically interesting. Firstly, the work must be experienced as *meaningful,* worthwhile and important for the individual and society. Secondly, an individual must experience personal *responsibility* for the work outcome in terms of having freedom and independence in determining how the work will be carried out. Finally, the amount of *feedback* from performing the work is also very important. These conditions are essential for the overall sense of high internal professional motivation. If the work is perceived as meaningful it is likely to be highly intrinsically motivating. In addition, job satisfaction and motivation depend on the degree to which the job is perceived as important and having a positive impact on others. The JCT is relevant for the present study in that it provides a systematic account of the

main job characteristics found to be important for an individual's intrinsic motivation.

The next section examines the role of relational factors with regards to care home owners'/managers' motivations.

5.4 Relational dimensions and care home owner/manager motivations

The evidence presented in Chapter Three highlighted the importance of exploring relevant external factors in order to better understand owners'/managers' motivations. In an earlier study of independent sector home care managers /owners, a conceptual framework was developed which, among other things, examined the quality of relationships with purchasers (Kendall et al. 2003). In that particular study the aim was to broaden motivational conceptualisation into a more inclusive interpretation. The intrinsic/extrinsic framework was employed in order to investigate the nature of owners'/managers' motivations. In addition, relevant situational structures such as frequency of contact with local authority, level of input into care plans and care reviews, and potential difficulties with the operational aspects of domiciliary care provision were included in that analysis of their motivations. The findings revealed complex interactions between owners'/managers' expressed motivations and situational factors.

Other examinations of relationships and working arrangements with independent sector managers / owners have found marked variations across authorities, ranging from very good to very poor and problematic working relationships. Although most local authorities have moved toward greater involvement of the independent sector in planning and delivery of services,

there is still some reluctance to work with managers / owners as equal partners (Social Services Inspectorate 2002). *Building Capacity and Partnership in Care* (Department of Health 2001c) emphasised a more strategic and inclusive approach to service capacity planning. The importance of establishing close working relationships between all parties involved in providing care services was outlined, recognising local authority commissioners and managers / owners as equal partners in service provision. According to the document, "... involvement of independent sector health and social care owners/managers in the planning, delivery, monitoring and review of local services is not optional – it is essential" (p.5).

The theme of joint working across all agencies involved in provision of services for older people is also present in the government's 2005 Green Paper, *Independence, Well-Being and Choice: Our vision for the future of social care for adults in England* (Department of Health 2005). The Green Paper argues that, local authorities, being key strategic players, need to ensure delivery of highly integrated services that would meet the needs of service users.

Intrinsic motivation is therefore partly determined by the nature of the relationship between the provider and the local authority. Owners/managers must feel that local authorities are willing to work in partnership with them in order to provide ongoing motivation. One of the biggest challenges for councils with social services responsibilities has been working toward an appropriate strategic partnership with independent sector owners/managers. A general lack of trust and understanding was identified by the Joint Reviews team as the underlying cause of most problems (Audit Commission 2004b). Owners/managers and commissioners tend to differ in their perceptions of working relationships. According to local authorities' views, owners/managers

have an insufficient understanding of authorities' funding mechanisms and pressures. Independent sector owners/managers were perceived as mainly profit-driven and their staff not as well trained as staff employed in the local authority. As for the independent owners/managers, their main concerns included late payments, lack of communication with their local authority, care standards being too complicated and fees being too low. In addition, they felt that in-house managers were treated more favourably than themselves.

The role of relational dimensions in the present study was captured through the associations between different aspects of owner/manager-commissioner relationships and owners'/managers' principal motivations. Among the relational attributes were the following: a) trust in the information provided by their local authority, b) the level of input into initial user assessment and subsequent care reviews, c) problems with delayed payments, d) problems with delays from assessment to admission, and e) problems with clarity of purchasing intentions.

5.5 Methodology

5.5.1 Sampling framework and data collection

As described in Chapter Four, the sampling framework employed in this study had two main objectives: to collect follow-up data from homes included in two earlier surveys in 1994 and 1997; and to extend the original sample to include local authority-managed homes, local authority floated-off homes, voluntary corporate and private corporate care homes (Chapter Four provides a detailed description of the sampling strategy). Data were collected in eight English local authorities using face-to-face semi-structured interviews and postal questionnaires. A sample consisted of 58 care home owners/managers,

27 coming from the original sample and 31 from the new sample. In the new sample, nine homes were local authority-managed establishments while 22 were from the private and voluntary corporate organisations (Table 5.1). The original interview schedule from 1994 and 1997 was adapted in order to accommodate various aspects of relational and organisational structures across sectors (see Chapter Four for more information).

In addition, a two-page postal questionnaire was sent to all 58 interviewees (Appendix 4.4). The survey collected information on funding sources of residents, amount of time spent on dealings with local authority purchasers and inspectors, their perception of market competition, and some information about contracts and prices. A total of 38 survey forms were completed.

5.6 Results

5.6.1 Sample description

Data were gathered from 58 homes, spread across provider sectors and home sizes (Table 5.1). Twenty-eight homes (48%) were from the private for-profit sector, 21 (36%) were voluntary not-for-profit facilities and nine (16%) were local authority-managed homes. Fourteen homes (24%) were single establishments and the other 44 (76%) were part of a large business. In all, 45 per cent of the sample were from corporate bodies and 31 per cent were medium-sized homes. Among the corporate homes 46 per cent were from the private-for-profit sector.

Table 5.1 Number of homes by size and sample type

Size of care home	Private-for-profit	Voluntary and Not-for-profit trust	Local authority	TOTAL N=58
Small*	10	4	-	14
Medium*	6	12	-	18
Corporate*	12	5	9	26
Sample type				
Original sample*	15	12	-	27
Purposive sample*	13	9	9	31

*Small care homes are considered to be operating as independent establishments and not part of a larger organisation.

*Medium size homes are defined as being part of a larger organisation with well-established management structures and less extensive market presence compared to corporate care home organisations.

*Corporate care homes are part of larger organisation with centralised management structures and large market shares in more than one region across England and the UK.

* Original sample refers to homes also included in 1994 and 1997 studies. In this sampling framework only independent sector homes were randomly selected.

* Purposive sample includes homes selected on the basis of size, market share and their business geographical coverage.

As for the status of the interviewee, 40 respondents (69%) were managers, four (7%) were owners and fourteen interviewees (24%) were acting as both owner/manager and with some registered as joint proprietors. Half the interviewees (52%) were aged 50-59 years and one third (31%) were in the 40-49 year-old age group. Six interviewees (10%) were over 60 years old, three were aged 30-39 years, and one was aged 20-29 years. The majority of

the interviewees (89%) were female. Three-quarters of the sample had a caring or nursing background. The results also indicated that those *without* a caring background were more likely to be found among the non-corporate independent sector homes. The information on whether the care home was part of a large organisation showed that 76 per cent of the independent sector homes belonged to a larger care home organisation.

5.6.2 Expressed motivations

Information about respondents' personal motivations was gathered using a list of motives which, according to the social policy, sociology of professions and economic literatures (Wistow et al. 1996, Kendall 2001, Kendall et al. 2003), were likely to reflect underlying motivations in the context of care provision. Interviewees were presented with eight possible motives and asked to select the ones which they considered personally relevant (Box 5.1).

Box 5.1 Motivations

Income and profit maximising

Satisfactory level of personal income

Duty/responsibility to society as a whole

Duty/responsibility to a particular section of society

Meeting the needs of older people

Independence and autonomy

Professional accomplishment

Developing/using skills and expertise

They were able to indicate as many motivational dimensions as they wanted using dichotomous categories (Yes/No). The results showed that for a large

majority (93%), meeting the needs of older people was one of their main motivations (Table 5.2). Professional accomplishment (selected by 85% of respondents) and developing and using skills and expertise (81%) were also important motivations. For 72 per cent a satisfactory level of personal income was a significant motivation. Less frequently listed were independence and autonomy (62%), duty to society as a whole (31%), and duty to a particular section of society (50%). Only a small proportion (12%) selected income and profit maximising as among their primary motivations. As for the sector of ownership, there appeared to be only modest differences by sector.

Table 5.2 Owners'/managers' expressed motivations by sector

Motivations	**Sector**			**Total**
	Private N=28	Voluntary N=21	Local authority N=9	N=58 (% of total)
Meeting the needs of older people	25 (89%)	20 (95%)	9 (100%)	54 (93%)
Professional accomplishment	25 (89%)	15 (71%)	9 (100%)	49 (85%)
Developing/using skills and expertise	22 (79%)	17 (81%)	8 (89%)	47 (81%)
Satisfactory level of personal income	19 (68%)	16 (76%)	7 (78%)	42 (72%)
Independence and autonomy	20 (71%)	10 (48%)	6 (67%)	36 (62%)
Duty/responsibility to society as a whole	16 (57%)	9 (43%)	6 (67%)	31 (53%)
Duty/responsibility to a particular section of society	14 (50%)	11 (52%)	4 (44%)	29 (50%)
Income and profit maximising	4 (14%)	2 (10%)	1 (11%)	7 (12%)

Respondents were also asked to rank their three most important motives (Table 5.3). The ranking scores were assigned using a weighting method so that the first ranked motivation was assigned a value of 3, the second a value of 2 and the third a value of 1. For 36 per cent of the sample the main motivation was 'meeting the needs of older people', and for a quarter professional accomplishment was their main motive for providing residential care. Looking at the second-ranked motivations, again meeting the needs of older people and professional accomplishment and creative achievement were frequently chosen. Overall, a satisfactory level of personal income was chosen as one of the three most important motivations for 22 per cent of respondents.

Table 5.3 Ranking of personal motivations

Motivations	First Ranked Motives		Second Ranked Motives		Third Ranked Motives	
	Count	%	Count	%	Count	%
Income and profit maximising	0	0	0	0	0	0
A satisfactory level of personal income	8	13.8	6	10.3	13	22.4
Duty/responsibility to society as a whole	3	5.2	5	8.6	3	5.2
Duty/responsibility to a particular section of society	4	6.9	2	3.4	7	12.1
Meeting the needs of older people	21	36.2	14	24.1	8	13.8
Independence and autonomy	4	6.9	6	10.3	6	10.3
Professional accomplishment	15	25.9	13	22.4	6	10.3
Developing /using skills and expertise	2	3.4	12	20.7	14	24.1

It was evident that one of the main reasons why a majority of respondents became care home managers was to improve the quality of care for older people:

> I found when I worked in the general sector, which was the hospital, that the elderly, care of the elderly had a very low profile and I don't think that is correct. I think you need a lot of skills and expertise to look after the elderly... The elderly were always low priority and if you can do something to raise the image of caring for the elderly [then] I think that's really my motivation for coming into this type of work (LA1NP4).

> I think probably part of my training was with older people in a nursing situation, so I suppose I saw the needs of the elderly as probably being on the back boilers really. I didn't think that the care of the elderly was that important at the time. I think the wards seem to be overcrowded and, you know, people suffering from strokes didn't seem to get the amount of care they needed and I suppose that led to my interest in the elderly (LA4 NP3).

> I suppose really it's my experience of having worked in care homes and the need for there to be sort of good standards of care. I mean here we tend to run very much as a family and try and create an atmosphere where the clients feel that they are at home. I think that's important to them (LA1 NP6).

The nature of owner/manager motivations can also be inferred from some of their current frustrations:

> So when I finished [nursing training], I wanted to go on to surgery, but there weren't any jobs and I ended up working in a nursing home. and I think as I've got to know old people ... and I think that society doesn't appreciate the needs of ordinary folk, and the fact that they've done a lot and given a lot to this country that they should be respected (LA6NP5).

One of the assumptions of this study was that the professional motives are likely to occupy a significant place in owners'/managers' overall motivations. Indeed, the interview data indicated that professional accomplishment and development of skills and expertise were important motivations for most respondents.

> ...I had such strong desires at an early age to be a nurse, and I've never ever really wanted to do anything else and that's always been my big motivation, that I get enjoyment out of it. I enjoy knowing that I've helped somebody or I've made a difference in somebody's life. and I think that is what keeps me motivated even through difficult times - the fact that a lot of people are vulnerable and they need help from people like me....(LA6NP6).

Interviewees were also asked if their motivations have changed since they first started working in the care home sector. Table 5.4 shows that 25

owners/managers reported changes in their motivations, compared to 33 interviewees who said that their motivations remained unchanged.

Table 5.4 Changes in owners'/managers' motivation

Sector	Changes in motivations	
	Yes	No
Private-for-profit	13	15
Voluntary	9	12
Local authority	3	6
Total (N=58)	**25**	**33**

With regards to the changes in motivations, overall, there were mainly positive changes which the interviewees described 'as their principal motivations becoming stronger and more complex' compared to their motivations at the beginning of their career. As one provider explained:

> Yes, I think they [motivations] have [changed]. I am more motivated to make the business succeed. Without it, people would suffer because of the state of the residential care market. I work harder to make this business work because it has got to remain. I don't see any option, I have got to make it work (LA1OP4).

According to another interviewee, the main motivations have remained the same.

> I don't think they have changed, you know. I don't think. I suppose it gets more complex in different ways, but no, I think your aim is still the same. I think within the six corporate principles of care you have tot respect, it's about respect for the older person, maintaining that respect, the dignity, giving them choices and rights and autonomy and fulfilment of their life. and that's taken away as you get older, that diminishes because you are not well or perhaps it's your physical health or financial stability... (LA4IH2).

For others, however, their motivations have changed to the extent that they have become less enthusiastic. As one interviewee explained:

> Oh, definitely yes, I was going to change the world... You know, you come in with an ideal, and you start quite low down and you think 'Oh, if I was the manager I wouldn't do that. I'd change that'. and you do change things and you get disillusioned very quickly by procedures, and well bureaucracy really, that you are not allowed to do this and you're not allowed to do that. So, yes, on the whole I think I'm, I think I'm still sufficiently motivated to do it, but probably not as enthusiastic as I was (LA5IH1).

Interviewees were also asked about the aspects of their work which they find de-motivating and frustrating in their everyday running of a home. For a large number of owners/managers, paperwork was reported as one of the main de-motivating factors. As one provider pointed out: "The bureaucracy, all the paperwork takes precious time from the clients" (LA1 OP1).

According to another provider:

> Well, I'm far removed from the residents to what I used to be, you know. I mean L... office was my office and all the senior staff shared the office and it was like, you know, we all did what needed doing like accounts, rotas and stuff like that and we went out into colleges as well. Whereas here, I'm snowed under with paperwork. I do go down on the corridors, I mean if I was needed I would close this door and go. But you do lose, I mean I knew every resident, you know, inside out sort of thing, and now I have a job with names, remembering them. (LA4OP5)

Other de-motivating aspects included the staffing issues related to recruitment and retention, lack of financial resources, and meeting the national care standards requirements. Among those, the difficulty of finding the right kind of people to provide care was, for many care home managers, one of the main sources of frustration. As one interviewee explained:

> Yes, the staff situation isn't very good these days. No one wants this job because – I don't know – it's changed, the people have changed. It's a job, it's not that they want a caring job ... and it's very difficult to find nice people and caring people ... (LA4OP4).
>
> I think probably the staffing thing is the biggest problem. We have a good staff but recruiting care staff, because in part of low wages and high employment in this area, that is the problem. It is difficult to recruit good new staff, it takes quite a long time to get the right person ... It's always been difficult to recruit new staff, and has got worse. It is a huge problem in this area. (LA5OP2).

The data on owners'/managers' expressed and ranked motivations was further analysed. The results are presented in the next section.

5.6.3 Owners'/managers' motivational structures

Was there a pattern to these expressed motivations?

Factor analysis was used to identify the principal motivational structures. In the previous work (Kendall et al. 2003), the statistical method employed to differentiate motivational categories was cluster analysis. Here, the aim was also to identify the main groups of motivational components. Using factor analysis essentially offered more methodological power. It was therefore possible to examine in more detail interactions within motivational attributes themselves.

For the purpose of obtaining a single motivational score, the ranking and expressed motivations data were combined, producing a motivational score for each respondent. These scores were entered into the factor analysis in order to identify the underlying relationships among a group of related motivational dimensions (Pallant 2001). The eight motivational dimensions listed earlier in Box 5.1 were subjected to principal components analysis (PCA) in order to detect existing structures in their relationship. This analysis revealed the

presence of four components with eigenvalues exceeding 1, which independently explained 21.5%, 17.8%, 15.6% and 14.3% of the variance respectively. The rotated results presented in Table 5.5 reveal a relatively complex structure of motivational dimensions with all four components displaying a number of strong loadings on different motivational indicators.

Table 5.5 Distribution of motivational indicators across four components

Motivational indicators	Four factor analysis components			
	Professional motivations	**Client-specific caring motivations**	**Client-generic caring motivations**	**Financial motivations**
Developing / using skills and expertise	.824	-.143	-.040	.202
A satisfactory level of personal income	-.742	-.198	-.084	.399
To meet the needs of older people	.229	.805	.168	-.015
Professional accomplishment	.394	-.759	.222	.072
Duty / responsibility to society as a whole	-.068	.219	.797	.129
Independence and autonomy	-.117	.240	-.789	.232
Duty/ responsibility to a particular section of society	-.253	-.075	-.069	-.872
Income and profit maximising	-.165	-.082	-.079	.447
Percentage of variance explained (total 69%)	**19.4%**	**17.5%**	**17.0%**	**15.4%**

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization
An inspection of the Scree Plot showed a clear break after the fourth component. Thus using the scree test, it was decided to retain four components for future analysis.
In order to aid the interpretation of these four components, Varimax rotation was performed.

The four-factor solution presented in the table explained a total of 69 per cent of the variance. The first component was labelled *professional motivation* as it weighs most heavily on skill use and professional development, and highly

negatively on a satisfactory level of personal income. Out of the four components, this professional motivation dimension explains the largest proportion of the observed variation in the patterns of motivational responses in the sample.

The second most powerful component in terms of the proportion of the variation it explains can be labelled *client-specific caring motivation.* It loads significantly and positively on meeting the needs of older people and has a strong negative loading on professional development. Within this component duty to society as a whole and autonomy were also fairly important.

A third component can be described as the *client-generic caring motivation* (caring for vulnerable people) with a strong positive loading on a sense of duty to society as a whole, and weaker positive loadings on professional development and meeting the needs of older people. This component had a heavy negative association with autonomy and independence.

Finally, the *financial motivations* component indicated a strong positive loading on profit maximising and achieving satisfactory levels of personal income, weaker positive loadings on autonomy and skill use, and a heavy negative loading on meeting older peoples' needs.

The relationship between the four motivational components and sector of ownership was examined. Perhaps not surprisingly given the relatively limited sample size, analysis of variance revealed no significant differences between sectors in terms of the motivational components (Table 5.6). However, closer examination of the mean plots for each of the four components indicated different tendencies across sectors.

Table 5.6 Differences between sector of ownership and factor scores across four motivational components

Motivational components	F-value	Significance
Professional motivations	0.896	0.414
Client-specific caring motivations	0.273	0.762
Client-generic caring motivations	0.343	0.711
Financial motivations	0.081	0.923

It appears from this examination that professional motivations were more likely to be expressed by private sector owners/managers. Client-specific caring motivations (older people) were slightly more common among voluntary than private sector owners/managers. Local authority managers were the most likely to express client-generic caring motivations. Finally, the financial motivations mean score was highest for the private sector.

5.6.4 Associations between relational attributes and motivational typologies

During the interviews information was collected on a number of 'relational dimensions' (Box 5.2). The questions were phrased in a way to generate graded responses to the set of specific relational dimensions presented in Box 2. These gave data on information sharing between owners/managers and commissioners, operational aspects and degree of care home owners'/managers' involvement in care packages and reviews.

Box 5. 2 Relational indicators

Trust in the reliability of information

Trust in the comprehensiveness of information

Level of input into initial user assessment

Level of input into care reviews

Problems with delayed payments

Problems with delays from assessments to admissions

Problems associated with clarity of purchasing intentions

Respondents were asked to indicate the degree of trust and information-sharing practices with commissioners in their local authority. Information was also gathered about owners'/managers' level of involvement into care assessments and care review processes. In addition, information was collected on interviewees' experiences with regards to operational problems associated with the management of care homes such as delayed payments for services provided, delays from clients' assessments to admissions and problems associated with the clarity of purchasing intentions.

In order to explore possible associations between these relational dimensions and motivational components a correlation analysis of the two sets of indicators was carried out. The interpretation of the correlations does not imply a direction of causality: the starting assumption is that the relationship between the motivational and relational factors is endogenous in nature, making it difficult to differentiate between the simultaneous effects of the two

sets of factors. Furthermore, the analysis lacked the data required to attempt to disentangle the two effects by using, for instance, instrumental variable estimation techniques.

The obtained correlation results indicated several significant associations between relational and motivational indicators (Table 5.7). A positive significant correlation ($p=0.041$) was found between professional motivation and the level of trust reported with respect to reliability of information. Another highly significant positive correlation ($p=0.004$) was detected between client-generic caring motivations and respondents' trust in the comprehensiveness of information communicated by their local authority. Finally, a negative significant correlation ($p=0.016$) was found between client-generic caring motivations and having had problems associated with clarity of local authority's purchasing intentions.

Table 5.7 Correlations between relational indicators and motivational components

Relational indicators	Motivational components							
	Professional motivations		Client-specific caring motivations		Client-generic caring motivations		Financial motivations	
	Pearson Correlation	Sig. (p value)	Pearson Correlation	Sig. (p value)	Pearson Correlation	Sig. (p value)	Pearson Correlation	Sig. (p value)
Trust in the reliability of information	0.269*	**0.041***	0.043	0.751	0.257	0.051	-0.105	0.434
Trust in the comprehensive ness of information	0.225	0.090	0.035	0.795	0.372*	**0.004***	-0.196	0.139
Level of input into initial user assessment	0.199	0.135	-0.079	0.557	0.154	0.248	-0.068	0.612
Level of input into care reviews	0.145	0.277	0.061	0.651	-0.080	0.550	-0.046	0.731
Problems with delayed payments	-0.027	0.841	0.020	0.879	0.052	0.699	000	999
Problems with delays from assessments to admissions	0.055	0.684	-0.170	0.201	-0.114	0.393	0.123	0.360
Problems associated with clarity of purchasing intentions	-0.058	0.664	-0.122	0.362	-0.314*	**0.016***	-0.169	0.206

* Significant correlations

Of particular interest for this thesis were those relational attributes most likely to be associated with the professional component. No other significant

associations were found, apart from the one mentioned above, with regards to professional motivations. However, a more detailed examination of the correlations revealed that, compared to other motivational components, the professional dimension displayed a number of interesting relational tendencies. For instance, even though not significant there was some indication of association between professional motivations and a degree of input into initial care assessments and care reviews. Although none of these correlations achieved statistical significance, they nevertheless displayed the highest correlation coefficients among the four components.

5.6.5 Care home owners'/managers' professional motivations

Information about interviewees' professional motivations was collected on a number of job-related dimensions (Box 5.3).

Box 5.3 Job elements

1. How would you describe your job?

A job that is valued in society

A job that you would recommend

A job that allows you to develop

A job that you have never regretted that you chosen

A job that you get tired of after a while

A job that constantly gives you new experiences

Other

2. What do you currently expect from your job in terms of personal and professional fulfilment? For example:

Your job is challenging

Enables you to develop your skills and expertise

You enjoy providing residential care

Provides financial security

Recognition by other managers / owners, purchasers and regulators

Other

3. Could you tell me which of these factors are currently important for your overall job satisfaction?

Providing good quality care

Using/developing your skills

Working with a capable social care staff

Career development

Reputation among managers / owners, purchasers and regulators

Other

The findings so far indicate that professional motivations appear to be an important intrinsic dimension. This was further supported by the

information collected regarding owners'/managers' professional aspirations and career satisfaction. When the respondents were asked explicitly about their career choice, around 90 per cent said they were very satisfied and some 88 per cent said that they enjoyed providing residential care for older people. For several small owners/managers their career satisfaction was closely associated with a sense of professional achievement.

> There are aspects that I find more challenging, more exciting now and that gives me a lot satisfaction...And from what we've started with there is an enormous satisfaction in seeing how we've been able to grow and develop (LA6OP2).

> Well, I was frightened at first, didn't really want to do it because I am not really the type of person to be alone and I was doing everything myself in the beginning. and I didn't think that I would be able to cope with it but I did. and I did it for five years on my own ... everything myself; and yes, I think I was satisfied because I didn't think I'd be able to cope with it (LA4OP4).

Three-quarters of the sample (74%) described the job of a care home provider as interesting and rewarding. and for many interviewees a job of managing a care home was characterised by constantly improving their skills and experiencing new situations. Some 71 per cent reported that the job of a care home provider represented an important source of personal income. As for the level of pressure experienced at work, around 40 per cent reported a lot of pressure whereas 35 per cent were exposed to some real pressure on an everyday basis. Although these findings revealed substantial amounts of pressure, 78 per cent felt comfortable with the demands of their job.

Based on respondents' accounts it was possible to identify two main types of pressures, which according to their source were labelled as internal and external pressures. The former include pressures originating from within their own care homes, ranging from requests for information from senior management, problems with client placements, to staff problems and excessive

paperwork. The external pressures were generally associated with growing demands for information and documentation from local authority commissioners and regulators of care home services. There was evidence that some larger care organisations were able to offer professional support to the managers experiencing pressures. As one respondent from a larger company noted, there was a good 'safety system' in place and according to another if owners/managers were experiencing pressure at work many find it helpful to share the problem with their colleagues.

It has been argued that people are interested in the social value of the service they provide and tend to work harder and experience greater job satisfaction if their work is perceived as important and valued (Argyle 1981). Although over half (57%) of the interviewees in the sample described their work as recognised and valued in society, others observed that the job of a care home provider was often undervalued in society. For them the job of running a care home was usually associated with a relatively low professional profile as well as insufficient information about the nature of the social care profession. As one respondent explained:

> I think again it's because... not a high enough profile has been put on caring for older persons... There is not enough publicity about what we actually do, what we can provide, how we do it. and I think that's why it's such a very low profile (LA5NP4).

The aim of the present study was also to explore whether the interviewees would recommend their job to someone else. It was clear that the majority would advise a person they thought had 'the right attitude' or someone with an experience of working in a care home. There was a shared feeling that, above anything else, a potential care home manager needs genuinely to care

for others. As one provider noted, "...you cannot care *for* people unless you care *about* people" (LA1OP2).

In terms of the factors important for job satisfaction, provision of good quality care was one of the most important aspects for almost all (98%) members of the sample. For 92 per cent of the sample, using and developing skills was essential in everyday work, whereas 56 per cent listed career development. Working with capable care staff was an important element of job satisfaction for around 90 per cent, and some 88 per cent selected reputation among other care home managers / owners as a significant dimension for their overall job satisfaction.

It was also interesting to explore the meanings associated with the frequently used phrase 'good quality care'. Overall, there was general agreement across the sample regarding the interpretation of good quality care. It was usually translated as 'treating clients as individuals', 'providing services tailored to their individual needs', 'improving users' quality of life' and 'respecting their dignity and privacy in a care home environment'. As one care home manager explained:

> Well, it's kind of like being treated right by the people who care for you. It's not just the fact that you are washed and dressed and fed, it's how that service is given. That it is given with dignity and... respecting client's privacy; and that it is given with kindness. So it's the ethos behind how the care is given. The fact that you are treated as an individual, that you feel wanted and in some ways that you've got purpose in life (LA4NP1).

In order to explore owners'/managers' professional expectations the information was gathered about their initial as well as present work experience. Three-quarters of the sample said that their initial career expectations were different from current job experience mainly in terms of

having more responsibilities than expected in the first place. Generally, it was acknowledged that the nature of work has also changed, with more emphasis on business and less on care. As one interviewee pointed out:

> I've changed from being a care manager to a business manager ... I think it's just gradually happened and you don't realise things are changing that much until it has happened. and then you sit and look back and think I'm not doing what I set out to do initially (LA4OP5).

> I think I was pretty naïve when I came into the job. ... It was different from expected because I wasn't trained initially to work out a budget, you know, before I came into the post... That was the main thing and I think it's the main thing now for managers. That's their expectation that you have to draw up a budget and a business plan and you are expected to work to it and keep within the goals that you set (LA1NP3).

To further examine the changes related to the nature of owners'/managers' daily duties, it was assumed that the distribution of time during a 'typical' working week between caring and non-caring duties would be a relatively reliable indicator (Appendix 4.4). The caring activities referred to tasks which involved direct interaction with care home residents as well as the indirect activities such as discussions with family members, care staff and local authorities concerning the welfare of the residents. As for the non-caring tasks, those referred to all other work including the managerial and administrative activities needed to operate a care home as a business.

The findings indicate that more than half of respondents' time was spent on duties that were usually not related to caring. On average 25 hours (51%) was spent on non-caring activities in privately owned care homes, around 26 hours (60%) in voluntary, and 22 hours (59%) in public sector care homes. These findings indicate that despite continuous demands on care home managers to deal with ever increasing managerial and administrative tasks, the majority seem to be adapting well to the changing circumstances of managing a care

home. Thus it is likely that a relatively high intrinsic value attached to professional motivations facilitates care home owners/managers in adapting to the changing nature of work. There was also a sense that a majority of the sample were enjoying these new responsibilities which were most likely to create positive challenges and lead to greater opportunities for professional development.

5.7 Conclusions and policy implications of the findings

This chapter set out to explore intrinsic and professional aspects of care home owners'/managers' motivations. The main findings indicate that the majority of respondents were essentially intrinsically motivated with relatively strong professional aspirations. Their principal motives were labelled as professional, financial, caring for older people (client-specific) and caring for vulnerable clients (client-generic).

Trust in the information provided by local authorities has been recognised as an important element in establishing productive relationships with care home owners/managers. In particular, trust was positively related to owners'/managers' professional motives and client-generic caring motivations. Following on from these findings one can broadly expect to find relatively strong links between local authorities' approaches to information sharing and owners'/managers' professional and caring motivations. Indeed, in order to achieve trusting and close working relationships, local authorities need to establish effective communication channels regarding future care plans, which would ensure that care home owners/managers are consulted and given the opportunity to participate in decision-making processes. In all, local authority

commissioners need to have a clear view of their future needs, and care home c need to be able to respond to market demands for care services.

This chapter demonstrated the professional and caring nature of residential care home owners'/managers' motivations with relatively high levels of job satisfaction voiced by the majority of the sample. Overall, there was a high degree of satisfaction with the career choice. The work of managing a care home was generally described as rewarding, challenging and valued in society. According to the majority of the owners/managers, their most important responsibility was to ensure provision of good quality care. This was closely followed by the high job satisfaction that was mainly associated with the fulfilment of professional aspirations such as developing and using skills. Translated into the language of the motivation-hygiene theory, the *satisfiers* were found to occupy a significant place in shaping owners'/managers' professional motivations.

The evidence presented here implies a need to consider professional motivations in the process of developing care home policies, and of course their importance has been recognised in recent government initiatives to improve qualification standards of social care professionals. The role of the care home manager has changed considerably over recent years, with efforts made to create more structured educational pathways for these professionals. For example, it is now compulsory for care home owners/managers to acquire level 4 NVQ qualifications for managers. The professional profile of a present day care home manager encompasses a wide range of responsibilities, including day-to-day operational manager, business manager and (if necessary) principal carer. Furthermore, it is absolutely essential that care home managers are well informed and up to date with the latest policies, in

particular those related to quality and care home regulations (Chambers & Tyrer 2002).

The balance between care home managers' caring and non-caring responsibilities has changed over recent years largely in favour of non-caring duties. Indeed, this chapter indicated that more than half of a care home managers' time was spent on activities not directly linked to caring. The job itself has also become more business-focused, with many owners/managers under pressure to quickly adjust to the changing nature of work by acquiring new professional skills and staying informed about the latest policy developments. However, despite the fact that overall less time was spent on direct caring, nevertheless the caring motivations such as meeting the needs of older people were still considered their main priority. Indeed, within this new context their intrinsic motives could be referred to as 'act-irrelevant' altruistic motivations where a sense of altruism is not necessarily affected by direct engagement in caring activities (Le Grand, 2003). From the participants' accounts it appeared that the external factors were generally having relatively short-term effects, portraying them as being well attuned to their constantly changing role as owners/managers of care home services.

Overall, no marked differences were found in motivational tendencies across provider sectors. There was some suggestion that professional motivations were more common among managers of private sector homes, that voluntary home managers expressed higher levels of client-specific caring motivations, and that client-generic motivations were more prevalent among public sector managers. But, none of these differences was statistically significant which could imply two likely scenarios: (1) that with regards to motivations there are no core differences between the sectors, or (2) that our sample was too small to detect any significant variations.

The evidence presented here has demonstrated that a range of personal and social factors could influence owners'/managers' intrinsic motivations, and could therefore potentially make an important impact on their performance. With growing pressure on care services, future policy developments need to be sensitive and responsive to the professional demands of the staff working in the care home sector. Social policies themselves can trigger different motivational tendencies. As illustrated by Taylor-Gooby et al. (2000), policies designed within an altruistic paradigm foster altruism whereas policies that encourage self-interested motivations usually result in egoistic behaviours. In their study exploring the main reasons for the large proportion of dentists exiting the NHS and moving into private sector practice, Taylor-Gooby and colleagues found that both financial elements as well as professional aspirations for clinical autonomy and quality of services were important.

Thus the findings indicate that policy makers should strive towards 'robust' policies, which also take into account social aspects such as professional cultures. Many respondents in this study expressed satisfaction with their work and were primarily intrinsically motivated to provide good quality care. Moreover, despite some significant financial challenges experienced by many care homes, morale among the owners/managers was relatively high. National and local authorities need to ensure that their policies and their everyday dealings with care homes sustain and strengthen the existing enthusiasm among care home owners/managers.

Chapter Six

Motivation and Commissioning: Perceived and Expressed Motivations of Care Home Owners/Managers

6.1 Introduction

Commissioning of social care for older people has seen major changes since the early 1990s. Considerable responsibility now rests with local authority staff, whose views of care home owners'/managers' motivations, their perceived strengths and weaknesses as service providers, will have a bearing on commissioning decisions. This chapter examines commissioners' views of provider motivations in eight English local authorities and compares their perceived motivations with owners'/managers' expressed motives. The analysis will also focus on exploring possible associations between commissioners' perceptions of motivations and the nature of their relationships with care home owners/managers.

Social care for older people has witnessed major reforms over the last decade. As indicated in Chapter Two, one substantial change has been a shift in the balance of provision away from the public sector and towards the independent sector, with local authorities assuming new commissioning and purchasing roles (Knapp et al. 2001). Local authorities soon learnt that successful commissioning – which must surely be gauged in terms of whether good quality services are provided to people who need them, with desirable outcomes being achieved at a cost that is considered affordable – depends to a great extent on good relationships with owners/managers. A key element in

establishing such relationships is getting a better understanding of owners'/managers' motivations, and so an understanding of how they might respond to different incentives (Wistow et al. 1996). More generally, the emphasis on a better understanding of agents' intentions by principals has been recognised as an essential ingredient in the government's continuous efforts to improve delivery of high quality user-focused services (Le Grand 2003; HM Treasury 2003).

6.2 Commissioning in the policy context

Commissioning can be broadly described as the process of using public resources effectively in order to meet the needs of the local population (Department of Health 2006). Decisions must be taken about the types of services required to meet local needs, the sector and organisation balance needed to ensure the supply of required services, and the quality assurance aspects of care provision (Bamford 2003). Through commissioning, relationships between local authorities and care home owners/managers are thus established and modified accordingly. Successful commissioning largely depends on whether there are well-established and mature relationships between providers and commissioners (Banks et al. 2005).

The *National Service Framework for Older People* (Department of Health 2001a) posed major challenges for commissioners, in particular by putting an emphasis on local arrangements for delivery of person-centred care. This meant not only greater commissioning freedom in terms of tailoring services according to user needs, but also greater involvement of older people in identifying care needs and devising plans for meeting them, in turn likely to lead to demands for a wider range of available services. To achieve this, local

authorities need to devise commissioning strategies that would stimulate the local market.

Evidence from the earlier work carried out jointly by the Personal Social Services Research Unit (PSSRU) and the Nuffield Institute for Health indicated a growing recognition among commissioners of local authorities' increasingly active participation in shaping local markets (Hardy et al. 2001). The nature of that active involvement is dictated in part by the nature of their relations with providers. Although most local authorities have moved toward greater participation of the independent sectors in planning and delivery of services, there has been some reluctance to involve them as equal partners (Social Services Inspectorate 2002). Frequently, a general lack of trust and understanding has been a cause of problems (Wistow et al. 1996; Audit Commission 2004). According to local authority officers and members, providers have an insufficient understanding of public sector funding mechanisms and pressures. Independent sector providers were perceived as mainly profit-driven and their frontline care workers not as well trained as local authorities' own in-house care staff (Audit Commission 2004).

The importance of good relationships between the parties involved in care services has been emphasised many times; for example, it is highlighted in the Government's 2005 Green Paper, *Independence, Well-Being and Choice* (Department of Health 2005). The need to develop a strategic commissioning framework across all stakeholders within the care system is recognised, together with the need to achieve the right balance between prevention and service provision in accordance with local needs. This Green Paper identifies local authorities as key strategic players with responsibility for ensuring delivery of highly integrated care services designed to meet needs,

again emphasising the desirability of close, trusting relationships between commissioners and providers.

Successful commissioning requires an imaginative approach. The challenge now facing councils is to take a strategic, long-term view of the sort of services needed in their areas. In that process of making longer term commissioning plans their relationships with local care providers will play an important part in determining the choice and quality of care service available. Local authorities have been urged to become more responsive to meeting the needs of their local populations primarily by offering a wider range of alternative care services. To achieve this they need to devise commissioning strategies that would stimulate the local market, focusing primarily on the local provision available from the voluntary, independent and public sectors, and developing close working relationships with local providers.

Indeed, some local authorities have adopted a quite proactive approach to addressing the issues of commissioner-provider relationships. For instance, the Building Bridges pilots in two local authorities were an attempt to find better ways of working and improving relationships between commissioners and providers. The pilot programme sought to fund a full-time post in order to improve overall joint working between commissioners and providers. The main objectives of the new posts were to assist providers in accessing training to meet national care standards, to develop a robust communication strategy so that providers can be better informed and work more effectively together, to improve providers' business confidence and their relationships with in-house providers, and to recruit independent sector providers to membership of the associations. The experience from the pilots indicated that having this post enabled both local authorities to have more constructive discussion and not just discussions about fee levels (Spencer and Padgham 2005).

The development of individualised and personalised services is a key theme of current public policy and signals a shift of emphasis from structures to people. But if personalised care is to be made a reality, current ways of commissioning services will have to change. According to the CSCI report (2006a), while some local authorities are beginning to show a better understanding of the need for a strategic approach to commissioning services that enable people to live their lives to the full, too many are still commissioning the same traditional profile of services. For instance, direct payments are a good example of a policy to put personalised care into practice. The report concludes that local authorities need to find new approaches to commissioning in order to ensure that services are more responsive, flexible, and suited to individual needs. There is considerable scope for improvement in the way services are commissioned. Whilst some authorities have developed constructive partnerships with independent sector providers, many do not engage well enough.

The Third Sector Commissioning Task Force report (2006) identified a number of critical barriers to cost effective commissioning in health and social care including:

- Variable skills and capabilities among commissioners (commissioners focusing on individual contracts rather than local, regional or national markets; and limited understanding of the third sector market, investment mechanisms and options)
- Limited user and provider involvement in planning (perception that involving potential third sector in service planning would constitute a conflict of interest)
- Inconsistent processes across health and social care (variation in commissioning regimes, timetables and budget setting)

- Procurement processes seen as more important than planning (limited attention given to identifying the needs of users and procuring services which address them; and difficulty in ensuring that services are values driven)
- Failure to map recruitment against workforce capacity and capability (limited forward planning for the skills required as local demographic characteristics change; and limited joint workforce development constrains potential for greater consistency).

Even though some local authorities are working with providers to change services, for the most part relationships remain poor with little improvements despite being recognised as one of the policy priorities (CSCI 2006b). While the CSCI report (2006a) concluded that commissioning is continuing to improve and some new types of services are being commissioned, in the effort to balance budgets, councils have had to tighten eligibility criteria. Long-term planning needs to be more effective in underpinning the procurement of services. There is also very mixed practice in analysing needs, demand and supply; in relationships with stakeholders; in market development; and in 'commissioning for quality' with the involvement of local people.

6.3 Previous evidence on owners'/managers' motivations

Despite the relevance of motivations in the context of care provision and commissioning, there is relatively little research on its nature or role. Available evidence from other fields suggests relatively strong links between policies and motivations (Taylor-Gooby et al. 2000; Martin, Phelps and Katbamna 2004).

Between 1990 and the early 2000s, as part of the Commissioning and Performance programme (formerly Mixed Economy of Care research programme) conducted jointly by the Personal Social Service Research Unit (PSSRU) and the Nuffield Institute for Health at Leeds, a research team had collected valuable evidence about the progress which local authorities have made in developing and managing a mixed economy of care. One of the aims of the programme was to examine strategic approaches and intentions and to evaluate changes in local authority attitudes to the general development and management of a diversity of social care providers. A first round of interviews with directors of social services was conducted in 1990-1991 across a sample of 25 English local authorities, followed by a second series of interviews in 1993-1994 and a third in 1995-1996. In a further phase in 2000, interviews were conducted in a sub-sample of eight authorities, plus three new unitary authorities that had been established within county councils previously in the sample.

The evidence showed that in the early days of mixed economy of care, social services directors' attitudes toward the independent sector providers were largely characterised by high levels of mistrust and hostility. The findings were discussed with regards to the underlying motivations of the private sector provides as primarily interested in profit maximising (Wistow et al. 1996, Hardy 2002). The evidence from the interviews carried out in 2000 indicated that, across the sample authorities, directors of social services were able to give a clear rationale for further externalisation of services, a clear justification for retaining some in-house provision, an increasingly prevalent view that service commissioning should involve active market shaping and market management, and a growing acceptance of the need to develop collaborative

commissioning arrangements with independent sector care home owners/managers (Hardy 2002).

However, the findings from the subsequent interviews indicated that overall, there have been some marked changes in local authorities' attitudes to working with independent sector owners/managers. Many authorities had realised that the independent sector motivations are far from just profit maximising. Furthermore, it was recognised that the policy is increasingly concerned with best value rather than values and ideologies associated with the public/private ethos of service provision.

The evidence further showed that there have also been changes to local authorities' perceptions of their commissioning roles. Overall, there was a growing acceptance not just of the need but of the *desirability* of actively shaping local markets. Increasingly, too, a majority of the sample authorities were working much more with smaller lists of preferred provider organisations, in specific geographical areas, who were being offered cost and volume and/or block contracts rather than the preponderance of spot contracts offered in the past. These developments indicated that the commissioning strategies were moving toward longer-term, higher-trust relationships with the independent sector managers / owners (Hardy 2002, Knapp et al. 2001; Chapter Five of this thesis).

With regards to care home owners'/managers' motivations more specifically, as was described in the previous chapter of this thesis, Kendall (2001) demonstrated that, overall, independent sector care home owners/managers expressed caring motivations together with a strong drive for professional achievements and securing a satisfactory level of personal income. Respondents were classified into three broad categories, which he called

empathisers, professionals and income prioritisers. Kendall's study also identified the importance of autonomy and independence in running a business and that independent sector care home owners/managers expressed a relatively strong sense of being in charge of their business affairs.

The complex nature of motivations was further demonstrated in a study of domiciliary care independent sector owners/managers (Kendall et al. 2003). The analysis indicated that motivations are far from being a simple concept, where owners'/managers' motivational profiles represented end products of their personal motivations and situational factors, combined with the subjective experiences of their environment.

The more recent exploration of care home owners'/managers' motivations set out in the previous chapter confirmed the earlier findings from Kendall's (2001) work, indicating that the majority of respondents were, above all, motivated by meeting the needs of older people, plus demonstrating a strong sense of professional achievement . Further examination of the motivations in Chapter Five revealed that, based on their expressed motivations and relevant situational factors, interviewees could be grouped into four main categories, labelled as: professionals, those with client-specific motivations, those with client-generic caring motivations, and those with primarily financial motivations. Professional development was essentially the main motivator for the majority of respondents, which was further reinforced by relatively high levels of job satisfaction. The study concluded that if policies are to be effective in improving service quality, it is paramount that, among their other motivations, the professional aspirations of the people working in the sector are adequately addressed.

From this evidence there is a relatively strong indication that provider motivation is a multidimensional construct, often affected by a number of external factors, and generally recognised as an important element in the provision of care for older people. To examine the extent to which owners'/managers' motivations are considered to be important in the commissioning process itself, a study was designed that sought to test the level of 'agreement' between *expressed* and *perceived* motivational tendencies. By *expressed motivations* I mean owners'/managers' own subjective (and stated) accounts of their motives for running care home services. On the other hand, *perceived motivations* are defined here as representing commissioners' views and interpretations of those same owners'/managers' motivations. If one assumes that commissioners' views of provider motivations will influence their commissioning decisions, then misconceptions could have a negative effect on relationships between the two parties, while accurate assessments of owners'/managers' motivations are more likely to lead to better partnership working.

6.4 Methods for data collection

6.4.1 Sampling strategy and data collection

Data from commissioners and care home owners/managers were gathered in eight local authorities in England which had originally been selected in 1994 during the first study of residential care organisations (see Chapter Four).

In order to select the *commissioner sample* for the present study, care home managers from each authority were consulted to help in identifying suitable individuals. All of the potential interviewees were largely responsible for different aspects of commissioning and purchasing care services for older

people. Letters with a brief outline of the study objectives were sent to them, and to the social services directors in each of the eight local authorities. The aim was to select one local authority commissioning or purchasing member of staff from each locality.

For the selection of the *provider sample* a two-stage approach was used to collect data from the sample of care home owners/managers. First, in each of the eight localities, homes from two earlier studies (Kendall 2001) were approached in order to collect follow-up information. Second, in order to achieve greater representativeness, the original sampling framework was modified to include a broader range of homes (see Chapter Four for more details). In total, 58 care home owners/managers were interviewed. The conversations with the selected care home owners/managers were recorded and transcribed.

Ten local authority commissioners from eight local authorities were interviewed using a face-to-face semi-structured schedule (Appendix 4.6). In two authorities, commissioners preferred to be jointly interviewed with one of their colleagues in order to provide a fuller picture of their local commissioning practices. However, during the analysis, the information from those two interviews was treated as if gathered from a single interviewee. For the purpose of clarity from now on all of these respondents will be referred to as commissioners, although their actual job titles varied (see Box 6.1).

The commissioner interviews were conducting in the first half of 2005. The main topics covered in the interview were the commissioners' profile, knowledge of the local market, views regarding the nature of owners'/managers' motivations, interpretations of their relationships with care home owners/managers, and partnership initiatives in their local area

(Appendix 4.6). In order to explore commissioners' views of care home owners'/managers' motivations a list of eight motives was used which, according to previous social policy research (Wistow et al. 1996, Kendall 2001, Kendall et al. 2003), were likely to cover the principal motivations of care service owners/managers.

6.5 Results

6.5.1 Interviewees' profiles

Respondents were asked to provide information regarding their job title and the length of time they had been working in their current post. In addition, they were asked about their professional experience before taking on their present job. From Box 6.1 it is evident that their job titles varied greatly, but were nevertheless closely related to either commissioning or contracting roles.

Box 6.1 Interviewees' current job titles
Group Manager for Purchasing and Contractual Relations with Providers
Strategy and operation manager for older people and deputy head of adult community care
Service Unit Manager
Principle Commissioning Officer
Head of Adult Services
Head of Contracting for Social Services
Head of Adult Commissioning
Head of Service Policy and Standards Contracting
Principal Manager for Community Services for Adults
Social Services Contracts Development Manager

The longest any of these respondents had been in their current commissioning post was four years, but this was actually a very experienced group: on average, they had spent around 18 years working for social services in various capacities. They were expected to carry a variety of responsibilities in their current posts. Main duties included dealing with all aspects of service contract terms and conditions, working with independent sector owners/managers to ensure sufficient capacity to meet local needs, contracting and commissioning of a broad range of care services, management of partnership work related to integrated services between health and social care, working across all three sectors (statutory, voluntary, and private) to manage the market, and developing contractual frameworks.

6.5.2 Commissioners' views of owners'/managers' motivations

Interviewees were asked to select relevant motives that they thought represented the *building blocks* of owners'/managers' motivational profiles.

They were asked to express views about their *local* care home owners/managers. From the eight motives they were able to choose as many as they considered relevant. To determine if responses would vary by sector of ownership, commissioners were asked to give their views of owners'/managers' motivations' separately for each of the three main sectors: private for-profit, voluntary, and public (in-house) managers. As the sample consists of only eight authorities the results are presented by quoting actual numbers rather than percentages.

Table 6.1 shows commissioners' perceptions of owner/manager motivations. All eight interviewees viewed *private-for-profit managers / owners* as essentially being motivated by a satisfactory level of personal income, meeting the needs of older people and professional accomplishment and creative achievement. Other possible motivations were expressed in the following order: income and profit-maximising, developing skills, independence and autonomy, duty to a particular section of society, and duty to society as a whole.

Table 6.1 Perceptions of owners'/managers' motivations by sector

Motivations	Perceived motivations		
	Private	Voluntary	In-house*
Meeting the needs of older people	8/8	7/8	3/3
Professional accomplishment	8/8	6/8	2/3
Developing / using skills and expertise	5/8	3/8	2/3
A satisfactory level of personal income	8/8	5/8	0
Independence and autonomy	4/8	2/8	0
Duty / responsibility to society as a whole	0	3/8	2/3
Duty / responsibility to a particular section of society	3/8	4/8	1/3
Income and profit maximising	7/8	3/8	0

* Only three local authorities had in-house provision.

There was less agreement about the motivations of *voluntary sector* managers (Table 6.1). The majority of the commissioners thought that meeting the needs of older people was an important motive, followed by professional accomplishment and a satisfactory level of personal income. Less than third of the interviewees thought that income and profit, duty to society as a whole, and developing skills were important motivations associated with voluntary sector providers in their local area.

Only three local authorities in the sample were providing care home services for older people through *in-house providers*. They all agreed that meeting the needs of older people was one of the main motivations of their providers. Duty to society as a whole, professional accomplishment, and developing skills were also considered to be important.

Therefore, as one commissioner commented, it would be misleading to consider care home owners/managers as a homogenous group in regard to their motivations. For instance, motivations depend on the size of a care home. While for small home-owners personal income is more important, larger care homes tend to be more concerned with profit maximising. The voluntary sector homes are overall more willing to diversify their services and generally express greater interest in professional development and creative achievement. As one interviewee explained:

> They [voluntary sector] are really responsive, some more than others and certainly we are doing some work under the Compacts initiative 'closer together'... But also the whole voluntary sector playing into the integration agenda and working with us and understanding around service level arrangements, funding and how we operate. It has become clearer for them and they are willing partners in terms of sitting around the table to see how will their business survive, not in one but in three years time. So it is much more longer-term view of business (LA5).

Interviewees were also asked to rank the three most important motivations for owners/managers. Achieving a satisfactory level of personal income was perceived as reasonably important for private sector owners/managers, but of little relevance for voluntary sector organisations (Table 6.2). Income and profit maximising was predominantly associated with the private sector. Meeting the needs of older people was thought to be slightly more important for voluntary sector care homes. Professional accomplishment was never

identified as the first-ranked motivation, but was nevertheless seen as important.

Table 6.2 Ranking of motivations by sector

Motivations	1st Ranked		2nd Ranked		3rd Ranked	
	Private	Voluntary	Private	Voluntary	Private	Voluntary
Meeting the needs of older people	1/8	2/8	2/8	4/8	3/8	0
Professional accomplishment	0	0	2/8	1/8	3/8	4/8
Developing / using skills and expertise	0	0	0/8	1/8	0	1/8
A satisfactory level of personal income	4/8	1/8	2/8	2/8	0	1/8
Independence and autonomy	0	0	0	0	0	0
Duty / responsibility to society as a whole	0	0	0	0	0	0
Duty / responsibility to a particular section of society	0	3/8	1/8	0	1/8	1/8
Income and profit maximising	3/8	2/8	1/8	0	1/8	1/8

The information on in-house care home managers' motivations are based on the reports from only three local authorities, and they were not listed it in Table 6.2. These managers were perceived by commissioners as mainly being motivated by meeting the needs of older people and development of skills and expertise.

6.5.3 Owners'/managers' expressed motivations

The information about care home owners'/managers' motivations was collected directly from 58 homes, 28 in the private-for profit sector, 21 voluntary or not-for-profit organisations and 9 local authority managed homes. These were all located in the same eight authorities as the commissioner sample. Most homes (76 per cent of the sample) were part of larger care home organisations. Thirty-one per cent of the sample were medium-sized homes and 45 per cent were corporate care home managers (Chapter Five provides fuller details).

Information about owners'/managers' expressed motivations was collected using an identical list of motives to that used in the interviews with commissioners. Owners/managers were asked to select motivations they found to be relevant and also to rank the three most important motives for them (Table 6.3).

Table 6.3 Owners'/managers' expressed motivations by sector

Motivations	Sector			Total
	Private N=28	Voluntary N=21	Local authority N=9	N=58
Meeting the needs of older people	25 (89%)	20 (95%)	9 (100%)	54 (93%)
Professional accomplishment	25 (89%)	15 (71%)	9 (100%)	49 (85%)
Developing / using skills and expertise	22 (79%)	17 (81%)	8 (89%)	47 (81%)
A satisfactory level of personal income	19 (68%)	16 (76%)	7 (78%)	42 (72%)
Independence and autonomy	20 (71%)	10 (48%)	6 (67%)	36 (62%)
Duty / responsibility to society as a whole	16 (57%)	9 (43%)	6 (67%)	31 (53%)
Duty / responsibility to a particular section of society	14 (50%)	11 (52%)	4 (44%)	29 (50%)
Income and profit maximising	4 (14%)	2 (10%)	1 (11%)	7 (12%)

The great majority (93 per cent) considered meeting the needs of older people among their important motivations, followed by professional accomplishment (85 per cent) and developing skills (81 per cent) (Table 6.3). A small proportion (12 per cent) of owners/managers acknowledged profit maximising among their relevant motivations.

Summary 'scores' for the rankings indicate that meeting the needs of older people was indeed the most important motivation for over a third of owners/managers (Table 6.4).

Table 6.4 Ranking of owners'/managers' expressed motivations

Motivations	1st Ranked		2nd Ranked		3rd Ranked	
	Count	%	Count	%	Count	%
Meeting the needs of older people	21	36.2	14	24.1	8	13.8
Professional accomplishment	15	25.9	13	22.4	6	10.3
Developing / using skills and expertise	2	3.4	12	20.7	14	24.1
A satisfactory level of personal income	8	13.8	6	10.3	13	22.4
Independence and autonomy	4	6.9	6	10.3	6	10.3
Duty / responsibility to society as a whole	3	5.2	5	8.6	3	5.2
Duty / responsibility to a particular section of society	4	6.9	2	3.4	7	12.1
Income and profit maximising	0	0	0	0	0	0

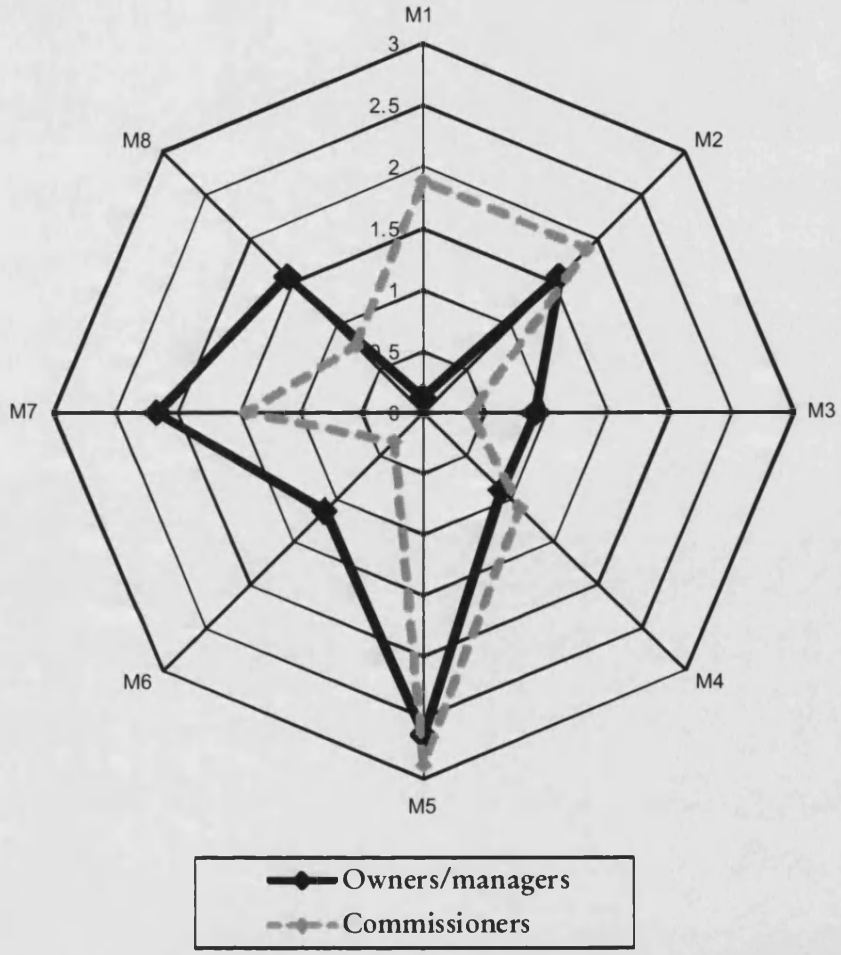
Professional accomplishment and development of skills were also given high priority by owners/managers. For a relatively small number of owners/managers, a satisfactory level of personal income was listed as their main driver. Finally, as Table 6.4 shows, none of the owners/managers considered income and profit maximising as one of their main motives.

The information from the owners'/managers' and commissioners' interviews was further analysed by comparing data on owners'/managers' expressed motivations with the commissioners' perceptions of owners'/managers' motivations. The results are presented in the following section.

6.5.4 Similarities and differences between perceived and expressed motivations

To examine the degree of congruence between owners'/managers' expressed motivations and those perceived by commissioners, mean values for all eight motivational dimensions were compared in a 'spider diagram' (Figure 6.1). Those values were derived using the combined motivational scores on expressed motivations and ranking data for owners/managers. The values for the commissioners' perceived motivations were calculated using the same approach. Ranking scores were assigned using a simple weighting method: the first-ranked motive was given a value of 3, the second a value of 2 and the third a value of 1.

Figure 6.1 Similarities and differences between owners/managers and commissioners perspectives



M1 – Profit maximising

M2 – Personal income

M3 – Duty to all

M4 – Duty to particular group

M5 – Meeting the needs of older people

M6 – Independence and autonomy

M7 – Professional accomplishment

M8 – Developing skills

The results reveal that, according to commissioners, the main provider motivation was meeting the needs of older people, and they appeared to attach even greater significance to this motive than owners/managers themselves (Figure 6.1). The caring motivation was closely followed by a satisfactory level of personal income and profit maximising, which was perceived by commissioners to be quite important to owners/managers. The need for professional development was also identified as one of the relatively significant motives, as was responsibility for a particular group in society.

In all, the evidence presented so far suggests some broad agreement between perceived and expressed owners'/managers' motivations. Owners/managers were essentially portrayed by commissioners as caring but also financially driven individuals with a strong business-like approach to service provision. According to commissioners, the core motivational tendencies among care home owners/managers were: client-specific, financial and professional motivations. Overall, commissioners appeared to have a generally accurate understanding of care home owners'/managers' underlying motivations. But, even though there seems to be a reasonably good level of agreement between perceived and expressed motivations, there are important differences in the *weights* attached to each of the three components. For example, references to financial motivations were far more prevalent in commissioners' accounts, whereas professional motivations, even though reported as relatively quite important by both groups, were given greater emphasis by owners/managers.

The relationships between perceived and expressed owners'/managers' motivational scores were further examined using analysis of variance. There were indeed some significant differences between the two populations (Table 6.5).

Table 6.5 Differences between commissioners' and owners'/managers' perceptions of motivations

Motivations	F-Value	Significance
Meeting the needs of older people	0.528	0.470
Professional accomplishment	3.940	0.051
Developing / using skills and expertise	7.823	0.007*
A satisfactory level of personal income	0.694	0.408
Independence and autonomy	7.240	0.009*
Duty / responsibility to society as a whole	3.225	0.077
Duty / responsibility to a particular section of society	0.393	0.533
Income and profit maximising	54.860	0.000*

*Significant at $p<0.01$ level

The most striking finding was the level of dissonance with regard to profit maximising. While for owners/managers, making profits was nearly completely disregarded as a relevant motive, commissioners – by contrast - thought that profit maximisation was among owners'/managers' principal motivations. The two groups also differed significantly in respect to independence in running a home, which was much more important to owners/managers than commissioners thought. These findings support some of the observations made in Kendall's (2001) earlier residential care study,

which recognised the importance of owners'/managers' motivations for independence and autonomy in running their own business. There was also significant difference between commissioners and owners/managers in the weight attached to developing skills: owners/managers put greater emphasis on this motive than perceived by commissioners.

Analysis of variance was also used to test for differences in commissioners' views of motivations by sector of ownership (Table 6.6).

Table 6.6 Differences in commissioners' views of motivations by sector

Motivations	F-Value	Significance
Meeting the needs of older people	1.400	0.277
Professional accomplishment	1.339	0.292
Developing / using skills and expertise	0.153	0.859
A satisfactory level of personal income	7.621	0.005*
Independence and autonomy	1.250	0.315
Duty / responsibility to society as a whole	1.474	0.260
Duty / responsibility to a particular section of society	2.268	0.138
Income and profit maximising	3.072	0.076

* Significant at p<0.01 level

The only significant difference between sectors was associated with personal income motivation. Not surprisingly, the private sector was perceived as being significantly more motivated by achieving a satisfactory level of income

compared to voluntary and local authority managers. As for the other dimensions there appeared to be no significant differences in terms of sector, but the small samples may have been a factor here. Similarly, no significant variations between sectors were found in owners/managers' expressed motivations (Chapter Five). For instance, while private sector owners/managers were more likely to express professional and financial motives, voluntary and local authority care home managers overall tended to report more caring motivations.

6.5.5 Role of motivations in the commissioning environment

Six out of eight commissioner interviewees thought that owners'/managers' motivations were important in the development of local authorities' commissioning strategies, and in some cases were regarded as being absolutely crucial. One of the reasons for raising the profile of provider motivations in the commissioning environment could be changes in the structure of care home markets. While several years ago people were retiring from paid employment and opening care homes because they enjoyed providing care for older people and wanted to have a satisfactory and broadly secure level of personal income, the market has now changed, not least because of changes in funding route (with central government no longer funding care home placements in the way that the former Department of Social Security did prior to implementation of the 1990 National Health Service and Community Care Act) and a degree of toughening of local purchasing strategies. With a large number of small homes closing down in recent years (Netten et al. 2005), the supply side of the market is also quite different, with corporate care home organisations steadily becoming major players (Matosevic et al. 2007).

According to one commissioner, it is essential to take owners'/managers' motivations into account primarily because of changes in commissioning strategies.

> Yes, we do have to think about provider motivations because we've committed ourselves to working in partnership, so it is no longer acceptable for commissioners to just think about what is it that we want and how much you are going to pay for it, which would ignore the issues that providers happened to address (LA5).

Two of the interviewees reported that, generally, motivations were not considered in the commissioning process. The rationale was that, in principle, the commissioning framework consists of certain safeguards including quality and price of care home services. Therefore, regardless of the nature of their motivations, in order to secure business contracts, care home owners/managers need to demonstrate that they can provide good quality care at a competitive price.

Interviewees were also asked whether they thought owners'/managers' motivations had changed over time (Table 6.7). Their views were almost evenly divided between those who reported changes and those for whom perceived motivations remained unchanged. This pattern was the same for both private and voluntary sectors. Some commissioners pointed out that, although the main motivations remained the same, owners'/managers' experiences of the care home market have nevertheless changed. They are now expected to invest more in training and also to respond promptly to the requirements of the new care home regulations. As one commissioner explained:

> I don't think that their [providers'] motivations have changed. I think the same motivations are there that were there three, four years ago. The market has changed. They've accepted first of all the commissioning strategy and within

that their role to provide good quality services in modern ways that meet the latest care standard requirements. Previously they were quite content to just have their traditional homes run in their traditional ways. They now realise that that is no longer acceptable (LA3).

The changes in motivations were also recorded in the provider sample where similar patterns were observed (Table 6.7).

Table 6.7 Changes in owner/manager motivations

Sector	Respondents	Changes in motivations		Total
		YES	NO	
Private	Commissioners	3	4	7*
	Managers/Owners	13	15	28
Voluntary	Commissioners	3	3	6*
	Managers/Owners	9	12	21
In-house	Commissioners	1	2	3*
	Managers/Owners	3	6	9

*The numbers do not add up to eight as some commissioners were unable to classify their answers either yes or no.
*Only three local authorities from the sample were still providing in-house care home services for older people.

Half of the respondents said that their motivations had changed largely as a result of recent care home policy developments. In some instances owners/managers reported that they felt more motivated now than when they started in the business. For others, changes were associated with professional achievements. According to some owners/managers, their greatest professional motivation was closely associated with a changed perception of their work, which they now saw more as a career path and not just a job. Overall, the changes were largely associated with their caring and professional motivations becoming more significant.

The sector of ownership appeared to be of little relevance in this context, with around half of the interviewees from each sector reporting changes in their motivational profiles.

6.5.6 Perceived motivations and relationships

The question of whether commissioners' perceptions of motivations are subsequently translated into the quality of their relationships with owners/managers was a further focus of this study. Interviewees were asked to describe their relationships with their local care home owners/managers. Three out of eight commissioners shared the view that generally they had very good relationships with care home owners/managers, built on mutual trust. The other five respondents described their relationships as reasonably good. There were no differences in response by sector of ownership. In some instances commissioners pointed out that the quality of the relationships varied depending on the subject of discussion. As one respondent noted:

> On some topics it [the relationship] is very good. When we talk about fees I think it becomes very bad. The independent sector still believes that we are protecting the in-house provider and they see this as unfair ... but overall, it is a reasonably good relationship (LA4).

And another interviewee explained:

> We've developed a very positive relationship over the years and that relationship makes it easier for providers to approach us. And that's about developing relationships and being visible, and being approachable... It is actually quite challenging to work like that because you have to be very transparent as local authority and you have to be very honest but you get the honesty back in return (LA3).

Data were further analysed in order to explore possible associations between commissioners' perceptions of motivations and the nature of their relationships with owners/managers. The correlation analysis revealed two significant associations (Table 6.8). A significantly negative correlation was found between profit maximising and the quality of relationships ($p = 0.006$), which indicates that commissioners' views of owners/managers as profit-orientated are likely to have negative effects on their overall relationships. Another significant negative correlation – between meeting the needs of older people and the quality of relationships ($p = 0.014$) – was somewhat surprising considering that one would expect altruistic motivations to be highly desirable in care settings.

Table 6.8 Correlations between commissioners' views of owners'/managers' motivations and relationship with owners/managers

Perceived motivations	Relationships	
	Pearson Correlation	(p value)
Meeting the needs of older people	-0.568*	0.014*
Professional accomplishment	0.113	0.655
Developing / using skills and expertise	0.409	0.092
A satisfactory level of personal income	0.203	0.419
Independence and autonomy	-0.081	0.751
Duty / responsibility to society as a whole	0.344	0.163
Duty / responsibility to a particular section of society	0.324	0.190
Income and profit maximising	-0.620**	0.006**

* Significant

One of the areas identified as in need of improvement was better information sharing with care home owners/managers. For instance, one commissioner explained that in their authority:

> At the moment it is down to homes to be proactive in finding out how to 'survive' in the care market. It has been recognised that the local authority needs to be more proactive (LA7).

Some authorities had developed an information-sharing strategy that enabled them to successfully communicate relevant information to care home owners/managers. One interviewee explained that the local authority had

become more transparent and proactive in their interactions with owners/managers:

> We now share performance information with them. We now ask them what information they would require to help them manage their investment plans. We respond to changes in our markets and share that information with them. and we do have a degree of trust now which allows us to maybe tackle some more radical issues like, if you are thinking of getting involved in extra care, how could you be involved etc (LA1).

The issue of information sharing was also explored among our provider sample, focusing upon communication, operational issues and owners'/managers' levels of input into setting up care plans and conducting care reviews. These particular dimensions have previously been found to be relatively closely associated with owners'/managers' motivational profiles (Kendall 2001; Kendall et al. 2003). The results indicate that around 38 per cent of care home managers reported always trusting in the information provided by their local authority. The level of trust was highest among private sector owners/managers (46 per cent) compared to 33 per cent of public sector care home managers and 29 per cent of voluntary sector interviewees. The findings further suggest that, overall, local authority care home managers were the least trusting of the three groups with respect to the information provided. Only one respondent in the sample reported never believing the information from the local authority.

Overall, the findings indicate that perceptions of owners'/managers' motivations are indeed likely to have an effect on the nature of commissioner-provider relationships. Information transparency, a pre-requisite for good and trusting working relationships, was also recognised as one of the areas in need of improvement. From the point of view of commissioners, local authorities have made significant progress in improving their role primarily

through becoming more involved and open in their interactions with care home owners/managers. On the other hand, according to care home owners/managers, while there was a reasonably high degree of trust in the information provided by the local authority, there was still a relatively limited amount of direct contact with their local authority's commissioning department.

6.5.7 Contractual arrangements

Local authorities' contractual arrangements represent a relatively important aspect of commissioner-provider relationships. There is still a culture of predominantly *short-term contracts* reflected in the lack of commitment to long-term relationships, poor contract management, and more specifically lack of understanding around third sector cost structures (Third Sector Commissioning Task Force report 2006). Similarly, the CSCI evidence for 2005-2006 indicated that 40 per cent were spot contracts compared to 32 per cent of block contractual arrangements (CSCI 2006a). These contractual patterns provide limited opportunities for owners/managers to plan ahead and lead to insecurities in terms of their business. Furthermore, spot contracts are often regarded as inefficient since they generate larger numbers of invoices and more paperwork.

Based on the information regarding the types of contracts used and preferred among commissioners the research in this thesis is examining possible links between perceived motivations and contractual arrangements. Primarily designed to give some indication of authorities' contractual decision-making processes, commissioners were asked to provide some relatively generic information on the contractual aspects of care home provision in their local authority (see Chapter Two, Box 2.1 for the types of contracts in social care).

The findings indicate that in seven out of eight localities, services were solely or mainly purchased using spot contracts. One London authority reported using both block and spot contracts, with the majority of good quality homes on block contracts. Two local authorities had small block contracts for respite care and one reported a block contract for nursing care. In another authority a block contract was awarded to a private care home with 10 beds purely because the residents from the closing home(s) wanted to remain together and the local authority was able to move them all to one home.

Overall, spot contracts were the most prevalent contract type, and block contracts were mainly used for more specialised services such as respite care. This mirrors earlier findings from the PSSRU's national survey of commissioning arrangements for older people's services in 2001 (Forder et al. 2003). That survey found that spot contracting was the dominant form of purchasing (94 per cent nationally) for external residential care services, while block contracting for the same services was reported by 26 per cent of respondents. The picture was quite different for in-house care home services, with 56 per cent having block contracts and only 9 per cent with spot contracts. In the present study, even though the majority of commissioners were satisfied with the contracts, in terms of the contractual arrangements, some authorities were seriously considering the possibility of changing from spot to more block contracts. As one commissioner explained:

> I want to establish a long-term relationship with a smaller number of preferred providers with whom we can develop a much better supply chain relationship. So that's our agenda. I've shared that with them [providers]. and I want them [providers] involved and I think that would also give us a better chance of stabilising and managing the risks that might otherwise arise (LA6).

These findings make it difficult for us to reach any specific conclusions regarding possible links between owners'/managers' perceived motivations and contractual arrangements. There was no evidence from the data that commissioners' perceptions of owners'/managers' motivations were associated with the types of contracts employed. The majority expressed largely pragmatic views of generally adopting a needs-driven approach where the contractual arrangements were predominately set on the basis of demand and supply of services in order to meet the needs of the local population. There was no indication that either good or problematic relationships had been consequently translated into specific contracting preferences. However, it was evident from commissioners' accounts that, regardless of contract type, the main ingredients for successful contracting were, above all, trusting and transparent relationships with are home owners/managers. Other important elements included good management, staff expertise, clear purchasing intentions, owners'/managers' commitment to provide quality care, and local authority's capability not just to offer adequate fees but also to be able to reward quality services.

6.6 Conclusions and policy implications

This chapter explored commissioners' views of the motivations of owners/managers of care home services for older people. The three main areas covered were: perceived and expressed owners'/managers' motivations, the importance attached to motivations within the commissioning process, and possible interactions between perceived motivations and the quality of commissioner-provider relationships. Overall, care home owners/managers were perceived as highly altruistic but at the same time quite financially driven individuals with a relatively strong business approach.

The study also uncovered some significant differences in the perception of profit-maximising motivation, which commissioners regarded as very important but which owners/managers considered of little significance. Other significant differences were found with regard to 'independence' and 'development of skills', to which owners/managers attached far greater importance than commissioners appreciated. And with regard to sector, not surprisingly perhaps, private sector owners/managers were perceived as significantly more motivated by personal income than respondents in other sectors.

The role of motivations in the development of social policy has been relatively well documented over recent years. In particular, the interplay between 'knavish' and 'knightly' motivational tendencies among social and health care actors has been recognised as a key element in understanding policy development (Le Grand 1997; 2003). In PSSRU studies we have repeatedly found that 'knavish' motives are far from dominant, and that for a majority of owners/managers 'knightly' motivations are very important (Kendall 2001; Kendall et al. 2002; Kendall et al. 2003; Matosevic et al. 2007).

The present study may contribute to this debate by demonstrating that commissioners generally perceive care home owners/managers as holding both caring and self-interested motivations, and that they tend to co-exist as part of the motivational profile. Although the evidence suggests complex motivational structures, and the recognition of both altruistic and monetary motives, nevertheless there was a tendency among commissioners to attach more weight to owners'/managers' financial drives rather than to their caring motivations. One possible explanation for the commissioners' emphasis on owners'/managers' financial motivations could be found in what Miller and

Ratner (1998) refer to as the power of self-interest. As discussed in Chapter Three, the evidence indicated that indeed there is a tendency to overestimate the role of self-interest in social interactions.

There appear to be some significant associations between perceived motivations and the nature of provider-commissioner relationships. Relatively strong negative associations were found between the quality of relationships and profit maximising, as well as quality of provider-commissioner relationships and meeting the needs of older people. The former finding would be somewhat expected in that profit-oriented motives were likely to have negative effects on relationships with commissioners. The latter result, somewhat unexpected, indicates that through experiences of working with primarily caring and altruistic care home owners/managers who had little interest in other aspects of care provision, commissioners had come to the conclusion that in order to successfully manage their own business and ultimately provide good quality care, owners/managers also need to develop other aspects of their motivational *character* including professionalism, independence and good management, and business skills.

A number of policy initiatives have been taken to improve commissioner-provider relationships (Department of Health 2001c). Among the main recommendations, commissioners are advised to develop relationships based on mutual trust with care home owners/managers. They are also expected to promote an open two-way sharing of information with owners/managers that is not restricted to the negotiation of fees but embraces shared problem solving, risk-management and forward planning. Furthermore, commissioners are urged to expand collaborative support systems such as shared training and workforce development. They should also encourage owners/managers to participate in formal dialogue through affiliation to their

local associations but also ensure channels of communication with non-affiliated care home owners/managers. Finally, commissioners should provide support to smaller care home owners/managers in developing their contracting skills in order for them to be able to stay competitive (Joint Reviews Team 2003). There seems to be a genuine policy commitment not just to nurture existing relationships but also to encourage a culture of developing trusting relationships with local care home organisations.

Since the late 1990s, a particular emphasis has been on improving the partnership working between the public and voluntary providers. In 1998, the government published the '*Compact on relations between Government and the Voluntary and Community Sector in England*'. The document contains the key principles and undertakings to enable better partnership working between statutory, voluntary and community sectors, and provides a framework within which to build on and develop existing partnerships. The Government is currently working on ideas for an extension of the Compact, called 'Compact Plus', which would further encourage good relations between the public and third sector (Third Sector Commissioning Task Force 2006).

The efforts to increase the possibilities of commissioning from the third sector organisations are largely due to the perceived ability of third sector to innovate. The evidence suggests that third sector organisations work best in the commissioning process if they have the scope to think outside the established norm, based on their contact with service users (Third Sector Commissioning Task Force 2006). The Task Force report also identified the key areas where the third sector should play an active role. First, commissioners should involve third sector expertise in service modelling and needs analysis, prior to commissioning. Second, the third sector should be

encouraged to offer its services in the commissioning process. and third, capacity and expertise in marketing should be developed for smaller organisations.

Ongoing efforts to improving relationships have also been evident in adopting more long-term commissioning arrangements for care home services. Across the sample, commissioners were generally in favour of a preferred provider system rather than open purchasing, primarily because of the advantages associated with having well-established long-term relationships with care home owners/managers. And this is likely to lead to generally better working relationships based on trust, information sharing and better insights into the state of the care home market. On the other hand, the open purchasing framework might constrain mutual understanding between owners/managers and purchasers (Wistow et al. 1996). This aspect of the commissioning strategy is certainly quite important for the future shaping of the care home market and in particular the development of partnership working between commissioners and care home owners/managers. There is also some empirical evidence that indeed the origins of successful partnerships essentially lie in well-established relationships between owners/managers and local authorities (Banks 2005).

Of particular importance for the future development of the third sector commissioning arrangements is the length of contracts offered to care home organisations. The Task Force pointed out that all provider organisations, not just third sector, need a degree of assurance to be able to develop and operate new services, to develop working relationships with partners and service-users, and to plan and invest for future improvement (Third Sector Commissioning Task Force 2006). However, when competing for contracts, third sector care organisations are often the most vulnerable in a tight

budgetary regime where savings have to be made. For instance, arrangements of less than three years may be unsustainable for the majority of care organisations. Essentially, short-term contracts can prevent a new provider bidding for a contract, by creating too much risk of not being able to recoup start-up investment therefore limiting the choice of potential providers.

There is also the question of whether an authority has the necessary commissioning skills and expertise to be able to develop effective partnership. Evidence so far signals a general lack of appropriate commissioning skills, with an urgent need to invest in their development (Banks 2005; Department of Health 2005). It has also been pointed out that there are generally few opportunities for commissioners to build their skills, as little has been done to develop formal training and qualifications. Commissioners have also been described as primarily focused on purchasing care instead of strategically planning and commissioning services (Department of Health 2005).

Overall, the findings presented in this chapter have revealed several significant differences between commissioners' *perceptions* of provider motivations and owners'/managers' *actual* motivations. Rather surprisingly, there was no evidence from the data that commissioners' views about provider motivation had any effect on the choice of contractual arrangements. However, their perceptions were likely to affect the quality of informal relationships with care home owners/managers. It is indeed possible that the asymmetries found between perceived and expressed owners'/managers' motivations, and their effects on formal and informal relationships, are likely to contribute to less successful working relationships. With a more accurate perception of what motivated care home owners/managers, commissioners could be more

effective in meeting the challenge of working in partnership with care home organisations.

Chapter Seven

Changes over time: The motivations of care home owners/managers in England between 1994 and 2003

7.1. Introduction

Over the last decade care home services for older people in England have gone through some major changes. The modernisation of services started in the early 1990s with the NHS and Community Care Act many of the principles in that piece of legislation are still recognised as fundamental main drivers of social care reforms today. During that period there were some major financial, operational and attitudinal changes in social care services for older people.

The aim of this chapter is to explore whether, as a consequence of social care marketisation and increased competition, independent sector providers' motivations have changed over time.

The chapter examines the motivations of independent sector care home managers/owners for older people in England between 1994 and 2003. As indicated in Chapter Five, it has long been recognised now that motivations of social care actors need to be understood and taken into account in the process of policy design (Le Grand and Bartlett 1993; Le Grand 1997, 2003). The conceptual framework proposed here is relatively inclusive in that motivations are considered to be inter-dependent entities from other personal and environmental influences and therefore interrelated to a number of

different dimensions. With care market structures and service commissioning becoming more sophisticated in their own right, providers' motivations have become even more important in understanding the nature of care home markets.

The aim of this chapter is to address the following questions:

- What were owners'/managers' main motivations in 1994, 1997 and 2003?
- Have they changed over time?
- If yes, what factors are associated with those changes?

The chapter is structured as follows. The first section briefly outlines the sector balance and expenditure activity of the care home market for older people. The second section describes the key policy developments associated with the changes in care home markets since the early 1990s. The third section describes the sampling methodology and methods for data analysis. This is followed by the presentation of the results. The last section draws some conclusions and discusses policy implications of the study findings.

7.2. Sector balance and expenditure activity

As mentioned in Chapter Two, in the 1980s 'privatisation' emerged at the forefront of public policy. There was a major change in the provision of state services from the public to the private sector. Thus the pattern of provision had changed significantly and the number of private residential homes for older people grew exponentially. This rapid growth in private provision resulted in the private sector becoming the major provider of care home services in England and Wales (Bland 1999).

Since the early 1990s, largely as a result of opening up the supply side, the independent sector has become the dominant provider of care services for older people in England. With the NHS and Community Care Act 1990, fully implemented in April 1993, large numbers of local authority homes were transferred to the independent sector leading to a significant 'externalisation' of care services from public to private sector. In 1994, there were 11,100 care homes for older people, of which 9,410 homes were in the independent sector, including both private and voluntary homes. Therefore, the majority (60%) of all residents were cared for in privately owned care homes and 15 per cent were in voluntary sector homes. In 1997, there were 15,700 care homes including residential care homes with 367,000 places and around 180,921 were local authority-supported residents. In 2003 the local authority-supported residents accounted for 218,500. More than half of all supported residents aged over 65 (120,420) were placed in independent care homes. While the number of supported older residents has been on a steady increase, the number of the local authority homes has decreased substantially over recent years (Community Care Statistics 2003).

Expenditure on older people's services accounts for almost half of total personal social services (PSS) expenditure. The latest figures indicate that spending on care home services for older people accounts for almost 60 per cent of total PSS expenditure on services for older people (CSCI 2008). In terms of the proportion of the personal social services expenditure on care home services for older people for the period between 1994 and 2003 there has been a substantial increase in the spending on these services. The figures indicate that in the period between 1994 and 2003, expenditure on residential and nursing care has more than doubled (see Table 7.1).

Table 7.1 Expenditure trends for older people services in England between 1994 and 2003 (£000s)

	Expenditure between 1994 and 2003		
	1994-95	1997-98	2003-04
Expenditure on residential and nursing care	1,861,178	2,903,837	4,235,863
Total expenditure on older people services	3,566,822	4,911,549	7,375,839
Total PSS expenditure	7,503,219	9,984,184	16,839,479

Source: Department of Health website

Recent trends in care home markets indicate that care homes for older people are becoming larger but without apparent domination by corporate providers, who account for one third of the whole independent sector care home provision (Wanless Review 2006, p.22). However, others argue that the large corporate care home organisations continue to increase their share of the market and the analysis of the market suggests that this trend is likely to continue. Overall, the evidence suggests that an ongoing process of mergers, takeovers and acquisitions is steadily reducing the number of care home providers (Scourfield 2007).

In sum, one of the main economic objectives of the 1990 Act was to encourage further development of social care markets. According to Le Grand and Bartlett (1993), "the whole movement of bringing market structures into the area of social care in the early 1990s was part of a wider, worldwide disenchantment with the perceived inefficiencies and unresponsiveness of large-scale, centrally planned organisations and a greater reliance on decentralisation and markets; quasi or otherwise" (p.9).

The market reforms of the early 1980s produced a boom in the private care home market, with organisations attracted by the guaranteed demand provided by an ageing population (Drakeford 2006). Current market trends in residential care are "far from providing a plethora of small-scale, responsive, customer-focused services which the privatisers and marketers promised...The future of private provision is set to be one of large-scale warehousing, physically located on far fewer premises and offering little by way of choice. In the process, large not to say grotesque, profits will have been made by a handful of individuals, on the basis that yet further profits are to be extracted from the sector" (Drakeford 2006, p. 936).

7.3 Policy context and care home owners'/managers' motivations

This section presents some of the policy developments that largely shaped the care home market in the period between the early 1990s up to 2003. During that time independent sector care home owners/managers were faced with a number of organisational and financial challenges of running a care home. The main challenges related to care home regulations, bureaucratisation of care services, and care staff shortages. Each of these could have had an effect on providers' motivations.

7.3.1 Regulation and care homes for older people

The regulatory environment for social care services for older people, and in particular care homes, has gone through some major transformations since the mid 1990s. The government set up the Commission for Social Care Inspections (CSCI), a regulatory body in charge of inspections and reviews of all social care services in the public, voluntary and private sectors in England.

The role of the CSCI is to promote improvements in social care and eradicate bad practice, and to help local authorities to improve their services. The Commission is also responsible for assessing whether local authorities use their resources effectively and whether the care services available meet the needs of the people who should be using them.

With regards to regulations, there has been an increased pressure for independent sector care homes to meet the National Minimum Standards for Care Homes for Older People published in March 2001 (Department of Health 2001b). They are designed to protect older people in care homes and promote their health and quality of life (see Chapter Two for more details about the standards).

The national minimum standards were published in 2001 with effect from April 2002. But due to the concerns of many care homes, and in particular smaller establishments, of not being able to comply with the new standards, the 2002 standards were amended and published in March 2003 (Department of Health 2003). The evidence showed that care homes for older people are compliant on average with 72 per cent of the standards. This is indeed a marked improvement compared to 59 percent of the standards met in 2002. Nevertheless, there are significant geographical variations across the country (Wanless 2006).

As a result of the new regulations, many small care home organisations found themselves under great financial pressures to meet the standards, in particular the environmental requirements. The evidence from the study on home closures found that meeting the costs of the National Minimum Standards was one of the main factors for closure (Williams et al. 2002). According to that study, providers identified a number of cost implications of the new minimum standards including the level of initial investment required to carry

out work to meet the new minimum standards for the physical environment, a reduction in the value of the business due to a need to reduce the number of places to comply with the new standards, and anticipated increases in running costs associated with staffing. Under these circumstances, it was assumed that this would influence providers' motivations where, for instance, providers with little personal interest in income and profit maximising are likely to become more financially orientated in order to secure resources that would enable them to adequately respond to the national minimum standards.

7.3.2 Care staff recruitment and retention

The social care workforce is essential for achieving desired outcomes of care home for older people. There are a number of aspects related to the social care workforce which either directly of indirectly could have an effect on the delivery and quality of services (Wanless 2006). Staff recruitment and retention are considered to be the key challenges facing the social care sector (Henwood 2001). Problems with recruiting and retaining care staff are generally attributed to a high level of competition for staff in local labour market.

The information available indicates that the vacancy rates for social care openings are quite high. For instance, in 2004, there were 53,000 vacancies in the social acre sector in England. Compared to other sectors, the National Employers Skills Survey found that in 2003, vacancy rates in social care were about twice as high as those for the whole of all private and public sector activity in England (Eborall 2005). Turnover rates follow a similar pattern with high national rates of staff turnover. Information available from the public sector ranges between 8.7 per cent and 17.1 per cent including

retirement for England in 2003 (Elboral 2005). But there are large regional variations.

Among the main factors affecting the supply of the social care workforce are: changes in national labour force and population, increase in migration and immigrant workforce, and changes in service development and care technology (Wanless 2006). Care home providers are also facing financial pressures associated with staffing costs. According to the providers in the PSSRU home closure study the introduction of the National Minimum Wage meant that the fee increases were not sufficient to cover the full costs of the minimum wage regulation (Williams et al. 2002). There were also additional costs from the Working Time Directive staff entitlement to four weeks paid leave. Those financial pressures may force providers to change their priorities in order to respond effectively to the new financial challenges. As a result, one could expect to find that, due to increasing financial pressures, providers' caring motivations have been overshadowed by greater financial demands to meet the raising staffing costs.

7.3.3 Bureaucratisation of care home services for older people

The high level of bureaucracy has been generally recognised as one of the main barriers to running care home service. Often, providers complain about a huge increase in paperwork and how it has affected the amount of time they had left to look after their clients. According to our interview data, interviewees have frequently emphasised the changing nature of their role as care providers. As illustrated in Chapter Five, many providers are now 'swamped' with a number of administrative requirements leaving them very little time to engage in everyday caring duties. For the majority of respondents a large amount of paperwork represented one of the main

barriers to their involvement in direct caring tasks. In those circumstances of feeling professionally frustrated and unable to fully realise their professional potential, one could assume that, as a result of those changes, providers' motivations would also be affected.

7.4 Why compare owners'/managers' motivations over time?

The aim of this chapter is to examine care home providers' motivations in the period between 1994 up until 2003. Some evidence suggests that motivations are indeed relatively stable characteristics (PSSRU report to Department of Health, 1999). Nevertheless, as a consequence of increased pressures in the care home market one would expect that, as a result, providers' motivations would also experience certain changes. To determine whether their motivations have indeed changed, the analytical framework adopted here primarily aimed to address the following propositions.

- The introduction of markets in social care had no real effects on the owners'/managers' motivations.
- Care home owners/managers might have become more business-orientated but, overall, that had no detrimental effects on their caring motivations.
- Even though there might be slight changes in motivational tendencies, overall would still display a similar mix of motivations.

7.5 Sampling framework and data collection

The information about care home owners/managers was collected between 1994 and 2003 with a significant focus on care home owners'/managers' motivations.

The first study was carried out in 1994 including a sample of 62 homes selected from eight English local authorities (see Chapter Four for more information regarding sampling framework). The second study followed in 1997 where a total of 40 homes included in the earlier study were interviewed again in order to gather follow-up information (Table 7.2).

Table 7.2 Sample sizes in 1994, 1997 and 2003

Sample size	1994	1997	2003
Total sample size	62	53	58
Follow-up sample*	-	40	26

*Follow-up sample refers to the care homes included in all three studies.

Finally, in 2003 the same care homes interviewed for the two earlier studies were approached, and out of 40 homes contacted 26 organisations agreed to take part in the study. With regard to the geographical spread of the 26 homes, there was some disproportional coverage across the sample local authorities. For instance, in one local authority, out of the two originally interviewed homes in 1994, one has closed for business since then and the other home was unavailable for an interview. Hence, no homes were included in the sample from that particular authority.

The first part of the analysis is based on the follow-up information collected from this original sample of 26 homes across seven English local authorities. The second set of the findings is based on the analysis of the combined samples from all three studies.

The information about care home owners'/managers' motivations were collected using face-to-face semi-structured interviews and postal questionnaires (details of the research instruments used are presented in

Chapter Four). In order to compare the information regarding motivations, the questions about provider motivations remained the same across all three studies.

7.6. Results – Part 1

7.6.1. Sample characteristics

Out of 26 homes, 15 were private-for-profit organisations and 11 homes from the voluntary sector. The samples from the 1994 and 1997 studies only included the independent sector organisations, which explain the absence of local authority homes in the follow-up sample. From the original sample of 62 homes selected in 1994, 42 per cent were subsequently interviewed in both 1997 and 2004.

With regards to whether the home was registered as a single establishment or part of a larger organisation, 14 out of 26 homes were part of a larger organisation, of which six were from the private sector and eight homes were from the voluntary sector. The remaining 12 homes were single home organisations of which nine were privately owned. As for the geographical spread, the numbers varied from only one home from one local authority to a maximum of six homes per local authority. On average, there were between three to four homes in each of the local authorities included in the study. In terms of the status of the interviewer, the sample consisted of 18 home managers and 8 care home proprietors.

7.6.2 Comparisons over time: expressed motivations

The results in Table 7.3 indicate that meeting the needs of older people was cited as one of the important motivations across three points in time (89% in 1994 and 1997, and 92% in 2003). A large proportion of respondents identified professional accomplishment (selected by 73% of respondents in 1994 and 2003, and 89% in 1997) as one of their main motives. Whereas in 1994, 54 per cent of the respondents selected developing skills and expertise as one of their main motivations, in 1997 this has increased to 65 per cent.

Table 7.3 Expressed motivations in 1994, 1997 and 2003

Motivations	Year		
	1994 (N=26)	**1997** (N=26)	**2003** (N=26)
To meet the needs of older people	23 (89%)	23 (89%)	24 (92%)
Professional accomplishment	19 (73%)	23 (89%)	19 (73%)
Developing/using skills and expertise	14 (54%)	17 (65%)	20 (77%)
Satisfactory level of personal income	16 (62%)	16 (62%)	19 (73%)
Independence and autonomy	17 (65%)	11 (42%)	17 (65%)
Duty/responsibility to society as a whole	6 (23%)	12 (46%)	12 (46%)
Duty/responsibility to a particular section of society	12 (46%)	11 (42%)	13 (50%)
Income and profit maximising	3 (12%)	2 (8%)	3 (12%)

The results also indicate that this particular motive has gradually become more important over time and in 2003 some 77 per cent of the interviewees selected development of skills as one of their principal motives. A satisfactory level of personal income was found to be equally important in both 1994 and 1997. However, the results from the 2003 data indicate an increase in the significance attached to personal income (73%).

With regard to independence and autonomy, for 42 per cent of the sample in 1997 this was one of their main motivations compared to 62 per cent in 1994 and 2003. A proportion of respondents for whom duty to society as a whole represented an important motivation doubled in the period from 1994 to 1997 (from 23% in 1994 to 46% in 1997) and it remained the same until 2003. As for the duty to a particular section of society there had been some relatively minor fluctuations over time starting with 46 per cent in 1994, followed by 42 per cent in 1997 and then raising to 50 per cent in 2003.

By far, the least important drive in all three studies was profit maximizing. In both 1994 and 2003 studies only 12 per cent selected this as one of their main motives. In 1997 the importance of this motivation accounted for only 8 per cent of the sample.

Further analysis, using the paired-samples test, involved testing for any significant differences in respondents' expressed motivations across three points in time. The findings revealed no significant differences for any of the motivational dimensions examined.

The data were further analysed in order to examine whether there were any significant differences in motivations between 1994 and 20003 with regards

to sector of ownership. The findings are summarised in Table 7.4, 7.5 and 7.6 respectively for 1994, 1997 and 2003.

Table 7.4 Expressed motivation in 1994 by sector

Motivations	1994				
	Private (N=15)	**Voluntary** (N=11)	**Total** (N=26) % of total	**Chi-square***	**Sig.**
To meet the needs of older people	12 (80%)	11 (100%)	23 (89%)	2.391	0.122
Professional accomplishment	12 (80%)	7 (64%)	19 (73%)	0.830	0.362
Developing/using skills and expertise	7 (47%)	7 (64%)	14 (54%)	0.707	0.400
Satisfactory level of personal income	11 (73%)	5 (46%)	16 (62%)	2.004	0.157
Independence and autonomy	12 (80%)	5 (46%)	17 (65%)	3.217	0.073
Duty/responsibility to society as a whole	3 (20%)	3 (27%)	6 (23%)	0.182	0.670
Duty/responsibility to a particular section of society	3 (20%)	9 (82%)	12 (46%)	9.383	0.002**
Income and profit maximising	2 (13%)	1 (9%)	3 (12%)	0.108	0.703

*Kruskal-Wallis Test
** Significant

Table 7.5 Expressed motivations in 1997 by sector

Motivations	1997				
	Private (N=15)	**Voluntary** (N=11)	**Total** (N=26) % of total	**Chi-square***	**Sig.**
To meet the needs of older people	12 (80%)	11 (100%)	23 (89%)	2.391	0.122
Professional accomplishment	14 (93%)	9 (82%)	23 (89%)	0.793	0.373
Developing/using skills and expertise	9 (60%)	8 (73%)	17 (65%)	0.437	0.509
Satisfactory level of personal income	11 (73%)	5 (46%)	16 (62%)	2.004	0.157
Independence and autonomy	9 (60%)	2 (18%)	11 (42%)	4.372	0.037**
Duty/responsibility to society as a whole	6 (40%)	6 (55%)	12 (46%)	0.519	0.471
Duty/responsibility to a particular section of society	6 (40%)	5 (46%)	11 (42%)	0.074	0.785
Income and profit maximising	2 (13%)	0	2 (8%)	1.528	0.216

*Kruskal-Wallis Test
** Significant

Table 7.6 Expressed motivations in 2003 by sector

Motivations	2003				
	Private (N=15)	Voluntary (N=11)	Total (N=26) % of total	Chi-square*	Sig.
To meet the needs of older people	13 (87%)	11 (100%)	24 (92%)	1.528	0.216
Professional accomplishment	12 (80%)	7 (64%)	19 (73%)	0.830	0.362
Developing/using skills and expertise	11 (73%)	9 (82%)	20 (77%)	0.247	0.619
Satisfactory level of personal income	11 (73%)	8 (73%)	19 (73%)	0.001	0.973
Independence and autonomy	13 (87%)	4 (36%)	17 (65%)	6.822	0.009**
Duty/responsibility to society as a whole	7 (47%)	5 (46%)	12 (46%)	0.004	0.952
Duty/responsibility to a particular section of society	9 (60%)	4 (36%)	13 (50%)	1.364	0.243
Income and profit maximising	3 (20%)	0	3 (12%)	2.391	0.122

*Kruskal-Wallis Test
** Significant

The findings regarding sector of ownership indicate that in 1994, the only significant difference between the private and voluntary sector respondents was in terms of the expressed duty to a particular section of society, with the voluntary sector putting far greater emphasis on this particular motive. In both 1997 and 2003, the main difference between the two sectors was in the weights attached to independence and autonomy in running a home, where

the private sector owners/managers were found to be significantly more motivated by exercising the independence and autonomy in operating their own business.

7.6.3. Comparisons over time: ranked motivations

Information was also collected on the ranking of the respondents' three most important motivations. The results are presented respectively for the first, second and third ranked motives.

As for the first ranked motives in 1994 (Table 7.7.), meeting the needs of older people was the most important motivation (31%), followed by professional accomplishment (19%), and duty to a particular section of society (15%). Independence and autonomy in running a care home were also important first ranked motives (12%) as well as satisfactory level of personal income (8%), and use of skills (8%). Finally, only 4 per cent of the sample recognised profit maximising and duty to society as one of their most important motivations.

Table 7.7 First ranked motive by year: 1994, 1997 and 2003

Motivations	First ranked in 1994 N=26	First ranked in 1997 N=26	First ranked in 2003 N=26
To meet the needs of older people	8 (31%)	7 (27%)	6 (23%)
Professional accomplishment	5 (19%)	3 (12%)	4 (15%)
Developing/using skills and expertise	2 (8%)	3 (12%)	6 (23%)
Satisfactory level of personal income	2 (8%)	5 (19%)	7 (27%)
Independence and autonomy	3 (12%)	2 (8%)	1 (4%)
Duty/responsibility to society as a whole	1 (4%)	2 (8%)	1 (4%)
Duty/responsibility to a particular section of society	4 (15%)	3 (12%)	1 (4%)
Income and profit maximising	1 (4%)	1 (4%)	0

In 1997, the ranking results indicate that, similar to the 1994 findings, the largest proportion of respondents selected meeting the needs of older people as their most important motive (27%). For 19 per cent of the sample a satisfactory level of personal income represented an important motive. This was followed by professional accomplishment (12%), development of skills (12%) and duty to a particular section of society (12%). While independence and autonomy, and duty to society as a whole were found to be

relatively important (8%), profit maximising was again selected by 4 per cent of the respondents.

The results from 2003 data show quite different ranking patterns, with personal income as the most important motivation (27%) closely followed by meeting the needs of older people (23%) and development of skills (23%). Professional accomplishment was also recognised as relatively important main motivation (15%). As Table 7.7 indicates, none of the respondents selected profit maximising as their main motivation.

Thus the findings indicate that there has been a slight change in the priorities given to individual motivations across three points in time. Whereas meeting the needs of older people was, by far, the most important motive in 1994 and 1997, a satisfactory level of personal income has been reported as one of the main motives in 2003. Nevertheless it was evident from the 2003 data that meeting the needs of older people has remained one of the most significant motives. The main changes with regard to the first ranked motivations could be summarised as follows. Although there seems to be slightly less emphasis on meeting the needs of older people compared to the results from previous years, nevertheless it is still recognised one of the most significant motivations. The results show that personal income and development of skills have become more important motivations over the years, but none of the changes were found to be significant (Table 7.7.1).

Table 7.7.1 Differences between 1994, 1997 and 2003 in first ranked motive

Motivations	Cochran Q test	Sig.
To meet the needs of older people	0.429	0.807
Professional accomplishment	0.667	0.717
Developing/using skills and expertise	3.250	0.197
Satisfactory level of personal income	3.167	0.205
Independence and autonomy	2.0	0.368
Duty/responsibility to society as a whole	0.5	0.779
Duty/responsibility to a particular section of society	2.0	0.368
Income and profit maximising	1.0	0.607

On the other hand, independence and autonomy, and duty to a particular section of society were found to be less important than before. Overall, a typical care home provider in 2003 could be described as being relatively highly motivated by personal income, highly motivated by meeting the needs of older people and through that process developing professional skills and expertise.

The results for the second ranked motive indicate that in all three studies, meeting the needs of older people was the second most important motivation,

reaching the peak in 1997 (selected by 27% in 1994 and 2003, and 39% in 1997) (Table 7.8.).

Table 7.8 Second ranked motive by year: 1994, 1997 and 2003

Motivations	Year		
	Second ranked in 1994 N=26	**Second ranked in 1997** N=26	**Second ranked in 2003** N=26
To meet the needs of older people	7 (27%)	10 (39%)	7 (27%)
Professional accomplishment	4 (15%)	8 (31%)	5 (19%)
Developing/using skills and expertise	2 (8%)	2 (8%)	4 (15%)
Satisfactory level of personal income	4 (15%)	0	4 (15%)
Independence and autonomy	5 (19%)	2 (8%)	3 (12%)
Duty/responsibility to society as a whole	1 (4%)	1 (4%)	3 (12%)
Duty/responsibility to a particular section of society	3 (12%)	3 (12%)	0
Income and profit maximising	0	0	0

In 1997, professional accomplishment was recognised as highly important second motive (31%), but since then its significance has decreased to 19 per cent in 2003. Since 1997 development of skills and duty to society as a whole have become more dominant motivations. The results also indicate that, compared to 1994 and 1997, a duty to a particular section of society

was no longer one of the significant motives in 2003. As for income and profit maximising, none of the respondents from all three studies ranked this as their second most important motivation. The differences in the second ranked motives were further tested using the Cochran Q test (Table 7.8.1). The results indicated no significant differences in the second ranked motivations.

Table 7.8.1 Differences between 1994, 1997 and 2003 in second ranked motive

Motivations	Cochran Q test	Sig.
To meet the needs of older people	1.29	0.53
Professional accomplishment	2.17	0.34
Developing/using skills and expertise	1.34	0.51
Satisfactory level of personal income	4.57	0.102
Independence and autonomy	1.56	0.46
Duty/responsibility to society as a whole	2.00	0.37
Duty/responsibility to a particular section of society	3.60	0.17
Income and profit maximising	0	0

The findings for the third ranked motives indicate that meeting older peoples' needs was the most frequently third ranked motivation in all three

studies (Table 7.9). Other important motives included professional accomplishment, personal income, independence and autonomy. As with the first and second ranked motives, no significant differences were found with regards to the third-ranked motivations between 1994 and 2003.

Table 7.9 Third ranked motive by year: 1994, 1997 and 2003

Motivations	Year		
	Third ranked in 1994 N=26	**Third ranked in 1997** N=26	**Third ranked in 2003** N=26
To meet the needs of older people	5 (19%)	7 (27%)	10 (39%)
Professional accomplishment	3 (12%)	7 (27%)	4 (15%)
Developing/using skills and expertise	3 (12%)	4 (15%)	1 (4%)
Satisfactory level of personal income	4 (15%)	5 (19%)	3 (12%)
Independence and autonomy	4 (15%)	2 (8%)	4 (15%)
Duty/responsibility to society as a whole	1 (4%)	0	2 (8%)
Duty/responsibility to a particular section of society	4 (15%)	1 (4%)	2 (8%)
Income and profit maximising	2 (8%)	0	0

Table 7.9.1 Differences between 1994, 1997 and 2003 in third ranked motive

Motivations	Cochran Q test	Sig.
To meet the needs of older people	2.17	0.26
Professional accomplishment	2.0	0.37
Developing/using skills and expertise	2.0	0.37
Satisfactory level of personal income	0.86	0.65
Independence and autonomy	1.14	0.57
Duty/responsibility to society as a whole	2.0	0.37
Duty/responsibility to a particular section of society	2.0	0.37
Income and profit maximising	4.0	0.14

The ranking data were further examined in order to determine if there are any differences between private and voluntary providers with regard to their first ranked motivations. The results are presented in Table 7.10, 7.11 and 7.12 respectively for 1994, 1997 and 2003.

Table 7.10 First ranked motive in 1994 by sector

Motivations	1994				
	Private (N=15)	Voluntary (N=11)	First ranked in 1994 N=26	Chi-square	Sig.
To meet the needs of older people	5 (33%)	3 (27%)	8 (31%)	0.105	0.746
Professional accomplishment	4 (27%)	1 (9%)	5 (19%)	1.214	0.271
Developing/using skills and expertise	1 (7%)	1 (9%)	2 (8%)	0.051	0.822
Satisfactory level of personal income	1 (7%)	1 (9%)	2 (8%)	0.051	0.822
Independence and autonomy	3 (20%)	0	3 (12%)	2.391	0.122
Duty/responsibility to society as a whole	1 (7%)	0	1 (4%)	0.733	0.392
Duty/responsibility to a particular section of society	0	4 (36%)	4 (15%)	6.198	0.013**
Income and profit maximising	1 (7%)	0	1 (4%)	1.364	0.243

** Significant

Table 7.11 First ranked motive in 1997 by sector

Motivations	1997				
	Private (N=15)	Voluntary (N=11)	First ranked in 1997 N=26	Chi-square	Sig.
To meet the needs of older people	4 (27%)	3 (27%)	7 (27%)	0.001	0.973
Professional accomplishment	3 (20%)	0	3 (12%)	2.391	0.122
Developing/using skills and expertise	2 (13%)	1 (9%)	3 (12%)	0.108	0.743
Satisfactory level of personal income	2 (13%)	3 (27%)	5 (19%)	0.763	0.382
Independence and autonomy	2 (13%)	0	2 (8%)	1.528	0.216
Duty/responsibility to society as a whole	1 (7%)	1 (9%)	2 (8%)	0.051	0.822
Duty/responsibility to a particular section of society	0	3 (27%)	3 (12%)	4.447	0.035**
Income and profit maximising	1 (7%)	0	1 (4%)	0.733	0.392

** Significant

Table 7.12 First ranked motive in 2003 by sector

Motivations	2003				
	Private (N=15)	Voluntary (N=11)	First ranked in 2003 N=26	Chi-square	Sig.
To meet the needs of older people	1(7%)	5 (46%)	6 (23%)	5.172	0.023**
Professional accomplishment	3 (20%)	1 (9%)	4 (15%)	0.558	0.455
Developing/using skills and expertise	4 (27%)	2 (18%)	6 (23%)	0.247	0.619
Satisfactory level of personal income	4 (27%)	3 (27%)	7 (27%)	0.001	0.973
Independence and autonomy	1 (7%)	0	1 (4%)	0.733	0.392
Duty/responsibility to society as a whole	1 (7%)	0	1 (4%)	0.733	0.392
Duty/responsibility to a particular section of society	1 (7%)	0	1 (4%)	0.733	0.392
Income and profit maximising	0	0	0	0	1.000

** Significant

The results indicate that in 1994 and 1997 the two sectors largely differed in terms of the significance attached to the sense of duty and responsibility to a particular section of society, with the voluntary sector providers significantly more likely to report this motive as one of their principal motivations. In 2003 however, the only difference between sectors was recorded in terms of the priority given to meeting the needs of older people. Table 7.12 shows

that, for the voluntary sector care home managers, caring for older people was significantly more important for them than it was for care home owners/managers in the private sector.

In summary, the analysis so far has indicated that owners'/managers' motivational profiles tend to remain relatively stable over time despite some marked changes in the care home market for older people between 1994 and 2003. Data was further analysed to examine the relationships between owners'/managers' motivations and market environment. The following section provides details of the data and methods used to carry out further statistical tests.

7.7 Results – Part 2

7.7.1. Relationship between motivations and markets

The aim of this analysis was to examine the relationship between the social care market setting and owners'/managers' motivations for providing care home services. Although there seemed to be almost no change in owners'/managers' motivations over time, profound changes in the social care markets during that period also need to be taken into account. As outlined in Chapter Five, for the purpose of this thesis, individual motivations are defined as an end product of the interactions between subjective motivational tendencies and external environment. In the case of social care, due to the large-scale marketisation of the care home sector, it is possible that an increased level of competition would affect one's motivations and as a result would turn knights into knaves.

To explore the effects of introducing markets into home care services and the consequences that the market forces might have on owners'/managers' motivations, a dataset was constructed including a range of motivational dimensions and a number of market indicators that could potentially play a significant part in shaping owners'/managers' motivations. The next section describes the market variables and the sources used to derive a set of those particular market indicators.

7.7.2. Data collection and sources

The dataset was constructed using the three years of data collected as part of the MEOC residential care studies in 1994, 1997 and 2003. While the analysis presented in the first part of this section was solely based on the follow-up data from the 26 homes, a further analysis included complete samples from all three studies generating a total of 173 cases (Table 7.2). Provider characteristics such as expressed motivations, ranking motivational data, sector, size of a home, and geographical coverage were all included in the dataset.

Data were also collected on a number of market characteristics identified as being relatively important factors that could explain possible changes in owners'/managers' motivational profiles. The details of data sources for 1994, 1997 and 2003 are presented in Table 7.13.

Table 7.13 Data sources

Market mechanisms	Indicators: 1994,1997 and 2003	Sources of data
Demand	➔ Local authority population over 65	Population Statistics (Office for National Statistics).
	➔ Local authority supported residents	Community Care Statistics; Department of Health.
	➔ Number of care home places	Statistical Bulletin, Department of Health.
	➔ Open/closed	MEOC data
Supply	➔ Weekly gross earnings	New Earnings Survey
	➔ Property prices	Land Registry Statistics
Expenditure	➔ Local authority PSS gross expenditure	Personal Social Services Statistics: Finance; Department of Health
Home characteristics	➔ Size of care homes	MEOC data
	➔ Sector of ownership	MEOC data

The variables listed in Table 7.13 were selected as the main market indicators in terms of the demand for care home services and their supply. The method of panel data analysis was used to examine the relationships between owner/manager motivations and market characteristics. The panel data consisted of time series observations for each individual owner/manager from the sample, including individual characteristics and the associated local authority's care home market characteristics. Using the panel data approach it was possible to explore not only the differences between care home

owners/managers but also the intra-individual dynamics of the care home providers. This approach offered a greater capacity for capturing the nature of individual behaviour (Hsiao 2002). The panel data was analysed using the probability regression method.

The analysis examines the dynamics between motivations and market conditions focusing on different aspects of the care home market, including the numbers of older people in care homes, the numbers of local authority older residents, weekly gross earnings, local property prices, the average size of care homes in the area, local authority expenditure on services for older people, local authority wealth index, and whether the care homes remained opened over the period between 1994 and 2003.

The dependent variable is owner/manager motivation, defined as the presence or absence of each of a set of possible motivations among care home providers. From the eight motivational dimensions for the purpose of this study the focus was on the three key motives: professional development, meeting the needs of older people, and personal income.

The sample descriptive statistics are presented in Table 7.14.indicating substantial variations in terms of the market conditions across the eight sample local authorities.

Table 7.14 Descriptive statistics

Variable	Observations	Mean	Std. Dev.	Min	Max
Number of care home places	173	3375	3492.416	682	15126
Local authority population over 65	173	95780	79796	12500	265000
Local authority PSS gross expenditure/population	173	303.4	206.8	139.2	1063.6
Weekly gross earnings	173	329	84	329	644
Property prices	173	147253	154466	44800	656000

7.7.3. Motivation models

This section presents the findings from the regression analysis. The tables below show the models for each of the motivational dimensions and their individual coefficients. Statistically significant coefficients are marked with an asterisk. Different combinations of indicators were tested in order to generate the optimal set of variables for each of the three motivations. The models are presented in Table 7.15, 7.16 and 7.17 respectively.

7.15 Motivation models – income motivation

Variable	Coefficient	Sig.
Income motivation Model 1		
Population over 65	6.418783	0.068
Home open 1997	0.0685902	0.924
Average weekly earnings (female) –standardised for inflation	1.450472	0.123
Charities	-0.6627142	0.034*
Local authority's wealth index (total LA PSS expenditure by total population)	0.0013117	0.336
Income motivation Model 2		
Population over 65	6.473073	0.062
Home open 2003	0.3375366	0.368
Average weekly earnings (female) –standardised for inflation	1.516889	0.107
Charities	-0.6707166	0.030*
Local authority's wealth index (total LA PSS expenditure by total population)	0.3375366	0.368
Income motivation Model 3		
Population over 65	7.346526	0.029*
Average weekly earnings (female) –standardised for inflation	1.681926	0.066
Charities	-0.7135347	0.022*

* Sig. at 0.05

7.16 Motivation models – professional motivation

Professional motivation Model 1		
Property prices (standardised for inflation)	0.7232449	0.006*
Population over 65	8.697123	0.051
Charities	-6.816736	0.011*
Home open 1997	0.4716755	0.485
Local authority's wealth index (total LA PSS expenditure by total population)	0.0000373	0.977
Professional motivation Model 2		
Property prices (standardised for inflation)	0.6984886	0.007*
Population over 65	7.98038	0.069
Charities	-0.6989307	0.009*
Home open 2003	0.6662397	0.052*
Local authority's wealth index (total LA PSS expenditure by total population)	-0.000152	0.905
Professional motivation Model 3		
Property prices (standardised for inflation)	0.6918871	0.006*
Population over 65	7.835172	0.062*
Charities	-0.6947709	0.009*
Home open 2003	0.6598274	0.051*

*Sig. at 0.05

7.17 Motivation models – meeting the needs of older people motive

Meeting the needs of older people Model 1		
Sector (private care homes)	-0.9564209	0.022*
Property prices (standardised for inflation)	0.0308484	0.893
Population over 65	-0.8064608	0.869
Home open 2003	-0.1765144	0.719
Meeting the needs of older people Model 2		
Sector (private care homes)	-0.9138446	0.027*
Average weekly earnings (female) –standardised for inflation	0.2700887	0.819
Population over 65	-1.561995	0.711
Local authority's wealth index (total LA PSS expenditure by total population)	0.000748	0.679
Meeting the needs of older people Model 3		
Sector (private care homes)	-0.9312888	0.023*

* Sig. at 0.05

The results for the *income model* (Table 7.15) reveal two strong significant effects. One relates to the sector of ownership and income motivation with a significantly negative relationship between monetary motivations and the voluntary sector care homes. This would suggest that, over time, voluntary sector care home managers have become less interested in generating income. The second significant relationship was found between the proportion of older people and income motive. These results imply that, under the

conditions of a high demand for care home services, such market environment is more likely to attract income-orientated providers.

Table 7.16 shows the results for the *professional motivations model* with the positive significant relationships between professional aspirations and local property prices, the number of older people and whether the home remained open up until 2003. These results would suggest that, over the years spanned by these data, professionally motivated respondents were more likely to stay in business for a longer period of time. A significant relationship between property prices and professional drives could be partly attributed to their clients' expectations with regards to the standards and quality of care home services. For instance, it is possible that in a wealthier local authority clients have relatively high expectations of their care home managers/owners and meeting their demands would require a certain degree of professional motivation and therefore higher concentration of the professionally orientated care home owners/managers in those wealthier areas.

Similar to the income model, a highly negative significant relationship is found between professional motivations and the sector of ownership suggesting that in the period between 1994 and 2003, the voluntary sector managers tended to be less motivated by professional aspirations.

The findings with regards to *meeting the needs of older people model* (Table 7.17) indicate a strong negative relationship between the caring motivation and private sector ownership. These results broadly correspond to the findings from the earlier presented set of results for the 26 homes regarding the differences in the owners'/managers' first ranked motivations in 2003, where caring for older people was the only significant difference between private and voluntary sector owners/managers. Although these results are far from conclusive, they nevertheless demonstrate that there had been some

significant changes in the priorities given by private sector respondents in terms of meeting the needs of older people.

7.8. Conclusions and policy implications

The analysis of owners'/managers' motivations over time indicated that motivations are indeed relatively stable dimensions. The results showed no significant differences in respondents' motivations between 1994 and 2003. Further analysis revealed that the changes in care home market had relatively modest effects on motivations.

In terms of expressed motivations, the analysis of the follow-up sample of 26 homes showed no substantial changes in motivations among care home owners/managers. Their main motivations included meeting the needs of older people, professional development, and personal income. Across sectors, some significant differences were found between private and voluntary care home providers, with the former being more motivated by independence and autonomy, while the latter tended to be more driven by their sense of duty and responsibility to a specific section of society. The evidence on the nature of voluntary sector provision indicated that indeed, compared to private sector homes, voluntary organisations are much more likely to operate specifically designed admission policies for clients from particular professional, religious or ethnic background (Wistow et al. 1996, Kendall 2000).

The analysis of the ranking data again revealed no significant difference except when tested for the sector of ownership. The findings demonstrated that in 1994 and 1997, as in the case of the expressed motivations, the only difference between the two sectors in their first-ranked motives was in the

importance attached to the duty to a particular section of society among the voluntary sector managers. In 2003, however, the priorities seemed to have changed slightly, and this time, caring for older people was the only motivation where the two sectors were found to differ, with private care home owners/managers found to be less driven by meeting the needs of older people.

These findings could be interpreted to suggest that the motivational priorities among private sector interviewees were merely responding to the ever-increasing market pressures in the care home sector. According to Bartlett and Le Grand (1993), a number of specific conditions need to be met if markets are to be successful in becoming more efficient, responsive, and creating more choice. Among those key requirements the authors identified motivations of both owners/managers and purchasers as one of the main conditions that need to be satisfied if the markets are to be successful. Bartlett and Le Grand (1993) argue that "providers ought to be motivated at least in part by financial considerations. If they are not, they will not respond appropriately to market signals. It makes little sense introducing a market to create profitable opportunities, if the participants in the market are not interested in making profits" (p.30). The results from this study have indeed provided the evidence that care home owners/managers do possess a range of motivations including both financial and altruistic which, in general, tend to co-exist in harmony.

The landscape in which independent sector care home owners/managers operate has changed significantly between 1994 and 2003. There had been a number of policy changes, including the introduction of the National Minimum Standards for Care Homes for Older People, a substantially new regulatory environment, and additional staffing costs. Each of these

undoubtedly contributed to creating a highly challenging environment in which homes were forced to operate. Care home owner/manager experiences in this study indicate that overall, the majority had been able to respond successfully to the changing market conditions with relatively minor shifts in their principal motivations for running a care home.

The motivational models largely confirmed some of the commonly shared views among policy makers, local authority commissioners and purchasers. For instance, the voluntary sector is perceived to be less interested in income and professional development, and mainly driven by caring motivations, while private sector homes seemed to be more concerned with financial aspects of care provision, as well as autonomy and independence in running a care home.

It is possible to conclude that, based on the findings from this study, the introduction of the mixed economy of care home provision had relatively little effect on the nature of providers' motivations. Despite extremely challenging market pressures, care home owners/managers seemed to be able to successfully preserve their initial motivations.

Although the motivations were found to be relatively stable characteristics, the study did not examine the changes in owners/managers' motivations under more extreme conditions such as experiences of home closures. After all, the sample included the homes which managed to survive in the market for a certain period of time by adapting to often difficult market conditions. Furthermore, the analysis was based on the assumption that the sample was relatively homogenous which could potentially create a slightly distorted view that, over time, no changes had been found in owners'/managers' motivations. It is possible that the analytical framework used was relatively robust in order to detect local variations within the sample local authorities.

As Mackintosh (2000) argued "markets clearly exist in social care, but the continuing dominance of public payment, the role of public assessment, and the policy context of unease about how to ensure access to social care according to need, imply that exchange in these markets carries complex meanings for the participants which feed back on their experience and behaviour" (p.2). Therefore, "in social care, markets are as important as ever" (Knapp et al. 2001, p. 285) and even though the development of social care policy since 1997 has been greatly focused on improving partnerships between commissioners and providers, nonetheless the market model of care provision is still very much present.

Chapter Eight

Discussion and Policy Implications

8.1 Introduction

The main purpose of this thesis was to explore the nature of care home owners'/managers' motivations, focusing on services for older people. The results have revealed a number of complex interactions and processes which warrant careful consideration, both locally and nationally, in the development of policy. Hence this chapter has three aims. First, to provide a summary of the main findings; second, to discuss the implications for policies in relation to care home services in England; and third, to discuss the limitations of the study and the potential for future research.

The chapter is structured as follows. The first part presents the research questions followed by a summary of the main study findings. In the following section the policy implications of the main results are discussed. The next section presents the study limitations. There is then a brief conclusion.

8.2 Study objectives

The role of motivations in the development of social policy has been relatively well documented over recent years. In particular, the interplay between 'knavish' and 'knightly' motivational tendencies among social and health care actors has been recognised as a key element in understanding policy development (Le Grand 1997, 2003). The evidence so far suggests

that, in the context of social care, 'knavish' motives are indeed far from being the main drivers, and that a variety of 'knightly' motivations have been recognised as playing a crucial role in the delivery of good quality care (Kendall 2001, Kendall et al. 2003).

In this study I chose to focus my empirical examination on owners'/managers' motivations in the context of care home services for older people. Following a careful review of a number of literatures (particularly from psychology and social psychology), a number of relevant conceptual frameworks were identified. The methodology employed in the empirical part of the study was constructed out of that review of theory and previous research. It rested on the assumption that owners'/managers' motivation is a multi-dimensional concept consisting of a range of personal and relational elements. The data used to test hypotheses generated by the conceptual approach and structured by the associated methodology were collected using postal questionnaires and face-to-face semi structured interviews with care home owners and/or managers and local authority commissioners.

Consequently, the main objectives of this thesis were:

- To examine the main motivations of care home owners/managers;
- To explore commissioner-provider relationships and their possible effects on owners'/managers' motivations;
- To examine local authority commissioners' perceptions of owners'/managers' motivations, and the level of agreement between owners'/managers' expressed motivations and commissioners' perceptions of those motivations;
- To examine changes in motivations between 1994 and 2003; and hence
- To contribute to the body of knowledge on the role of motivations in social care markets.

8.3 Summary of the findings

This section gives an overview of the main findings. First, however, I briefly review the key concepts and definitions of the study. For the purpose of this thesis *intrinsic motivation* is defined as an activity carried out for one's immediate enjoyment and in the absence of any apparent external reward. It is characterised by the need for *competence* and *self-determination* (Deci and Ryan 1985). Professional or work motivation is one of the building blocks of intrinsic motivation. In this study *work motivation* is defined as the sum product of numerous interactions between an individual and their work environment (Franco, Bennett and Kanfer 2002), with personal expectations, career goals and self-perception as important aspects of professional motivation.

Broadly speaking, there are two main types of social actors according to Le Grand (1997, 2003), self-interested *knaves* and predominantly altruistic *knights*. The former are individuals whose desires and motivations are purely or predominantly based on their self-interested drives to maximise their personal wealth and other self-interested motivations. The latter are individuals who are solely or predominantly driven by the desire to help others without any expectation of material rewards for themselves.

When looking at relationships between the care home owner/manager and the local authority commissioner, I was focused on a number of relational dimensions including information sharing between owners/managers and commissioners, operational problems associated with the management of homes, and the degree of respondent involvement in the development of care packages and the conducting of reviews.

8.3.1 Care home owner/manager motivational profiles

The results in Chapter Five indicated that the majority of interviewees were intrinsically motivated with relatively strong professional aspirations. Following statistical analysis of the data collected during interviews, respondents' main motivations were grouped into four categories: professional, financial, caring for older people (client-specific) and caring for vulnerable clients (client-generic). Even though within *the knight-knave framework* these professional motivations would be interpreted as owners'/managers' knavish motivational characteristics, nevertheless, in the context of this study, professional and caring motives are considered to be part of their knightly motivations, while respondents' financial drives are identified with their knavish motivations.

The study identified a number of personal and external factors that could potentially influence owners'/managers' intrinsic motivations, including their professional aspirations. The results highlighted a significant association between professional motivations and the level of trust regarding the reliability of information from the local authority. Furthermore, there was a positive significant correlation between client-generic caring motivations and the comprehensiveness of the information shared by the local authority. The findings further revealed that, although not significant, there was some indication of an association between owners'/managers' professional motivations and the level of input into care assessments and care reviews.

The findings regarding local authority commissioners' views indicated that owners/managers were perceived as highly altruistic but at the same time quite financially driven individuals with a relatively strong business approach. The study also uncovered some significant differences in the perception of

financial drivers, which commissioners regarded as very important, but which owners/managers considered of little significance. Other significant differences were found with regard to 'independence' and 'development of skills', to which care home owners/managers attached far greater importance than commissioners appreciated.

The results in Chapter Five suggested high levels of professional motivations among care home owners/managers with a relatively high job satisfaction. Overall, a majority of the sample expressed a high degree of satisfaction with their career choice. The work of running a care home was generally described as rewarding and, at the same time, quite challenging. For a large proportion of interviewees in the sample, the most important duty was to deliver good quality care. The results also revealed a high degree of job satisfaction that was largely associated with the development and use of care-providing skills and expertise.

In terms of the image of the social care profession, a relatively large proportion of the sample thought that, as a profession, social care is not highly valued in society. Similarly, an earlier study of the public perceptions of social care (Department of Health 2001d) found that social care was not perceived as an attractive career option. Gender was predominately associated with social care, in particular older family women looking for part-time work. This DH study also found that the social care profession was generally associated with low levels of pay. In terms of opportunities for professional development, in the DH study the participants were unsure about possible career pathways in social care and the opportunities for promotion or specialisation within the social care sector.

The DH study concluded that there was a lack of knowledge regarding the qualifications and training requirements for social care. Although

respondents felt that the work of social carers was invaluable, there was little willingness to contemplate a career in social care. Overall, the main obstacles to improving the public perception of social care were the lack of basic knowledge about social care among the general public, poor impressions of social care job responsibilities and parameters, and the low profile, status and lack of positive endorsement by the wider society for pursuing a career in this field.

With regards to the sector of ownership, no marked differences in motivational tendencies were found, although the findings were suggestive of professional motivations being more common among managers of private sector homes. Furthermore, while the voluntary home managers tended to express higher levels of client-specific caring motivations, public sector home managers were more often associated with the client-generic motivations. Nevertheless, these differences were not statistically significant. This could either be due to there being no underlying significant differences in motivations between the sectors, or it could be due to the small sample of people in the study so that the statistical tests were unable to identify any significant differences.

8.3.2 Owners'/managers' and commissioners' perceptions of their relationships

The set of results on owners'/managers' and commissioners' perceptions of their relationships relate to the possible effects that the nature of provider-commissioner relationships could have on care home owners'/managers' motivations. The analytical framework used to explore the interactions between motivations and external factors was broadly based on assumptions postulated by the motivation-crowding theory (Frey 1997). According to

Frey (1997), controlling relationships were likely to have a negative effect on owners'/managers' intrinsic motivation (crowd-out), while a supportive working environment was likely to reinforce intrinsic tendencies (crowd-in) and encourage owner/manager participation.

From the owner/manager perspective, the findings in Chapter Five indicated that the transparency and trust in the information shared between local authorities and care home owners/managers have been recognised as important elements in establishing productive relationships with owners and/or managers. In particular, trust was positively related to owners'/managers' professional motives and client-generic caring motivations. Based on these findings it would be reasonable to expect relatively strong relationships between local authorities' strategies for information sharing and the levels of professional and caring motivations among care home owners/managers.

The study also examined provider-commissioner relationships from the commissioners' perspective. The results in Chapter Six revealed some significant associations between perceived motivations and the nature of provider-commissioner relationships. Firstly, a relatively strong negative association was found between the quality of relationships and commissioners' perceptions about owners'/managers' profit-maximising behaviour. This could be explained in terms of commissioners' perceptions of profit-orientated motivations among private sector actors almost standing in the way of establishing good working relationships between them. Secondly, a negative association was also found between the quality of provider-commissioner relationships and meeting the needs of older people. This result, although somewhat unexpected, could suggest that, through experiences of working with mainly caring and altruistic owners/managers

who had little interest in other aspects of care provision, commissioners had come to realise that in order to manage their own business successfully and ultimately provide good quality care, care home owners/managers also needed to develop a variety of other skills, including professionalism, independence and good management, and business skills.

8.3.3 Care home owner/manager motivations between 1994 and 2003

In order to investigate possible temporal changes in motivations the study examined owners'/managers' motives between 1994 and 2003. The findings indicated that, although no significant differences in motivations were found during this period, there had been a slight shift in the priorities given to individual motivations across three points in time. In terms of respondents' expressed motivations, meeting the needs of older people was cited as one of the important motivations across all three time points. The ranking results, however, revealed that, while meeting the needs of older people was the motive ranked first in 1994 and 1997, the results for 2003 suggested that a majority of the sample reported a satisfactory level of personal income among their main motivations, followed by meeting the needs of older people. But none of these differences over time was found to be statistically significant.

The results regarding differences in motivations between respondents in the private and voluntary sectors indicated that, in 1994, the two sectors only differed in the priority they gave to duty and responsibility to a particular section of society. The findings for 1997 and 2003 showed that independence in running a home was significantly more important for the private sector care home owners/managers compared to respondents in the voluntary sector. The ranking data results suggested that, in terms of the

first-ranked motives, the voluntary sector respondents were more likely than the private sector respondents to select duty to a particular section of society as their principal motivation in both 1994 and 1997. In 2003, meeting the needs of older people was significantly more important for the voluntary sector respondents than for the private sector care home owners/managers.

As no significant changes in interviewees' motivations were found, a further analysis was carried out in order to examine the relationships between a set of specific market factors and the nature of motivations. The aim was to explore possible links between the main motivations and a number of market indicators, including the number of local-authority supported residents, number of care home places, local authority expenditure on personal social services (PSS), size of care home, sector of ownership, local authority property prices, and weekly gross earnings. From the eight motivational dimensions the analysis focused on three key motives: professional development, meeting the needs of older people, and income prioritising. With regards to income, the results showed a significant positive relationship with the size of local authority population over 65, and a significant negative relationship with the number of care homes registered as charities.

The results from the professional motivation model indicated that the number of people over 65 in the authority was significantly related to professional motive. Whether the care home remained open until 2003 displayed a significant positive relationship with professional motivations. There was also a significant positive association between professional motivations and local property prices. One interpretation of these results is that perhaps professionally motivated owners/managers are more likely to be found in wealthier areas, and because the expectations of the clients living in

those localities are probably quite high, that would require a large degree of professionalism if the homes were to remain in business.

The findings regarding meeting the needs of older people indicated a strong negative relationship between owners'/managers' caring motivations and the private sector. Although the results from this thesis indicated no significant differences in motivations between sectors, nonetheless it would be reasonable to suggest that, over time, there have been some significant changes in terms of the priorities given to caring motivations among private sector respondents. They have not necessarily become less caring but rather they have had to ensure that, under increased financial pressures, there would be resources available for the home to operate as a business, making their financially-orientated motivations more important.

8.4 Policy implications

The policy implications of the findings can be discussed under three broad headings: policies relevant to professional motivations and training, policies related to provider-commissioner relationships, and market-oriented policies.

8.4.1 Professional social care workforce

Improving the image and career prospects of the staff working in social care has been recognised as one possible remedy to a rather difficult situation of social care staff recruitment and retention. As my results suggest, professional motivation was greatly important among the sample of care-home owners/managers. The subject of care staff (professional) motivation is not frequently addressed even though the empirical evidence suggests that a

motivated workforce is considered to be a strategic asset in the market competition (Steers et al. 2004).

The results suggest that, with the professional motivations occupying such an important place in the owner's/managers' motivational profile, policy-makers would need to be more responsive to the professional needs and aspirations of social care staff. They need to realise owners'/managers' professional potential. Furthermore, focusing more on the professional development of the social care workforce could also lead to improving the working relationships with commissioners. If, for instance, care home owners/managers are perceived as professionals then there is an increased chance that commissioners would be more trusting in their relationships with care home owners/managers, which could eventually result in much greater involvement of owners/managers in setting up care packages and carrying out care reviews. Finally, it is reasonable to assume that an adequately qualified and trained social care workforce is more likely to provide better quality care and more professionally satisfied staff.

How might professional motivations be addressed adequately? Since the late 1990s, there has been much greater emphasis on improving qualifications and providing training for the social care workforce. The White Paper "Modernising Social Services" (1998) noted that, of the estimated total social care workforce of around 1 million, 80 per cent have no recognised qualifications or training. The Government pledged to introduce a new national training strategy in order to improve training levels across social care. For instance, a registered manager of a care home is now expected to have two sets of qualifications: social and health care-related qualifications, and a qualification in general management.

Over the last decade, owners/managers of social care establishments have witnessed the increased dependency of their clients and growing complexity of their needs. People who would have been in care homes twenty years ago now continue to live at home, and those who would have been in nursing homes are now in care homes (Elborall and Garmeson 2001). This has made it difficult to find the right kinds of social care workers to provide care. Furthermore, with the increased needs of the people receiving care, it is even more important that care staff and owners/managers have the necessary training skills and qualifications.

Relatively high levels of motivation among the care home respondents in this study could be partly explained by their commitment to provide good quality care home services for older people. Commitment is an important part of work motivation (Meyer et al. 2004). Although still not fully recognised as an integral element of motivation, these authors argue that "commitment is an important energising force in the motivation process" and that "recognising it as such helps broaden our understanding of the bases for motivated work behaviour in general" (Meyer et al. 2004, p. 1002). Individuals often behave cooperatively in order to achieve common goals. In the case of care home owners/managers and their work motivation, it is very likely that there is indeed a high degree of commitment to meet the needs of older people. Indeed, throughout this study there were frequent examples of owners/managers stretching themselves both financially and professionally so that they can continue providing care for older people.

Furthermore, there are also some indications that the level of commitment seems to be closely linked with the sector of ownership. For instance, the evidence suggests that with regards to commitment and sector, compared to private sector employees, public sector workers report fewer working hours

and less willingness to exert considerable effort on behalf of the organisation (Buelens and Van den Broeck 2007). However, one could also argue that, with the levels of competition, now common in social care markets, there is relatively little choice for care home mangers but to remain highly committed to their work if they want to stay in business. For the public sector managers, there may be far less overt pressure from the competition point of view – or perhaps there is far less *perceived* pressure - which could possibly explain relatively lower levels of commitment among the public sector workers.

The relevance of the public image of the caring profession for owners'/managers' motivations rests on the assumption that a positive and desirable perception of the profession is likely to facilitate owners'/managers' intrinsic motivations. Furthermore, if the public perceives social care as an attractive career option then there is a greater probability of more people wanting to choose such a career. Consequently, that would potentially help to remedy a relatively difficult situation of finding and retaining suitable care staff, a difficulty reported by a majority of the respondents in this study.

In summary, the evidence presented here highlighted the importance of professional motivations in the process of developing care home policies. The importance of improving social care qualification levels has been recognised across a number of recent government initiatives. Many respondents in my interviews expressed satisfaction with their work and were primarily intrinsically motivated to provide good quality care. Moreover, despite some difficult financial challenges experienced by many care homes, morale among care home owners/managers was relatively high. The way forward for policy makers is to ensure that social care professionals are professionally and financially recognised for the services they provide.

8.4.2 Owner/manager-Commissioner relationships

Good relationships between local authority commissioners and independent sector care home owners/managers are essential for the delivery of good quality care. Independent providers play a key role in the provision of services to older people. It is therefore essential for social services departments to forge and encourage the development of strong partnerships. Relationships between local authority commissioners and independent owners/managers in the past have typically focused on the setting of fees and negotiation of annual increases (CSCI 2006b). This has often resulted in the development of working relationships based on limited mutual understanding and lack of trust, and so has narrowed the potential scope of joint working.

Therefore, in order to improve commissioner-provider relationships, the government launched a series of initiatives designed to assist commissioners and owners/managers to develop good working relationships (Department of Health 2001c). The initiatives were focused on addressing the main areas where commissioners and independent sector care owners/managers seemed to disagree in their views. For instance, commissioners were advised to work toward developing trusting relationships with care owners/managers, and ensure an open two-way sharing of information with owners/managers, including not only information about fees but also information with regards to forward planning and risk-management. They were also urged to offer better support for owners/managers in terms of providing support for staff training and professional development. Furthermore, commissioners were advised to focus on providing support to smaller care establishments in developing their contracting skills in order for them to be able to stay competitive (Joint Reviews Team 2003). Thus developing trusting

relationships between commissioners and their local care providers has been, and still is today, near the top of the policy agenda.

The findings from this thesis suggested that, even though some of those recommendations have been taken on board, nevertheless there were still important aspects of those relationships that need to be addressed. In particular, some of the well-established views of private sector care organisations as mainly profit-motivated were still present among local authority commissioners. Frequently, such views were associated with relatively low levels of trust between commissioners and care owners and/or managers. The process of care delivery is characterised by an extensive network of interactions, and it is those interactions which form the basis for much of social care system. In terms of policy developments, recent trends indicate that there is greater recognition, not just by the policy makers, but also by commissioners and providers, of the importance of those relationships. Therefore, it is paramount that commissioners change their views about care home owners/managers being essentially driven by profit-maximising objectives.

In order to achieve trusting and close working relationships, local authorities need to establish effective communication channels that would inform owners/managers of care organisations about their future care plans, and also give them the opportunity to be actively involved in the decision-making processes. As Ray (1998) suggested "... actors in a theoretical world of complete information may attempt to predict one another's behaviour and exploit it through such responses as free riding. In our uncertain world, the actions of others seem to serve as cues to guide behaviour rather than be regarded as strategies to be counteracted" (p. 412). From the policy

perspective the information imperfections are essential for the relationships between actors (Forder et al. 1996, Wistow et al. 1996)

What could be the reasons for commissioners' misinterpretations of owners'/managers' motivations? To be able to fully engage in building effective partnerships with independent sector owners/managers local authority commissioners need to develop a range of commissioning skills and expertise. However, studies exploring the nature of commissioning reported that, overall, there seems to be a general lack of appropriate commissioning skills, with an urgent need to invest in their development. Knapp and Wistow (1996) recognised that the "purchasing role is technically, politically and organisationally demanding. It is technically demanding because it requires a substantial development of skills in the areas of needs identification, service specification, and quality assurance. It is politically demanding in requiring a shift from traditional local authority culture of civic pride in directly provided state services to one of pride in outcomes secured on behalf of users and carers. It may also be considered organisationally demanding because the purchasing role requires collaboration as well as competition. Thus, effective purchasing depends on a recognition that purchasing and providing are independent rather than separate activities" (p. 369). It was also argued that local authorities need to acquire skills and expertise appropriate to their new roles and responsibilities (Knapp and Wistow 1996).

A lack of necessary skills for effective commissioning was addressed in a recently published document *Commissioning framework for health and well-being* (Department of Health 2007d). This document recommended that to improve the situation "commissioning organisations and front-line practitioners need to identify their skill and capability gaps, and take the lead

in addressing them ..." (Department of Health 2007d, p.60).
Commissioners have also been described as primarily focused on purchasing care instead of strategically planning and commissioning services (Department of Health 2005). Despite this situation there are generally still very few opportunities for local authority commissioners to build their commissioning skills and relatively little has been done to develop formal training and qualifications.

8.4.3 Implications for the market

Overall, the findings presented in Chapter Seven provided little evidence of the effects of care markets on care home owners'/managers' motivations between 1994 and 2003[7].

In the context of social care provision, these results could be interpreted as both potentially encouraging, but also quite damaging for the owners'/managers' motivations. The positive aspect is that, broadly speaking, motivations are quite resistant to market pressures. On the negative side, a relatively stable nature of the owners'/managers' motives could create opportunities for moving toward policies and reforms that could take owners'/managers' caring motivations for granted.

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[7] The study findings would also contribute to better understanding of the NHS system which is moving away from its traditional model of service provision toward a new vision for provision in the health and social care system. The lessons from the social care market might be extremely valuable in the context of the NHS changes with the provider market becoming increasingly plural and diverse.

8.5 Implications for the theory of motivation

The central proposition of this thesis was that policy analysis should recognise intrinsic motivation as an integral part of care home owners'/managers' motivational profiles. The thesis explored the extent to which motivation has been integrated in the policy sphere with regards to care home services for older people, and examined some of the pre-conceptions about independent sector care home owners/managers.

A standard economic view of human motivation is largely based on the rational choice approach, according to which, people generally make choices on the basis of maximising their own welfare and even when they are altruistic, 'rational' altruists are primarily driven by maximising their own utility (Jones and Cullis 2003). However, the evidence to support this view of individual behaviour as largely driven by their own interest is relatively weak, and the majority of the current public sector policies have moved in the direction of adopting a more enlightened view of individual behaviour and its underlying motivations.

People make choices that are influenced by their emotions, value systems, attitudes and preferences. This study examined individual motivations among owners'/managers' of care home services for older people in England and found little evidence that these individuals are being purely rational and self-interested. On the contrary, a majority was primarily interested in caring for others. They were also driven by their professional aspirations to use skills and expertise as well as being successful in running a care home business.

The perception of intrinsic motivation seems to be essential in the design of social policy. The notion that people are to put the care of clients above their own personal interest is still, to some extent, viewed with a certain degree of

scepticism among some policy makers. As Jones and Cullis (2003) concluded, it is not easy to dismiss the relevance of intrinsic motivation in social policy. The authors point out that intrinsic motivation is sensitive to the perception that action is 'deserved'.

Intrinsic motivation is also based on 'internal' moral and ethical considerations (Deci and Ryan 1985). Motivation is indeed a multidimensional concept, whose importance extends well beyond established misconceptions of individuals as primarily profit-driven. There is an urgent need to re-evaluate some basic assumptions about human nature and behaviour. If we recognise the existence of altruistic motivation then individuals are more social than originally thought (Batson and Shaw 1991). The evidence suggests that indeed individuals are capable of being genuinely concerned for other's welfare, which policy makers could capitalise on in order to built a more altruistic and caring society.

8.6 Study limitations and research directions

This section summarises the main limitations of the methodological framework employed in the study. In particular, the emphasis is on the nature of the sample and methods for data analysis used to gather information in regard to respondents' motivations and the main characteristics of their relationships with local authority commissioners. The limitations are examined by focusing on the three main aspects of the study design: *sample characteristics* (care home owners/managers and commissioners), *instruments for data collection* (semi-structured interview schedule), and *methods for data analysis* (factor analysis and economic modelling of owners'/managers' motivations).

8.6.1 Sample characteristics

Care home owner/manager sample

The sampling strategy generated a sample of care home owners/managers that was expected, overall, to be representative of the national situation in care home markets for older people in England. As indicated in Chapter Five, the sample consisted of eight local authorities which were broadly representative of the national picture in terms of their political control, proportion of social services expenditure per head of population, and total social services spending per head of local authority population. However, since the sample of authorities was originally selected in 1994, it is most likely that some of characteristics of those eight localities would have changed by the time the final data were collected in 2003, thereby possibly affecting the representativeness of the sample.

It was also inevitable that, in the period between 1994 and 2003, the numbers of respondents who participated in the study would decrease. The original sample of 62 care home owners/managers in 1994 was reduced to 40 respondents in 1997. In 2003, only 26 homes from the original sample were included in the study. To ensure that the subsequent samples in 1997 and 2003 remained broadly representative of the situation at that time, a set of criteria was used to select care home owners/managers who replaced those who were not able or willing to participate in the subsequent two studies. Although there was a degree of uncertainty associated with generalising the findings to a wider population due to the relatively small sample, nevertheless the unique dataset assembled for this study has provided a rich source of information about the principal motivations of the owners/managers working in the care home sector.

It would have been interesting to examine the motives of care home managers who declined to take part in the study. However, considering the reasons for not taking part (e.g. four homes had closed between the first and second surveys, several managers had moved on to other jobs, etc) it was concluded that those observations were unlikely to significantly influence the main findings. Moreover, the practical challenges of gathering data from or about people who were no longer working in the sector would have been considerable.

Reassuringly, the results showed relatively consistent findings with regards to respondents' motivations across the three study periods suggesting that, even with the new individuals included in the sample, there was still a substantial degree of agreement between the studies with regards to owners'/managers' primary motivations. Nevertheless, while the thesis provides valuable evidence about care home owners'/managers' motivations, the findings are

indeed limited in terms of their applicability to a wider population and across different care service owners/managers.

Therefore, to fully address the questions of how to encourage, further develop or enhance intrinsic motivations, and to recognise and develop owners'/managers' professional motivations, future research would probably need to work with a larger and more diverse sample. Whereas the sampling strategy employed by the PSSRU and the Nuffield Institute Commissioning and Performance team (formerly the Mixed Economy of Care team) had been purposefully biased toward independent sector service respondents when first deployed, the task of testing for differences between sectors would require a greater number of statutory care home managers. Future research in this area would also benefit from including a variety of social actors such as care home inspectors, care staff, care home residents and their relatives.

Local authority commissioner sample

The commissioner sample included ten local authority commissioners from the eight sampled authorities. The sample size was partly determined by the number of local authorities included in the study. Although the sampling strategy for this component of the thesis work was primarily focused on gathering the views and experiences of the lead commissioning staff in each of the sampled local authorities, nevertheless it would have been of particular interest to collect more information about the local authorities' commissioning structures and mechanisms by interviewing a wider range of individuals from the commissioning departments and from elsewhere in each of the eight authorities. This would have provided valuable information for constructing a detailed picture of the common or diverse commissioning

practices across sample authorities. However, due to limited resources and a strict timeframe it was not possible within the scope of this thesis to extend the sampling framework in order to interview these other individuals.

It would have been valuable to gather information about commissioners' perceptions of particular care home owners/managers and then compare the level of agreement between commissioner and owner/manager perspectives. While adopting this approach would certainly generate more accurate views of motivations at the individual level, it would not necessarily have generated different views regarding the sector of ownership. Even though this would provide detailed accounts of motivations for each of the selected respondents, nonetheless this strategy inherently lacks the basis for making certain generalisations with regards to other care owners/managers.

8.6.2 Instruments for data collection

A semi-structured interview scheduled was used to elicit information about owners'/managers' motivations in the context of care home services. The instrument (Appendix 4.2) was designed to capture the main motivational preferences among a sample of care home interviewees largely drawn from the independent sector. The interviewees were asked explicit questions about their motivations for providing care, which raises the question of whether interviewees gave 'socially desirable' response rather than reporting their real motivations.

Although a possibility of biases associated with the motivational categories was indeed noted throughout the data collection, nevertheless the assumption was that asking respondents directly about their motives would generate relatively accurate responses. In order to minimise the bias towards socially acceptable motivations, the respondents were asked to elaborate on their

selection of motives, which provided an opportunity to inquire about their motivational profiles in more detail and could also potentially reveal any inconsistencies. Furthermore, the rationale was that the interview setting would provide appropriate conditions for capturing respondents' main motivations, therefore minimising the likelihood of socially desirable responses.

Further limitations of the study design relate to a specific focus on a set of eight motives, even if these had been carefully selected after a lot of preparatory work. An obvious danger of limiting owner/manager motivations to a list of just eight is that there might be other important dimensions which respondents failed to mention as part of their motivational profile. However, among the 'suggested' motivations there was an 'other motivations' category which asked the interviewees to identify any other motives which they found personally important, but were not included in the list. The results showed that there were essentially very few motives other than those offered.

A dichotomous scale (1 indicating a presence of particular motivation, and 0 indicating absence of a particular motivation) was used to measure interviewees' expressed motivations. However, to capture a full range of motivations within each of the eight motivational categories, future research should try to measure different levels of motivations within each category rather than just recording their presence or absence. In the present study, this issue was partly addressed by complementing the data on expressed motivations with information from interviewees' rankings of their motivations.

As for the eight motives being too general, at some level they could indeed be interpreted as quite generic. However, it needs to be emphasised that those

specific motives were carefully drawn from four bodies of literature: economic theories, the sociology of professions, theories addressing the specific nature of the voluntary sector, and sociological approaches to small, private sector businesses. More information on the selection of relevant motivations in the social care context can be found in *Social Care Markets: Progress and Prospects* (Wistow et al. 1996, pp 92-97).

8.6.3 Methods for data analysis

The three main empirical parts of this thesis (Chapters Five, Six and Seven) provided a full description of the statistical methods used for data analysis. The conceptual framework outlined in Chapter Five largely determined the analytical approach. Due to the lack of a well-defined a priori set of hypotheses about the particular number and patterns of relationships between measured variables and common factors, exploratory factor analysis was employed. Factors such as sector type were not included as loading factors because, even though they were expected to correlate with the nature of motivational structures, they did not constitute motivational attributes themselves. Furthermore, the analysis of the relationships between owners' and/or managers' motivational profiles and external factors (Chapter Five) could be, to some degree, interpreted as a simplified model of the relationships between motivations and the external relational dimensions.

As for the use of econometric modeling (Chapter Seven), some could argue that indeed employing this approach might not prove to be the most appropriate method for analyzing individuals' motivations in the social context. Nonetheless, the analysis revealed some interesting initial findings which would be particularly important for future research concerned with the effects of market conditions on the nature of owners'/managers' motivations.

8.7 Conclusions

The evidence from this thesis demonstrated that a range of personal and social factors could influence owners'/managers' intrinsic motivations. With growing pressure on care services, future policy developments need to be sensitive and responsive to the professional demands of the staff working in the care home sector. The concept of 'robust policies' has played an important role in policy developments, and according to Le Grand (2003), the introduction of robust incentive structures would accommodate both knightly and knavish motivations.

Social policies themselves can trigger different motivational tendencies. As illustrated by Taylor-Gooby et al. (2000), policies designed within an altruistic paradigm may foster altruism whereas policies that encourage self-interested motivations may result in egoistic behaviours. In their study exploring the main reasons for the large proportion of dentists exiting the NHS and moving into private sector practice, both financial elements as well as professional aspirations for clinical autonomy and quality of services were found to be important. Thus Taylor-Gooby and colleagues recommended that policy makers should strive towards 'robust' policies (Le Grand 2003), which also take into account social aspects such as professional cultures.

The findings revealed several important differences between commissioners' *perceptions* of owners'/managers' motivations and owners'/managers' *actual* motivations. Generally, commissioners perceived care home owners/managers as being both caring and self-interested individuals. Although the evidence suggests complex motivational structures, and the recognition of both altruistic and monetary motives, nevertheless there was a

tendency among commissioners to attach more weight to owners'/managers' financial drives rather than to their caring motivations.

In an attempt to further improve commissioner-provider relationships, local authorities have moved toward more long-term purchasing and commissioning arrangements for care home services. There was evidence across the sample that commissioners were generally in favour of a preferred provider system rather than open purchasing. It was argued that, operating a preferred-provider system would essentially enable them to develop well-established long-term relationships with care home owners/managers. In turn it was argued that this would lead to better working relationships based on trust and information sharing between commissioners and owners/managers. These elements are quite important for the future shape and shaping of care home markets and in particular the development of partnership working between commissioners and care providers. Furthermore, according to Banks (2005), successful partnerships are essentially based on well-established relationships between care organisations and local authorities.

The evidence from this study suggests that the role of the care home manager has changed considerably over recent years. In terms of the professional expectations from a care home manager, they need to have the necessary skills in order to carry out a range of duties from being a day-to-day operational home manager to a main carer. There have been considerable efforts to create more structured educational pathways for care home professionals largely by introducing a range of educational and training requirements for care home managers, including compulsory level-4 NVQ qualifications for managers.

The nature of care home managers' responsibilities has changed with a greater need for a variety of managerial skills and other relevant professional qualifications. The need for managers to focus on developing their management skills largely stems from the current priorities in their everyday running of a home. They are now expected to spend most of their time on non-caring responsibilities, with the evidence from this study indicating that, indeed more than half of a care home manager's time was spent on activities not directly linked to caring. The interviewees described their work as being more business-orientated, but that did not seem to alter their main motivations. Even though they had less time to spend on direct caring activities, their caring motivations for meeting the needs of older people were still their main priority. There were reports of some of the non-caring tasks being quite demanding and challenging, and often a source of frustration for many respondents, but their effects on motivations were generally described as short-term. The findings in Chapter Five demonstrated that, for many interviewees, large amounts of paperwork, financial pressures, and problems with recruiting and retaining suitable care staff were among the main de-motivating aspects of managing a care home.

Perceptions of owners'/managers' motivations were likely to affect the quality of informal relationships between commissioners and owners/managers. In order to achieve effective partnerships, both commissioners and owners/managers of care establishments need to develop good working relationships based on mutual trust. With the recent policy initiatives toward more flexible and person-centred services, commissioner-provider relationships based on trust are likely to become even more important in successfully responding to the challenges of service modernisation.

In summary, the main findings of this thesis can be described thus:

- There is a substantial 'altruistic' element in care home owners'/managers' motivation. This is true regardless of sector, and tends to dominate more self-interested concerns. But it is in turn dominated by a desire for 'professionalism' – which could be regarded as either knightly or knavish motivation. What is particularly interesting here is that professionalism was found to be the dominant motivation for all sectors. There is no knavish private sector or knightly voluntary sector, but rather professional care home owners/managers throughout.

- Local authority commissioners, however, have yet to recognise owners'/managers' professional motivations. They regard care home owners/managers as more profit-driven than they are, regardless of sector. This could be damaging, in particular for the development of trust, which is a crucial ingredient for any commissioner-provider relationship.

- Finally, there has been little change in owners'/managers' motivational structures since the development of the social care market. Hence the concerns that knights will be turned into knaves as a result of the rapid development of the mixed economy of care have proved to be largely unfounded.

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Appendices

Appendix 4-1

[date]

Dear [name]

Re: Study of residential care for older people

I am writing to ask for your assistance with an important national research project on residential care services for older people. This study has the financial support of the Department of Health. You will recall that in previous years, your authority has kindly helped in our description and analyses of the purchasing or commissioning side of evolving social care markets. Your authority is one of the eight originally selected to form a representative sample of all local authority social service commissioners in England.

Our new study follows earlier work on residential care services for older people.

We would be very grateful if you could identify homes in your local authority from the following categories:

- homes which are owned and managed directly by your local authority
- homes which were formerly directly run by the authority, but which are now operated as 'not-for-profit trusts'

If homes in neither of these categories are now operating in your local area could you please let us know either by email or letter.

However, if either or both types of home are present, we would be most grateful:

- to receive your approval to contact a few of them in order to pursue our research, and
- to receive either a list of the relevant homes (indicating into which category they fall and providing manager contact details), or suggestions as to an appropriate officer within your authority with whom we can liaise on this matter.

As part of this study we would like to talk to home managers about their personal and professional reasons for entering the residential care home sector. We would like to ask them about their motivations for running a residential care home and their relationship with service commissioners and inspectors.

For this study we are collecting data via face-to-face interviews lasting approximately one hour. All the information provided will be treated in complete confidence, and neither your local authority nor organization nor any home nor any individual will be identified in any of the research outputs, nor will be the providing information to the Departments of Health that would identify authorities, organisations, homes or individuals. As with earlier research, participants will receive a summary of the main findings.

We are keen to move this research forward. We would greatly appreciate your help. In the meantime do not hesitate to contact us should you have any queries concerning this research.

We look forward to hearing from you.

Yours sincerely

Appendix 4-2

INTERVIEW SCHEDULE

Study of residential care providers 2002

Introduction

- Thank to the interviewee for taking part in the study.
- Briefly explain the nature of the study.
- All information provided will be completely confidential and anonymous.
- Inform interviewee that he/she will receive a summary of the main findings.
- Seek permission to tape record.

1. Provider Characteristics

1. Name of current interviewee

2. Name of home

3.Status of interviewee

- ☐ Manager
- ☐ Proprietor
- ☐ Other (specify)

4. Is the organisation part of a larger business/organisation?

- ☐ Yes → Name?
- ☐ No

5. What sector is this organisation?

- ☐ Private, for-profit
- ☐ Voluntary (include Housing Associations) and/or Charity
- ☐ Not-for-profit trust (previously run by LA)

6. Could you tell me its current legal structure?

- ☐ Housing Association
- ☐ Private limited company
- ☐ Public limited company
- ☐ Company limited by guarantee (no shareholders e.g. Incorporated charity)
- ☐ Un-incorporated trust (e.g. small voluntary)
- ☐ Sole proprietorship
- ☐ Partnership
- ☐ Other (specify)

7. How many places are there in total in the home for elderly people and how many of those places are currently filled (as of today):

Permanent places		Permanent residents	
Short-stay places		Short-stay residents	

8. Of the total places in the home, how many are registered as:

residential care beds

nursing care beds

9. How many other care facilities does the organisation or owner run?

Nursing	
Dual registered homes	
Residential care homes	
Sheltered housing	
Mainstream housing	
Domiciliary care (outside this home)	
Day care (outside this home)	
Other	

2. Provider Motivations

I would like to ask you about your professional and personal reasons for entering residential care business. In particular I would like to ask you about your motivations for running a residential care home business and your professional satisfaction.

2.1 Primary Motivations

10. What are your <u>current</u> motivations for being in this business

	Yes	No	DK	Rank
(i) income and profit maximising	☐	☐	☐	
(ii) a satisfactory level of personal income	☐	☐	☐	
(iii) duty/responsibility to society as a whole	☐	☐	☐	
(iv) duty/responsibility to a particular section of society ASK Q11.	☐	☐	☐	
(v) to meet the needs of older people	☐	☐	☐	
(vi) independence and autonomy	☐	☐	☐	
(vii) professional accomplishment and creative achievement	☐	☐	☐	
(viii) to develop or use skills and expertise	☐	☐	☐	
Other (not mentioned above)	☐	☐	☐	

Please indicate which apply then rank the *three* that you think are most important.

11. Have your motivations changed since you first started working in this business?

☐ Yes
☐ No

IF YES: In what way?

12. This home is in the ..... (from Q5) sector. Was that an important consideration for you when you chose to operate in this sector? Why/why not?

PROMPT: Any perception that chosen sector expected to be a better environment for expressing your motives?

13. Do the operational aim of the home/organisation reflect your personal motivations?

☐ Yes
☐ No
☐ DK

IF NO ASK: What would your companies goals or objectives be do you think?

	Yes	No	Rank
(i) income and profit maximising	☐	☐	
(ii) a satisfactory level of personal income	☐	☐	
(iii) duty/responsibility to society as a whole	☐	☐	
(iv) duty/responsibility to a particular section of society	☐	☐	
(v) to meet the needs of elderly people	☐	☐	

14. Are there any particular aspects of your job that you find de-motivating? If yes, what are they?

To finish this part, I would like you to elaborate on each of the primary motives which you selected as being most important.

Note: If they said that *autonomy and independence* was one of their main motivations then ask the following questions:

Provider autonomy

15. FROM Q10: IF RESPONSE (vi) = Yes ASK:

What specifically is it about your home which allows you to be independent or autonomous [PLEASE SPECIFY IN BOX]
NA: particularly because this personal goal is not achieved in this home
PROMPT:
ڤsector
ڤsize
ڤcontrol over decision-making

16. In terms of your independence and autonomy in running this home, how much autonomy do you have:

None ☐
Limited autonomy ☐
Some (real) autonomy ☐

If 'none' or 'limited' why is this the case?

PROMPT:

a) Constrained or enabled by relationship with purchasers?
b) Constrained or enabled by relationship with regulators?

Is this a problem?

PROMPT:

Possibility that independence and autonomy is one of motives for entering business which is not given opportunity for expression ('too much' regulation, or 'paperwork' or 'bureaucracy' or 'administration')

17. Specifically regarding the freedom to express your ideas and opinions in your dealings with the local authority purchasers (rather than just operational autonomy) how much freedom do you have:

None ☐
Some ☐
Real ☐

If 'none' or 'some' why is this the case?

PROMPT:

a) Due to limited contact with local authority purchasers?
b) Due to limited financial and professional resources to put your ideas into practice?

Work interest (intrinsic / extrinsic dimensions), Work perception and Job satisfaction

So far we have talked about your general motivation for being in residential care business. In the following section I would like to ask you in particular about your professional motivations including work interest, perception and level of satisfaction with your job. Although some of the motivations might be similar (or may sound similar) to the motives we have already discussed in the previous sections, I would like you to think in terms of your professional motives when answering the next set of questions.

18. In terms of your original career choice i.e. to became a care home operator:

How satisfied are you with it now?

V. satisfied	☐
Satisfied	☐
Neutral	☐
Unsatisfied	☐
V. Unsatisfied	☐

19. How would you describe your job?
PROMPT:

a) A job that is valued in society;
b) A job that you would recommend;
c) A job that allows you to develop;
d) A job that you have never regretted that you chosen;
e) A job that you get tired of after a while;
f) A job that constantly gives you new experiences;
g) Other?

20. (a) What do you currently expect from your job in terms of personal and professional fulfilment? For example:

Your job is challenging	☐
Enables you to develop your skills and expertise	☐
You enjoy providing residential care	☐
Provides financial security	☐
Recognition by other providers, purchasers and regulators	☐
Other	☐

(b) Are your current expectations from your job different from what you initially expected when you made a decision to enter this business?

If YES, why do they differ?

(c) Is your actual work experience different from what you expected it to be in the first place?

If YES, what are the main differences?

21. Could you tell me which of these factors are currently important for your overall job satisfaction?

Providing good quality care	☐
Using/developing your skills	☐
Working with a capable social care staff	☐
Career development	☐
Reputation among providers, purchasers and regulators	☐
Other	☐

PROMPT: Ask them what they mean by each factor. It is likely that they will (almost) all say 'good quality care' but 'what does this mean? Is it 'complying with standards?' or 'good personal relationships with users?' or 'putting into practice principles/norms learned about in *professional* training?'

22. (a) Regarding the amount of pressure that you experience in you everyday running of the home how would you rate it?

No pressure ☐
A little pressure ☐
Some (real) pressure ☐
A lot of pressure ☐

(b) Is the pressure that you experience in your everyday work what you expected it to be when you decided to enter residential care business?

(c) Do you feel comfortable with the amount of pressure in your work?

PROMPT:

Please give specific examples.
Is there anything purchasers/regulators could be expected to do to improve the situation?

3. Relationships with the local authority (LA)

In the next section I would like to ask you about your relationships with purchasers regarding whether these are supportive or otherwise. We will cover such topics as information, your strategic involvement in shaping services, and at the individual level, involvement and freedom to change service according to clients needs.

Information
How would you rate your relationship with the purchaser in the following areas.

23. (a) Regarding your contact with strategic local authority purchasing staff and the frequency and usefulness of purchasing forums...

a) How frequent is this contact ?

	Telephone contact	Face-to-face contact
Fortnightly	☐	☐
Monthly	☐	☐
Quarterly	☐	☐
Annually	☐	☐
Other (specify)	☐	☐

How satisfied are you with it?

V. satisfied	☐
Satisfied	☐
Neutral	☐
Unsatisfied	☐
V. Unsatisfied	☐

b) How long do these meetings usually last?

c) Who is usually present at these meetings?

d) What is it about your contact that makes you feel this way (satisfied / unsatisfied)? Please give examples of relevant situations or events which you feel are typical or illustrative of the content of your relationships with local authority purchasers?

PROMPT:

- Allowed / Prevented expression of particular *motives*
- Allowed / Prevented expression of particular *work interests*

(d) What aspects of your dealings with the local authority commissioners do you find particularly useful?

(e) What other aspects of your relationship allow or prevent 'satisfaction'?

PROMPT: In your opinion, what is more important the LA's policy, or the individual people, on the ground, from the LA? Why?

24. Regarding your involvement and consultation with the LA purchaser (not the inspection unit) regarding *problems* with, for example, client placements ...

(a)... how much involvement is there?

- No involvement ☐
- Limited involvement ☐
- Some (real) involvement ☐

→

(b) How satisfied are you with it?

- V. satisfied ☐
- Satisfied ☐
- Neutral ☐
- Unsatisfied ☐
- V. Unsatisfied ☐

If NOT, why?

25. Regarding the freedom and encouragement to innovate, for example, in developing new services and service options ...

(a)...how much tangible support is there?

- None ☐
- Sporadic ☐
- Real ☐

→

(b) How satisfied are you with it?

- V. satisfied ☐
- Satisfied ☐
- Neutral ☐
- Unsatisfied ☐
- V. Unsatisfied ☐

If NOT, why?

26. To what extent do you trust information supplied to you by the LA regarding their purchasing plans...

(a) ....Do you trust the *reliability* of information. Would that be:

- ☐ always
- ☐ sometimes
- ☐ hardly ever
- ☐ never

If NOT, why don't you trust the reliability of information?

(b) ....Do you trust how *comprehensive* and *systematic* is the information that you are provided with. Would that be:

- ☐ always
- ☐ sometimes
- ☐ hardly ever
- ☐ never

If NOT, why?

If Yes, how satisfied are you with the information?

- V. satisfied ☐
- Satisfied ☐
- Neutral ☐
- Unsatisfied ☐
- V. Unsatisfied ☐

If No, does it matter to you? Y/N

27. Regarding your input into the initial user assessment and care plan ...

(a)... how much input is there?

- No input ☐
- Limited input ☐
- Some (real) input ☐ →

(b) How satisfied are you with it?

- V. satisfied ☐
- Satisfied ☐
- Neutral ☐
- Unsatisfied ☐
- V. Unsatisfied ☐

If 'no input' or 'limited input', what is the main reason for this?

If 'some (real) input, how is this usually achieved (please give examples)?

28. Regarding your input into subsequent care reviews ...

(a)... how much input is there?

No input	☐
Limited input	☐
Some (real) input	☐

➔

(b) How satisfied are you with it?

V. satisfied	☐
Satisfied	☐
Neutral	☐
Unsatisfied	☐
V. Unsatisfied	☐

If 'no input' or 'limited input', what is the main reason for this?

If 'some (real) input, who is this usually achieved (please give examples)?

PROMPT:

Would your answer vary according to:

- level of authority e.g. commissioners vs. middle managers (including managers);
- personalities at each level;
- other (specify)

Local authority planning and commissioning

The next questions are about how the local authority's commissioning arrangements affect you.

Operational problems

29. Do you currently have any problems with the following:

(a) delayed payments

☐ Yes

☐ No

(b) delays from assessment to admission

☐ Yes

☐ No

(c) clarity of purchasing intentions

☐ Yes

☐ No

(d) length of time taken to assess clients

☐ Yes

☐ No

30. (a) Reflecting on what you have just been telling me (us), if you were asked to describe the way that your relationship with the local authority makes you feel, what would you say:

PROMPT:

Frustrated and Isolated	☐
Marginalized	☐
Respected	☐
Satisfied	☐
Recognised	☐

(b) Could you give me a few examples of events, institutional arrangements or relationships which have made you see this way?

4. Relationship with regulators of residential homes for older people

31. Regarding the frequency of contact with regulators of residential care services for older people ...

a) How frequent is this contact ?

	Telephone contact	Face-to-face contact
Fortnightly	☐	☐
Monthly	☐	☐
Quarterly	☐	☐
Annually	☐	☐
Other (specify)	☐	☐

How satisfied are you with it?

V. satisfied ☐
Satisfied ☐
Neutral ☐
Unsatisfied ☐
V. Unsatisfied ☐

b) How long do these meetings usually last?

c) Who is usually present at these meetings?

d) What sorts of issues are typically discussed?

e) What is it about your contact that makes you feel this way (satisfied / unsatisfied)? Please give examples of the relevant events regarding your relationship with regulators?

PROMPT:

- Allowed / Prevented expression of particular *motives*
- Allowed / Prevented expression of particular *work interests*

f) What aspects of your dealings with the regulators of residential care do you find particularly useful?

g) What other aspects of your relationship allow or prevent 'satisfaction'?

PROMPT: In your opinion, what is more important the regulatory policy, or the individual people ....? Why?

32. In terms of your working environment:

(a) have there so far been any changes as a result of the introduction of the new regulatory standards? Please specify the 2-3 most significant from your perspective.

b) are further changes planned over the next 3-5 years? If yes, please specify.

33. I would like to ask you about your 'personal' relationship with regulators before and after the new regulations.

(a) Are there any differences in your relationships with residential care regulators compared to the relationship you had with the old regulatory inspections? If yes, what are they?

(b) How would you describe your current relationship with regulators?

PROMPT:

- Close ☐
- Distant ☐
- Controlling ☐
- Arm's length ☐
- Involving ☐
- Independent ☐

34. From your experience are the new regulations always implemented in full:

a) in your home;
b) in this local authority in general.

If NOT, what are the 2-3 most 'significant' (from your perspective) ways in which they are not?

Why do you think these aspects are not implemented?

Is this a problem for you?

35. Regarding the new regulations (Care Standards), have you had to make any alterations in the home? If YES, what were they?

36. With regards to the new care homes regulations, have you ever considered leaving this business?

37. (a) If you were asked to describe the way that your relationship with the regulators makes you feel, what would you say:

PROMPT:

Frustrated and	Isolated	☐
Marginalized		☐
Respected		☐
Satisfied		☐
Recognised		☐

(b) Can you give me some examples of events, situations, institutional arrangements or relationships which have made you feel this way?

38. Finally, I would like to ask you about your overall experiences of working with purchasers and regulators.

In your opinion, how much consistency is there between commissioning requirements and regulatory standards?

Appendix 4-3

[date]

Dear [name],

Re: Study of residential care providers for older people

Thank you for recently undertaking an interview with one of PSSRU's research team. The information you provided will be of great value in our analysis of residential care services for older people. You will recall that the questions were mainly about your personal and professional reasons for operating in the residential care market, your current motivations for running a residential care home, and your relationship with local authority commissioners and the National Care Commission (and its predecessors).

We would greatly appreciate it if you could now complete this short questionnaire as fully as possible and return it using the postage paid envelope enclosed with the questionnaire over the next two weeks. We are aware of the heavy burden of information submission that you already face, so apologise for this additional imposition. In fact, almost all of the information we now hope you will supply is about some rather straightforward aspects of your establishment, such as the source of residents' funding, the types of contracts, and the nature of the competitive pressures you face. Admittedly a little more demanding, we also wish to ascertain the amount of time you have spent on your varied relations with public authorities. This really would be a great help to us, enabling us to put the information you already offered on those relations in the interview into an appropriate context. And please do bear in mind that we are asking you for *an estimate* of time spent, and do not require you to go through you records to ascertain precise figures!

Thank you in advance.

Appendix 4-4

A SURVEY OF PROVIDERS OF RESIDENTIAL CARE FOR OLDER PEOPLE

Name of home

1. When was the home first registered as either a residential care home or a dual registered care home? (Please give month and year.)

2. Please give the number of residents currently at the home, distinguishing them according to their funding source.

Source of funding	Number of Residents
*Principal local authority funded	
Other local authority funded	
Privately funded	
NHS Funded	
DSS preserved rights	

*Local authority in which this home is located.

3. What types of contracts do you have with your local authority for purchase of your services (TICK ALL THAT APPLY):
   - ☐ block (payment for facilities, used or otherwise)
   - ☐ call-off (price specified in advance; paid for from time of admission)
   - ☐ spot (price determined at time of admission)
   - ☐ cost-and-volume (combines block contract with spot/call off contract)
   - ☐ grant (general payment not linked to particular facility or client)
   - ☐ Other: please specify

4. How much influence do you have in your negotiation with the local authority regarding the contract price?
   - ☐ we have as much or more influence than the local authority over the price
   - ☐ we have significant influence BUT less than the local authority over the price
   - ☐ we have little influence over the price
   - ☐ we have no influence over the price
   - ☐ don't know

5. How would you respond if the agreed price for new local authority funded placements was increased from present levels by 10 per cent (TICK ALL THAT APPLY):
   - ☐ we would try to recruit fewer private payers
   - ☐ we would increase/decrease occupancy levels (delete as appropriate)
   - ☐ we would increase service levels
   - ☐ we would reduce cross-subsidisation from alternative sources
   - ☐ we would not respond
   - ☐ other (please specify in the box)

6. Please estimate the time that you spent in 2002 on the following relationships with public bodies – including local authority purchasers and inspectors/regulators. (Please include time spent relating to your own and other local authorities; and time spent relating

to the National Care Commission and the relevant predecessors in your locality. Please include face-to-face contact, and time spent engaging in phone/fax/email/postal mail exchanges).

Types of external relationships	Time spent in 2002 (indicate as appropriate)	
	Hours	Days
a) With 'front line'* staff regarding for instance: liaison, referrals and reviews		
b) With local authority purchasing/contracting staff, regarding this home's 'compliance' with contracting/quality control requirements		
c) With local authority purchasing staff regarding financial matters		
d) With 'strategic' local authority purchasing or contracting staff, exchanging information relevant to policy and planning		
d) Preparing for inspection; actually hosting inspections and after inspection activities (e.g. reporting back on changes you are implementing, or planning)		

*Front line staff include: care managers, social workers or allied health and social care professionals.

7. Regarding your 'typical' week in 2002, please estimate the number of hours spent on:

Activities	Hours per week
Direct caring activities: interacting with individual residents	
Indirect caring activities: discussions with families, home's staff or public authorities concerning the welfare of residents	
Non-caring activities: all other work, including the management and administration required to run the home 'as a business'	
TOTAL number of working hours in your 'typical' 2002 week	

8. If you are a salaried manager (rather than an owner-manager) and you worked in excess of 35 hours per week ; please tick as appropriate (for 2002)

- ☐ hours in excess of 35 hours were unpaid
- ☐ hours in excess of 35 hours were paid the 'normal' rate (overtime rate same as usual rate)
- ☐ hours in excess of 35 hours were paid more than the 'normal' rate (overtime rate more than usual rate)

9. Which of the following best describes the degree of competition you face (please tick one):

- ☐ extremely competitive
- ☐ quite competitive
- ☐ quite *un*-competitive
- ☐ not at all competitive
- ☐ don't know

10. If you were to face decreasing levels of competition, would this (please tick one):

- ☐ undermine your overall motivation
- ☐ strengthen your overall motivation
- ☐ not affect your overall motivation

Thank you for your assistance. Please return this questionnaire in the *freepost* envelope provided

Appendix 4-5

[date]

Dear [name],

I am writing to ask for your assistance with an important national research project on provision of care home services for older people funded by the Department of Health. Since the first PSSRU study of residential care providers in 1994 your authority has kindly helped in our research which mainly focused on monitoring and evaluating purchaser-provider relationships in order to improve choice and quality of care services for older people.

As part of the PSSRU work, two residential care provider studies were previously conducted in 1994 and 1997, in order to gather information on the activities and perspectives of providers of residential care services. We have completed a data collection for the third provider study in your local authority which builds upon our earlier work looking at providers motivations for running care home business, exploring their relationship with local authority commissioners in particular, partnership initiatives and their experiences of the new regulatory environment.

In order to better understand the relationships between purchases and providers of care home services we would like to explore your views in relation to some important strategic and operational aspects of commissioning care home services for older people. Specifically, we would like to ask you about your relationships with care home providers as well as the role they play in decision-making processes. We would also like to talk to you about types of contracting arrangements and various care initiatives toward developing more effective partnerships with independent sector providers.

While we are aware that you are extremely busy, we very much hope that you will be able to assist us with this third study of care home providers. Each interview will take no more than an hour and all the information provided will be treated in complete confidence. A copy of 'Evidence 5', reporting on our previous work on residential care providers, is enclosed for your information.

I hope that you are able to help us with this part of the study and look forward to hearing from you.

Appendix 4-6

Interview Schedule to Commissioners/Purchasers of Residential and Nursing Home Care for Older People

- Thank the interviewee for taking part in the study.
- Briefly explain the nature of the broader study and the purpose of this interview.
- All information provided will be completely confidential and anonymous.
- Inform interviewee that he/she will receive a summary of the main findings.
- Seek permission to tape record.

I. Purchaser Characteristics

1. Name of interviewee

2. Local authority

3. Status of interviewee (exact job title):

4. How long have you been working in the area of social services and in this local authority before being appointed to your current job?

5. How long have you been in your present post?

6. Could you tell me what are your main responsibilities in your present post?

2. Commissioners'/Purchasers' perspective on the local care home market

7. What is the balance between the private, voluntary and local authority providers of care home services for older people in this local authority?

Sector	Number of beds purchased by local authority	Total number of beds in this LA by sector
Private for profit		
Voluntary/not-for-profit		
Local authority		

8. Are there any specific local policies with regards to maintaining a certain balance between the sectors in terms of service provision?

9. Are the standards that the residential care providers need to comply with identical for all providers regardless of the sector?

If No, please explain?

10. Are in-house residential care providers treated differently from private and voluntary care home providers in any way?

11. What are the qualities of care home providers from the private and voluntary sectors that are most likely to have an effect on your purchasing decision? For example, user satisfaction; professional qualifications of the care workers; staffing levels; training policies and programmes for care staff; inspection reports.

3. Commissioners'/Purchasers' understanding of the role of service providers as stakeholders

> Service providers need to be proactive in the commissioning process. They have the practical knowledge of what works well in services and this intelligence is vital in commissioning process. There should be as much sharing as possible of medium-term purchasing intentions, on the one hand, and business development plans on the other. This enables a negotiated sharing of the risks involved in anticipating the future demand for services. Commissioning bodies need to understand from the provider perspective the incentives and deterrents to entering or leaving the local social care market, in order to refine their commissioning and contracting processes accordingly.
>
> "Making Ends Meet: Commissioning Social Care" A Joint Reviews Initiative

12. In your opinion, what would be the obvious incentives for residential care providers in this local authority to enter the social care market?

13. Is there a system in place that allows you to develop good, mutually beneficial and trusting relationships with valued providers which would enable you to promote market stability and continuity of care?

14. I would like to seek your views regarding providers' main motivations for providing residential and nursing home care for older people. What would you think are the main current motivations for providing residential and nursing home care among private, voluntary and public sector providers?

A) Private sector providers

	Yes	No	DK	Rank
(i) income and profit maximising	☐	☐	☐	
(ii) a satisfactory level of personal income	☐	☐	☐	
(iii) duty/responsibility to society as a whole	☐	☐	☐	
(iv) duty/responsibility to a particular section of society	☐	☐	☐	
(v) to meet the needs of older people	☐	☐	☐	
(vi) independence and autonomy	☐	☐	☐	
(vii) professional accomplishment and creative achievement	☐	☐	☐	
(viii) to develop or use skills and expertise	☐	☐	☐	
Other (not mentioned above)	☐	☐	☐	

Please indicate which apply then rank the *three* that you think are most important for the majority of the private providers from which you purchase residential and nursing home care.

B) Voluntary sector providers

	Yes	No	DK	Rank
(i) income and profit maximising	☐	☐	☐	
(ii) a satisfactory level of personal income	☐	☐	☐	
(iii) duty/responsibility to society as a whole	☐	☐	☐	
(iv) duty/responsibility to a particular section of society	☐	☐	☐	
(v) to meet the needs of older people	☐	☐	☐	
(vi) independence and autonomy	☐	☐	☐	
(vii) professional accomplishment and creative achievement	☐	☐	☐	
(viii) to develop or use skills and expertise	☐	☐	☐	
Other (not mentioned above)	☐	☐	☐	

Please indicate which apply then rank the *three* that you think are most important for the majority of the voluntary providers from which you purchase residential and nursing home care.

C) Public sector providers

	Yes	No	DK	Rank
(i) income and profit maximising	☐	☐	☐	
(ii) a satisfactory level of personal income	☐	☐	☐	
(iii) duty/responsibility to society as a whole	☐	☐	☐	
(iv) duty/responsibility to a particular section of society	☐	☐	☐	
(v) to meet the needs of older people	☐	☐	☐	
(vi) independence and autonomy	☐	☐	☐	
(vii) professional accomplishment and creative achievement	☐	☐	☐	
(viii) to develop or use skills and expertise	☐	☐	☐	
Other (not mentioned above)	☐	☐	☐	

Please indicate which apply then rank the *three* that you think are most important for the majority of the public sector providers from which you purchase residential and nursing home care.

15. Would you be able to say if providers' motivations have changed since you first started purchasing residential and nursing home care from them?

☐ Yes
☐ No

IF YES: In what ways?

16. Is provider motivation an important factor in your commissioning decision?

☐ Yes
☐ No
☐ Do not know

If yes, could you explain why?

17. In terms of your relationship with providers, is the nature of their motivations together with your views of their motivations in any way reflected in the business dealings with providers (e.g. different monitoring procedures)?

4. Commissioners'/Purchasers' relationships with care home providers

As part of the contracting strategy the document on Joint Review Initiative for commissioning social care lists a number of recommendations for establishing a good working relationship with providers such as:

1. Seek to develop relationships of mutual trust with providers as adversarial relations are normally time-consuming and non-productive
2. Promote an open two-way sharing of information with providers that is not confined to the negotiation of fee levels but embraces shared problem solving, risk management and forward planning
3. Encourage providers to be represented in formal dialogues through affiliation to their local associations but keep open channels of communication with non-affiliated providers through newsletters/circulars etc
4. Expand collaborative support systems, such as shared training and workforce development
5. Be alert to the need to support smaller providers in developing their contracting skills, so as to be able to compete with larger providers

From "Making Ends Meet: Commissioning Social Care, A Joint Review Initiative

18. How would you describe your relationship with residential and nursing home care providers that provide care for local authority funded clients?

a) Relationship with private sector

- ☐ Very good relationship based on mutual trust
- ☐ Reasonably good relationship
- ☐ Not very good
- ☐ Do not know

Could you briefly elaborate on your response?

b) Relationship with voluntary sector

- ☐ Very good relationship based on mutual trust
- ☐ Reasonably good relationship
- ☐ Not very good
- ☐ Do not know

Could you briefly elaborate on your response?

c) Relationship with public sector

- ☐ Very good relationship based on mutual trust
- ☐ Reasonably good relationship
- ☐ Not very good
- ☐ Do not know

Could you briefly elaborate on your response?

19. Would your answer vary according to whether the home is in the private, voluntary or public sector?

20. Does your relationship with the independent sector residential and nursing home care providers (private and voluntary sector) influence quality of care?

21. How satisfied are you with the quality of home care provision for older people in your local authority?

	Private	Voluntary	Public
Very satisfied	☐	☐	☐
Satisfied	☐	☐	☐
Neutral	☐	☐	☐
Unsatisfied	☐	☐	☐
Very Unsatisfied	☐	☐	☐

Could you explain why?

22. In your relationship with providers how much emphasis is there on developing collaborative support systems such as shared training and workforce development?

23. As part of the information sharing with providers, apart from the negotiations about fees, do you also discuss other issues such as risk management and forward planning?

5. Contracting arrangements with independent providers of residential home care

Make your medium term purchasing intentions known to providers in order to help them with their business planning. Also determine the mix of providers and contracts to secure supply, allow a measure of choice, promote continuing improvement and contain costs. Maintain a measure of competition between providers and allow scope for new entrants whenever possible.

Making Ends Meet: Commissioning Social Care, A Joint Review Initiative

24. What types of contracts do you have with care home providers in your area?

Sector	Type of contract		
	Block	Cost & Volume	Spot
Private			
Voluntary			
Local authority			

25. What are the main characteristics of providers with whom you have longer-term contractual arrangements?

26. Do you regularly communicate your medium term purchasing intentions to current and/or potential private, voluntary and pubic sector providers?

27. Do you see it as important to maintain competition between care home providers in your local authority? If so, how do you maintain competition?

28. In your opinion, what are the main ingredients for a successful contract with the private, voluntary and public sector providers?

6. Developing effective partnership with independent sector providers

1. Develop provider forums and put an effort into making them work involving managers of a sufficient status to reflect the importance of the provider role
2. Recognise the differences between the private and not for profit sectors
3. Develop "local compacts" for working with Voluntary Organisations
4. Involve current providers in discussions about future needs and how they might be met
5. But recognise that you may need to encourage other providers into your area if appropriate skills are not there

Making Ends Meet: Adult Services, A Joint Review Initiative

29. Regarding the consultation practice in your locality, do you hold regular meetings with private and voluntary providers in order to identify the opportunities and threats in the residential care market?

30. Are there any differences between private and voluntary care home providers with whom you have contracts?

31. What is the situation with the local compacts[1] initiative in your local authority?

32. Is there anything else that you would like to add or comment on regarding your relationship with providers?

[1] The Compact is the agreement between the Government and the whole Voluntary and Community Sector made in 1998. It is designed to improve their relationship for mutual advantage. There are commitments by both sides. It has principles like recognising groups are independent and have the right to campaign. The national Compact's principles have now been turned into Codes of Practice on funding, consultation, volunteering, etc. It ensures that voluntary and community activity is supported and encouraged, including Black and Minority Ethnic groups.