Hybridity, institutional logics and value creation mechanisms in the corporatisation of social care

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ABSTRACT

Hybridisation of public services has increased under neoliberalism and New Public Management policies, over the past four decades since the 1980s. Hybrid arrangements for service provision blend public, private and nonprofit approaches to organising in ways imbued with a range of institutional logics impinging on their value creation mechanisms. Within this context, the corporatisation of public services represents a striking manifestation of hybridisation. However, comparatively little research has considered how hybrid organising through corporatisation shapes the mechanisms through which value is created in corporatized public services. To address this gap, through a field level study, this paper examines hybridity, institutional logics and value creation mechanisms in the corporatisation of adult social care in English local government. The study found that the use of different hybrid corporate forms – blended, segregated, segmented and blocked - to provide services to elderly and vulnerable citizens had important implications for the mechanisms through which financial and social values were created. Nevertheless, it was also apparent that different forms of hybrid organising could co-exist within the same organization along with multiple value creation mechanisms, underlining the unique dynamics of hybridisation pertaining to the corporatisation of public services.

1. Introduction

Since the 1980s, many western governments have embraced neoliberalism and New Public Management reforms (Osborne, 2018; Steccolini, 2019), which through marketisation have led to an array of hybrid organisations combining elements of the public, private and non-profit sector, and spurred hybridity in management (Giacomelli, 2020; Grossi et al., 2020). Hybridity in the public sector was initially driven by the purported efficiencies to be gained through the involvement of private companies in public service contracting and delivery. Now, public organisations are also expected to ensure that their commissioning arrangements create social as well as financial value (Campanale et al., 2021; Ferry et al., 2019). The pursuit of multiple social and economic goals in public, private and nonprofit sector providers of public services has thus brought together an array of potentially conflicting institutional logics (Johanson & Vakkuri, 2017; Skelcher & Rathgeb-Smith, 2015) that need more contextual and institutional consideration in terms of the value creation mechanisms with which they are associated (Vakkuri et al., 2021; Vakkuri & Johanson, 2021). In this paper, we utilise an
institutional logics framework to explore the implications of hybridity for value creation in corporatized social care delivery organisations.

Hybridization through the corporatisation of public services has only manifested itself more recently, since the 2010’s during the austerity era (Andrews et al., 2020). Corporatisation occurs when a public service organisation establishes its own company, whether it is to make a profit, deliver a social mission, or a combination of both. In many cases, these state-owned companies compete with private companies to provide key services and create financial value. Historically, this is not a new phenomenon, with government-owned companies long having been used for a wide range of infrastructure investments, such as utilities, airports, and enterprise parks. However, over the past decade, corporatisation has moved beyond infrastructure development to embrace the human and social services, and the scale of corporatisation, and the social and financial values that it embraces, has expanded greatly. Indeed, corporatisation of public services is now a significant field level institutional change evidenced across various countries in Europe and beyond (Krause & Van Thiel, 2019; Torsteinsen, 2019; van Genugten et al., 2023; Voorn et al., 2017).

Despite the explosion of interest in corporatized public services, research has yet to address the hybridity, institutional logics and value creation mechanisms associated with corporatisation (Vakkuri et al., 2021; Vakkuri & Johanson, 2021). Nevertheless, how sustainable the revenue streams, business models and the creation of public value are from the corporatisation of public services is subject to debate (Andrews, 2022). A better understanding of the ways in which different institutional logics are revealed in hybrid configurations of corporatisation, and the arrangements for creating financial and social value, is necessary, as it will demonstrate how value is created through different forms of hybrid organising.

To address this gap in the literature, the paper examines hybridity, institutional logics and value creation mechanisms in the corporatisation of the adult social care field in English local government. In doing so, the research draws upon detailed organisational case studies of social care corporatisation by local authorities, based on interviews with relevant actors within the local authorities, and the local-authority trading companies themselves, as well as representatives of the wider institutional field. The interviews were supplemented with documentary evidence from archival sources. Theoretically, the paper addresses the central question of how value-creation mechanisms (Vakkuri & Johanson, 2021) demonstrate hybridity associated with institutional logics. Specifically, it demonstrates how different values are mixed, compromised on, and justified, evidencing different types of hybridisation within the same organisation and across the field. In doing so, it is argued that value creation mechanisms underpin hybrid organising, extending the understanding of hybrid organisations beyond the combination of multiple institutional logics (Skelcher & Rathgeb-Smith, 2015) to include multiple values and the ways in which the creation of those values is shaped by institutional logics.

The paper will show that for public service organisations operating in the adult social care field there are various degrees of hybridity. For example, the majority of English local authorities with social care responsibilities (2/3 of 150) have not yet set up a care services company to pursue profit alongside their broader social mission instead employing other hybrid types. However, a significantly sizeable and increasing number of local authorities have undertaken corporatisation and set up Local Authority Trading Companies (LATCs) to deliver social care (1/3 of 150) during the past decade representing a field level institutional change. Nevertheless, rather than being driven by a straightforward choice between social and financial values, the social care companies draw on multiple mechanisms for realising, prioritising or justifying key values – mechanisms that can also be as hybridised as the organisations in which they emerge. Indeed, financial values of income generation, cost minimisation and profit are often attenuated by the social and professional goals of continuing to provide good quality care. In addition, our research highlighted the growing salience of corporate goals, such as control of the market and cultural change within service delivery organisations, as key influences on hybridity in the framing of corporatisation in the social care field.

The paper will begin by setting out debates concerning hybridisation and value creation mechanisms within the public services and more specifically social care, before considering the recent emergence of corporatisation as a framing of hybridisation and how less is known about hybrid organising and mechanisms for creating value for such arrangements. It will then explain the methodology employed, including the context of the case study and research methods. Following on from this, case findings are theorised through the concepts of hybridisation and value creation. Finally, the paper will conclude by discussing the main theoretical contribution of the paper and highlighting important issues for policy, practice and future research on hybridisation and corporatisation.

2. Hybridity, institutional logics and corporatisation in public services

The paper will now briefly set out the theorisation of hybridisation and institutional logics within the public services and particularly social care including different governance arrangements, before demonstrating how hybrid organising can influence value creation processes. It will then discuss the hybridisation of organizational forms, institutional logics and value creation mechanisms in the emergence of corporatisation during the austerity era.

2.1. Hybridity and institutional logics

Globally there has been a growth in hybrid organisations mixing elements of state, market and civil society over the past four decades. Such organisations are typically “multifunctional entities combining different tasks, values and organisational forms ... composite and compounded arrangements that are combining partly inconsistent considerations producing difficult and unstable trade-offs and lasting tensions” (Christensen & Lægreid, 2011, p. 410). Such trade-offs and tensions have important implications for the value creation mechanisms within hybrid organisations. One important way in which we can begin to understand the complex dynamics shaping hybridity and value mechanisms is through the application of an institutional logics perspective.

Many studies of organizational hybridity employ institutional theory (Grossi et al., 2020), with this paper specifically interested in
hybrids as ‘rationalities’ (Ahrens & Ferry, 2018; Thornton et al., 2012). Rationales for doing things organisationally can be investigated by studying the distinctive ‘institutional logics’ at play within different entities (Battilana & Dorado, 2010; Friedland & Alford, 1991; Skelcher & Rathgeb-Smith, 2015; Thornton et al., 2012). Institutional logics are ‘socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality’ (Thornton & Ocasio, 1999, p. 804; see also Friedland & Alford, 1991; Thornton et al., 2012). Each institutional logic produces a ‘set of assumptions and values, usually implicit, about how to interpret organisational reality, what constitutes appropriate behaviour, and how to succeed’ (Thornton & Ocasio, 1999, p. 804) and can draw on one of seven institutional orders: the market, corporation, professions, state, family, religions, and community (Skelcher & Rathgeb-Smith, 2015; Thornton et al., 2012).

From an institutional logics perspective, a ‘hybrid’ is defined as an “Organisation adhering to multiple, often conflicting institutional logics, where logics refer to societal-level patterns of values and practices that shape cognition and guide action” (Battilana et al., 2017, p. 132). The logics approach has been used to investigate many different hybrid organisations (e.g. microfinance firms, Battilana & Dorado, 2010; public-private partnerships, Jay, 2013; social enterprises, Pache & Santos, 2013; public services, Rana & Hoque, 2020; social care, Campanale et al., 2021; and cooperative banks, Ghiio & Verona, 2021). In addition, researchers have addressed the multiplicity of institutional logics at the field level (Greenwood & Suddaby, 2006) and in accounting practices (materiality in integrated reporting, Cerbone & Maroun, 2020; boundary work in management accounting, Golyagina & Valuckas, 2020; and the role of multiple values in developing management accounting practices in hybrids, Campanale et al., 2021). As a result, research is paying greater attention to the challenges arising from the joint pursuit of social and financial objectives for corporations (Jones et al., 2016).

The state, market, professions and citizens now expect that private corporations integrate social with economic value creation introducing hybridity in the rationales shaping corporate activities. The challenges that hybrid organising poses privately-owned corporations are increasingly being mirrored in the not-for-profits and public organisations that generate commercial revenues to complement public subsidies and/or private donations. However, the hybridisation of not-for-profits and public services highlights how financial values are penetrating the social sector, in contrast to the hybridisation of business corporations where the social logic penetrates the market. These developments have important implications for the mechanisms through which social and economic values are created (Battilana, 2018). In this context, corporatized public service organisations afford an especially important area for insights into acting for multiple values (Vakkuri and Johanson, 2021) that can complement research on hybridity in both the private sector (Smets et al., 2015) and social enterprises (Battilana, 2018).

2.2. Hybridisation, institutional logics and value creation mechanisms in public services

An institutional logics approach is especially useful for identifying the conflicting societal rationales shaping sector-spanning organisations that are involved in public services (Grossi et al., 2020; Jay, 2013; Vakkuri and Johanson, 2021). The influence of specific institutional logics occurs not only at the societal level (Friedland & Alford, 1991), but also the field level (Thornton & Ocasio, 1999). Hence, the different logics at work within public services can be looked at say between central and local government at the societal and institutional level, but also across the field of local government and within individual local authority organisations (Ahrens & Ferry, 2018; Vakkuri and Johanson, 2021).

Importantly, Vakkuri and Johanson (2021, p. 3) contend there is a significant lack of theoretical, conceptual and empirical understanding of value creation in the context of hybridity. In particular, more efforts are needed to delineate the ways in which the dissonant characteristics of value are conceptualized, measured, created and captured, blended and shared within hybrid organisations. They go on to argue that fundamentally the puzzle of value creation is to define what is valuable to human beings, institutions and societies. However, values are, by definition, contested concepts (van der Wal et al., 2006, p. 317) and many different types of values have been highlighted in research. Based on a review of that research, Vakkuri and Johanson (2021 p. 9–10) connect hybrid organising with the problems of value creation through hybrid governance (Vakkuri and Johanson, 2021, p. 15). Crucially, different forms of hybridity including mixed ownership, goal incongruence and competition, multiplicity of funding arrangements, and public and private forms of financial and social control have important implications for how hybrid governance arrangements create value.

![Diagram of hybrid governance](image-url)

**Fig. 1.** Schematic organisation of hybrid governance, linking different organisational forms with various value creation mechanisms (Vakkuri and Johanson, 2021, p. 15).
The segmented hybrid type is characterised by functions oriented to different logics that are compartmentalised within the organisation. For example, traditionally social care was a functional department of a local authority in England, but from the 1990s following the NHS and Community Care Act 1990 local authorities were urged to change their structure to segment service provision from purchasing. The purchaser-provider segmentation helped to identify the costs of provision as part of a financial logic based on the value of efficiency. However, it also promoted the commercial value of purchasing services from a range of statutory, voluntary and independent agencies including in the community with the intention to improve the service quality to the user as part of a social logic of care. The purchaser-provider split essentially created a segmented hybrid and followed earlier client-contractor splits inherent in Compulsory Competitive Tendering for other local authority services in the 1980’s. The segregated hybrid type is characterised by functions oriented to different logics and values that are intended to be compartmentalised into separate but associated organisations. For example, a state-led social care department values inclusiveness and openness in decision-making, with its council committee meetings being open to the public, but its centre for respite care has a governance board made up of only co-opted members of the council, carers and staff. As a result, service users and the wider public do not participate in the governance of the respite centre and the democracy logic, rooted in the active participation of citizens, is compartmentalised and applies only to the wider council. The assimilated hybrid type is characterised by core logic that adopts some of the practices and symbols of a new logic. For example, a local authority social care department may change its performance targets to mirror central government priorities and/or regulatory body frameworks for legitimacy, but retains an understanding with staff of a strong paternalistic approach. This implies the presence of financial logic symbols around the value of organizational performance, but framed within a dominant professional logic of care and the value of public service. The blended hybrid type is characterised by synergistic incorporation of elements of existing logics into new and contextually specific logic. For example, in England, the care logic around quality control underpins the social enterprises that have emerged from Primary Care Trusts (PCT’s) and other parts of the public sector that deliver mental health, public health and social care. Here, the strategic management of social enterprises can be driven by a financial logic but must result in the reinvestment of the surplus financial value (i.e. profit) that is created into the quality of the care that is provided. The blocked hybrid type is characterised by dysfunctions in management accounting and accountabilities arising from inability to resolve tensions between competing logics and values. An example is where a home care company retains their informal work practices, even though the department has now put in place new structures and processes of performance management. As a result, this might lead to a breakdown in working relationships as logics of care, as traditionally practiced, are in conflict with the new financial logic of performance improvement.

Vakkuri and Johanson (2021) identify three mechanisms of value creation pertinent to hybrid settings, systems and organisations that are of interest to our paper: mixing, compromising and legitimising values (see Fig. 1). Mixing is especially pertinent, because the impetus for combining value creation logics and value propositions has become so strong for hybrid public services. Examples will include the insistence on securing both financial and social values; also relevant to the social care sector because of the legal framework: the statutory duty to provide care will always be present in value production but with different outcomes, as it is mixed with other values, such as financial sustainability. Compromising is important, because seeking and finding compromise over parallel, competing and sometimes contradictory value creation logics is necessary for the institutional survival of hybrids. Compromising on values therefore necessarily involves conflict among them. Legitimising matters, due to the fundamental nature of hybrids, which, as outsiders of the “safe” and already legitimised public and private categories of institutional life, need to find their institutional niche in an innovative manner. Vakkuri and Johanson (2021) suggest that hybrids by their very nature respond to the interests of multiple parties and so may be selective in displaying specific value creation mechanisms for the benefit of different audiences (p. 17–18).

Building upon Vakkuri and Johanson, 2021, Vakkuri et al. (2021) find that value creation in four hybrid institutional contexts of state owned enterprises, social enterprises, non-profit organisations and municipally owned corporations can be conceptualized via mixing, compromising and legitimising approaches to multiple value creation. This is in keeping with research on public service-dominant and public service logics that highlights the shifting of public management theory and practice away from a manufacturing and product-dominant business logic towards one that recognises the special challenges of services management and capabilities of co-production and value co-creation (Osborne, 2018). Such theory can help explain how managers seek to reconcile multiple logics in local authority trading companies. However, our interest is in value creation through processes of mixing, compromising and legitimising that goes beyond the organisational level to suggest efforts in value creation at the field level in which public services operate, which in our case relates to hybrids providing social care.

Studies of hybridity in the social care field have already highlighted national differences (Anheier & Krlev, 2014), community-level variations such as political stability, networks and local entrepreneurship (Seelos et al., 2011) and the salience of resources for different forms of organising (Cooney, 2006). Hybridisation therefore has been well documented in the field, but largely in relation to the formal qualities of hybrids and specific forms of governance. Researchers have begun to investigate specific aspects of hybridity, institutional logics, and multiple value creation in social care settings. For example, Kurnmaki and Miller (2011) examined the ‘modernising government’ initiative in the UK, and the ‘flexibilities’ – lead commissioning, integrated provision, and pooled budgets – introduced in the Health and Social Care & Housing Communities and Local Government Committees, 2018. In doing so, they identified what they termed regulatory hybrids – those inter-organizational processes, practices and expertise that are formed from two or more separate elements, and that emerge in part out of regulatory or judicial interventions rather than simply the imperatives of voluntary coordination. Chow and Bracci (2020) show through the case of Personal Budgets in England how the imposition of accounting practices infused with multiple values can represent a direct challenge to the subjectivities of social workers. In addition,
Campanale et al. (2021) investigated the presence of multiple values in non-profit hybrid organisations established as co-production and co-management initiatives in social care. They found that managerial values often predominate, but that this can compromise the validity of accounting practices intended to capture a multiplicity of values.

All of the existing studies indicate that hybrid organisations confront important challenges when managing and accounting for multiple values, but we need to know more about the value creation mechanisms that are deployed in such circumstances and the degree to which such mechanisms are associated (or not) with certain patterns of hybrid organising. The corporatisation of public services represents an excellent setting for carrying out such research because the existence of public corporations largely depends upon their ability to act for multiple values (Andrews et al., 2022).

2.3. Corporatisation of public services

Over the past decade, the growth in hybrid service delivery models in local government such as contracting-out, co-production and public-private partnerships has been complemented by a sharp increase in an emerging hybridisation through corporatized public services. Corporatisation here refers to the creation of municipally owned companies and/or state-owned enterprises to fulfil public purposes (Ferry et al., 2018). Corporatisation has significant implications for hybridisation of local public services, including social care, as it represents a form of public entrepreneurship (Andrews et al., 2020; Ferry et al., 2018) that for large and complex organisations, such as local governments, can help ensure organisational “survival, sustainability and growth” (Luke & Verreyne, 2006, p. 5). This has taken on increased importance under austerity policies and budget cuts over the past decade (Andrews et al., 2020). However, despite a long history of corporatisation within local government (e.g., Skelcher, 2017), the hybridisation of corporatized services and the institutional logics and value creation mechanisms with which they are associated remains relatively under researched.

Previous studies suggest that an array of managerial, financial, socio-economic and political factors may be important influences on corporatisation (Andrews et al., 2020; Rodrigues et al., 2012; Tavares & Camões, 2010). Given the complex confluence of forces behind corporatisation, it seems highly likely to give rise to a wide range of hybrid forms of organising. Indeed, Ferry et al. (2018) highlight that the increasing use of local government companies in England that has taken place during the policy of austerity and practice of significant budget cuts, represents a field-level change driven by the emergence of a corporation logic. Nevertheless, Voorn et al. (2017) highlight that corporatisation in other parts of Europe has been more than a crisis driven development, having a foundation in long-standing notions about the complementarity of the state, profession and corporation logics (Giacomelli, 2020). These preliminary accounts of the institutional logics shaping the use of corporate forms by local authorities indicate that there is a need for more detailed research into the value creation mechanisms associated with corporatisation in local government (Torsteinse, 2019).

In accordance with the call from Vakkuri and Johanson (2021) and Vakkuri et al. (2021), this study concentrates on understanding the implications of distinct hybrid logics and value-creation mechanisms in the ways local authority owned companies under corporatisation – or what they refer to as municipally owned corporations - are managed and controlled. To do so, this paper will investigate hybridisation, corporatisation and value creation in the public services through a field study of adult social care in English local government. The paper will employ value-creation mechanisms (Vakkuri & Johanson, 2021) and extend the value creation framework towards hybrid organising as evidenced in the co-existence of different values and value-creation mechanisms within and between organisational entities (Vakkuri et al., 2021).

In particular, this paper looks at how the corporatisation of adult social care has generated new forms of hybrid organising for balancing conflicting values. In this respect, the paper is primarily concerned with how the financial value of efficiency and the social value of care pertain to different institutional orders. Financial value can be guided by the rationales of the market or the corporation, with the term corporation here referring to a private company. At the same time, the social value of care can take on elements of the local government. The paper then focus specifically on cases of the mixing of, compromising on and legitimation of these different values.

3. Methodology

The methodology covers the case background for the field of adult social care in English local government and research approach in terms of interviews, documentation review and thematic analysis.

3.1. Background to the case

Adult social care services are growing in social and political salience in developed countries, as population ageing increases the demand, complexity and cost of good quality health and social care provision. An important question within this context is whether multi-logic organisations, such as local authorities, can develop innovative solutions needed to address ‘wicked’ problems arising from population ageing. Although evidence is slowly emerging of innovative local responses to challenges posed by population ageing, we know little about how the tensions between different rationales and logics within these organisational settings are resolved (Campanale et al., 2021; Chow & Bracci, 2020).

In England, ageing is a critical public policy challenge (Health and Social Care and Housing, Communities and Local Government Committees, 2018). Budget reductions are part of the context. Since 2010 the Conservative-led central government pursued an austerity-localism policy with local government having a 49.1% real-terms reduction in core grant from central government representing a 28.6% real-terms reduction in ‘spending power’ (National Audit Office (NAO), 2018). The adult social care budget has
become the largest discretionary spend area comprising over a third (37.8%, £14.8 billion net) (Association of Directors of Adult Social Services (ADASS), 2018) of total spending in 2017–18, enduring budget cuts with real-terms expenditure reducing by 5.8% from £15.8 billion in 2010–11 to £14.9 billion in 2016–17.

Apart from budget cuts, social care also has pressures from both rising service demand and increasing costs. For example, it was estimated that from 2010 to 11 to 2016–17 the people in need of care aged 65 and over increased by 14.3% (NAO, 2018). Furthermore, local authorities encounter many other cost pressures including the National Living Wage, Apprenticeship Levy and increased National Insurance contributions, as well as total population growth of 5% between 2010 and 11 to 2016–17 (NAO, 2018). As a result, the UK Parliament Health and Social Care and Housing, Communities and Local Government Committees (2018) conclusion from their report into long-term funding of adult social care stated,

*The combination of rising demand and costs in the face of reductions in funding has placed the social care system under very great and unsustainable strain.*

The consequences of all these funding, demand and cost pressures are an unmet and under-met need, increasing reliance on unpaid carers from the community mostly comprising family and friends, large turnover in workforce, concerns around quality, care providers under pressure and a fragile care market.

Regarding corporatisation, this paper is especially interested in the fragile market of social care providers (Health and Social Care and Housing, Communities and Local Government Committees, 2018). This market has experienced increased demand set against growing provider failings, workforce shortages, quality concerns and a reliance on self-funding clients that have together undermined market stability. To date, local authorities in England have taken a short-term approach to market shaping and commissioning due to funding pressures. As a result, private and non-profit providers do not always get the information required from local authorities to plan and invest, as their market shaping plans may not be comprehensive or robust enough to inform long-term market projections. At the same time, investors are reluctant to plough money into care homes for local authority funded residents due to local government

### Table 1

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Role</th>
<th>Research Method/Duration</th>
</tr>
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<tbody>
<tr>
<td>Case study 1 - Large rural council in the east of England, traditionally Conservative led</td>
<td>1 Council chief financial officer (Extensive experience of corporatisation, a large company delivering social care services)</td>
<td>Face-to-face interview up to 90 min, conducted by Author 3 (Recorded and transcribed)</td>
</tr>
<tr>
<td>Case study 2 - London borough, Labour majority</td>
<td>1 Council chief executive officer, 1 council chief finance officer and 1 officer in charge of corporatisation (Corporatisation has been relatively recent, with a very small social care company)</td>
<td>Face-to-face interview up to 90 min, conducted by Authors 2 &amp; 3 (Recorded and transcribed)</td>
</tr>
<tr>
<td>Case study 3 - Urban council in the north of England, traditionally Labour led</td>
<td>1 Social care company chief executive officer (previously the council’s director of adult social care department) (A handful of LATCS, including a few-year old social care company)</td>
<td>Face-to-face interview up to 90 min, conducted by Author 3 (Recorded and transcribed)</td>
</tr>
<tr>
<td>Case study 4 - London borough, Labour majority</td>
<td>1 Councillor who also sits on the board of a LATC in a neighbouring borough (No LATCs at this local authority itself)</td>
<td>Face-to-face Interview up to 90 min, conducted by Authors 2 &amp; 3 (Recorded and transcribed)</td>
</tr>
<tr>
<td>Association of Directors of Adult Social Services (ADASS)</td>
<td>3 Officers (professional background in social care)</td>
<td>Phone Interview up to 90 min, conducted by Author 3 (Recorded and transcribed)</td>
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<tr>
<td>Local Government Association (LGA)</td>
<td>2 Officers (professional background in local government policy)</td>
<td>Face-to-face Interview up to 90 min, conducted by Authors 2 &amp; 3 (Recorded and transcribed)</td>
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<tr>
<td>Ministry of Housing, Communities and Local Government (MHCLG)</td>
<td>4 Directors (Professional background in policy and finance)</td>
<td>Focus group up to 120 min (Notes taken by Author 1)</td>
</tr>
<tr>
<td>National Audit Office (NAO)</td>
<td>5 Directors (professional background in audit and VfM, including health, social care and local government)</td>
<td>Focus group up to 120 min (Notes Taken by Author 1)</td>
</tr>
<tr>
<td>Chartered Institute of Public Finance and Accountancy (CIPFA)</td>
<td>1 Director (professional background in procurement, including corporatisation)</td>
<td>Face-to-face interview up to 90 min conducted by Authors 2 &amp; 3 (Recorded and transcribed)</td>
</tr>
<tr>
<td>UK Parliament House of Commons Housing, Communities and Local Government Select Committee</td>
<td>2 Select committee clerks (Professional background in policy making, including local government and social care)</td>
<td>Interview up to 60 min (Notes taken by Author 1)</td>
</tr>
<tr>
<td>House of Commons</td>
<td>1 Researcher (Professional background in policy making, including local government and social care).</td>
<td>Interview up to 60 min (Notes taken by Author 1)</td>
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<tr>
<td>Central Government</td>
<td>2 MPs (Professional background in central government politics and policy making)</td>
<td>Interview up to 30 min (Notes taken by Author 1)</td>
</tr>
<tr>
<td>Local government</td>
<td>2 Councillors (Professional background in local government politics and policy making)</td>
<td>Interview up to 30 min (Notes taken by Author 1)</td>
</tr>
<tr>
<td>External audit</td>
<td>2 Audit firm practitioners (Professional background in audit and VfM, including local government and NHS)</td>
<td>Interview up to 30 min (Notes taken by Author 1)</td>
</tr>
<tr>
<td>local authorities</td>
<td>3 Finance staff (Professional background in local government accounting, including of social care)</td>
<td>Interview up to 30 min (Notes taken by Author 1)</td>
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<tr>
<td>Local authority</td>
<td>1 Audit committee member (Professional background in local government finance, including scrutiny that has also covered social care issues)</td>
<td>Interview up to 30 min (Notes taken by Author 1)</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>34 Interviewees</strong></td>
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budget pressures. Furthermore, care providers themselves often have limited funding for investment in their existing assets or for expansion.

In this setting, LATCs that arise from corporatisation have come to be seen as one means by which the fragile care market can be supported and potentially revitalised. LATCs have existed for over 25 years in England, although more for large infrastructure projects (e.g. airports) than delivery of public services. Over the past decade, major changes occurred to local government giving rise to more LATCs, especially the Localism Act 2011 that gave local authorities greater powers to commercialise their activities, and austerity that created a financial imperative to find new sources of income and ways to sustain delivery.

For social care, there has now been over a decade of LATCs. For instance, in 2009 Essex Council set up Essex Cares, now ECL, to provide services to vulnerable adults (e.g. equipment and reablement). This was followed by Norsecare, a care home provider and part of Norse Group, a large trading company owned by Norfolk County Council employing over 10,000 staff across the country and offering a wide range of services. The growth of LATCs providing social care services has also been shaped by policy in the field. The Care Act 2014 essentially widened local authorities’ responsibilities for adult social care by introducing new duties to promote well-being of people receiving care and carers, while offering few, if any, resources to back that up. Grant Thornton (2018) state there are 743 trading companies in England, Scotland and Wales, which includes 46 companies providing social care services. In England, out of 150 upper tier authorities that provide social care there are 41 with a company established to do so (Ferry et al., 2018). These arrangements range from single authority entities (e.g. Persona Care & Support Ltd, Bury) to multi-authority initiatives (e.g. Tricuro – Dorset, Bournemouth and Poole). Most operate under Teckal-exempt contracts (referring to a 1999 test case) where the company is 100% owned by a local authority and has freedom to make up to 20% of its income from non-local authority contracts.

3.2. Research approach and fieldwork

Within this context, the paper examines hybridity, institutional logics and value creation mechanisms in the corporatisation of adult social care in England, through a qualitative field study conducted during 2018 and 2019. This involved interviews and documentation review at the organisational level of LATCs and local authorities involved in corporatisation of social care and at the field level of other main actors for contextualisation.

Interviews took place with thirty-four practitioners involved in the social care market. The interview questions were devised to uncover attitudes towards corporatisation and varied depending on the specific role of the interviewee, for instance whether they represented a local authority, a social care company, or a sector-wide body. The key questions revolved around the reasons for corporatisation within an organisation (if applicable) and across the field, the specific arrangements for corporatisation, and reflections on to the values with which the phenomenon has been imbued. Table 1 provides a summary of the interviewee organisation, role/professional background, research method and duration of interview/workshop.

As shown in Table 1, for example, to get insights at the organisation level, interviews lasting up to 90 min were undertaken with three local authorities that pursued corporatisation to get a perspective on their experiences and one local authority that had not corporatized for a contrasting perspective. These local authorities varied in size, geographical location, political control and experience with corporatisation, including: a large rural local authority in the east of England that was traditionally Conservative led and had extensive experience of corporatisation including a large company delivering social care services (Case study 1); a London borough with a Labour majority where corporatisation had been relatively recent and with a very small social care company (Case study 2); and an urban local authority in the north of England that was traditionally Labour led, with a handful of LATCs including a relatively new social care company (Case study 3). Furthermore, a London borough with a Labour majority that had not corporatized its social care was incorporated in the study (Case study 4).

Moving beyond the individual organisation level to the field level, interviews took place with ADASS and the Local Government Association (LGA) to get a sector perspective. ADASS is a registered charity that aims to promote the interests of people needing social care and upholds high service standards by influencing social care legislation and policy. A senior ADASS officer was interviewed to understand the overall social care situation. There was also an interview with a regional ADASS lead whose local authority had not corporatized provision, and a contrasting interview with a regional lead whose local authority had set up a company providing social care. Two interviews were also undertaken with the LGA, the cross-party membership organisation that represents local authorities across England in their dealings with the national government, with one of these interviewees being a non-executive director on the board of a social care company.

To document the broader regulatory space and field level context, interviews in local government adult social care were supplemented with insights gained from other stakeholders in focus groups of up to 2 h. This included on two occasions with the Ministry of Housing, Communities and Local Government involving a mix of four directors and senior officers responsible for adult social care, local policy analysis and local authority commercialisation on both the policy and analytical sides. It also included two focus groups with the NAO involving a mix of five directors and senior staff covering local government and value for money as well as commercialisation. For these focus groups, participants were requested that had knowledge of local government, social care and health but they self-selected participants. In addition, interviews took place with a Director at CIPFA who leads on commercialisation, two staff at the UK Parliament House of Commons Housing, Communities and Local Government Select Committee who had worked on the health and social care policy review and a researcher at the House of Commons. Furthermore, there were separate shorter interviews with two MPs and two councillors representing the main political parties to get a political perspective, two external audit firm practitioners to understand accountability and assurance issues and three local authority finance staff and an audit committee member to understand risks around the financial, service, performance and governance aspects. Informal conversations were held with other staff to assist in supporting or challenging emerging themes.
To challenge and corroborate emerging findings, official documents were also reviewed. These included minutes from official public meetings such as City Council, Audit Committee, Policy Cabinet, Business Cabinet, and Ward Committee where social care was considered. In addition, a review was made of documents from the local authority companies and Companies House. Furthermore, other documents were reviewed, in particular those from the local and national media concerning local authority social care and select committee and NAO reports. This documentation along with interviews enabled us to understand how the LATCs fit in the overall context concerning local government and policy around the social care market.

The analysis relied on theory developed prior to data collection but can be characterised as systematic combining of theory and data, where we sought to find evidence for the types of hybrids identified by Skelcher and Rathgeb-Smith (2015) and the value creation mechanisms posited by Vakkuri and Johanson (2021), but also to challenge, break and extend the theory. Indeed, during the field research, the data was analysed and organised into various main themes. These included antecedents of the status quo and institutional change, degrees of hybrid organising, and value creation guided by financial rationales and social rationales especially related to care among others. Different theoretical narratives around corporatisation were then woven from the themes to reflect on the status quo, why changes emerged and how processes evolved particularly regarding institutional logics and value creation mechanisms (Ahrens & Chapman, 2006; Ashworth et al., 2019).

4. Findings

The research study produced several findings. Firstly, these are broken down in terms of the institutional context of hybridisation in the social care field of English local government, including through existing hybrid type arrangements and emerging corporatisation. Secondly, concerning the hybridisation rationales of corporatisation the findings cover value creation from the underlying financial institutional logics, such as efficiency, and social institutional logics, such as care.

4.1. Institutional context of hybridisation, including corporatisation, in the social care field

The phenomenon of local authority owned companies is not new. However, over the past decade local authorities have increasingly started to establish companies for delivery of key social welfare services, including social care. One of the key elements explaining the growth of corporatisation identified by several interviewees was an increasing emphasis on the value of efficiency in the wake of austerity. As a CEO of one of the London boroughs suggested:

*Most local authorities went through that journey from about 2008 through to 2012, picking up in 2010 probably at scale around what I call routine efficiencies and a salami slicing approach to dealing with the budget, mainly because most didn’t think austerity was going to last for the length of time that it did.* (Case Study 2)

However, rather than leading to purely efficiency-orientated models of delivery, such as outsourcing, that could address financial pressures on local government, an efficiency focus combined with other financial factors giving rise to corporatisation. One of the LATC non-executive directors interviewed emphasized that corporatisation was a response to monitoring problems with the traditional outsourcing model as well as the need for local government to exercise more control over the market as a result:

*The basic model (…) broke as soon as you started doing two things. First of all, cutting back, so that the market suddenly closes down in terms of its width. The other thing is that local authorities had to do all sorts of reorganisations internally to try and save money. (…) to do that, if you’ve signed a long-term contract, you’ve got to go and try to get modifications to the contract. I can tell you, having done it, modifying a contract is both expensive and difficult; as a result, local government is insourcing, either insourcing or setting up companies to do the job for them simply because they’re in more control of it. So, that’s one driver: a broken model and needing more control. (Case study 3)*

At its core, the delivery of social care is driven by the value of care, but can be manifested through many legal and organisational forms. With the growing importance of financial values, in this case relating to challenges posed by strategic commissioning, the current state of the social care market as well as budgetary constraints of local authorities, tensions between different institutional logics become inevitable. This, in turn, resulted in hybridised forms of organising at multiple levels within the field of social care.

From the field study, it was found social services departments in local authorities remained as part of a public organisation, meaning that at the field level of local government ‘segmentation’ remains the norm but there has been an increase in degrees of ‘blocked’ hybrid organising and especially ‘segregation’.

The majority of English local authorities with social care responsibilities, two-thirds at the time of this study, have not yet set up a social care service company. This is mainly because existing contractual arrangements are still seen as being effective to meet their needs and/or they are locked into long term contracts and commissioning arrangements that make changes difficult and expensive, with funds contractually committed.

Many of these local authority social care departments undertake ‘segmentation’ in their hybrid organising. Segmentation involves different units being responsible for different things within the same organisation. These units may have different institutional logics and degrees of hybrid organising. For example, a unit within the local authority organisation may take the lead for care assessments guided by the traditional institutional logic of care for citizens. However, a separate unit may provide a home help service that to continue in existence must at least break even or make a positive return on capital employed and so embraces a financial logic, albeit within the overall care logic pervasive of the organisation. The local authority department for social care is still a public service organisation, but the bureaucratic structure is taking on different degrees of hybrid organising with institutional logics embracing
commercial values in places as well as the more traditional professional logic of care and the value of public service. The services segmented in separate units reflect the different activities performed to accomplish different priorities.

In many cases, increased demand and resources resulting from austerity added further pressures on local authority social care departments and meant the ‘segmented’ hybrid was not sustainable, leading to a ‘blocked’ hybrid. Where hybridisation was ‘blocked’, a local authority could no longer provide the social care service or enough of it. For example, a provider may no longer continue with a contract. In such circumstances, some local authorities, and suppliers in that marketplace, were prepared to look for a break in the model. In such cases, local authorities could take services back inhouse through insourcing or look to setting up LATCs.

The challenges with segmentation and blocked hybrids have led to an increase in segregation, made manifest through corporatisation, with different but associated organisations involved in the hybrid organising. Here, the ‘segmented’ hybrid enables a local authority to set up a LATC to provide services, where it retains a degree of control by owning shares in the company, either wholly or in part. Essentially, there is not one uniform type of segregated hybrid. Three of our main cases illustrated segregation, but the rationales were different including control of market and infrastructure, risk taking for income generation and cultural change. For example, in our first case LATCs are more removed from the local authority than in other authorities. Segregation enabled the closure of some old facilities, which would otherwise be politically challenging. In the second case (a London borough), the creation of LATCs was all about risk-taking to generate profits. Nevertheless, they were more cautious with care services than other corporatized services due to the political risks,

\[ \text{We have tended to do less in the social care area, simply because I think that was more about the confidence of the local authority and the nature of its market and its history. (…) We were fairly confident that outside of (…) outside of social care we could do this. But I think it just was the nature of where we were at the time. And we didn’t have a set of politicians that were confident enough, in terms of the quality of its own services, to externalise, or to create new businesses at any sort of rate. I think that those authorities that have got really good quality services, and are confident that actually they could hold those services in a different governance arrangement to account, were much more inclined to set up new arrangements for their social care provision. (Case study 2; the local authority’s CEO)} \]

This was not so much about the care aspect but competing accountabilities in public service hybrids. While the chief executive would like to have taken more risks in enacting the financial logic, they recognised that the salience of the state logic embracing democracy prohibited them from doing so at times. In the fourth case, a London borough that did not corporatise but the neighbouring borough did, the interviewee cited the change of corporate culture as the primary reason. One local authority was considered to be reformed and therefore did not need to set up a separate entity, while in the other local authority the new organisation’s aim was to achieve a corporation logic within a different but associated organisation.

Segregated hybrid types exhibit different rationales along a continuum, and are thereby akin to ‘blended’ hybrids, depending on how arms-length their governance and management are. For example, our third case represented a blended hybrid. This had elements of a financial logic with the LATC having access to the local authority bank account, and reflective of the market institution through the Teckel exemption, allowing them to take risks. The care logic was also present though because good working conditions and the ability to modernise the service resulted in better care to end users.

Regarding assimilated hybrid types, the core logic adopts some of the practices and symbols of a new logic. This can occur in social care departments when, for example, the central logic of care takes on some of the practices and symbols of the new financial logics around cost management approaches or for example changes in service eligibility. In other words, a practice of restriction on service that embraces some corporate practices associated with the value of efficiency may be employed, whether they are segmented and/or blocked. However, our research suggested that most local authorities have alternative forms of hybrid organising.

In summary, Skelcher and Rathgeb Smith’s (2015) hybrid types are to be found in the hybrid organisations of the social care field in English local government, but in some cases there is more than one hybrid type, which is in essence an example of hybrid organising. Within the statutory duty to provide care, most local authorities still function as segmented hybrids, with a separate social care department. This is because some were satisfied with current provision, but at the same time many local authorities faced challenges at the field level whereby the blocked hybrid type arose leading to potential service failures. As it was not possible for all of the local authorities to change existing contractual arrangements, many continued with a combination of the segmented and blocked types. However, some local authorities attempted segregation and went the whole way through corporatisation with a market-based company. At the same time, others wanted to maintain more control with a blended hybrid type. The research findings suggest that assimilation was not enough to address the scale of issues currently experienced by social care providers.

Given this context of hybridisation and emerging corporatisation, the paper now turns to the rationales, institutional logics and value creation mechanisms that guide corporatisation.

4.2. Conflicting financial and care values underpinning the hybrid organising rationales of corporatisation

In this study, hybrid organising rationales were underpinned with conflicting institutional logics that imbued the financial and social goals, reflecting disparate values. Financial values focussed on the income and expenditure budget statement in terms of revenue, cost minimisation and profit, whereas social values focused on the quality of care, in terms of good services and motivated employees.

The establishing of a LATC to deliver social care services allowed local government to access new markets and clients for revenue generation that were not otherwise open to local authority-led provision. This is exemplified by a CEO of a social care company in our third case, who comments on the possibilities afforded to them outside the local authority:
Yeah, we can sell to the self-funded market. So, as a local authority-owned service, there was nothing at all that was sold to self funders, and if you receive direct payments, you couldn’t buy services from the local authority (…) that’s definitely part of the market that we couldn’t access. (Case study 3)

This illustrates how hybrid organising produces value through mixing values: in addition to the care institutional logic, the local authority in question was able to include the financial goal alongside, which would have not been available if it was not for new governance arrangements.

Local authorities offer relatively good working conditions and pay protections that constrain opportunities for cost minimisation, but the ability to operate social care through a LATC meant more flexibility around wage rates, overtime, allowances and terms and conditions. In fact, an ADASS regional director suggested the principal reason … for setting up the companies was an equal mixture of trying to deliver the same for less by changing the terms and conditions over time. Pension arrangements are in part a big factor contributing to costs (one of the downsides, in these days, to having in-house services is because of the sheer cost of the pension scheme that makes it quite prohibitive and therefore people will always be looking for a different way of doing things; as another ADASS regional director remarked). It is therefore one area where local authorities can control cost, but the mitigating effects of such measures occur over time:

The way it works now is that the staff initially transferred were all members of the local government pension scheme and on local government terms and conditions. Every new member of staff that is employed now is paid less than that original cohort now, and is not a member of the local government pension scheme. And that’s about a 20% cost saving. So over, we reckon, in 13 years, there will be virtually no, none of the original TUPE-ed staff left (…). So that, effectively you’re reducing your staff cost by 20% by just moving them out. (Case study 1; the local authority’s director of social care)

This can be seen as an example of compromising on values. Offering good working conditions fits in well with the creation of social value benefitting the employees, but in the case cited above, the financial value of minimizing staff cost has led to compromise to allow for continued service delivery.

Companies allow local authorities not only to minimise cost but also to make profit, which can then be reinvested in any service: You just generate money to fund this other stuff, which is the good stuff. Have you got the political traction to do the commercial stuff which drives the money? Because at the end of the day, all you’re doing is trying to replace money that’s coming from government (Case study 2). However, in relation to social care, levels of profit were variable. As an ADASS regional lead candidly observed, if you look at the state of the care market and the level of returns that you get, you know, there is a general inability to make a profit in this. The importance of financial logics was also recognised in acknowledging the commercial attitude required: given all the complexity of setting up a business, the biggest mindset shift is the individuals operating the company moving from a budget to a cashflow (Case study 2). There was a clear understanding that financial logics were not exclusive to corporatisation in the social care sector, but pertinent to other hybrid types providing different public services as well.

In contrast to the pragmatic adoption of financial logics, the social logic focussed on care appeared to be more deeply embedded. As a participant noted, it’s less driven by the finances, more driven by the outcomes now (Case Study 2, CEO of the London borough), and in the case of social care, outcomes are linked to quality of care for the vulnerable. The service was considered by councillors, officers and citizens to have a real social value for those most in need. For instance, one participant talked about social care in contrast with other types of enterprises: it goes back to this combination of money, and quality, and civic duty, if you know what I mean, and that’s why this hybrid thinking is, in social care, I think, is taking over. I don’t think it’s there when you’re talking about school meals. I don’t think it’s there when you’re talking about tarmacking a road. But it’s definitely there when you’re talking about people’s services (Case study 2, CEO of the London borough).

Local authorities also saw corporatisation as a way to control the market. This was apparent in terms of how the service should be provided, by who and where. This had explicit links to financial logics in terms of income generation opportunities and ability to control costs, but also the premises required for service delivery. For example, one of the local authorities saw corporatisation as an opportunity to modernise their facilities: it’s easier to close a care home if it’s in a limited company than if it’s in direct ownership of the County Council. So, politically, it would be easier to close down knackered old care homes when they’re not directly run by the County Council (Case study 1; the social care director within the local authority). The decision to close facilities would not be easy for in-house services for political reasons, but can be legitimised more easily on both financial and care quality grounds by an arms-length LATC.

In addition, corporatisation enabled a culture change imbued with the institutional order of corporation to influence value creation. For example, one of the companies we investigated was a social enterprise, where the staff own 51% of that company. So they were feeling like they were the owners actually and they were setting the change agenda (ADASS regional lead, talking about experiences in their own authority). Such staff involvement was by no means uniform. Nevertheless, the effects of organisational change were in general felt to be positive. For instance, one organisation was described as having benefited from operationalising the corporate logic in terms of a broader logic of care:

We’ve significantly changed, I think, the culture of the organisation. And the new terms and conditions that we put in place, that helped us really significantly change the culture of the organisation as well. So, we’ve done a lot, a lot of what’d you think was probably pretty kind of basic work really, but it’s paid dividends in terms of the quality of what we deliver. We’ve still got a long way to go. We know we can make a lot of improvements. But, yeah, overall I think it’s had very positive effects on the quality of service. (Case study 3, director of a social care LATC)
5. Conclusion

This paper investigated hybridisation and institutional logics in social care, analysing the value creation mechanisms inherent in corporatisation of adult social care in English local government. The paper makes several theoretical contributions regarding hybridisation, corporatisation and value creation. Firstly, concerning hybridisation, the paper supports the growing body of theory purporting marketisation led to various hybrid organisations combining elements of the public, private and non-profit sector (Grossi et al., 2020). It is the first paper to specifically address corporatisation that has been a substantial development over the past decade (Andrews et al., 2020) in the context of hybridity. In this case, the paper covers social care in England and extends how hybrid organizational types are operationalised (Skelcher & Rathgeb-Smith, 2015). In particular, the paper demonstrates how different types co-exist across the field, with different competing institutional logics resulting in various forms of value creation.

Secondly, this paper argues for the consideration of hybrid organising not only in terms of multiple institutional logics but also crucially sees value creation mechanisms (Johanson & Vakkuri, 2017; Vakkuri & Johanson, 2021; Vakkuri et al., 2021) as underpinning hybrid organising. In the context analysed here, it was social and financial values primarily that led the value creation mechanisms in question.

This leads to the third important theoretical contribution, namely demonstration how different values are mixed, compromised on, and justified through different types of hybrids within the same organisation and across the field. As a result, hybridisation should not just be seen as governance arrangements for accommodating different institutional logics, but the focus on value allows to capture the degree of tension between different value creation mechanisms.

The theoretical contributions are evident empirically in the paper, which has shown that in the adult social care field of English local government existing hybrid arrangements and institutional logics prevailed to some extent due to satisfaction with current provision and/or contractual commitments, but there was nevertheless a range of challenges and strongly emerging hybridisation framing of corporatisation that were significant. Where corporatisation occurred, it had specific institutional logics guiding value creation, especially diverse financial and social rationales. In addition, different forms of hybrid organising were associated with different value creation mechanisms, including mixing values, compromising on values and legitimising values. This reflected field-level changes across English local government, with corporatisation representing an attempt to establish a sustainable basis for the adult social care field, which has a myriad of challenges from an ageing population to budget shortfalls and cost issues.

Empirically, the paper contributes to research concerning hybridisation, institutional logics and value creation mechanisms. In terms of hybridisation, the paper has shown the valuable insights gained from the hybrid types in the Skelcher and Rathgeb-Smith (2015) framework. Building on Skelcher and Rathgeb-Smith (2015), it shows that hybrid types occurred in different ways and to a varying degree for providing services in the social care market. Segmentation and blocked hybrid types were prevalent in those local authorities that did not pursue corporatisation. This was due to various reasons including the service being regarded as acceptable, difficulties changing existing contractual arrangements and that the service was not working well enough to externalise it. In such arrangements, assimilated hybrid types were considered for how costs may be reduced and/or income increased, but it was difficult to make a significant institutional change. This is because structures could not just be altered contractually and had knock on effects, and there were various legal restrictions on income generation taking place through the existing local authority structure. As a result, it can be seen that the hybrid types were not distinct forms, but occurred to different degrees on a continuum.

The paper has also shown that hybridisation within corporatised social care services often followed a segregated hybrid type not merely to seek efficiency or profit per se alongside social values, but for a range of more nuanced reasons that sometimes meant LATCs were felt to be the only means to secure a desired level of care. These included commercial and corporate values, such as extending the service offering, reconfiguring the market, control of the market and cultural change within the authority. Within this context, it is apparent that hybrid types and different value creation mechanisms can co-exist, be overlapping and generate new forms of hybrid organising and value, both within organisations and across their relationships at the field level. For example, segmented and blocked types can indeed not merely exist together, but affect the rationale for how the hybrid organising occurs, particularly when multiple values are present.

In addition, the paper showed that institutional logics can work differently in the same hybrid organising arrangement, and between different hybrid organising arrangements. Indeed, not all financial values were based on profit maximisation and/or cost minimisation, but sometimes reflected balance sheet considerations such as the reconfiguration of fixed assets and delivery infrastructure. Likewise, care per se was not a standardised institutional logic across all local authorities. In some settings, providers prioritised different aspects of care, for example relating to quality levels, facilities and staff when taking a broader resource management perspective beyond merely the budget. Therefore, whilst at a field level there could be conflicting financial institutional logics and social institutional logics for care, at a more nuanced organisational level these can take very different forms even for the same service.

Furthermore, the paper shows that corporatisation has become an emerging hybridisation to balance conflicting institutional logics between the financial and social. Thereby the corporation alongside the state and market has penetrated the institutional field, but with the public organisation embracing the corporate form as a means of competition and control in the market. This is of particular significance in the field of social care, but could be applied to the public services more widely.

Finally, the paper has various implications for policy, practice and future research. Policy makers need to be aware that due to issues in the outsourcing market, certain forms of hybridisation are becoming more prevalent. Corporatisation is increasing for infrastructure projects, but also delivery of services. The latter is a more recent trend and therefore needs to be better understood and monitored by policy makers. Practitioners need to be aware of the options that hybridisation opens up to them in service delivery, but also the financial, performance and governance risks from the change in institutional logics and the kinds of value creation
mechanisms that are likely to prove most effective. The study has a number of limitations in that it is qualitative research of a specific area of public services being social care and in a context of England. Regarding future research, a focus could therefore be survey-based studies that cover a larger sample of organisations and further qualitative research. This research could be around how hybridisation, institutional logics and value creation mechanisms interact in other services apart from adult social care, the cross overs with health care more broadly and comparative studies with both other services and countries.

Data availability

The data that has been used is confidential.

References


