

HYBRIDITY IN THE GOVERNANCE
AND DELIVERY OF PUBLIC
SERVICES

STUDIES IN PUBLIC AND NON-PROFIT GOVERNANCE

Series Editors: Luca Gnan, Alessandro Hinna and
Fabio Monteduro

Recent Volumes:

- Volume 1: *Conceptualizing and Researching Governance in Public and Non-profit Organizations* – Edited by Luca Gnan, Alessandro Hinna and Fabio Monteduro
- Volume 2: *Mechanisms, Roles, and Consequences of Governance: Emerging Issues* – Edited by Luca Gnan, Alessandro Hinna and Fabio Monteduro
- Volume 3: *Public Value Management, Measurement and Reporting* – Edited by James Guthrie, Giuseppe Marcon, Salvatore Russo and Federica Farneti
- Volume 4: *Contingency, Behavioural and Evolutionary Perspectives on Public and Non-profit Governance* – Edited by Luca Gnan, Alessandro Hinna and Fabio Monteduro
- Volume 5: *Governance and Performance in Public and Non-profit Organizations* – Edited by Alessandro Hinna, Luca Gnan and Fabio Monteduro
- Volume 6: *Cross-sectional Relations in the Delivery of Public Services* – Edited by Andrea Bonomi Savignon, Luca Gnan, Alessandro Hinna and Fabio Monteduro

STUDIES IN PUBLIC AND NON-PROFIT
GOVERNANCE VOLUME 7

HYBRIDITY IN THE GOVERNANCE AND DELIVERY OF PUBLIC SERVICES

EDITED BY

ANDREA BONOMI SAVIGNON
University of Rome Tor Vergata, Italy

LUCA GNAN
University of Rome Tor Vergata, Italy

ALESSANDRO HINNA
University of Rome Tor Vergata, Italy

FABIO MONTEDURO
University of Rome Tor Vergata, Italy



United Kingdom – North America – Japan
India – Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2018

Copyright © 2018 Emerald Publishing Limited

Reprints and permissions service

Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-78743-770-8 (Print)

ISBN: 978-1-78743-769-2 (Online)

ISBN: 978-1-78743-973-3 (Epub)

ISSN: 2051-6630 (Series)



ISOQAR certified
Management System,
awarded to Emerald
for adherence to
Environmental
standard
ISO 14001:2004.

Certificate Number 1985
ISO 14001



INVESTOR IN PEOPLE

CONTENTS

ABOUT THE EDITORS	vii
ABOUT THE AUTHORS	ix
INTRODUCTION <i>Andrea Bonomi Savignon, Luca Gnan, Alessandro Hinna and Fabio Monteduro</i>	1
HOW HISTORY CHALLENGES CURRENT THINKING ON HYBRIDITY: THE EFFECTS OF HYBRIDITY ON LONDON'S TRANSPORT 1933–1948 <i>James Fowler</i>	7
ISSUES ON TRANSPARENCY, ACCOUNTABILITY AND CONTROL IN HYBRID ORGANISATIONS: THE CASE OF ENTERPRISES OWNED BY LOCAL GOVERNMENT <i>Gissur Ó. Erlingsson, Anna Thomasson and Richard Öhrvall</i>	31
THE ROLE OF BOARDS OF DIRECTORS IN TRANSPARENCY AND INTEGRITY IN STATE-OWNED ENTERPRISES <i>Ilenia Cecchetti, Veronica Allegrini and Fabio Monteduro</i>	53
THE INFLUENCE OF HUMAN RESOURCES' PRACTICES ON CORRUPTION BEHAVIOUR IN HUMANITARIAN AID <i>Soha Bou Chabke and Gloria Haddad</i>	89
ADAPTING TO PERSON-CENTRED CARE: CHANGES IN CARING ORGANISATIONS IN THE AUSTRALIAN DISABILITY SECTOR <i>Bruce Gurd, Cheryll Lim and Ellen Schuler</i>	123

NEW PUBLIC MANAGEMENT AND HYBRIDITY IN HEALTHCARE: THE SOLUTION OR THE PROBLEM? <i>Roman Andrzej Lewandowski and Łukasz Sułkowski</i>	141
THE INSTITUTIONAL GOVERNANCE OF GLOBAL HYBRID BODIES: THE CASE OF THE WORLD ANTI-DOPING AGENCY <i>Jean-Loup Chappelet and Nicolien van Luijk</i>	167
STRATEGIC PHILANTHROPY IN FOUNDATIONS: THE BOARD MEMBERS' PERSPECTIVE <i>Giacomo Boesso and Fabrizio Cerbioni</i>	193
COLLABORATION BETWEEN FOR-PROFIT AND NON-PROFIT ORGANISATIONS: SOME INSIGHTS INTO THE SOCIAL DOCTRINE OF THE CHURCH <i>Paolo Andrei, Federica Balluchi and Katia Furlotti</i>	215
BOUNDARY-SPANNING LEADERSHIP IN HYBRID NETWORKS: A CASE STUDY OF ENGLISH LOCAL SAFEGUARDING CHILDREN BOARDS <i>Adina Dudau, Alvise Favotto and Georgios Kominis</i>	243
INDEX	261

ABOUT THE EDITORS

Andrea Bonomi Savignon, PhD, is Assistant Professor at the Department of Management and Law, University of Rome Tor Vergata, where he lectures for the courses in Public and Non-profit Management and Strategy and Controls in the Public Sector, and serves as the coordinator of the track in Social Innovation and Government for the Master of Science in Business Administration. He is Program Manager of the MIMAP Executive Master in Public Management at Tor Vergata. He is Programme Chair of the Strategic Interest Group on Public and Non-profit Management at the European Academy of Management (EURAM) and a Co-director of the EGPA Permanent Study Group on Public Network Policy and Management.

Luca Gnan is Full Professor of Organizational Behavior at University of Rome Tor Vergata. He is the past President of the European Academy of Management (EURAM). He is a member of the Central Evaluation Committee of the Tor Vergata University and board member of the Tor Vergata World University. He is and has been involved in various academic and public associations, including membership of the Education Ethics Executive Committee of AOM (Academy of Management), AOM BPS Division representative for Europe, AOM OMT Division Research Committee, Review Board member of FERC (Family Enterprise Research Conference), Sub-theme Convenor of EGOS (European Group of Organizational Studies) and Stream Chair of CMS (Critical Management Studies). His research focus is on family businesses and corporate governance, with a special interest on board of directors, governance structures and mechanisms.

Alessandro Hinna is Associate Professor of Organization Theory and Public Management at the Department of Management and Law of the University of Rome Tor Vergata, where he received a PhD in Public Administration. He is Professor of Public Management at the Italian School of Public Administration and Editorial Board Member of the *International Journal of Business Governance and Ethics* and the *Open Journal of Leadership*. He is Past Chair of the Organizational Behaviour Strategic Interest Group (SIG), Co-chair and member of the Public Management SIG within EURAM. His main teaching areas are organisational design, organisational behaviour, people management, and organisation and change management in public administration. His research covers several aspects of public management and organisation theory.

Fabio Monteduro is Associate Professor of Business Administration and Coordinator of the PhD track on Business Management and Accounting at the Department of Management and Law of the University of Rome Tor Vergata. He is Chair of two thematic tracks on public and non-profit management and governance at the annual conferences of EURAM and the International Research Society for Public Management. His main teaching areas are business government relationships, business administration and organizational corruption. His research interests are public management and governance, non-profit management and governance, accountability and corporate social responsibility.

ABOUT THE AUTHORS

Veronica Allegrini is a PhD student in Public Management and Governance at the Department of Management and Law of the University of Rome Tor Vergata. Her research interests are public management and governance, performance management in public administration, accountability, corruption and sustainability.

Paolo Andrei is Full Professor of Business Economics at the Department of Economics and Management, and Rector of the University of Parma. His research activity is focused on economic and financial communication, voluntary disclosure, corporate social responsibility (CSR) and accounting history. The results of his studies are published on national and international reviews, and monographies.

Federica Balluchi is Associate Professor of Business Economics at the Department of Economics and Management (University of Parma). Her research activity is focused on voluntary disclosure, management accounting, CSR and accounting history. The results of this research are publications (articles on national and international reviews, monographies) and presentations in conferences and workshops.

Giacomo Boesso is Associate Professor of Business Administration at the University of Padova, Italy. His research interests cover nonprofit governance, corporate sustainability and stakeholder management. He teaches Introduction to Business Administration and Strategic Planning at both undergraduate and graduate levels.

Fabrizio Cerbioni is Professor of Accounting at the University of Padova, Italy. His research interests cover profit and nonprofit governance, performance management and accounting history. He teaches financial accounting and management control systems both at undergraduate and graduate levels.

Ilenia Cecchetti is a PhD student in Public Management and Governance at the Department of Management and Law of the University of Rome Tor Vergata. She is also a Chartered Accountant. Her research interests are public management and governance, non-profit management and governance, corruption, performance and accountability.

Soha Bou Chabke is Humanitarian Worker. She started her humanitarian journey as volunteer at the Lebanese Red Cross organisation in the first-aid team. She occupied many positions at International NGOs as Country Director of ACTED in Lebanon, at International Organizations as Program Coordinator of IFRC and at UN agencies as Education Specialist. She recently graduated from Grenoble Ecole de Management as a Doctor in Business Administration. The focus of her research is corruption in humanitarian aid through human resources lenses.

Jean-Loup Chappelet is Full Professor of Public Management at the Swiss Graduate School of Public Administration (IDHEAP) of the University of Lausanne. He was IDHEAP Dean from 2003 to 2011. In 1995, at IDHEAP, he launched the first sport management course in Switzerland which is still held every autumn. He is a former member of the World Anti-Doping Agency (WADA)'s education committee.

Adina Dudau is Senior Lecturer in Management at the Adam Smith Business School, University of Glasgow. Adina's main research interest is in public sector professionals and professionalism, as well as value creation, destruction, control and, in general, resilience in public services. She publishes in *Public Policy and Administration*, *Public Management Review*, *Management Accounting Research* and *European Management Journal*.

Gissur Ó. Erlingsson is Associate Professor at the Centre for Municipality Studies, Linköping University. His research interests include public corruption, public administration, local government, political parties and political participation. He has published himself in journals such as *Political Geography*, *Governance*, *International Journal of Public Administration* and *Government & Opposition*.

Alvise Favotto is Lecturer in Management Accounting at the Adam Smith Business School, University of Glasgow. Previously he worked in Political Science at the University of Glasgow, and at Ca' Foscari, University of Venice. In his research, Alvise focuses on management control and governance systems with a particular interest in labour relations and inter-organisational relations.

James Fowler is in the fourth year of a part-time PhD at the Management School of the University of York. He has presented papers on fares setting, compensation for accidents, innovation, key leadership figures and governance in London transport. James is a regular Officer in the Armed Forces and teaches management, leadership, critical thinking and military analysis full time on military career courses.

Katia Furlotti is Associate Professor of Business Economics at the Department of Economics and Management (University of Parma). Her research activity is focused on CSR, accountability, business ethics, corporate governance and

accounting history. The results of this research are publications (articles on national and international journal, monographies) and presentations in conferences and workshops.

Bruce Gurd is Deputy Director of the Australian Centre for Asian Business at the University of South Australia. The focus of his research is on organisational performance measurement. In recent years, Bruce has been investigating measurement in the not-for-profit sector and the measurement of social impact using tools such as Social Return on Investment. He has researched the measurement systems of many disability service providers. Dr Gurd holds a PhD from the University of Adelaide where he also completed undergraduate studies in economics and post-graduate studies in education.

Gloria Haddad is Professor of Management and Technology and is involved in teaching and consultancy in the Middle East and Europe. Her experience also involves education management. She acted as academic program coordinator in international projects and the last position that she held is Dean of the Faculty of Business Administration at the Lebanese Canadian University. Her research interests extend, but are not limited to, gender variations in entrepreneurship, social entrepreneurship and business ethics.

Georgios Kominis is Lecturer in Management Accounting and Control at the Adam Smith Business School of the University of Glasgow. He did his PhD in the area of incentive scheme design and motivation at the University of Glasgow and was appointed as faculty in 2002. His current research interests include, inter alia, control and work outcomes in the public sector; the interaction between trust and control in intra- and inter-organisational settings; and performance measurement and decision support systems in sport contexts.

Roman Andrzej Lewandowski is Assistant Professor of Public Management at University of Social Sciences in Lodz, Poland and Managing Director (CEO) of Voivodeship Rehabilitation Hospital for Children, Poland. He is also an expert at the Agency for Health Technology Assessment and Tariff System in Poland. His research focuses on management in healthcare organisations, especially public governance, managerial control, trust and quality systems. His academic output includes over 50 publications (including *JCR*) in the field of management.

Cheryll Lim has recently completed her PhD at the University of South Australia. Cheryll has worked in higher education since 2005. She teaches management accounting topics at both under and postgraduate levels. Her research interests include social impact measurement, performance measurement and accounting education. She has presented papers at conferences both home and abroad.

Richard Öhrvall is a PhD candidate in Political Science at Linköping University and a Researcher at the Research Institute of Industrial Economics, Stockholm. His research interests include political participation, public opinion, statistical methodology, the organisation of welfare services and public corruption. He has published in journals such as *Acta Politica*, *Electoral Studies*, *International Journal of Public Administration* and *Government & Opposition*.

Ellen Schuler is an MBA graduate of the University of South Australia. In recent years, she has provided organisational consulting and research to Australian and international organisations, primarily non-governmental organisations. Her focus is on the development and application of strategic plans and behavioural changes required to meet strategic objectives. Her consulting is dedicated to improving organisational performance measures and the role of good governance driving organisational performance. Ellen is a graduate and member of the Australian Institute of Company Directors. She holds a PhD in Chemistry from the University of Würzburg.

Lukasz Sułkowski is Professor of Economics and Humanities and Chair of HEI Management Department at the Faculty of Management and Social Communication of the Jagiellonian University, at Clark University, and the Chair of the Management Department at the University of Social Sciences in Lodz, Poland. He has also been Vice-President of the Polish Accreditation Committee since 2012. His main research interests are: HEI management, organisational culture, intercultural management, family enterprises development, methodology of management and the development of human resources. His academic output includes over 300 publications in the fields of management and sociology.

Anna Thomasson is Associate Professor at Lund University, School of Economics and Management. Her research interests include hybrid organisation, public sector collaboration as well as political governance and accountability issues. Anna has published her research in journals such as *Financial Accountability and Management*, *Public Management Review* and *Public Money and Management*.

Nicolien van Luijk recently completed her PhD at the University of British Columbia in Vancouver, Canada. Her research focuses on the governance of international sports organisations and their growing role in promoting public development goals. Nicolien is currently working as a post-doctoral researcher at the Swiss Graduate School of Public Administration of the University of Lausanne.

INTRODUCTION

Andrea Bonomi Savignon, Luca Gnan,
Alessandro Hinna and Fabio Monteduro

The term ‘hybridity’ originates from biology and refers to a crossing between different species. The concept, although well developed in various areas, is relatively new in the management field, where ‘organisational hybridity’ basically refers to organisations that combine managerial features, value systems and institutional logics of different sectors (market, state, civil society).

Early studies on hybrid organisations did not consider ‘hybridity’ as an autonomous research area. They were mostly interested in studying differences between public and private organisations (Wamsley & Zald, 1973) by identifying some key parameters (source of funding, ownership and mode of social control). Hybrid organisations were thus a residual category mixing public and private elements (Perry & Rainey, 1988).

Hybrid organisations have become an autonomous research area only in recent times. Kickert (2001, p. 136) exclusively focused on hybrid organisations, which ‘fit neither in the strictly public realm of state action, nor in the strictly private realm of commercial relationships’. These organisations often deliver intrinsically public goods, by mixing characteristics of multiple sectors in an original way (Billis, 2010).

The extant literature on hybrid organisations has followed at least three different paths.

The first research area – the most consolidated – compares hybrid organisations with private, public and non-profit ones, by considering goal ambiguity,

governance, organisational structures, personnel and purchasing processes, and work-related attitudes and values. This research has led to substantial evidence on relevant differences between hybrid and other organisations (Lan & Rainey, 1992; Rainey & Bozeman, 2000; Wittmer, 1991).

The second research area – fairly consolidated – examines the reasons of hybridisation and how it has become a permanent feature in today's welfare system. According to these studies, New Public Management and welfare state reforms of the mid-1990s contributed to the emergence of hybrid organisations (Brandsen, Van de Donk, & Putters, 2005; Evers, 2007; Skelcher, Mathur, & Smith, 2005). Neo-institutional theory has also been used to explain this phenomenon.

The third research area – still underdeveloped – analyses hybridity in relation to its potential 'risks' (Brandsen & Karré, 2011; Koppell, 2003). Although these aspects are very significant, the stage of knowledge about them is not yet advanced. In this sense, 'the time has come for more systematic and empirical research' (Brandsen & Karré, 2011, p. 835).

According to the last remark, there is a relevant gap that needs to be fulfilled.

Firstly, we need to expand the knowledge on the main risks of hybrid organisations. From this perspective, integrity violations and corruption deserve particular attention. In the private and public management, a large literature analysed integrity violations, such as corruption, fraud and waste of resources, conflicts of interest, improper use of power, misuse and manipulation of information (Aguilera & Vadera, 2008; Ashforth, Harrison, & Corley, 2008; Huberts, 2014). Nevertheless, there exists no systematic analysis of the specific integrity risks in hybrid organisations, except few studies on specific issues (Heres & Lasthuizen, 2012) or on state-owned enterprises (SOEs) (Huang & Snell, 2003). Thus, our knowledge on the risks of hybrid organisations is mostly based on theoretical claims or single case studies. This is particularly unsatisfactory if we consider that hybridity – i.e., the mix of public and private elements – is usually considered as a factor that potentially undermines the integrity of governance by facilitating misbehaviours (Denhardt & Denhardt, 2003; Jacobs, 1992).

Secondly, we need to improve our understanding about governance and control systems in hybrid organisations, able to counterbalance the risks (Cornforth & Spear, 2010; Rathgeb Smith, 2010). Also in this case, we know much more about the governance and controls of organisations belonging to single sectors (public, private and non-profit), or about very particular forms of hybridity such as public-owned enterprises and mixed companies. However, if we consider the hybrid phenomenon as a whole, still too little is known about governance and controls, especially with regard to accountability mechanisms and issues such as the prevention of corruption. This issue can get particularly tricky if applied to hybrids, especially if we think about the main variables of hybridity as: mixed ownership; competing institutional logics; multiplicity of

funding arrangements; public and private forms of financial and social control (Johanson & Vakkuri, 2017).

This book aims at providing evidence in order to answer some of the unsolved questions related to hybrid organisations. It does so by adopting a multifaceted approach along its 10 chapters, which focus on different national contexts and policy sectors. Along with its companion Volume 6 on 'Cross-Sectoral Relations in the Delivery of Public Services' in this series, we pursue the ambition to shed light on the diversity of arrangements at the inter- and intra-organisational level to govern and deliver public goods and services.

The opening chapter 'How History Challenges Current Thinking on Hybridity: The Effects of Hybridity on London's Transport 1933–1948' by Fowler retrospectively sets the tone for the volume, using an original historical perspective which offers outcomes challenging the findings from research focused in more recent periods, concerning the institutional logics and performance of hybrid organisations.

The following three chapters specifically focus on the themes of accountability, transparency and integrity. The chapter 'Issues on Transparency, Accountability and Control in Hybrid Organisations: The Case of Enterprises Owned by Local Government', by Erlingsson, Thomasson and Öhrvall, critically analyses the implications arising from the corporatisation of part of local governments' operations in terms of accountability, using a case study grounded in one of Sweden's major municipalities.

The chapter 'The Role of Boards of Directors in Transparency and Integrity in State-owned Enterprises', by Cecchetti, Allegrini and Monteduro, scales up this approach by empirically analysing 60 Italian SOEs in terms of composition and features of their boards, and evaluating the impact of such factors on the commitment to integrity and transparency.

The chapter 'The Influence of Human Resources Practices on Corruption Behaviour in Humanitarian Aid', by Chabke and Haddad, instead focuses on integrity management in a mixed public/non-profit context from an understudied perspective such as the individual one, and builds upon a long experience in the humanitarian aid sector to generate theory from field observations.

Sector-specific challenges are addressed in the following group of contributions. In the chapter 'Adapting to Person-centred Care: Changes in Caring Organisations in the Australian Disability Sector', by Gurd, Lim and Schuler, changes brought forward by the shifting role of hybrids are analysed, in the context of the Australian disability services providers, with specific reference to new governance and performance measurement systems in the relations between governmental and non-profit actors.

The next chapter 'New Public Management and Hybridity in Healthcare: The Solution or the Problem?', by Lewandowski and Sułkowski, introduces competing institutional and professional logics in a highly specialised sector such as healthcare, using critical analysis of secondary materials to revisit issues addressed in existing literature.

In the chapter ‘The Institutional Governance of Global Hybrid Bodies: The Case of the World Anti-Doping Agency’, Chappellet and van Luijk analyse the challenges facing a public-private supranational entity such as World Anti-Doping Agency (WADA) in ensuring effective coordination to pursue its outcomes, proposing possible solutions in order to enhance the level of trust among its wide range of stakeholders.

Boesso and Cerbioni focus on the features of non-profit governance in the next chapter, ‘Strategic Philanthropy in Foundations: The Board Members’ Perspective’. Basing on a survey of 144 decision makers in the largest Italian foundations, they formulate recommendations to players and regulators for the enhancement of the social value foundations can create.

In the chapter ‘Collaboration between For-profit and Non-profit Organisations: Some Insights into the Social Doctrine of the Church’, by Andrei, Balluchi and Furlotti, an original conceptual perspective is proposed on the role of non-profits as key actors for the development of a civil model of economy within the private sector, by highlighting principles and reflections within Encyclical Letters that resonate with such a framework for the analysis of societal issues.

The final chapter, ‘Boundary-spanning Leadership in Hybrid Networks: A Case Study of English Local Safeguarding Children Boards’, by Dudau, Favotto and Kominis, situates discussion on leadership styles to address risk and uncertainty in the context of hybrid partnerships; these are arguably among the most pressing challenges for hybrid structures to be further addressed in future research.

Similarly to the contributions featured in Volume 6 of this series, several of the chapters of this book are the outcome of paper presentations and discussions in the context of the Public and Non-profit Management Strategic Interest Group of the European Academy of Management (EURAM), the International Research Society for Public Management (IRSPM) panels and the Permanent Study Group on Public Network Policy and Management at the European Group on Public Administration (EGPA). As editors, we wish to acknowledge all of the authors and reviewers for contributing to the constant cross-fertilisation and hybridisation of ideas among different policy areas, research domains and national contexts for the advancement of our understanding of such crucial public management themes.

REFERENCES

- Aguilera, R. V., & Vadera, A. K. (2008). The dark side of authority: Antecedents, mechanisms, and outcomes of organizational corruption. *Journal of Business Ethics*, (2008). 77, 431.
- Ashforth, B. E., Harrison, S. H., & Corley, K. G. (2008). Identification in organizations: An examination of four fundamental questions. *Journal of Management*, 34(3).

- Billis, D. (2010). Towards a theory of hybrid organizations. In D. Billis (Ed.), *Hybrid organizations and the third sector: Challenges for practice, theory and policy*. Basingstoke: Palgrave Macmillan.
- Brandsen, T., van de Donk, W., & Putters, K. (2005). Griffins or Chameleons? Hybridity as a permanent and inevitable characteristic of the third sector. *International Journal of Public Administration*, 28, 9–10.
- Brandsen, T., & Karré, P. M. (2011). Hybrid organizations: No cause for concern? *International Journal of Public Administration*, 34, 13.
- Cornforth, C., & Spear, R. (2010). The governance of hybrid organizations. In D. Billis (Ed.) *Hybrid organizations in the third sector: Challenges of practice, policy and theory*. Basingstoke: Palgrave.
- Denhardt, J., & Denhardt, R. (2003). *The new public service: Serving not steering*. New York, NY: Sharpe.
- Evers, A. (2007). Mixed welfare systems and hybrid organizations: Changes in the governance and provision of social services. *International Journal of Public Administration*, 28, 9–10.
- Heres, L., & Lasthuizen, K. (2012). What's the difference? Ethical leadership in public, hybrid, and private organisations. *Journal of Change Management*, 12(4).
- Huang, L. F. J., & Snell, R. S. (2003). Turnaround, corruption and mediocrity: Leadership and governance in three state owned enterprises in Mainland China. *Journal of Business Ethics*, 43(1).
- Huberts, L. (2014). *Integrity of governance. What it is, what we know, what is done, and where to go*. Basingstoke: Palgrave Macmillan.
- Jacobs, J. (1992). *Systems of survival. A dialogue on the moral foundations of commerce and politics*. New York, NY: Random House.
- Johanson, J.-E., & Vakkuri, J. (2017). *Governing hybrid organizations*. London: Routledge.
- Kickert, W. J. M. (2001). Public management of hybrid organizations: Governance of quasi-autonomous executive agencies. *International Public Management Journal*, 4.
- Koppell, J. G. S. (2003). *The politics of quasi-government: Hybrid organizations and the dynamics of bureaucratic control*. Cambridge: Cambridge University Press.
- Lan, Z., & Rainey, H. G. (1992). Goals, rules, and effectiveness in public, private, and hybrid organizations: More evidence on frequent assertions about differences. *Journal of Public Administration Research and Theory*, 2(1).
- Perry, J. L., & Rainey, H. G. (1988). The public-private distinction in organization theory: A critique and research strategy. *Academy of Management Review*, 13(2).
- Rainey, H. G., & Bozeman, B. (2000). Comparing public and private organizations: Empirical research and the power of the a priori. *Journal of Public Administration Research and Theory*, 10(2).
- Rathgeb Smith, S. (2010). Nonprofits and public administration: Reconciling performance management and citizen engagement. *The American Review of Public Administration*, 40(2).
- Skelcher, C., Mathur, N., & Smith, M. (2005). The public governance of collaborative spaces: Discourse, design and democracy. *Public Administration*, 83(3).
- Wamsley, G. L., & Zald, M. N. (1973). The political economy of public organizations. *Public Administration Review*, 33(1).
- Wittmer, D. (1991). Serving the people or serving for pay: Reward preferences among government, hybrid sector, and business managers. *Public Productivity and Management Review*, 14(4).

This page intentionally left blank

HOW HISTORY CHALLENGES CURRENT THINKING ON HYBRIDITY: THE EFFECTS OF HYBRIDITY ON LONDON'S TRANSPORT 1933–1948

James Fowler

ABSTRACT

This chapter discusses the cross-sectional relationships between national and local government, citizens and hybrid organisations via a historical case study, that of the London Passenger Transport Board (LPTB) during its existence 1933–1948. It finds that the LPTB was a good example of hybridity located in an earlier time period than most research examines, and that the arrangements by which it was governed resulted in some counter-intuitive outcomes which challenge the findings from research located in more recent periods concerning the performance of hybrid organisations. However, it supports other research proposing that the role of elites as well as institutional contexts is a key factor in the creation and operation of semi-autonomous organisations, and it accepts that objectively measuring the performance in order to make meaningful comparison is not only extremely problematic but may even inhibit performance.

Keywords: Hybridity; agencification; QUANGO; London; transport; performance

INTRODUCTION

The London Passenger Transport Board (LPTB) was created by statute to deliver London's public transport in 1933 out of a mass of large- and small-scale public and private organisations that had hitherto provide the capital's transport. These ranged from entirely private bus companies to municipally owned tramways and large privately owned organisations which nevertheless enjoyed financial support from central government. In 1948, after 14 years of operation, it was nationalised. Between those dates it existed as an organisation very much disaggregated from government ministries, but carrying out an undoubted public task. Its financial accounts and statutory framework show that it operated under more business like conditions than traditional government ministries. The LPTB therefore amply fulfilled [Overman and Van Thiel's \(2016\)](#) three defining characteristics of a semi-autonomous agency or QUANGO. It was part of a succession of 'arm's length' agencies set up by British governments to run public services such as the Forestry Commission, the Central Electricity Board and the British Broadcasting Corporation in the 1920s. The political motivation to create these agencies remains contested, with [Middlemass \(1979\)](#), [Millward and Singleton \(1995\)](#) and [Greaves \(2005\)](#) suggesting a desire to reduce industrial conflict and improve 'efficiency' and [Van Thiel \(2004\)](#) proposing a trend in imitation of previous measures. Its creation and relatively brief existence demonstrate elements of both those theories. However, the main line of interest pursued here is what the Board's creation and operations tell us about its relationships with central government, local government, citizens, its owners and its employees, and what those relationships show us about how it was controlled, what impacts they had on service delivery and how its performance was measured. Given its extremely mixed pedigree and eventual nationalisation, the case study offers excellent scope for analysis.

CONTRIBUTION

This chapter seeks to make three contributions to the debate concerning hybridity and cross-sectional relations in the delivery of public services. Firstly, it simply intends to expand what is known about the operation and performance of 'arm's length' semi-autonomous agencies through the examination of a historical case study. Secondly, by doing so it redresses the balance of research into hybridity which has tended to focus from the 1980s onwards. Articles by researchers such as [Pollitt and Summa \(1997\)](#), [Andresani and Ferlie \(2006\)](#), [Van der Walle \(2008\)](#), [Halligan, Claudia and Rhodes \(2012\)](#) and [Alonso, Clifton and Diaz-Fuentes \(2013\)](#) with a few exceptions ([Hartley, 2005](#); [Radford, 2013](#)) have tended towards a research narrative of the 'emergence' of these organisations. This chapter proposes that situating analysis of hybridity

in terms of its ‘re-emergence’ may be a useful addition to the wider discourse in terms of evaluating their performance.

Thirdly and most importantly, this chapter finds evidence to challenge or support four common hypotheses in current literature regarding the proliferation of semi-autonomous agencies. The first is the strong link between the re-emergence of hybridity and an ‘audit explosion’ claimed by many commentators including [Van Thiel and Leeuw \(2002\)](#). This proposes that the implementation of New Public Management measures designed to remove ‘inefficient’ direct state intervention in the provision of public services has in fact paradoxically created dense new webs of bureaucracy arising out of new evaluation infrastructures. This development is in turn driven by the fear of ‘reversal of agency’ between principle and agent noted by [White \(1991\)](#) leading to strict limits on the degree of autonomy that politicians are in fact willing to delegate to new ‘hybrid’ organisations. The inevitability of this outcome is contested in this chapter.

The second hypothesis is [Alonso et al.’s \(2013\)](#) proposal, echoed by [Overman and Van Thiel’s \(2016\)](#), that the agencification of public services is not associated with positive effects on efficiency or value for money and that it has no significant effect on output or outcome. Alonso’s study of 18 European countries finds that in terms of achieving the stated aims of agencification, associated processes such as outsourcing did not in fact result in the desired fall in public sector expenditure or employment. Overman and Van Thiel (2016) find in a study of 20 European countries that agencification has led to neither efficiency nor value for money. Several rationales for these results are offered. Alonso states that mere cost-cutting exercises generate their own long-term inefficiencies, and speculates that some of the benefits of agencification may have been appropriated by new hybrid organisations themselves, the so-called ‘hold up’ effect. Overman et al. suggest that the free market type efficiencies promised by deregulatory agencification were illusory, and that the state was forced to ‘re-regulate’ thereby undermining efficiency. These conclusions are challenged in this chapter.

The third hypothesis examined emphasises the role of elites as a key factor as well as institutions, politics and socio-economic forces in public service reform. [Rhodes et al. \(2012\)](#) propose that their influence is seriously underestimated in understanding the cross-sectional relationships between national and local government, citizens and hybrid organisations. [Jensen and Zajac’s \(2004\)](#) paper demonstrates the extent to which elites can control the internal agenda of both private and public organisations, and [Hey’s \(2010\)](#) work finds how conclusively and deliberately internal managerial elites did indeed establish control over those cross-sectional relationships in London transport in the 1920s and 1930s. This chapter strongly concurs with these observations.

The fourth hypothesis is that because of the serious difficulties in trying to meaningfully quantify the performance of organisations trying to deliver public services for comparison, existing data should be treated cautiously. [Van der](#)

Walle (2008) argues that not only it is extremely difficult to define what the public sector actually is, it is even harder to objectively establish how improvements or falls in performance might accurately be measured. This task becomes yet more problematic if comparisons are made across different countries. However, Van der Walle's conclusion is not that public policy research is therefore fruitless, rather, he urges researchers not to blindly rely on recent data sets and similarly that policymakers should not take current rankings or indicators at face value. By drawing attention to the longevity of hybrid organisations, this chapter supports Van der Walle's contention that existing data should be treated cautiously and seeks to widen the scope of the debate to include earlier time periods.

THE STATUTORY FRAMEWORK

The LPTB was formally held accountable via the statutory provisions of the 1933 LPTB Act from which a collection of policy communities with nominal powers to influence its performance can be identified. More opaquely, personal relationships between the chairman (Lord Ashfield), the vice chairman (Frank Pick) and senior government ministers such as Herbert Morrison occasionally impinged on the Board's freedom of action. However, the evidence suggests that none of these statutory or informal mechanisms proved effective. Pick accurately described the situation in a lecture to The London School of Economics (LSE) in 1933 as one in which power had been transferred to a bureaucracy, and that in order to escape the influence of both capital and politics, the LPTB had become authoritarian and unaccountable (Halliday, 2004).

The London Passenger Transport Act 1933 contained 108 sections grouped into eight parts. None of them considered accountability explicitly, though a large number of individual sections scattered throughout the Act dealt with it both directly and indirectly. Rather like the British constitution, the Board's system of accountability could be found simultaneously almost everywhere in general throughout the Act but nowhere specifically. Above all, it was not clear exactly how these duties should be enforced or by whom. These processes only become clearer by examining the cross-sectional relations between local authorities, passengers' interest groups, the L&HCTAC, Bondholders, central government, the Trade Unions and the LPTB.

THE SELECTION AND DUTIES OF THE CONTROLLING MANAGERIAL ELITE

In Section 1 of the Act, the Chairman and six other members of the Board were in turn chosen by five (later six) appointing trustees. These were the

Chairman of the London County Council (LCC), a representative of the L&HCTAC, the Chairman of the Committee of the London Clearing Banks, the president of the Law Society, the president of the Institute of Chartered Accountants, and for future appointments, another member of the LPTB once it had been constituted. In terms of their selection, Section 1(2) the Act stipulated that persons nominated must have extensive commercial, transport and financial experience and at least two of them must have had a minimum of six years' experience in local government. However, the list of nominees did not inspire confidence in all quarters. The LPTB Vice Chairman Frank Pick was critical, stating that with one exception (The Chairman of the LCC) they were entirely oblivious to the needs of London traffic (Jackson & Croome, 1962). As Table 1 shows, there were only ever 14 members of the LPTB during its existence and those serving vindicate Pick's comments about their lack of transport experience. However, the breadth and depth of the expertise offered by Pick and Ashfield meant that the initial choice of chairman and vice chairman was very unlikely to fall anywhere else. Ashfield and Pick's experience and longevity were important factors in their ability to run the organisation essentially unchallenged by either internal or external critics.

Table 1 is a stark reminder of the power of tiny elites to shape public service delivery. Just 14 men served on the Board, and only three of them were members of the Board for its entire existence. They were selected by an even smaller number of equally unaccountable elite individuals. The purpose of such arrangements was not openly stated, but by looking at the official

Table 1. Members of the LPTB 1933–1948.

Name and Period	Replaced By	Replaced By	Replaced By
Albert Stanley, Lord Ashfield (Chairman) 1933–1948			
Frank Pick (Vice Chairman) 1933–1940	Colonel Vickers (as ordinary member) 1941–1946	William Neville 1946–1948	
Sir John Gilbert (LCC) 1933–1934	Charles Latham (LCC) 1935–1948		
Sir Edward Holland (Surrey CC) 1933–1939	Colonel Forester Clayton 1939–1944	Sir Gilfrid Craig (MCC) 1944–1946	Sir Edward Hardy (KCC) 1946–1948
Patrick Ashley-Cooper (BoE Director) 1933–1948			
John Cliff (TGWU) 1933–1948			
Sir Henry Maybury (ICE) 1933–1942	Geoffrey Heyworth (ICI) 1942–1948		

Source: Transport for London (TfL) Archive LT1011-001 to 014 series, Annual Reports.

appointments of those personalities it is clear that they existed as a selection committee to ensure that those operating the LPTB were highly orthodox and well connected to financial, legal and governmental networks. This would ensure that the relationship between the LPTB, central and local government would exhibit a high degree of trust and informality, allowing the ‘arm’s length’ relationship to operate without the minutiae of targets and audit procedures that became the hallmarks of cross-sectoral relations in the later twentieth century.

It is remarkable that this closed and unaccountable system does not seem to have resulted in any personal financial corruption or malpractice. Only the chairman (Ashfield) and the vice chairman (Pick) were paid substantial salaries of £12,500 and £10,000 each which was no more than they had received in their previous capacities with fewer responsibilities at the private Underground Electric Railways of London Company (UERL). Later in the 1930s, Pick’s requests for a pay increase were turned down (TNA, MT46-142).

The Board’s duties were laid down under a statutory instrument drawn up by central government at Section 3 of the Act where the LPTB was charged to:

Secure the provision of an adequate and properly co-ordinated system of passenger transport for the London Passenger Transport Area ... avoiding the provision of unnecessary and wasteful competitive services, to take from time to time such steps as they consider necessary for extending and improving the facilities for passenger transport in that area in such manner as to provide most efficiently and conveniently for the needs thereof. (Section 3(1) LPTB Act 1933)

and:

It shall be the duty of the Board to conduct their undertaking in such manner ... as to secure that their revenues shall be sufficient to defray all charges which are by this Act required to be defrayed out of the revenues of the Board. (Section 3(4) LPTB Act 1933)

These general principles gave the Board two lines of statutory accountability, one which led back to the public at large and one which led back to the owners of its debt. It is worth reiterating though that these underpinning principles were general statements of intent rather than specific systems of control. The relationship between the LPTB, the government and other policy communities would not be driven by the pursuit of objectively measureable targets, and as Van Thiel et al. (2002), Van der Walle (2008) and Alonso et al. (2013) have suggested, avoiding these systems may well have improved the outcomes. In any case, I will demonstrate that neither of these fairly generalised lines of accountability were especially effective even in their own terms. Nevertheless, as will be seen that in the case of the LPTB, counter-intuitively the result of this genuinely ‘arm’s length’ relationship was neither a collapse in service provision nor ballooning pay for senior managerial figures.

RELATIONS WITH CENTRAL GOVERNMENT, LOCAL GOVERNMENT AND PASSENGERS

Under Sections 29 and 30 the Act allowed Local Authorities to petition the Railway Rates Tribunal if they considered that the LPTB had unreasonably reduced or withdrawn fares, services or facilities and also if they believed that the introduction of the new facilities or services would be beneficial. There were no targets standards for delivery, merely the interpretations of the inherently contestable term ‘unreasonable’. In this way, the Act did provide mechanism via local government for the users of the system to express their interests, and in the absence of competing alternative transport modes and direct local government control of transport this was one of the main conduits of accountability open to the public. However, the archives suggest that the effectiveness of the local authorities in influencing service delivery was sporadic. Table 2 illustrates the Board’s responses to external criticism of its services along one of its most important routes for service delivery, the Northern Line, between 1933 and 1939. It shows that in the majority of cases the LPTB was confident enough to ignore outside influences.

For example, at the inception of the New Works scheme Lord Ashfield wrote confidentially to the Minister of Transport, Leslie Hore-Belisha, outlining his proposals and justifying them on the grounds of the clamant public demand and many applications for improved travelling facilities which the Board had received from public bodies and various other organisations (LMA ACC1297 LPT 01 009 037). The letter amply illustrates a number of defining characteristics about the

Table 2. LPTB Responses to Public Criticisms/Proposals Involving the Northern Line 1933–1939.

Criticism/Proposal	Policy Community	Outcome
New tube line to North East London	Borough Councils, District Railway Users Associations	Rejected
Overcrowding	MPs, Passengers’ letter campaign to the <i>Times</i>	New timetable increasing the number of trains
Prevent the northern line extension to Bushey	MPs, Passengers’ letter campaign to the <i>Times</i>	Rejected
Extend the northern line to Epsom	Borough and County Councils	Rejected
Longer trains	Borough and County Councils	Partially accepted until the Second World War
Express tunnels	Borough and County Councils	Rejected
Equalisation of fares on the Stanmore and Edgware branches	Borough Councils and MPs	Accepted

Sources: London Metropolitan Archive (LMA) ACC-1297-LPT-01-009-037; Barman (1979); Jackson and Croome (1962).

relationship of the LPTB with both central government and local authorities. Notably, there is the discrete, direct and unfettered access which the Chairman of the LPTB had to the Minister of Transport. In this relationship, local authorities are the appellants and appear to have no comparable access to central government. Instead, along with other ‘various organisations’, they make their case to the Chairman of an intermediate body. In Frank Pick’s 1939 Report to the Ministry detailing the progress of those schemes and recommending which of them should be halted for duration of the Second World War there is not a single mention of public or local government opinion or public petition (TfL LT1212 002).

In summary, the relationship between the Board, local authorities and the travelling public was sporadic and reactive. Sometimes public bodies’ support for transport investment schemes was useful background corroboration for furthering the more detailed plans on the LPTB’s own agenda, but most of the time the Board felt confident enough to reject proposals that it was not interested in. Formal conduits for this type of interaction did exist, but they were not systematically employed and were heavily buttressed by individual informal actions such as writing to the *Times* newspaper and actions by MPs pursuing constituency interests.

Alternatively, the L&HCTAC was another avenue of approach through which the LPTB could be held accountable. It was the successor to the Traffic Committee created by the 1905 Royal Commission, and its composition went through several iterations before and after its (re)formation in 1924. In 1933, it was established with 40 members, 24 from local authorities, five from Trades Unions, seven from transport organisations (two from the LPTB) and the remaining four from the Ministry of Transport and London Police. Sections 58–60 of The LPTB Act gave the Advisory Committee quite wide ranging powers as follows:

- (a) Consider, report to and advise the Minister on any matters relating to traffic within the London Traffic Area which in their opinion ought to be brought to the notice of the Minister...
- (b) To make representations to the Board with respect to any matter connected with the services or facilities provided by the Board in the London Traffic Area which ought, in the opinion of the Committee, to be considered by the Board...
- (3) Joint meetings for the purposes aforesaid shall be convened by the Chairman of the Advisory Committee at least three times in every year... [but] a meeting shall not be required to be convened so long as the Board and the Committee agree that for the time being a meeting is not necessary. (LPTB Act 1933 Sections 59(1) and (3))

From the text of the Act, the L&HCTAC appears to have been the designated forum in which transport issues affecting the capital were discussed, considered by a wide spectrum of public figures, and brought to the notice of the Board. With its wider membership and its capacity to approach central government directly, the Committee was potentially quite an effective vehicle to hold the Board to account over service provision. Whilst the Committee did not

actively evade its responsibilities, it did encourage public bodies to make their own cases individually to the LPTB in the first instance (TNA MT37 15).

Examples drawn from the archives suggest that the Committee tended to rubber stamp rather than challenge the Board's decisions. Using the minutes of the L&HCTAC meetings discussing the replacement of trams with trolleybuses, it is clear that while consultation occurs, the actual decision to replace trams with trolleybuses has already been taken. Some local authorities had tried to petition against it, but were unsuccessful (TNA MT37 15). Two other examples from 1935 also demonstrate the Committee's acquiescence. A proposal to discuss the shortcomings of passenger transport in East London was rejected by Frank Pick on the grounds that the Chancellor's statement earlier that day rendered further discussion pointless (TNA MT37 15). The second matter of business for the Committee was a proposed reduction in fares for people in higher education. This was rejected by Pick without giving any reasons, and the Committee merely concurred. Most tellingly of all, the powers conferred on the L&HCTAC allowed in Section 59(3) for a Joint Standing Committee Meeting between it and the Board up to three times a year. In fact, the Joint Committee met in December 1933 and then did not meet again until the onset of the Second World War. By the late 1930s, questions were being asked in Parliament by two London MPs, Samuel Viant (Willesden West) and John Parker (Romford), and raised by the London local authorities about why there was no machinery in use through which they could approach the LPTB with passengers' concerns (TNA MT37 15). In conclusion, it is difficult to find that the Committee was a very active watch dog. [Table 3](#) suggests that it had fallen

Table 3. Members of the L&HCTAC in 1933.

Interest Group	Names
Central Government	Arthur Dixon, James Godsell
London County Council	Frederic Gater, Charles Latham, ^a Basil Marsden-Smedley, Walter Northcott, Bertie Samels, George Strauss
Borough and County Councils	Sir John Pakeman, Walter Edgson, Frederick Deane, W. H. Graham, Sir Henry Jackson, A. Rennie, L. Sargent, Charles Williamson, Sir Charles Pinkham, W. Pinching, Frederick Dane, F. Willbee, Sir Edward Holland, ^a E. Franklin, W. Peel, J. Barton, George Croot
Police	Herbert Tripp, Harry Chapman, Sir Hugh Turnbull
LPTB	Frank Pick, ^a Sir Henry Maybury ^a
Mainline Railways	Sir Herbert Walker, Sir Josiah Wedgewood
Road Vehicles	J. Turner, Sir John Moore, J. Welland
Trade Unions	Harold Clay, John Marchbank, James Rowan, Alexander Walken, F. Witcher

Source: National Archive (NA) MT-37-15 minutes of the meetings of the L&HCTAC.

^aLater appointed to or already a member of the LPTB.

victim to institutional regulatory capture by the LPTB as many members had colleagues on the Board and some were later to serve on it.

RELATIONS WITH FINANCIAL INTERESTS

The bondholders constituted a potentially powerful interest group. Not only were they financial owners of the LPTB, they were also the only policy community whose relationship with the LPTB was defined in the statute to any degree by quantifiable and auditable targets. Their terms and conditions were specified at Section 39:

(b) shall authorise the holders of 'A' Stock, 'L.A.' Stock or 'B' Stock respectively, being holders in the aggregate of not less than five per cent. of the total amount of stock of that class then outstanding, to apply for the appointment of a receiver or a receiver ... in the event of the Board making default in the payment of interest on those stocks respectively for a period of not less than three months.

(c) shall authorise the holders of 'C' Stock, being holders in the aggregate of not less than five per cent. of the total amount of 'C' Stock then outstanding, to apply for the appointment of a receiver ... in the event of the Board failing in respect of each of three consecutive years of which the first shall be not be earlier than the year ending on the thirtieth day of June 1936 to pay interest on the 'C' Stock at the standard rate for those years.

The LPTB never failed to meet its obligations to the A, B and LA stockholders. However, it also never succeeded in meeting its statutory obligations to the C stockholders. Despite this, when the date for their application to call in the receivers fell due they did not do so. In 1938, a senior stockholder in a position to apply to the High Court for the organisation to be placed in receivership, John Heaton, the chairman of the Thomas Tilling Bus Company, did in fact call for a rise in fares to improve the revenue stream. But he was rebuffed by Lord Ashfield and Frank Pick who stated that any rise in fares would result in a fall in traffic (*The Spectator*, 1938). Nothing further was done by either Mr Heaton or the Board.

The reason for the inactivity was that the senior leadership of the Board had already discovered in the statute that the conditions required to call in the receivers were so onerous that it was unlikely that a consensus could be achieved. As Frank Pick realised as early as 1935, the appointment of a receiver was controlled by onerous conditions. These made it extremely improbable that it would actually occur unless something happened which could, or should, have been avoided. This put the Board effectively beyond the reach of those provisions and it suffered from no controlling background interests based upon the power of capital (*Commercial Motor*, 1938).

This realisation ensured that the Board were unperturbed by their Bondholders and for how little the relationship between them counted. The outcome of such an arrangement is clear. The archives show that wherever

possible, Bondholders' financial interests were sacrificed to those of passengers and employees. It is all the more extraordinary in the light Lord Ashfield comments to shareholders a few years earlier in 1931 where he assured them that Acts of Parliament were not treated like scraps of paper and that their rights would be scrupulously observed (*Electric Railway Journal*, 1931).

Despite this promise, it is quite clear that the Board felt unconcerned that the bondholders might cause the receivers to be called in. In reality the statutory provisions did indeed offer little more protection than a scrap of paper. The evidence suggests that this was due to the complexity of achieving a successful application to the receivers, Pick and Ashfield's confidence in their own expertise and indispensability and partly due to promises of future fare rises to boost revenue which did not in fact immediately materialise (Jackson & Croome, 1962). Pick commented that capital had lost its power. It could not appoint the management or interfere with daily operations or use its investment to serve any other end or aim. It was left with no right except to receive a set return (Jackson & Croome, 1962). In reality, even that right was abrogated for the C stockholders, and all the factors described above ensured that the only cross-sectoral relationship situated in objective, measurable outcomes was nullified for the potential appellants.

RELATIONS WITH TRADE UNIONS

This left the Trade Unions as the remaining set of interests statutorily empowered to influence the strategic management and performance LPTB. The 1933 Act made the following provisions:

67. If at any time any question arises with respect to the rates of pay, hours of duty or other conditions of service of any of the employees ... and the Board and such of the trades unions as may be concerned are unable to come to an agreement thereon, the question shall be referred to a Negotiating Committee, and, if the question is not disposed of as a result of being so referred, it shall be further referred to a Wages Board.
68. (1) The Negotiating Committee referred to in the last preceding section shall... consist of:
 - (a) Six representatives of the Board to be appointed by the Board.
 - (b) Six representatives of the employees of the Board, two of whom shall be appointed by each of the trades unions.
- (2) The Wages Board referred to in section [67] shall consist of:
 - (a) An independent chairman to be nominated by the Minister of Labour;
 - (b) Six representatives of the Board to be appointed by the Board.
 - (c) Six representatives of the employees of the Board, two of whom shall be appointed by each of the trades unions.

(d) Four other persons to be appointed, as to one, by the General Council of the Trades Union Congress, as to one, by the Co-operative Union, as to one, by the Association of British Chambers of Commerce and, as to one, by the National Confederation of Employers' Organisations.

Over and above these provisions, Trade Unions already had considerable powers through strikes to bring about or dispute the direction of change within the London Transport system. The 1919 strike had won the Railwaymen a 48-hour working week, and the 1924 strikes had been influential in bringing about legislation to curtail the small private operators of buses. These strikes which had been successful in the first third of the twentieth century took place in a scenario where a fragmented labour movement divided between the National Union of Railwaymen (NUR), the Associated Society of Locomotive Engineers and Firemen (ASLEF), the Railway Clerks Association (RCA), the Transport and General Workers Union (TGWU) and the Municipal Employees Association faced an equally fragmented assortment of employers.

After 1933, the Board was the single employer, and as a general rule strikes by railwaymen and staff on the trams, never frequent in any case, fell further after this point. By contrast, the Board's relations with a more disparate and only recently amalgamated road transport service staff were more fractious. Aware of the fragmentary history of the bus companies, the Board was keen wherever possible to limit the number of Unions, though the Trade Disputes Act 1927 meant that it could not oblige employees to join a specific union, or any union at all, until the repeal of that legislation in 1946 (TfL LT493 047). Their dislike of smaller unions was matched by the larger trade unions such as the TGWU who largely successfully fought to prevent the creation and spread of smaller bodies such as the National Passenger Transport Workers Union (TfL LT497 043) (NPWU) which they did by frequent insinuations of Communist influence (TfL LT484 009).

As Table 4 demonstrates, the gradual amalgamation of both Unions and Employers does not seem to have any particular effect on the severity or the frequency of official strike action, but that unofficial strike action in the road services sector gradually built up to crescendo that culminated in the official 1937 bus strike.

It would be valuable to be able to contrast the 'unofficial' record of labour unrest in the period before the LPTB, and the Board itself attempted to do so when a parliamentary question was tabled in March 1936 by the Empire Free Trade MP for Paddington South, Vice-Admiral Taylor. It rapidly discovered though that the records of the smaller concerns were too numerous and fragmentary to accurately discover what the state of affairs had been (TfL LT413 047). However, even the most cursory reading of the statistics reveals that both the vast majority and the single most serious labour disputes under the LPTB took place in the road transport staff sector. For the purposes of examining cross-sectoral relations, concentrating primarily in this area not only draws on

Table 4. Unofficial Strikes 1933–1941.

Date	Duration (Days)	Cause
1934	1	Revised duty schedules for tubes
1934	1	Self-starters for buses not fitted
1935	1	Restriction of use of mess rooms at garages
1935	1	Disciplinary action against a bus driver
1935	1	Disciplinary action against two bus staff
1935	5	Bus schedule dispute
1936	6½	Bus schedule dispute
1937	3	Bus schedule dispute
1939	4	Bus schedule dispute
1940	3	Bus schedule dispute
1940	1	Disciplinary action against a bus driver
1941	1	Bus schedule dispute
1941	3	Disciplinary action against a bus driver

Source: TfL Archive, LT413-047 negotiations with Trade Unions.

the largest body of evidence but also demonstrates the widest spectrum of outcomes from these arrangements.

The central issue was the steady increase in speed with which the Board's bus services were run, increasing from an average 9 mph to 10.5 mph over the period 1927–1937 (TfL LT484 009) and a consequent intensification of the service schedule. The crux of the disagreement concerned the distribution of the resulting benefits. From the Board's perspective, rising productivity was essential to balance the books (TfL LT493 051). From the Union's perspective, rising productivity was putting physical strain on the staff and the gains from that rise in productivity ought to be channelled in wages (TfL LT493 051). A series of unofficial strikes in the early to mid-1930s culminated in the 'Coronation Bus Strike' from 1 to 27 May (inclusive) in 1937.

After all the arguments and protestations, the strike and its aftermath exposed the protagonists' true positions in a number of revealing and sometimes unexpected ways. The Board's contention that strikes ultimately damaged the workers own interests was arguably proven, since the LPTB lost 86 million passenger journeys in comparison to the previous period in 1936 and a fall in revenue of approximately £12,500 a week throughout the duration of the strike (TfL LT1011 004). Worse still, the Board noted that the travelling public did not readily change their habits. Once they were interrupted and new methods were established the public similarly tend to adhere to them (LPTB Fourth Report, TfL LT1011 004). The Board also received a large postbag of furious letters from the public, some demanding that 'drastic action' was taken against

'Communist' agitation (TfL LT493 051). The LPTB painstakingly recorded the contents of every letter received regarding the strike, a summary of which was sent directly to Lord Ashfield together with the numbers of letters which were pro-Board, anti-Board and impartial. By 31 May, 452 letters had arrived, 181 of which were supportive, 157 impartial and 114 condemnatory. The Board contented itself, probably wisely considering the equitable balance of opinion thus revealed, with sending non-committal and polite replies to all its correspondents, though the degree of care with which the letters were gathered and at what level they were analysed is an indicator of how seriously the LPTB took the issue of customer relations (TfL LT493 051). Nevertheless, the Board still felt able to give an extra £60,000 to C stockholders and declare their highest ever dividend of 4.25% that year, suggesting that they were not hit as hard financially by the strike as they maintained.

From the employees' perspective, in June 1937 pay rose from 88/ 6d (88 shillings and sixpence) per week to 90/ (90 shillings) p/w for bus drivers and from 83/ 6d p/w to 84/ for conductors on central bus services. In terms of conditions, the maximum time that could be spent on permanent duty was reduced from 8.5 to 8 hours a day (Clegg, 1950). These tangible benefits are clear evidence of the power of strike action and the degree to which the LPTB did respond to employees' demands. Over two years after the strike, a report into the incidence of gastric illness amongst bus drivers was published. Employees had alleged that service intensification had resulted in ill-health, and having examined over a million medical records, the report concluded that there was some evidence that between 1933 and 1935 London bus staff were more likely to contract gastric illness than their colleagues on the tramways or other maintenance staff. However, the report did not accept that there was sufficient evidence to justify a reduction in the working day and no further action was taken by the Board (TfL LT493 051). In conclusion, the employees had won some, but not all of their demands.

In terms of internal Trade Union politics, the end of the Strike was used the TGWU to crack down on what it saw as dissident or alternative workers' organisations within the workplace which it viewed as Communist inspired. Partly as result of this pressure, in February 1938, the NPWU was formed as rival to the TGWU with its membership primarily drawn from the road transport staff. It did not flourish, and as soon as the 1945 Labour moved legislation compelling employees to join a single recognised Union in their workplace the Board moved swiftly and without compunction to oblige all the relevant road staff to join the TGWU (TfL LT304 066). This was done despite the protestations of former non-Union and NPWU members both on grounds of personal conscience and in protest at the fine that was imposed on the new TGWU members through a series of personal letters to Lord Ashfield (TfL LT493 047). But the Board was unmoved, and in a letter to American investors in September 1946 Lord Ashfield stated that he believed that rival Unions undermined the entire basis of collective bargaining and were detrimental to service efficiency (TfL LT493 047). This evidence shows that in cross-sectoral relations with its

workforce, the LPTB was far from wanting legislation of the type passed by the Conservatives in 1927 that had the potential to fragment and weaken organised labour. Instead the senior management of the LPTB clearly preferred dealing with single points of contact to manage their labour force.

In conclusion, it seems reasonable to suggest that Trade Unions were able to secure benefits for their members, but only in the context of periodically stepping outside the statutory framework which governed their relationship with the LPTB or by threatening to do so. Wage cuts made in 1931 were reversed and nominal wages rose, albeit slowly, though in a macroeconomic climate of mild deflation which accelerated their real value. After the amalgamation of constituent firms into the LPTB there was a serious 'levelling up' of wages wherever the previous component companies' rates had differed from the Board (Clegg, 1950). In terms of conditions, after major industrial action in the 1920s the working day did not get significantly shorter in the period of the Board's control, but there were a steady series of minor adjustments to working time in favour of the employees. Within the organisation there was a clear and functioning mechanism through staff councils and wages boards by which employees and staff could make their wishes known and a staff suggestions and technical innovations scheme which in a minor way allowed workers to participate in their workplace beyond merely fulfilling their duties (TfL LT493 015 and LT 1735 001 and Johnston & Spates, 1930). Arguably, most importantly from the perspective of the employees, their wages were approximately 30% above the level enjoyed by the wider UK male workforce in the period 1933–1939, and from the Board's perspective, whatever their qualms about meeting their obligations to shareholders, they were content to see their total wages bill rise by about 2% per annum throughout the 1930s. In conclusion, it seems reasonable to suggest that the outcome of the cross-sectoral relationship for the Trade Unions was that they were able to secure benefits for their members, but only in the context of periodically stepping outside the statutory framework which governed their relationship with the LPTB or by threatening to do so. From the Board's perspective, the gradual unification of disparate labour interests was a price worth paying for the resulting service stability that relatively few Trade Union negotiating partners ensured.

SERVICE DELIVERY

As Van der Walle (2008) notes, the definition of 'good' public service delivery can be problematic since it is conceptual as well as technical. Luckily, this case study does not have the problem of defining the state sector within a national economy, and the proliferation of information generated, even in the 1930s, means that data are not difficult to find. However, the problem of subjective perceptions not actually reflecting actual performance remains. It is quite easy

to prove via a variety of data sets that the LPTB's route mileage, vehicle fleet, etc. all grew and that fares for the use of this system fell slightly. These are indicators that would commonly be accepted to mean that service delivery had improved for passengers, and for other communities in the policy network in the same period wages also rose and holidays were extended, though bond yields were static. But since the LPTB did not engage in modern customer service or workforce satisfaction surveys, it is hard to definitively pronounce on how its performance appeared to its users, employees or owners.

The question is how much the relative absence of subjective data in this period matters. I argue in support of Van der Walle that this is less important than it might appear. As he points out, subjective indicators may only measure the public administration's image, rather than being an evaluation of performance. Similarly, opinions may reflect historical experience rather than current performance, or even exceptional encounters rather than the average (Van der Walle, 2008). From the perspective of the Board, we have seen how the statutory arrangements left their strategic management largely unaffected by their relationships with government, owners or passengers. As the evidence will now demonstrate, counter-intuitively these insular arrangements do not seem to have impeded objective progress in the provision of public transport services.

According to statute the LPTB's paramount duty was to ensure the financial stability of the institution. This would seem to give paramount interest to the owners of capital. However, the Board also recognised that it had secondary duty to balance the interests of three main policy communities which it classified as the passengers, the employees and the shareholders (TfL, LT1011 005). Their interests can be expressed financially as fares, wages and dividends and as such provide data by which a judgment can be formed about in whose financial interests the system principally operated.

Tables 5–7 give a representative sample of the experience of each financial category of interest.

The pattern that the data in Table 5 reveal is quite clear. Passenger receipts per journey fell slowly in real terms in the 1934–1939 period indicating that fares were broadly stable at a time of rising employment and wages. Once the Second World War commenced, average receipts per journey then fell dramatically in real terms until the Board was forced to intervene in 1946–1947 and enact a 55% rise in fares (TfL LT1011 014). Even so, the real value remained approximately 20% below the 1939 figure. Falling real fares indicate that passengers were financial beneficiaries of the way in which the Board operated. However, over and above the emerging financial advantage enjoyed by passengers, the fares still do not give the whole picture of the qualitative benefits and improvements to the system, and Tables 8 and 9 portray the extent of the mileage covered and the density of service provision. In 1935, the 'New Works' programme of major investment across the network began. Though not entirely completed before the war, the investment nevertheless resulted in increased train frequency, speed, comfort and safety via new rolling stock, buses,

Table 5. LPTB Gross Revenue per Passenger Journey.

Year	Receipts per Passenger		Inflation (%)		Cumulative Real Receipts/ Revenue
1934	2.305d		0		2.305d
1935	2.308d		0.7		2.291d
1936	2.312d		0.7		2.279d
1937	2.347d		3.4		2.235d
1938	2.341d		1.6		2.192d
1939	2.332d		3.1		2.151d

Year	Journeys	Passenger Revenue	Revenue per Journey	Inflation (%)	Cumulative Real Receipts/ Revenue
1940 ^a	2,930,254,086	£34,318,069	2.81d	17.2	2.43d
1941	2,856,868,361	£37,522,421	3.15d	11.2	2.42d
1942	3,274,939,882	£37,169,716	2.72d	7.5	1.93d
1943	3,446,792,929	£38,035,398	2.64d	3.7	1.80d
1944	3,344,105,620	£40,084,391	2.87d	3.1	1.89d
1945	3,658,236,881	£41,847,420	2.74d	3.2	1.72d
1946	4,259,406,167	£47,453,624	2.67d	3.5	1.62d
1947	4,243,579,740	£55,111,949	3.11d	7.4	1.76d

Source: TfL Archive LT1011-001 to 014 series, Annual Reports.

^aIn 1940, methods of reporting by the LPTB changed and some statistics, including the net receipts per passenger and average wages, were omitted due to wartime conditions.

Table 6. LPTB Staff Expenditure.

Year	Number of Staff	Annual Expenditure on Salaries/Wages	Average Weekly Wage per Head	Cumulative Inflation (%)	Real Average Weekly Wage per Head
1934	75,468	£14,382,249	£3 17/ 6d	0	£3 17/ 6d
1935	77,500	£15,233,148	£3 19/ 11d	0.7	£3 19/ 6d
1936	78,966	£15,960,867	£4 1/ 5d	1.4	£3 19/ 11d
1937	81,765	£16,146,347	£4 2/ 9d	4.7	£3 19/ 2d
1938	82,833	£16,704,937	£4 2/ 9d	6.3	£3 19/ 2d
1939 ^a	86,456	£16,885,602	£3 15/ 11d	9	£3 8/ 1d
1945	83,610	£21,195,736	£4 18/ 6d	42	£2 19/ 7d
1947	96,963	£28,982,097	£5 15/ 7d	48	£2 19/ 11d

Source: TfL Archive LT1011-001 to 014 series, Annual Reports.

^aAs per Table 5. Additionally, from 1940, the annual report was published each calendar year rather than on 30 June, thus 1940's statistics include half of 1939 and all of 1940.

Table 7. Percentage Returns to Bondholders.

Year	TFA, LA and some A Type Stock (%)	Other Type A and All Type B Stock (%)	Guaranteed Stock (%)	C Type Stock (%)	BoE Base Rate (%)
1934	4.5	5	3	3.5	2
1935	4.5	5	3	4	2
1936	4.5	5	3	4	2
1937	4.5	5	3	4.25	2
1938	4.5	5	3	4	2
1939	4.5	5	3	1.5	2
1940	4.5	5	3	3	2
1941	4.5	5	3	2.875	2
1942	4.5	5	3	3	2
1943	4.5	5	3	3.25	2
1944	4.5	5	3	3	2
1945	4.5	5	3	3	2
1946	4.5	5	3	3	2
1947	4.5	5	3	3.18	2

Source: TfL Archive LT1011-001 to 014 series, Annual Reports.

trolleybuses, track and re-signalling work. By 1938, £12.3 million had been spent on the ‘New Works’ projects, and this combined with routine capital investment and renewal programmes had raised the values of the capital stock of the LPTB by £30.5 million. This investment had enabled the LPTB to purchase 1690 new railway cars, 2975 new buses, 966 new trolleybuses, 17 miles of new tube railway, 11 new stations and the complete refurbishment of 45 others (TfL LT1011 005).

As is demonstrated in [Tables 8 and 9](#), there can be little doubt that the passengers initially enjoyed and larger, newer and better equipped network at a steadily falling price ([Table 5](#)). But the war put an end to capital investment programme and resulted in serious damage which was estimated at £7 million in 1947 and disinvestment via asset depreciation. However, in terms of payment to use what was admittedly a less-efficient post-war network, fares continued to fall rapidly in real terms right up until the end of the Board’s operations in 1947. In conclusion, I suggest that passengers clearly secured a good deal of what was financially obtainable from the Board.

Employees’ wages present a more mixed picture. As [Table 6](#) shows, wages held up well under some minor inflationary pressure in the late 1930s, but they fell rapidly in real value with the onset of wartime inflation. This finding is supported by [Clegg \(1950\)](#) who comments that LPTB employees were envied in the 1930s, and Frank Pick who noted that when all the London transport

Table 8. Route Miles Operated by the LPTB.

Year	Trams	Trolleybuses	Buses	Tubes
1934	327	18	2396	174
1935	324	18	2448	174
1936	284	61	2463	174
1937	226	122	2471	174
1938	175	198	2486	174
1939	135	236	2513	172
1940	112	250	2436	176
1941	102	255	2471	175
1942	102	255	2503	176
1943	102	255	2564	176
1944	102	255	2566	176
1945	102	255	2569	176
1946	102	255	2572	180
1947	102	255	2608	185

Source: TfL Archive LT1011-001 to 014 series, Annual Reports.

Table 9. Passenger Vehicles Operated by the LPTB.

Year	Trams	Trolleybuses	Buses	Tubes
1934	2560	61	5976	3156
1935	2473	63	5975	3167
1936	2323	300	6298	3148
1937	2060	594	6454	3154
1938	1668	1026	6386	3263
1939	1243	1627	6180	3949
1940	1077	1699	6005	3929
1941	1064	1731	5966	3888
1942	1059	1757	6046	3827
1943	1054	1762	6045	3795
1944	1049	1743	6074	3796
1945	1006	1747	6606	3713
1946	913	1747	7027	3662
1947	871	1747	7139	3661

Source: TfL Archive LT1011-001 to 014 series, Annual Reports.

companies were merged into the LPTB, wherever there was a discrepancy in wages between the firms it was always rounded up to the level of the highest provider. This situation endured until the Second World War when wages in other sectors quickly caught up and outstripped them. By 1947, the annual report notes that an 'unprecedented' number of wages claims were brought by Trade Unions, clear evidence that employees had noticed their relative decline in purchasing power.

In summary, it seems fair to conclude that the LPTB had a good record on maintaining workers' wages up until the onset of the Second World War at levels that made them noticeably better paid off than other comparable workers. Their value then fell precipitately, storing up a recruitment crisis and industrial relations problems that were to hamper London transport in the post-war period.

Existing literature on the operation the LPTB concludes that the bondholders were the main beneficiaries of the Board's activities. The Board's own statements on the primacy of maintaining financial stability would seem to support this hypothesis. I challenge this viewpoint, and propose that in fact when it came to balancing the competing interests of passengers, employees and shareholders it was the shareholders who principally lost out. The key interest group were the 'C' type stockholders. All other groups of stockholders (A Type, TFA, LA and Guaranteed Type) saw consistent returns in line with the statutory duty of the Board; however, the 'C' type stockholders did not. Statutorily, the LPTB needed to provide long-term returns of between 5.5% and 6%. In fact, they never exceeded 4.25% and averaged out at about 3.25%. Cumulatively, the evidence suggests that the LPTB did not honour its duty to the C type bondholders because it believed that stable (cheaper) fares and steady wages were more important. This belief was rooted in the debate about reasonable rates of return in London transport that had been going on since the nineteenth century. I argue that with the Bank Rate at 2% after 1931, the senior management at the LPTB believed that a return of 5.5% was too much and by the late 1930s Lord Ashfield was finally and publicly saying so. When it came to balancing the interests of passengers, employees and bondholders, it was capital that took the cut. It would not have been difficult to pay the C stockholders in full, but the Board chose not to. In doing so it contravened its own statutory guidelines, but provided a rising quality of service at a diminishing cost.

CONCLUSIONS

At the outset of this chapter, three contributions to the hybridity debate were outlined. The first was simply an addition to what is known about relationships between hybrid organisations, governments, businesses and citizens and

how those arrangements impacted the performance, control and strategic management of those organisations. The archival evidence from the creation and operation of the LPTB produces such a picture which is intriguing in its own right. More importantly, however, it challenges some of the common assumptions about hybridity and cross-sectional relations.

The second contribution was to expand the scope of current research further back in time and draw attention to the 're-emergence' rather than the 'emergence' of hybridity in public service delivery. In the 1930s, the Board was undoubtedly a semi-autonomous body or QUANGO as we would understand and define it today (Van Thiel, 2004), and it may even be possible with further research to argue that its predecessor, the UERL, which operated in the 1910s and 1920s was also a similar body. The implication for both researchers and policymakers is that the principles of 'New Public Management' may not be new at all. On a practical level, accepting the existence of far wider ranging and older data relating to the performance of hybrid organisations may assist both society and policymakers in understanding both the benefits and the detriments of these bodies as public service providers. In the case of the LPTB one such positive practical action was the clear attempt to deliberately inculcate a set of commonly held values regarding public standards and duty amongst the managerial elite (Hey, 2010) which might prove of special relevance to modern-day policymakers seeking to re-establish public trust.

Thirdly and most significantly, this chapter critiques some of the existing hypotheses about the cross-sectoral relationships between government, citizens, businesses and hybrid organisations, starting with the well-observed phenomenon of the 'audit explosion' (Van Thiel & Leeuw, 2002). This chapter's observation is simply that no such explosion occurred with the LPTB. Symbolically, the Board's final annual report in 1947 contains almost exactly the same number of pages as its first in 1934 and the topic headings and statistical tables discussed remain the same throughout (TfL LT1011 001-014). Modern research is highly sceptical about the value of much of the data that is now collected (Van der Walle, 2008), and objective evidence of the scope and the scale of the Board's activities shows no reduction in outputs as a result of this 'arm's length' oversight arrangement. This supports Overman and Van Thiel's (2016) hypothesis that a lower regulatory burden is significantly and positively associated with output and outcome indicators.

The question for present policymakers is therefore how this regulatory burden can be avoided. In the case of the LPTB I argue that controversially the evidence points towards a small managerial elite selected by others like themselves who were consequently trusted to act within general principles outlined through a statute without a 'targets'-based system of incentives (Hey, 2010). In terms of policy and practice, this suggests that the most important element in the cross-sectional relationship between government, hybrid organisations and citizens is trust. Government as the principle was

content to allow its agent, the LPTB, to get on with job with levels of supervision and accountability that were minimal by today's standards. I find it significant that the only area in which the Board's performance was subject to modern levels of specific and measurable systems of control was also the one in which they most deliberately chose to break the rules of the system. The impunity with which they did so serves as yet another reminder that the influence and powers of this managerial elite in the governance and controls systems of the LPTB and the wider policy network surrounding it cannot be underestimated, and substantially affirms Rhodes et al.'s (2012) contention that the behaviour of elites is a vital piece of the hybridity relationships puzzle.

I suggest one important implication of this for researchers, practitioners and wider society is that while trying to control these elites by essentially coercive or transactional systems (i.e. targets) has proved unsatisfactory. Instead, adopting systems rooted in influencing elites through inculcating normative patterns of behaviour might prove more successful. This is because the LPTB was full of paradoxes, none more so than that the arrangement of allowing the aggregation of power to an elite via 'arm's length' agencification did not apparently result in a loss of efficiency or value for money, or the loss of output or outcome. This runs contrary to Alonso et al. (2013) and Overman and Van Thiel (2016) findings. While the data on the scale and scope of public service provision are apparently quite clear, the full explanation for this counter-intuitive impact on performance warrants further research. I suggest that Hey's (2010) paper as a starting point for a more in-depth discussion about inspiring the creation of a 'public service ethos' amongst those managers charged with delivery.

The Board largely avoided dealing with the issues of subjectivity in performance data gathering and comparison by simply not collecting it and confining itself to recording a limited range of numerical data for comparison. Few explicit numerical strategic targets were set either internally or externally, and Van der Walle's (2008) warnings about blind reliance on apparently objective performance indicators and contestable definitions of effectiveness as metrics for comparison were accepted by practitioners and wider society at that time. A degree of that scepticism and acceptance of minimalist reporting structures might yield valuable results for their modern-day counterparts.

In final summing up, the performance of the Board confounds contemporary expectations though it is acknowledged that there are some difficulties in measuring those outcomes. The pattern of cross-sectoral relationships that influenced the public strategic management of the LPTB are controversial in the modern world, but I suggest that the true extent of their 'arm's length' nature combined with the appreciable improvements in public service should remain thought provoking for today's policymakers.

REFERENCES

- Alonso, J., Clifton, J., & Diaz-Fuentes, D. (2013). Did New Public Management matter? An empirical analysis of the outsourcing and decentralisation effects on public sector size. *Public Management Review*, 17(5), 643–660. doi:10.1080/14719037.2013.822532
- Andresani, G., & Ferlie, E. (2006). Studying governance within the British public sector and without. *Public Management Review*, 8(3), 415–431. doi:10.1080/14719030600853220
- Barman, C. (1979). *The man who built London transport*. London: David and Charles Ltd.
- Clegg, H. (1950). *Labour relations in London transport*. Oxford: Blackwell.
- Greaves, J. (2005). *Industrial reorganisation and government policy in interwar Britain*. Aldershot: Ashgate Publishing Ltd.
- Halliday, S. (2004). *Underground to everywhere*. Stroud: Sutton Publishing.
- Halligan, J., Claudia, S., & Rhodes, M. (2012). On the road to performance governance in the public domain? *International Journal of Productivity and Performance Management*, 61(3), 224–234. doi:10.1108/17410401211205623
- Hartley, J. (2005). Innovation in governance and public services: Past and present. *Public Money and Management*, 25(1), 27–35.
- Hey, K. (2010). Transport co-ordination and professionalism in Britain forging a new orthodoxy in the early inter-war years. *The Journal of Transport History*, 31(1), 25–41. doi:10.7227/TJTH.31.1.3
- Jackson, A., & Croome, D. (1962). *Rails through clay*. London: Routledge.
- Jensen, M., & Zajac, E. (2004). Corporate elites and corporate strategy: How demographic preferences and structural position shape the scope of the firm. *Strategic Management Journal*, 25, 507–524. doi:10.1002/smj.393
- Johnston, G., & Spates, T. (1930). Industrial relations in the London traffic combine. *International Labour Review*, 30(5).
- McGraw-Hill. (1931). London underground agrees to traffic board scheme article. *Electric Railway Journal*, 75(6), 332.
- Middlemass, K. (1979). *Politics in industrial society*. London: Deutsch.
- Millward, R., & Singleton, J. (1995). *The political economy of nationalisation in Britain 1920–50*. Cambridge: Cambridge University Press.
- Overman, S., & Van Thiel, S. (2016). Agentification and public sector performance: A systematic comparison in 20 countries. *Public Management Review*, 18(4), 611–635. doi:10.1080/14719037.2015.1028973
- Pollitt, C., & Summa, H. (1997). Trajectories of reform: Public management change in four countries. *Public Money and Management*, 17(1), 7–18. doi:10.1111/1467-9302.00051
- Radford, G. (2013). *The rise of the public authority*. Chicago: University of Chicago Press.
- Rhodes, M., Biondi, L., Gomes, R., Melo, A., Ohemang, F., Perez-Lopez, G., ... Sutiyo, W. (2012). The current state of public performance management in seven selected countries. *International Journal of Productivity and Performance Management*, 6(3), 235–271. doi:10.1108/09513550910982850
- The Commercial Motor*. (7 January 1938). *London transport's future?* Retrieved from <http://archive.commercialmotor.com/article/7th-january-1938/10/london-transport-future>
- The London Metropolitan Archives (LMA). ACC 1297 LPT series. London Underground Companies.
- The National Archives (TNA, Kew, London). MT46 and 37 series. LPTB Appointments and L&HCTAC and LPTB Joint Statutory Meetings.
- The Spectator*. (14 October 1938). Finance and Investment Transport ‘C’ Decision. Retrieved from <http://archive.spectator.co.uk/article/14th-october-1938/44/finance-and-investment>
- Transport for London Archives (TfL). LT 1735, 1212, 1011, 497, 493, 484 and 413 series. Chairman – Vice Chairman Correspondence, Trade Union Negotiation and Annual Reports.

- Van der Walle, S. (2008). Comparing the performance of national public sectors: Conceptual problems. *International Journal of Productivity and Performance Management*, 57(4), 329–338.
- Van Thiel, S. (2004). Why politicians prefer quasi autonomous organisations. *Journal of Theoretical Politics*, 16(2), 175–201. doi:10.1177/0951629804041120
- Van Thiel, S., & Leeuw, F. (2002). The performance paradox in the public sector. *Public Performance and Management Review*, 25(3), 267–281.
- White, H. C. (1991). Agency as control. In J. W. Pratt & R. J. Zeckhauser (Eds.), *Principals and agents*. Harvard: Harvard Business School Press.