Disinvestment and the Reinvented Organisation

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1 Introduction: What Will It Take?

The Substance Abuse Treatment Sector as a whole (and its Third Sector component) is undergoing an extended period of extensive disinvestment. Additionally our industry and the broader Third Sector is being squeezed between the local state and global outsourcing conglomerates in such a way that many small and medium sized organisations have no confidence in any realisable future. Most tellingly of all, perhaps, the political elite, at both national and local levels, is no longer able to reassure increasing sections of the population that even their most basic social welfare needs can be met.

What will it take for organisations charged with tackling inequity, ill health and marginality to survive into the future?

Reinventing the firm

In 2009, in the immediate aftermath of the global financial crash, Demos published a report by William Davies entitled ***Reinventing the Firm***. In this report, Davies focuses on reinventing the firm via new models of ownership: "Many of the dominant social, economic and political challenges that Britain will face over the coming years can be exacerbated or alleviated depending on how companies behave and are organised. In addition to producing wealth, firms have a profound influence on wellbeing and on the fabric of civil society. Different types of organisation produce different levels of inequality and fulfilment in people. It has long been convenient to ignore this, and leave firm structures out of public debate about our society and political economy."[1] (Davies, 2009)

In ***Reinventing organizations (2014)*** Frederic Laloux discusses the limits of our current organizational models: "Most organizations have gone through many rounds of change programs, mergers, centralizations and decentralizations, new IT systems, new mission statements, new scorecards, or new incentive systems.

It feels like we have stretched the current way we run organizations to its limits, and these traditional recipes often seem part of the problem, not the solution. ...We yearn for more, for radically better ways to be in organizations. But is that genuinely possible, or mere wishful thinking?" [2]
(Laloux, 2014)

What will the new organisations look like? How will they be owned and run? How will they cut out all the internal self-serving and petty jealousies that blind top management on a daily basis? Above all, perhaps, how can they break free from path dependency, the scourge of radical change?

If we begin by looking at the recent history of the UK drug treatment sector, it is so that we are able to arrive at a point where our relationship with our own history becomes usable. We possess a fascinating history with a rich cast of contributors, all of who had a clear sense of vocation and a hunger to learn. At the same time, and running on a close parallel track, was our business acumen; one particularly well adapted to exploiting public panics. However, over the course of our very recent past, just when we were rediscovering our passion for recovery, our best business instincts seemed to have deserted us.

Recovery: a strong story within a weak narrative

Recovery from drug addiction makes profound good sense to the public at large. And since 2010 it has been the cornerstone of our national drug treatment strategy. Indeed, the recovery agenda has gone some way toward reviving a field that had over-dined on a palliative diet. But priorities and policies change, and substance abuse treatment, with or without its recovery orientation, no longer has a strong population-wide health and safety mandate sufficient to guarantee a prominent place in the queue for investment. If an overall narrative is composed of a number of distinct stories, then most recently, recovery has been our strongest story.

Unfortunately the strength and vigour of the recovery message cannot disguise the fact that our overall narrative no longer speaks as powerfully to the public as it did 35 years ago when our country was flooded with cheap smokable heroin. Recovery's fate has been to be a strong story at a time when our overall narrative was weak.

A population-wide public health remit

Our industry was built on heroin. Attempts to broaden it were occasionally and marginally successful, but it was founded and sustained principally on the state taking a large stake in the dispensing of opiate substitutes to a sizeable population of addicts in order to quarantine the negative impacts of their behaviours. In addition to the several hundreds of thousands directly helped, the broader, non-dependent population was protected from blood borne viruses and the direct impacts of crime. This made for a strong narrative justification for government investment.

The workforce: from top to bottom

Our business, and our workforce, grew and prospered on the widespread, evidence-based uptake of opiate substitute prescribing. The prescribing consultants and GPs were endorsed intellectually by a bio-psycho-social model of addiction and therapeutically by an alliance with the discipline of psychology. The latter embraced the view that addiction was a learned behaviour and, as such, could be unlearned. This had a certain value in legitimising our enterprise from a therapeutic point of view. Its actual purchase on reality, however, was limited. In the first instance, government policy between 1988 and 2008 wasn't particularly interested in understanding, much less curing, addiction. Its main interest was managing addiction by bringing it under state control. Secondly, although this country and our industry was very well served by a layer of innovative, top calibre clinical and research psychologists, the population-based approach did not require optimum use of their high level, high cost input. What it did require, or thought it required, was a rapidly assembled cohort of workers who variously supported and facilitated the business of opiate substitute prescribing. This workforce had clear instructions and modestly set horizons.

Contract Culture: winners and losers

For the past five years we have seen a gradually accelerating wave of disinvestment in our sector. Despite shrinkage, the provision of drug treatment can still be a high margin activity. The most successful providers will continue to thrive, at least for the time being. An analysis of the revenue of the top 20 third sector drug treatment providers shows a distribution

curve with a vertiginous drop from the cliff top position of the leading provider. If one were to topple from this cliff top, one would hit a promontory halfway down before plunging to the rocks far below. The two next largest providers occupy this promontory; the rocks below contain the rest. This is not to write off those small and medium sized providers who are proving themselves to be competitive. It is, however, to conjecture more broadly whether small providers can maintain their independence, and indeed, ultimately, whether anything in the middle can survive too.

Addiction: the social condition par excellence

Although addiction has always been the social condition par excellence, UK drug policy, including our national and local strategies for 'treating' and 'managing' addiction have invariably been shaped by public panics and colonised by narrow professional and provider interests. The field of drug addiction treatment has become bogged down in its own narrow world. Alongside the medicalisation of the treatment industry has come a level of bureaucratisation that inevitably accompanies contract culture. And yet, addiction is an expression of a kind of social neediness that cuts across those very attempts to pigeonhole and define it more narrowly. It is certainly a condition that responds best to a range of interventions beyond the prison cell and the treatment session.

Thus far some our best attempts to produce functioning integrated models capable of rebuilding hope, confidence and wellbeing have been frustrated by a lack of imagination; the kind of imagination that flourishes best when grounded in a strong culture of experimentation. It has proved difficult, but not impossible, to construct this culture within the confines of the commissioned drug treatment system.

2 The Sectoral Squeeze

In addition to a lack of imagination, third sector providers are finding themselves out-gunned by much more powerful bureaucratic and corporate forces. One commonly hears that government strategy is based on a belief in a mixed economy comprising the public sector, the private sector and the third sector. The third sector, however, is being increasingly squeezed between the national and local state, on the one hand, and major outsourcing conglomerates on the other.

In ***What a Waste: Outsourcing and How it Goes Wrong,* (2015)**, The Manchester Capitalism group of writers describe the modern British state at national and local levels, as a Franchise State. For them, the outsourcing story describes a relationship between "organised money and disabled government"[3] (Bowman et al, 2015 p1). "Many of the key historical functions of the central state (like the administration of criminal justice and the delivery of welfare) are now partly in the hands of private contractors."

The authors warn that "citizens should be concerned because this outsourcing is not taking place in a controlled way after elected politicians and civil servants have carefully chosen between outsourced private contractors or direct public service provision by determining the 'best buy' for cost and quality on a contract-by-contract basis." According to the Manchester Capitalism Group, "the giant contractors and the state are now bound together in co-dependence; these corporates have become what we can call governing institutions."[4] (Bowman et al, 2015).

During the bidding phase of Transforming Rehabilitation (the outsourcing of probation services) only the largest drug treatment providers aspired to prime provider status. Even here, the prize of 'success' threatened financial injury and prompted post-tender withdrawal.

Elsewhere, large third sector consortia felt obliged to pull out late in the bidding stage because of the financial risks attached to failure. Large amounts of time, money and effort were wasted by well meaning consortium partners seeking to do something more than just make a profit. Despite strenuous government pro-testations to the contrary, this was a process that favoured large, multi-national contractors. Small and medium-sized providers had to content themselves with applications for niche status at the bottom of the sub-contracting food chain.

All at once, therefore, we are faced by disinvestment, by being squeezed between the state and the private sector and by a path dependency that locks us into a vicious cycle of self-reinforcing activity. How can we break free of this path dependency? Lowndes and Roberts, ***How Institutions Matter (2013)*** argue that although "path dependency persists during the 'normal' times, critical junctures emerge at moments of political upheaval which are typically stimulated by external shocks; during such periods, the costs of change versus continuity are reduced, and actors are able radically to reform the existing institutional framework"[5] (Lowndes and Roberts, 2013). How can we make this positive analysis work for us?

3 New ways of working will grow directly out of the core business

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The Recovery Movement itself brought great idealism and energy into our field. However, recovery boosterism often fell foul of two flaws: firstly, it was led by a group of paid professionals who were in perpetual denial about the validity of their own career interests; and secondly, many small scale, dynamic recovery startups fell foul of factionalism and meaningless personality-driven differences.

However, in its most dynamic 'northern' form it succeeded in giving the big lie to the notion that the drug treatment sector's primary purpose was to create as many middle class lifestyle-type jobs as possible. The notion of organic recovery communities challenged those providers with five tiers of management and huge over the top costs for high-end clinicians and agency staff.

For many people recovery from substance abuse can be a profoundly private and individual experience: people often recover with very little support. At the same time, recovering from dependency is for very many a profoundly social experience. And recovery communities can flourish; indeed do flourish, away from professional treatment settings. They can be established where people live, an obvious but under-exploited idea. They can also develop within specific demographic groups. They can be built on the back of particular activities, or interests. People in recovery need access to a range of resources, activities, and therapies. Those activities are best provided in ways that respect personal space but, at the same time, build on collective strengths and energies.

Recovery communities can and do tackle a wide range of health and wellbeing issues. We know that certain health behaviours, i.e., smoking, unhealthy diet, excessive drinking and lack of exercise, cluster together. That is why they are best tackled together and tackled in a community setting. Recovery and prevention far from occupying opposite ends of the lifestyle spectrum actually make perfect partners. Outward facing recovery communities are the perfect vehicles for driving prevention as an attractive social option.

The challenge for providers in light of these new approaches is to invigorate their core contract work with a new sense of enthusiasm and purpose.

And over time and with determination it is possible for organisations to respond internally to the external challenges that we have described. In all our organisations, there are those that have the drive and commitment to make the difference. Teams that suffer the lethargy and internal factionalism that comes from one TUPE transfer too many can be turned round.

Workers who have long been thought of as trouble makers can become champions for the new way of doing things. As if by magic, staff suddenly can start taking initiatives without any prompting. It just takes a certain kind of leadership. Such leadership recognises that innovation is built out of the core business and our mainstream services; it doesn't flourish in some separate realm of pure experiment. This kind of leadership brings new opportunities and new challenges right to the heart of our core endeavour. Above all, the clearest single responsibility of today's leaderships, at all levels, is to create work environments where the most positive, productive and creative workers can flourish together.

When the bubble bursts

When investment bubbles burst, assets, including human resource assets depreciate in value. In some instances, current levels of disinvestment in drug treatment are pushing 30%. In response, if you want main grade workers to work 30% harder, then the same must be demanded from all management and executive grades; the one won't happen without the other, nor should it.

With 30% + disinvestment, our business models are now subject to the kind of stresses that leads to structural failure. It also leads to procurement practices that find all sorts of artful and not so artful ways of limiting access, curtailing treatment, and exiting 'treatment failures' and 'non-compliants'.

Some procurement practices do none of the above; they simply specify the un-achievable and leave it to providers to cut their own throats. In these circumstances, providers are often tempted to sign up to pricing decisions that mean delivering at a loss.

And, more worryingly, lead to unsafe service delivery. The current urgency of the harm reduction agenda should command the attention of all providers. So many of our clients are now very poorly; they simply can't be shunted in and out of treatment.

Now, more clearly than ever, harm reduction and recovery emerge as closely entwined and not, as some had supposed, mutually opposed. At this time, a clear programme of harm reduction action is more urgently required than at any time during the past decade. There is an immediate need for more open commissioning practice.

Additionally, we need more open discussions about the need for radical reductions in the dangerously high costs of clinical treatment. We need to continue the retraining of the workforce around the reality of new psychoactive substances and the principles of harm reduction. Free as we now are of all obfuscations, advanced harm reduction practice can proceed in close partnership with a clear recovery orientation across all modalities and in all settings.

Providers now are facing stresses and strains, both internally and externally, the like of which have never been seen before. Often, the key battleground features a kind of cold war between those who are able to transition to new, successful forms of working and those who prefer the old ways. Sometimes the cry for a strong, unified corporate culture is really not much more than a disingenuous way of trying to slow things down to a more comfortable pace. Invariably, the larger the corporate bureaucracy, the slower things go. In such organisations, real experimentation is difficult and when it does emerge the most basic urges of the corporate tier are either to co-opt it or snuff it out.

Sorting out

At this time, in those companies that do want a fighting chance for a future, there is a great sorting out taking place. Everybody in our field may want a future. The fact is some are prepared to work much harder than others to secure it. We should welcome this.

We don't yet know whether we can run safe and sustainable services, even with the new, top-class leaderships in place. Without this leadership revolution, however, we stand no chance. At this time, if you're a manager and you're doing your job properly, there is no real comfort zone. If you want your £30k role (team leader), your £40k role (service manager) or your £50k role (senior executive), then you'd better earn it.

Admittedly, this kind of talk sounds suspiciously like a fairly standard exhortation from the boss. At times of real financial pressure, things can become unhealthily top down. For commentators like William Davies, we need to look beyond traditional forms of management and governance if we are to build a more sustainable economy built on long-term foundations. Davies believes that in order to be successful, "a model of the firm must not only be efficient, it must fit with the culture, politics and value system of the society in which it sits."[6] (Davies, 2009) For him, the time is right to examine different models of employee ownership. Davies writes with all sectors in mind. The third sector is not exempt from the serious questions he asks about the structure of value creating organisations. Many third sector employees are frustrated about the forms of management and governance to which they are subject. Far from being worked too hard, their frustrations often stem from a concern that their employers are not asking enough, are insufficiently far-sighted and seem to favour the old ways of working and thinking. Most of our employees have a certain loyalty to the firms they work for, but don't for one moment believe that their employers have the last word on anything. Quite rightly, the most committed of our workforce are constantly looking for the company that provides the best professional development, the best training and the best opportunities. This is the great shake out. Many organisations are already failing and going out of business. Some are merging, usually to no good end.

Organisational loyalties only count for so much nowadays. The best workers want to work for organisations with a real conviction about the future; organisations that are serious about giving their staff a real stake. The best workers will continue to find each other and if it means coming together to forge new companies built on new organisational forms, so much the better!

4 Conclusion

The great public health swindle

Although we've learnt so much in recent years: about the nature of clustered health behaviours; about the importance of self-efficacy in health and wellbeing and about the major importance of mutual aid, we still haven't hit upon a business model that complements our new found enhanced understanding. Sometimes it seems as if the more we move into a world of prevention, the more estranged we become from any meaningful cost recovery strategies.

The private sector is often better at acknowledging the point at which an industry no longer possesses a viable business model. As regards health and wellbeing, our own sector is becoming more adept at mounting imaginative, successful community-based interventions. Unfortunately, it has yet to find a way of making prevention pay. It may be that the somewhat stifling environment of charitable governance is inhibiting organisations that are looking for new ways of generating income. As we learn to develop exciting new approaches to harm reduction, prevention and recovery, we need also to model business entities which are able to invest, to trade on a number of fronts and to look at making money in a much more unapologetic way. This new approach will be necessary for our survival. Social investment may be part of the answer. Alternatively, it may ultimately be a chimera. Either way, traditional forms of charitable governance may not suffice in meeting the challenges of disinvestment. It's all very well having 'five ways to wellbeing', but what if none of them pay.

We must demand much greater flexibility and freedom from governance and management models that stifle experiment and slow things down. For all our troubles and challenges we have a vocation. If nothing else, our history demonstrates this in abundance. Our field has helped transform for the better countless thousands of lives. Our wish to learn is unquenchable. If we need to slough off those assumptions and practices that are threatening to hold us back, so be it.

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[1] Davies, W. Reinventing The Firm, Demos. 2009 p14

[2] Laloux, F. Reinventing Organizations: A Guide to Creating Organizations Inspired by the Next Stage in Human Consciousness. Nelson Parker. 2014 p9

[3] Bowman, A., Erturk, I., Folkman, P., Froud, J., Haslam C., Johal, Sukhdev., Leaver, A., Moran, M., Tsitsianis, N., Williams, K. What a Waster: Outsourcing and how it goes wrong. Manchester University Press 2015. p1

[4] Ibid., p 5

[5] Lowndes. V., Roberts., M. Why Institutions Matter: The New Institutionalism in Political Science. Palgrave MacMillan. 2013 p39

[6] Davies, W. Reinventing The Firm, Demos. 2009 p17