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Changes over time: the motivations of independent-sector care-home managers and owners in England between 1994 and 2003

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ABSTRACT

This paper examines the provider side of the care-home sector and focuses on managers' and owners' motivations for providing care-home services for older people, and whether those motivations changed between 1994 and 2003. There were a number of significant policy changes over that time, including an increased 'marketisation' of the sector, coupled with an increase in regulation. Critics of these changes argued that they could adversely affect the motivational structure of the principal provider agents. Previously altruistic or public-service motivations might turn into more self-interested concerns: 'knights' might become 'knaves'. To test this proposition, data were collected across eight English local authorities using face-to-face interviews and postal questionnaires. The results indicate that, although local care-home markets underwent some major changes, individuals' motivational profiles remained relatively stable. Further analysis of the relationship between motivations and the social-care market environment suggests that, while voluntary-sector providers are primarily driven by caring motivations and less concerned with income maximising and professional development, private-sector home manager and owners seemed to be more focused on the financial aspects of providing care services, professional motivations, and on their independence in running a care home. The policy implications of these findings are discussed.

KEY WORDS – motivations, care-home managers, care-home owners, knights, knaves, older people, marketisation, independent sector.

Introduction

Over the last decade, care-home services for older people in England have gone through major changes. The modernisation of services started in the

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early 1990s with the *National Health Service and Community Care Act*.¹ Many of the principles espoused in that Act are still recognised as the drivers of today's social-care reforms, even if there have been major financial, operational and attitudinal changes concerning older people's social care during the subsequent two decades, many of which can be subsumed in the term 'marketisation'. Critics of these reforms have argued that they could adversely affect the motivational structure of the principal agents involved. More specifically, the previously prevalent altruistic or public-service motivations might turn into more self-interested concerns, or in short, 'knights' might become 'knaves' (Le Grand 2006; Titmuss 1970). The aims of this paper are to explore whether, as a consequence of social-care marketisation, increased competition and increased regulation, the motivations of independent-sector residential-care providers have indeed changed over time, and if so, to identify the factors associated with the changes.

The focus is on the independent-sector care-home managers and owners between 1994 and 2003. It has long been recognised that the motivations of social-care actors need to be understood and taken into account in the process of policy design (Le Grand 1997, 2006; Le Grand and Bartlett 1993). With care market structures and service commissioning becoming more sophisticated in their own right, the providers' motivations have become even more important in understanding the nature of care-home markets. From the strategic perspective, a better understanding of providers' motivations is important for developing services capable of responding adequately to demographic changes. In England, the proportion of people aged 85 and over is projected to increase by two-thirds over the next 20 years (Wanless *et al.* 2006: 31). It is uncertain, however, what proportion of the older population will become dependent and in need of care services and support. With the marked emphasis on personalised care services, choice, prevention and rehabilitation, and on improving the interface between health and social care, it is difficult to predict what the social-care system will look like over the coming decades.

The conceptual framework proposed here is relatively inclusive in that individuals' motivations and actions are considered to be essentially the outcomes of the interactions between individual aspirations and external influences, with the nature of the interactions mediated by a specifically designed incentive structure. This paper builds on our earlier work on the motivations of independent-sector care-providers (Kendall *et al.* 2003; Matosevic *et al.* 2007). While the focus of these previous studies was primarily on developing providers' motivational typologies principally using cross-sectional data, the present paper is concerned with whether and how providers' motivations changed over time. We look at changes

from 1994 to 2003, a period of not only the noted major changes in policy and state funding, but also in the population's attitudes towards purchasing care.

The paper is structured as follows. The next section briefly outlines the sector balance and expenditure activity of the care-home market for older people together with a short overview of the introduction of markets in social care. This is followed by a brief description of the key regulatory developments associated with changes in care-home markets since the early 1990s. The sampling methodology and methods for data analysis are then described followed by the presentation of the results. The last section draws some conclusions and discusses policy implications.

Sector balance

During the 1980s 'privatisation' came to the forefront of British public policy. There was a major change in the provision of state services from the public to the independent sector (*i.e.* to both for-profit and voluntary or third-sector non-profit care providers). Largely as a result of opening up the supply side, the independent sector became the dominant provider of care services for older people in England. In outline, the care reforms of the early 1990s resulted in a major shift that ended the dominance of local authority providers and created a more mixed economy of supply, with greater market shares for the independent sectors (Hardy, Young and Wistow 1999). In 1994, privately-owned and voluntary-sector care homes provided care for 75 per cent of all people accommodated in care homes (Department of Health 1994). Since then, the market share of the independent sector has steadily grown, and by 2003, it accounted for 87 per cent of all residents (Department of Health 2003a). Recent figures indicate that the trend has continued, with 89 per cent of all residents accommodated in this sector in 2007 (Laing and Buisson 2007). It is also the case that care homes for older people are becoming larger but without apparent domination by corporate providers (Wanless *et al.* 2006: 22).

Markets in social care

The encouragement of social-care markets was at the heart of the community-care changes set out in the 1990 *National Health Service and Community Care Act*. The hope for markets was that they would provide more effective means for securing the social policy goals that drove the community-care reforms. They were supposed to rectify the failure of the prevailing administrative hierarchies to deliver services tailored to individual needs and preferences. With the social-care market model came new organisational and funding arrangements that were designed to provide more effective

instruments for the promotion of choice and independence. Under these changes, local authority social services departments were required to assume new roles and responsibilities for market management and development, which required a revolution in systems, attitudes and behaviours at all levels (Wistow *et al.* 1996). The opening up of public services to external and internal competition was expected to stimulate a wider range of better-quality services.

An earlier study of residential care providers concluded that neither pure market nor pure hierarchy is an appropriate governance structure for the successful operation of the mixed economy of social care. Instead, some intermediate form of quasi-market (embedded in a social network) where relationships are more integrated and collaborative appears more desirable. (Wistow *et al.* 1996: 171)

Quasi-markets emerged as an alternative to the established welfare state with its limited provision of choice and inefficient structures. According to Le Grand:

they are markets because they replace the monopolistic state providers with competitive independent ones. They are 'quasi' because they differ from conventional markets in a number of key areas. The differences are on both the supply and the demand sides. (1991: 1259–60)

Supply is not necessarily driven by the profit motive, and as for the demand, users do not make choices regarding purchasing of services but the services are purchased by a third party on their behalf.

It was also assumed that the market mechanism would formalise commissioner–provider relationships through contracts, and that they would ensure better regulation and monitoring of services (Forder, Knapp and Wistow 1996). Le Grand and Bartlett pointed out that

the whole movement of bringing market structures into the area of social care in the early 1990s was part of a wider, worldwide disenchantment with the perceived inefficiencies and unresponsiveness of large-scale, centrally planned organisations and a greater reliance on decentralisation and markets; quasi or otherwise. (1993: 9)

Following the pioneering work of Titmuss (1970), many critics have drawn attention to what they perceive to be the dangers of such market-oriented reform (*see* Le Grand 2006: 40–1 for a summary). Specifically, it was argued that the spread of market incentives will damage altruistic or other professional motivations, replacing them by more self-interested (usually financial) aspirations. Intrinsic motivation (the drive to do things for their own sake) will be driven out by extrinsic motivation (doing things only because of the receipt external reward). Other-directed knights will

become egoistic knaves. Part of the aim of this paper is to test these propositions.

The policy context and care-home managers' and owners' motivations

Increased marketisation has not been the only significant change over the period. There have been related policy changes, mostly involving increased central regulation of various kinds. These, too, might be expected to have an effect on provider motivations, as we shall now see. In the period from the early 1990s up to 2003, independent-sector care-home managers and owners were faced with a number of organisational and financial challenges, including changes in care-home regulations, staff shortages (particularly of care staff), and the bureaucratisation of care services. Each of these might have influenced providers' motivations.

The regulation of care homes for older people

The Social Services Inspectorate was established in 1985 as the first national inspectorate for the personal social services in England, and it held the responsibility until 2004. It was responsible for carrying out inspections, bringing professional experience to bear on policy and supporting its implementation, and securing the effective management of government business on social-care matters (Department of Health 2004). The inspectorate had a significant influence on policy across children's and adults' services. The period between 1995 and 1998 saw a drive towards a more systematic approach to standards. In 1997, the Social Services Inspectorate published five volumes of standards that had been developed and used between 1993 and 1996. This was followed in 2001 by the introduction of 'star ratings' and the first star ratings published tables in May 2002. By 2003–04, performance assessment had become a regular practice.

With regards to regulations, there has been increased pressure for independent-sector care homes to meet the *National Minimum Standards for Care Homes for Older People* published in March 2001 with effect from April 2002 (Department of Health 2001). The standards were designed to protect older people in care homes and to promote their health and quality of life. Because many care homes, particularly the smaller establishments, were unable to comply with some of the new standards (particularly the space requirements), the 2002 standards were amended in March 2003 (Department of Health 2003*b*). Evidence showed that care homes for older people were compliant on average with 72 per cent of the standards (Wanless *et al.* 2006).

As a result of the new regulations, many small care home organisations found themselves under great financial pressures to meet the standards, again particularly the space and environmental requirements. Evidence from a study of home closures found that meeting the costs of the *National Minimum Standards* was one of the main reasons for closure (Williams *et al.* 2002). Particularly onerous was the investment required to upgrade buildings, the revenue implications of need to reduce the number of rooms or residents, and anticipated increases in running costs associated with the raised staff ratios and qualifications. Under these circumstances, it was assumed that the higher costs would change providers' motivations; for instance, providers that previously were not greatly concerned with their personal income and profit maximising were likely to become more financially orientated.

Care staff recruitment and retention

A number of regulatory issues relating to the social care workforce could, either directly or indirectly, have had an effect on the delivery and quality of services (Wanless *et al.* 2006). For a long time, staff recruitment and retention had been a key challenge for the social-care sector (Henwood 2001). Problems with recruiting and retaining care staff are generally associated with low wages, poor working conditions and keen competition for staff in local labour markets. The rate of job vacancies in the social-care sector has until recently been high: there were 53,000 in England in 2004. The National Employers Skills Survey found that in 2003, vacancy rates in social care were about twice as high as those for the whole of all private-sector and public-sector jobs in England (Eborall 2005; Wanless *et al.* 2006). Turnover rates in public-sector homes have also been high, at between 8.7 and 17.1 per cent in England in 2003 (Wanless *et al.* 2006).

Home providers have faced severe financial pressures associated with staffing costs. According to those that participated in a Personal Social Service Research Unit (PSSRU) study of home closures, the introduction of the National Minimum Wage meant that the fees they could charge were insufficient to cover their costs (Williams *et al.* 2002). There were also additional costs from a Working Time Directive that entitled staff to four weeks of paid leave. Those financial pressures may have forced providers to change their priorities and compromised their caring motivations.

Bureaucratisation of care-home services for older people

The high level of bureaucracy imposed on providers by sector regulation and contracts with local authority funders has been generally recognised

as a disincentive or barrier to running care-home services. Many managers and owners complain about the huge increase in paperwork and administrative tasks involved in running a care home and how it reduced the time available to look after their clients, and many that participated in our surveys emphasised the changing nature of their role as care providers. The increased administrative load has left many feeling professionally frustrated and unable to realise their full potential.

Study design, sampling and data collection

Information was collected about care-home managers and owners between 1994 and 2003 as part of the Department of Health-funded programme of research in PSSRU. There were three care-home provider studies. The first in 1994 used a sample of 62 homes selected from eight English local authorities: two London boroughs, three administrative counties and three Metropolitan districts. These eight authorities were broadly representative of the national picture with regard to total expenditure on personal social services (PSS) per head of population, political control, and the percentages of places in residential care homes for older people in the private and voluntary sectors. The second study in 1997 collected information from 53 homes, including 40 that had been in the earlier sample. Again, home managers and owners were interviewed. Finally, in 2003 information was gathered from 58 homes, 26 of which had been included in the previous two studies. Non-response reduced the number of local authority areas included in this final round of data collection to seven (in one local authority, one of the two homes from the original sample in 1994 had closed for business, and the manager/owner of the other home was unavailable for an interview).

The information about care-home managers' and owners' motivations was collected through face-to-face semi-structured interviews and postal questionnaires. These research instruments included questions about home characteristics and market experiences, prices and contracts, providers' motivations and their relationship with the local authority. To compare information regarding motivations, the questions about provider motivations were the same in all three studies. All the interviews were recorded and transcribed. The first part of the analysis is based on the follow-up information collected from this original sample of 26 homes in seven English local authorities. The second set of findings is based on the analysis of the combined samples from all three studies.

TABLE 1. *Expressed motivations of care-home managers and owners, England, 1994, 1997 and 2003*

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

Results

Sample characteristics

Out of 26 homes, 15 were owned by private-for-profit organisations, and 11 homes were in the voluntary sector. From the original sample of 62 homes selected in 1994, 42 per cent were subsequently interviewed in both 1997 and 2004. Fourteen of the 26 homes were part of a larger organisation, six being private or for-profit sector, eight homes being in the voluntary non-profit sector. The remaining 12 were single home organisations, of which nine were privately owned. As for the geographical spread of the 26 homes, the numbers varied from only one home in one local authority to six in another. In terms of the status of the interviewee, the sample consisted of 18 care-home managers and eight care-home proprietors.

Comparisons over time: expressed motivations

Meeting the needs of older people was cited as one of the important motivations in all three years (89% in 1994 and 1997, and 92% in 2003) (Table 1). A large proportion of the respondents identified professional accomplishment as one of their main motives (73% in 1994 and 2003, and 89% in 1997), and the number citing the development of skills and expertise grew over time (54% in 1994, 65% in 1997, and 77% in 2003). A satisfactory level of personal income was equally important in 1994 and 1997, but had higher prevalence in 2003 (73%). Achieving 'independence and autonomy' also became more prevalent, from 42 per cent in 1997 to 62 per cent in 1994 and 2003, as did fulfilling a 'duty to society', from 23 per cent in 1994 to 46 per cent in 1997 and 2003. By far the least

TABLE 2. *Motivations of care-home managers and owners by sector, England, 1994, 1997 and 2003*

Motivation and sector	1994	1997	2003	Sample size
	<i>Frequencies (%)</i>			
Meeting the needs of older people:				
Private	12 (80)	12 (80)	13 (87)	15
Voluntary	11 (100)	11 (100)	11 (100)	11
Developing skills and expertise:				
Private	7 (47)	9 (60)	11 (73)	15
Voluntary	7 (63)	8 (73)	9 (82)	11
Satisfactory level of personal income:				
Private	11 (73)	11 (73)	11 (73)	15
Voluntary	5 (46)	5 (46)	8 (73)	11

important reported drive in all three years was profit maximising. In both 1994 and 2003, only 12 per cent of interviewees selected this as a main motive, and in 1997 it was only 8 per cent.

Paired-samples tests were used to identify significant differences between years in the prevalence of the expressed motivations. Although none were found for the overall samples or by sector, there were clear numerical trends (Table 2). Over time, voluntary-sector care-home managers attached greater weight to developing skills and to a satisfactory level of personal income. For private-sector care-home managers and owners, developing skills became more prevalent over the study period, while the weight attached to achievement of a level of personal income was stable.

Comparisons over time: ranked motivations

The 26 respondents' three most important motivations were collected. Looking at the first-ranked motives in 1994 (Table 3), meeting the needs of older people was the most prevalent motivation (eight), followed by professional accomplishment (five), and duty to a particular section of society (four). 'Income and profit maximising' and 'duty to society' were each nominated by only one respondent as their most important motivation. In 1997, again the most prevalent first motivation was meeting the needs of older people (seven), followed by the five who nominated a satisfactory level of personal income, and then three nominations for each of professional accomplishment, development of skills and duty to a particular section of society. The rankings in 2003 were quite different, however, with personal income as the most prevalent motivation (seven) closely followed by the six that nominated meeting the needs of older people, and six nominations for development of skills.

TABLE 3. *First-ranked motivations of care-home managers and owners, England, 1994, 1997 and 2003*

Motivations	1994	1997	2003	χ^2	<i>p</i>
	<i>Frequencies (%)</i>				
To meet the needs of older people	8 (31)	7 (27)	6 (23)	0.43	0.807
Professional accomplishment	5 (19)	3 (12)	4 (15)	0.67	0.717
Developing/using skills and expertise	2 (8)	3 (12)	6 (23)	3.25	0.197
Satisfactory level of personal income	2 (8)	5 (19)	7 (27)	3.17	0.205
Independence and autonomy	3 (12)	2 (8)	1 (4)	2.00	0.368
Duty/responsibility to society as a whole	1 (4)	2 (8)	1 (4)	0.50	0.779
Duty/responsibility to a section of society	4 (15)	3 (12)	1 (4)	2.00	0.368
Income and profit maximising	1 (4)	1 (4)	0	1.00	0.607
Sample size	26	26	26		

The findings therefore indicate a slight change in the most prevalent motivations across the three points in time. Whereas meeting the needs of older people was clearly the most important motive in 1994 and 1997, it was supplanted by achieving a satisfactory level of personal income in 2003, although meeting the needs of older people was close behind. Personal income and development of skills have become more important over the years, but on the other hand, independence and autonomy, and duty to a particular section of society became less important. None of the changes were statistically significant. Overall, an 'average' care-home provider in 2003 was highly motivated by gaining satisfactory personal income and meeting the needs of older people, and secondarily by using and developing professional skills and achieving a sense of accomplishment. Meeting the needs of older people was the most prevalent second motivation in all three years (seven in 1994 and 2003, and ten in 1997). Professional accomplishment was also relatively prevalent in 1997 (eight), but less frequently selected in 2003 (five). Meeting older peoples' needs was also the most frequently nominated third motivation in all three years, and other relatively prevalent motivations were professional accomplishment, satisfactory personal income, and achieving independence and autonomy.

The expressed motivations were also ranked by the sector of provision in which the managers and owners worked (Table 4). For voluntary-sector providers, caring motivations, developing skills and achieving a satisfactory level of personal income became more prevalent over time. For private-sector providers, the prevalence of meeting the needs of older people as the first-ranked motivation decreased over time, a marginally significant result (five in 1994, one in 2003). The only significant difference was in the prevalence of meeting the needs of older people (Table 4). In 2003, caring

TABLE 4. *First-ranked motivations of care-home managers and owners by sector, England, 1994, 1997 and 2003 by sector*

Motivation and sector	1994	1997	2003	Sample size
	<i>Frequencies (%)</i>			
Meeting the needs of older people:				
Private	5 (33)	4 (27)	1 (7)	15
Voluntary	3 (27)	3 (27)	5 (46)	11
Developing skills and expertise:				
Private	1 (7)	2 (13)	4 (27)	15
Voluntary	1 (9)	1 (9)	2 (18)	11
Satisfactory level of personal income:				
Private	1 (7)	2 (13)	4 (27)	15
Voluntary	1 (9)	3 (27)	3 (27)	11

for older people was significantly more important for voluntary-sector providers than for managers and owners in privately run homes (Table 5). In summary, despite the relatively small sample, the analysis has shown that in broad terms the providers’ motivational profiles were relatively stable between 1994 and 2003.

Relationship between motivations and markets

Further analysis of the relationship between providers’ motivations and the changing market environment has been conducted. A second panel dataset was compiled that pooled the information from all the 173 homes that were sampled in 1994, 1997 and 2003, and added a number of market indicators that might have shaped the providers’ motivations. Provider characteristics such as expressed motivations, sector, the size of the homes, and geographical locations were all included as indicators in the analysis. Data were not available for all providers in the sample at all three time-points. The analysis applied a panel probit model using the command XTPROBIT from Stata 9, which accommodates the unbalanced nature of the panel dataset (Baltagi and Song 2006). The indicators of market characteristics (broadly defined) were identified from standard data sources, and pertaining demand, local authority funding of residents, costs and home attributes (Table 6). The data are time series of observations for each manager or owner, including individual characteristics and the associated local authority’s care-home market characteristics. Panel data analysis was used to examine the relationships between provider motivations and these market characteristics. Using this approach, it was possible to explore not only the differences between care-home managers and owners but also the intra-individual dynamics of care-home providers,

TABLE 5. *First-ranked motive in 2003 by sector*

Motivations	Private sector (N = 15)	Voluntary sector (N = 11)	Both sectors (N = 26)	χ^2	<i>p</i>
	<i>Frequencies (%)</i>				
To meet the needs of older people	1 (7)	5 (46)	6 (23)	5.172	0.023**
Professional accomplishment	3 (20)	1 (9)	4 (15)	0.558	0.455
Developing/using skills and expertise	4 (27)	2 (18)	6 (23)	0.247	0.619
Satisfactory level of personal income	4 (27)	3 (27)	7 (27)	0.001	0.973
Independence and autonomy	1 (7)	0	1 (4)	0.733	0.392
Duty/responsibility to society as a whole	1 (7)	0	1 (4)	0.733	0.392
Duty/responsibility to a particular section of society	1 (7)	0	1 (4)	0.733	0.392
Income and profit maximizing	0	0	0	0	1.000

*Significance level: ** $p < 0.01$.*

TABLE 6. *Sources of data on care-home market characteristics in England, 1994, 1997 and 2003*

Domain	Indicator	Data source
Demand	Local authority population aged 65+ years	Population Statistics for 1994, 1997 and 2003 (Office for National Statistics)
	Local authority-supported residents	Community Care Statistics for 1994, 1997 and 2003 (Department of Health 1994, 2003 <i>a</i>)
	Number of care home places	<i>Statistical Bulletin</i> (Department of Health 1994, 1997, 2003 <i>a</i>)
	Homes that open/closed	MEOC data for 1994, 1997 and 2003
Costs	Weekly gross earnings (£)	New Earnings Survey data for 1994, 1997 and 2003 (Office of National Statistics)
	Property prices (£)	Land Registry Statistics for 1994, 1997 and 2003
Expenditure	Local authority gross expenditure (£) on older people services	Personal Social Services Statistics for 1994, 1997 and 2003 (Department of Health)
Care homes	Size of care homes	MEOC data for 1994, 1997 and 2003
	Sector of ownership	MEOC data for 1994, 1997 and 2003

Note: MEOC: Mixed Economy of Care.

hence offering greater capacity for capturing the nature of individual behaviour (Hsiao 2006). The panel data were analysed using probit regression models.

The analysis examines the dynamics between motivations and market conditions, focusing on different aspects of the care-home market. These include the numbers of older people in care homes, the numbers of local authority older residents, weekly gross earnings, local property prices, the average size of care homes in the local authority, local authority

TABLE 7. *Motivation models*

Model (motivation) and independent variables	Coefficient	<i>p</i>
Income motivation:		
Population aged 65+ years	7.347	0.029
Home still open in 2003	0.337	0.368
Mean female weekly earnings (standardised for inflation)	1.682	0.066
Voluntary non-profit sector	-0.714	0.022
Professional motivation:		
Population aged 65+ years	7.835	0.062
Home still open in 2003	0.660	0.051
Property prices (standardised for inflation)	0.692	0.006
Voluntary non-profit sector	-0.695	0.009
Meeting the needs of older people:		
Population aged 65+ years	-0.806	0.869
Home still open in 2003	-0.177	0.719
Property prices (standardised for inflation)	0.031	0.893
Sector (private care homes)	-0.956	0.022

Note: The motivation models were estimated using the panel probit regression.

expenditure on services for older people, local authority wealth index, and whether the care homes were open throughout the period from 1994 to 2003 (Table 6). The dependent variable is provider motivation, defined as the presence or absence of each of the nominated motivations among the care-home providers. The analysis focuses on three key motives: professional development, meeting the needs of older people, and achieving a satisfactory personal income.

Motivation models

Table 7 shows the model statistics for the three motivations. Statistically significant coefficients (at the 5% level) are noted. Different combinations of the indicators listed in Table 6 were tested in order to generate the optimal set of variables for each of the three motivations. Since some of the indicators such as property prices and staff weekly wages were highly correlated, these were tested in the models interchangeably. The results for the motivation models (Table 7) included all the variables found to be correlated in any of the three models. To ensure that the indicators were reported consistently across the models, the same sets of variables were presented in all of the models. The results for the *income model* reveal two strong significant effects. One relates to the sector of ownership and income motivation, with a significantly negative relationship between monetary motivations and sector: over time, voluntary-sector providers have

become less interested in generating income compared to private providers. The second significant relationship was found between the proportion of the population aged 65 or more years and income motive. These results imply that, under conditions of high demand for care-home services, such a market environment is more likely to attract primarily income-orientated providers.

The results for the *professional motivations model* show significant positive relationships between professional aspirations and local property prices, the proportion of the population aged 65 or more years and whether the home remained open in 2003. These results imply that, over the study period, professionally-motivated respondents were more likely to stay in business for longer periods. A significant relationship between property prices and professional drives could be partly attributed to their residents' expectations with regards to the standards and quality of care-home services. For instance, it is possible that in wealthier local authorities, service users (and their families) have relatively high expectations of care homes, and meeting their demands requires strong professional motivation and skills, and therefore a higher concentration of professionally-orientated managers and owners. Similar to the income model, a strong negative relationship was found between professional motivations and the sector of ownership: between 1994 and 2003, voluntary-sector managers tended to be less driven (compared to private-sector managers/owners) by professional aspirations. The model for the third motivation, *to meet the needs of older people*, indicates a strong *negative* relationship with private-sector ownership but no other significant effects (Table 7). These results broadly correspond to the findings from the earlier analyses for the sub-sample of 26 homes for which we had data at all three time-points: caring for older people was the only significant difference between private- and voluntary-sector providers. Although these results are far from conclusive, they nevertheless demonstrate that there has been some change in the priorities given by private-sector respondents in terms of their caring motivations.

Conclusions and policy implications

The analysis of care-home managers' and owners' expressed motivations in England between 1994 and 2003 indicates a broadly stable pattern. For both private-sector and voluntary-sector providers, caring for older people was the most important expressed motivation. Other prominent motives were developing skills, professional development, and personal income. The analysis of the ranked data revealed no significant difference except when disaggregated by sector of ownership. The evidence suggested that

by 2003 the most prevalent motivations had changed slightly for private-sector providers since 1994. 'Caring for older people' was the only motivation on which the two independent sectors differed, with relatively fewer private-sector care-home managers and owners selecting this drive.

The findings suggest private-sector providers had to an extent responded to changing market conditions in the care-home sector. According to Bartlett and Le Grand (1993), a number of specific conditions need to be met if markets are to be successful in becoming more efficient and responsive and in creating more choice. They argued that

providers ought to be motivated at least in part by financial considerations. If they are not, they will not respond appropriately to market signals. It makes little sense introducing a market to create profitable opportunities, if the participants in the market are not interested in making profits. (1993: 30)

The motivational models largely confirmed some of the views that are widely shared among policy makers, local authority commissioners and purchasers. For instance, the voluntary sector is perceived to be less interested in income and professional development, and mainly driven by caring motivations, while private-sector homes seemed to be more concerned with financial aspects of care provision, as well as autonomy and independence. The findings of this study suggest, however, that market developments between 1994 and 2003 had relatively little effect on the nature of care-home providers' motivations. Despite extremely challenging market pressures, care-home managers and owners had by and large preserved their initial motivations. In the context of social-care provision, these results could be interpreted as both encouraging and quite damaging. The positive aspect is that, broadly speaking, motivations are quite resistant to market pressures. On the negative side, the relatively stable nature of providers' motives could create opportunities for moving toward policies and reforms that could potentially take their motivations for granted.

As for the policy implications, the evidence that provider motivations are likely to stay relatively unchanged over longer periods of time provides a valuable insight into the dynamic of motivational structures and market mechanisms. Of particular relevance for the policy is the finding that professional motivations are a prominent feature of the providers' motivational profile. Essentially, the results demonstrated that the individuals with a more distinct professional drive tended to remain in the care-home business for longer. This is undoubtedly important for the quality of care ensuring that services are delivered by professionally motivated individuals and with a certain degree of continuity.

Although the motivations were found to be relatively stable, the study did not examine changes in motivations under more extreme conditions

such as experiences of home closures. The sample only included homes which managed to survive in the market for a certain period of time by adapting to often difficult market conditions. Furthermore, the analysis was based on the assumption that the sample was relatively homogeneous which could potentially create a slightly distorted view that, over time, no changes had been found in providers' motivations. It is possible that the analytical framework used was relatively robust in order to detect local variations within the sample local authorities.

It would have been interesting to examine the motives of care-home managers and owners who declined to take part in the study. However, considering the reasons for not taking part (*e.g.* four homes had closed between the first and second surveys, several managers had moved on to other jobs), it was concluded that those observations were unlikely significantly to influence the main findings. Moreover, the practical challenges of gathering data from or about people who were no longer working in the sector would have been considerable. The growth of marketisation has had a long-lasting effect on the nature of the social-care system for older people (Knapp, Hardy and Forder 2001), but the concern that a consequence is that knights will have turned into knaves is largely unfounded.

NOTE

- 1 See http://www.opsi.gov.uk/acts/acts1990/ukpga_19900019_en_1.htm.

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