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“Discourses of HR: Towards an Emergent Model of HR
Strategy Formulation and Implementation”

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ABSTRACT

This study uses a social constructivist epistemology and a compatible methodology to look at models of HR in three disparate organisational contexts: a British public sector organisation, an entrepreneurial European private sector company in high growth mode, and the Asian operation of the same company in the lead up to a major acquisition, providing an opportunity to examine an organisation in a time of considerable change and upheaval.

The study originated in a dissatisfaction with the ability of current models of HR to explain the diversity of approaches to HR found in organisations, most notably theories of SHRM, best practice and best fit approaches and contextually based HR. It attempts to develop a new descriptive research model of HR which incorporates the discrete RBV and neo-institutional frameworks of HR into a flexible model which can explain the operation of HR in a variety of organisations.

The social constructivist perspective allows the model to take a view of strategy formulation and implementation which gives weight to the profound influence of the actors on HR strategy and its deployment.

The conclusion of this study is that a viable descriptive research model can be produced, which utilises contextually based HR as a diagnostic, but gives substantial weight to the influence of the organisational actors. Further research is, however, required in order to fully test the model and resolve several areas about which the projects in this study raised questions.

CHAPTER ONE – IDENTIFICATION OF RESEARCH AGENDA AND PRIOR RESEARCH

This chapter will present the research agenda, will briefly outline the prior research and organisational context for the studies, which will be described in greater detail in the individual projects.

1. THE RESEARCH AGENDA

The research agenda for this project is the consideration of the ability of a number of HR models to describe the operation of HR in three disparate organisational contexts. It uses a social constructivist epistemology to provide a deeper level of analysis than would be possible using a more positivist methodology. The aim of the research is to create a descriptive model of HR which can explain the operation of HR in a variety of organisational contexts.

The discipline of human resources has evolved from personnel to HR to its latest incarnation, SHRM ('strategic human resource management'). SHRM has been seen as the universal panacea and the natural evolution of HR to a more strategic role, promising efficiency and performance improvement via deployment of a new strategic approach to HR.

The impetus for this study is a dissatisfaction with the concept of SHRM. Issues can be raised with SHRM both an evidential point of view (the multiplicity of SHRM studies have failed to provide a robust definition of SHRM, and its link to organisational performance is thus obfuscated) and a major theoretical omission: the essentially unitarian constructions of SHRM fail to meaningfully incorporate industrial relations into the SHRM literature.

Whilst evident in private sector research, these issues are magnified in the public sector, which has vehemently rejected HRM¹ as inappropriate to a public sector value set, as well as criticising the approach for its failure to recognise the pluralistic employee relations which are still a significant feature of the public sector environment.

Even in a non industrial relations environment, however, the SHRM model raises issues: it does not adequately consider the role of the actors in strategy formulation, it presumes a relatively stable environment and largely fails to address issues of HR in use.

¹ The terms 'SHRM' and 'HRM' are used to refer to the same concept in the literature, the former term more prevalent in US research, the latter more common in the UK. This paper will use the term 'SHRM' unless referring to a body of work where the term 'HRM' is used.

This study will review HR models in three different contexts and build a descriptive research model which provides a framework which addresses these issues.

The research questions for this study, consequently, are as follows:

- How well do current models of HR describe the operation of HR in disparate organisational contexts?
- Can a social constructivist epistemology be illuminating when considering the processes of HR strategy formulation and implementation in organisations?
- Can a new descriptive research model of HR be developed which describes the HR strategy formulation and implementation process as a social process?

2. PRIOR RESEARCH

The prior research which pertains to this study is wide ranging, therefore will largely be incorporated into the individual projects, rather than the literature review. However, a discussion of models of HR, concentrating on SHRM, will be provided as an over-arching research framework.

The main bodies of prior research which will be reviewed are shown in figure one.

Body of Research	Section
Models of HR	Literature review
Industrial relations	Project one
Change management, HR and the British public sector	Project one
Organisational politics, power and conflict	Project one
Contextually based HR theory	Project two
Definitions of 'strategic'	Project three
Dynamic capabilities and organisational agility	Project three

Figure 1: Main Bodies of Prior Research

3. ORGANISATIONAL CONTEXT

The research comprises three projects. Project one is set in a traditional British public sector company, where industrial relations is the dominant form of HR enacted within the organisation. The long history of conflict and resistance to change in London Underground (LUL), along with its exposure to neo-

institutional forces and external influences, make it an ideal environment to look at HR as a socially constructed process.

Project two is set in the European arm of a private sector company in the Financial Services industry, an organisation which differs in almost every aspect from its public sector predecessor in project one: Thomson Financial is fast moving and entrepreneurial in culture and multi-national in scope. Without the strong neo-institutional pressures confronting LUL, and in a relatively benign competitive environment, the Thomson organisational actors have considerable freedom to operate, providing a good environment in which to study both business and HR strategy formulation as socially constructed processes.

Project three also studied an organisational context which provided a useful test of the social constructivist approach's ability to explain HR as a social process: whilst sharing the same parent company as project two, project three moved to Thomson Financial's Asian operation, with the intent of studying HR strategy formulation within a high growth, volatile environment. However, as the project commenced, the organisation announced a major acquisition, resulting in a twelve month period of uncertainty and reactive change. This allowed a further aspect of HR strategy development to be examined: how is HR strategy formulated in an environment where strategic planning is not possible.

A more detailed review of the organisations will be provided in each of the individual projects.

CHAPTER TWO – LITERATURE REVIEW

1. INTRODUCTION

As shown in figure 2, the initial literature review used the systematic review technique and identified 845 articles on SHRM ('Strategic Human Resource Management').

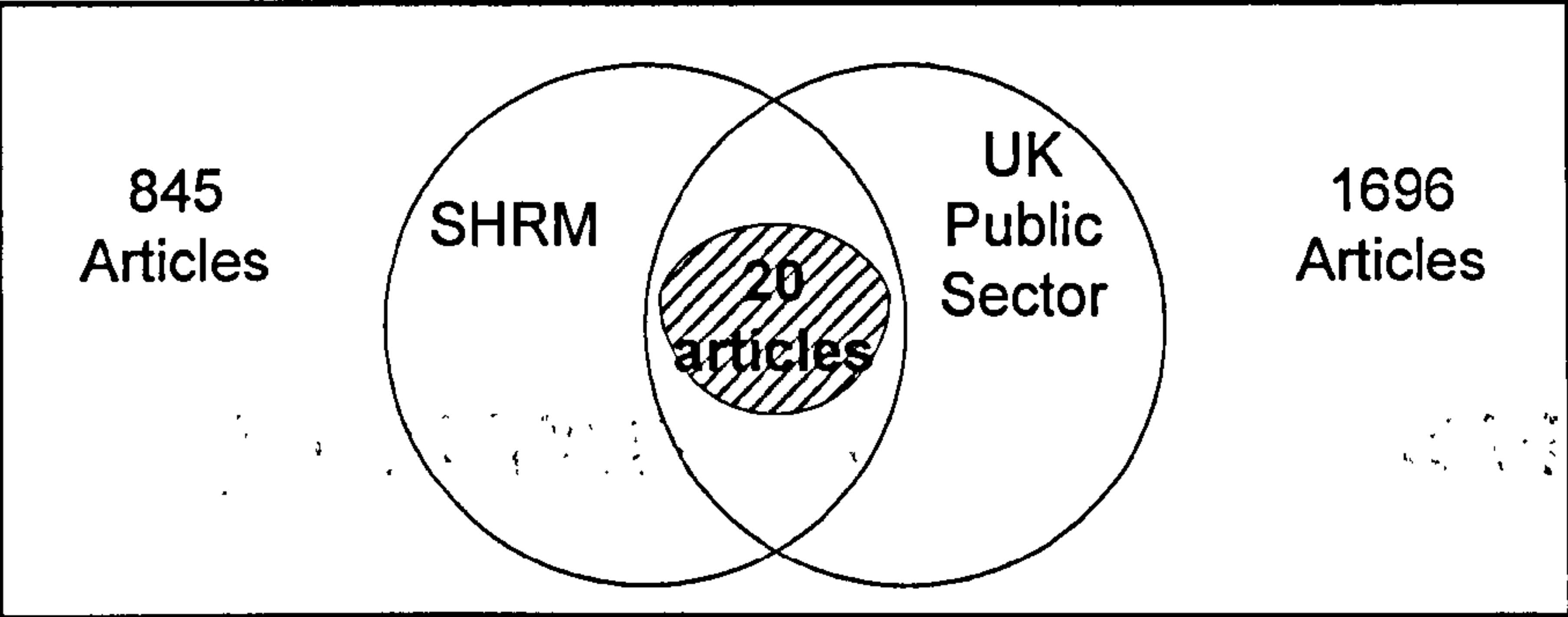


Figure 2: Literature Map: SHRM and the British Public Sector

These almost exclusively related to the private sector, therefore this literature review will concentrate mainly on personnel management and SHRM in the private sector. It will, however, also review the small number of articles (20) which do review SHRM in the public sector.

2. PRECURSORS OF SHRM

2.1. Models of HR

Much of the literature assumes a longitudinal progression from 'personnel management' via 'human resources' to 'SHRM', driven by isomorphic forces and the profession's pursuit of acceptance and a more strategic role.

This paper will, however, argue that the longitudinal model is misleading, and precludes a contextually appropriate HR strategy. It is reasonable to suggest that, amongst other factors, size, the complexity of a business, and its history and culture will determine the most appropriate HR model for that organisation at that point in its development. As Guest commented:

"Given the significant constraints, many UK companies would not want to practice human resource management. The 'professional' personnel management found in many successful organizations is one alternative. In many of the more stable bureaucratic organizations, policies based on administrative

efficiency and cost-minimization make sense, while in production-driven companies cost-effective support policies may be most applicable.” (Guest, 1987, p518)

In other words, the local garage, employing 10 people, is unlikely to need more than basic “personnel” services (recruitment, payroll, administration), whereas the HRM model will be appropriate to a multinational business employing thousands of people, some of which are difficult to recruit and retain. This need for contextual appropriateness appears, however, to have been obfuscated in the HR profession’s desire for legitimacy², despite warnings in the very earliest SHRM literature of the probable inappropriateness of HRM to the UK:

“Almost all the research, the conceptual writing and the advocacy of human resource management emanates from the USA. Arguably it is less relevant to the UK because of a number of key factors including a well established ‘professional’ structure of personnel management, the relatively strong position of the unions, the different orientation of workers and, perhaps most importantly, the pluralism and the range of entrenched interest groups within industry and society in general.” (Guest, 1987, p517/518)

It will be argued that our understanding of the various models of HR, and the articulated superiority of HRM relative to HR relative to personnel, reflects the constructed nature of these models of HR and the values which have been associated with them by practitioners and academics.

This paper will argue for a different approach to strategic HR, which has its basis in a model of context specificity and contextual appropriateness.

2.2. Personnel Management and HR

Setting out on the search for a new model of HR, it is useful to understand that the activities and the focus of the function have changed dramatically over the years. A number of models, some competing and co-existing, have been used to describe the HR function and the changes in the function’s focus over the years. A useful review of the transition from its origins in welfare, through industrial relations and manpower control to the recognition of the function as a profession is provided by Tyson & Fell (1986).

² For instance, the CIPD’s textbook on SHRM (Armstrong & Baron, 2002) spends a chapter discussing the views of key writers such as Guest, Legge and Purcell, but presents no alternative to SHRM, or suggests no circumstances in which an alternative to SHRM is appropriate.

The transition from Personnel Management to HR is described in three alternative ways by Guest (1987, p506):

- A change of name, with no discernable change of role;
- A new way of re-conceptualising personnel roles and the work of personnel departments; there are a number of such re-conceptualisations, stressing variably:
 - employee relations, employee resourcing and employee development (CIPD, referenced in Guest, 1987)
 - employee influence, human resource flow, reward systems and work
 - Systems (Beer et al, 1985)
 - selection, appraisal, rewards and development (Tichy et al, 1982).
- HRM, where HR is integrated into strategic management.

Suffice to say that 'human resources' is a relatively recent term, attributed to Peter Drucker in 1954, reflecting the "more complex understandings about worker motivation among HR practitioners and an interest in shedding the clerkish, bookish image associated with the previous name" (Ogilvie & Stork, 2003, p255).

This is an important perspective when reviewing research on HR: the profession has long suffered from a sense of inferiority and has sought a 'real' strategic role in business through attaching itself to a number of titles (HRM and SHRM being the latest), as well as its hijacking of concepts such as knowledge management which appear to offer a route to the Board Room. A review of HR's attempts to relieve itself of its origins within administration and welfare is beyond the scope of this paper, and is covered adequately in most basic HR textbooks. The reader is referred, however, to Ogilvie & Stork (2003) for a more academic article on the subject.

This paper will proceed to review the literature on SHRM, but will contextualise it in the light of the HR profession's pursuit of legitimacy and a strategy role, and will consider SHRM as the tool which is currently being deployed to that end.

3. *SHRM RESEARCH*

3.1. Introduction

Research on SHRM has been the focus of much attention, both in practitioner and academic circles, from the first appearance of the term in the late 1980s³, through to the present day. In the words of one of its major contributors, Peter Boxall (1996, p59), SHRM is:

³ David Guest (1987) is widely attributed with bringing HRM to the UK, although the term had already gained considerable currency in the US through the Harvard Business School group Beer et al (1985) and researcher such as Tichy et al (1982), Ross (1981) and Alpaender (1982).

“... an area of difficult definitions and contentious theory.”

Keenoy (1999, p1) goes further:

“... the concepts, practices and what some, carelessly, call the theory of HRM have been a continuing source of controversy, confusion and misapprehension.”

Whilst many researchers have attempted to establish a link between SHRM practices and organisational performance⁴, there is no consensus about how this relationship actually works. SHRM lacks a consistent definition:

“... it appears that HRMism does not even encompass a set of coherent managerial practices; it is merely a map of what has turned out to be an ever expanding territory. Indeed, despite claims that HRM is a distinctive form of practice ... we seem to have reached a position where virtually anything to do with managing the employment relationship ... has come to be identified as ‘HRM’.” (Keenoy,1999, p3)

And the wide variety of approaches to SHRM is bewildering:

“... there has been continuing confusion about the conceptual-theoretic identity of HRM. Leaving aside the suggestion that it is merely re-imagined personnel management, HRM has been projected as an adjunct to theories of strategic management, a theory of competitive advantage, a theory of general management, an alternative to pluralist personnel management ... and as a euphemism for cultural change programmes. And, in addition to these various identities, there are supplementary cultural variations: ‘Japanese’ HRM, ‘East European’ HRM, and the European ‘model’ or models of HRM.” (Keenoy,1999, p 3-4)

Given this lack of agreement, the first task for this literature review will be to describe the major factions within SHRM, in order to map the SHRM ‘landscape’ for appraisal within this study.

The factions of SHRM can be grouped around the following 4 major “conversations” in the SHRM literature:

- best practice/best fit
- the significance of internal coherence
- 8 major theoretical approaches to SHRM
- epistemological approaches to SHRM.

⁴ e.g. Huselid, 1995; Delaney & Huselid, 1996; Huselid, Jackson & Schuler, 1997.

Despite this diversity, there is a domination of the literature by positivist, quantitative research conducted largely in American companies, as evidenced by:

- the preponderance of large scale quantitative studies (e.g. Huselid, 1995)
- the 'model' organisations of SHRM being American unitarian companies such as Hewlett Packard, IBM and others
- the continued positivist construction of SHRM, despite the contrary views of renowned researchers such as Karen Legge and the absence of evidence to support a single view of SHRM.

These four categorisations and reasons for the dominance of the positivist, quantitative model will be discussed below.

3.2. The “Four Conversations” of SHRM

3.2.1. The Best Practice/Best Fit Debate

The SHRM literature broadly divides into arguments for “best practice” and arguments for “best fit”.

Looking firstly at “best practice”, this approach⁵ views SHRM as the search for a single “utopian” (Purcell, 1999, p26) HR system (“HR bundle”), which will facilitate and support a commitment model of employee management. This is referred to variously as (in the UK) High Involvement Management (Lawler, 1987) or High Commitment Management or HCM (Wood, 1995) or (in the USA) High Performance Work Systems or HPWS⁶. The commonly held view of HCM is an SHRM system, normally including some combination of systematic recruitment and selection methodologies, compensation systems which incentivise performance and learning & development activities which are linked to business need (Becker, Huselid, Pickus & Spratt, 1999): “HR bundles” (Boxall, 1996, p 171)”⁷.

Probably the most sophisticated variant of the HPWS approach is the HR Scorecard methodology (Becker, Huselid & Ulrich, 2001).

⁵ Significant papers include Walton (1985), Guest (1987, 1990), Pfeffer (1994). Case studies: Storey (1992), Wood & Albanese (1995)

⁶ The theory of HPWS was developed by Appelbaum & Blatt, 1994 and Appelbaum, Bailey & Berg, 2000. A number of case studies have also been produced, including Thompson, 1998, 2000 and Lowe, Delbridge & Oliver, 1997.

⁷ Boxall uses this phrase, citing Ishniowski et al, 1996 and McDuffie, 1995.

A key proponent of the “best practice” approach to SHRM is Appelbaum. Appelbaum & Blatt (1994) produced a case study approach to the search for a universally applicable, “high performance” HRM system. Appelbaum linked two HPWS models (“American lean production”⁸ and “American team production”⁹) from which she claims enhanced organisational performance is generated.

There is evidence to support the “best practice” model, but there are a number of methodological, theoretical and empirical issues (detailed in figure 3) which raise the question of ‘under what circumstances is an HCM model appropriate’? (Purcell, 1996, p28).

Research methodology	Much of the work substantiating this approach is quantitative, using large quantities of questionnaire data (e.g. Huselid, 1995). This is critiqued by Purcell (1996) and Ishniowski et al (1996), who question the validity of the research design, the exclusion of hard-to-measure items where results are influenced by a multiplicity of interrelated factors, exclusion of certain employee categories (e.g. contractors, agency staff), the possibility of a Hawthorne effect and questions of causality.
Empirical evidence	The model fails to explain the lack of universal application of HCM: Wood & de Menezes (1998) questioned how one explains the omission of HCM in a number of successful organisations, if HCM is a universal key to organisational success.
Theoretical issues	There is a failure to link HCM to business strategy. As Purcell indicates, “the adoption of different types of HCM can only be understood if they are related to company strategies in markets, technology and organisation” (1996, p28).
	HCM is essentially unitarian: it allows for no behaviour on the part of employees which is not in the firm’s interests, which limits its applicability in, for instance, an industrial relations environment (Boxall, 2003).

Figure 3: Issues with the “Best Practice” Model

Furthermore, “best practice” may lead to the isomorphism (the process whereby organisations come to resemble one another), described in the section below on institutional theory: what begins as a source of competitive advantage becomes a necessary pre-requisite for organisational legitimacy. Best practice in SHRM may be institutionalised in 3 ways: coercive institutional pressures (e.g. employment legislation), normative pressures (e.g. professional bodies such as the CIPD and SHRM) and mimetic pressures (as evidenced by the vast amount of case study based practitioner literature).

The qualified applicability of the “best practice” model suggests a move towards a contingent “best fit” (Hendry & Pettigrew, 1990; Peck, 1994; Wright,

⁸ The ALP model is based on the Baldrige Award criteria. Although the Award itself fails to emphasise human resource policies and practices, Appelbaum makes the point that award winners pay careful attention to HR (Appelbaum & Blatt, 1994, p131).

⁹ The ATP model links socio-technical job design and self-directed teams with TQM, SPC, JIT, the American HR model and approach to industrial relations. The ALP model implies worker participation in setting HR policies, particularly in respect of hiring, compensation and training (Appelbaum & Blatt, 1994, p139). Appelbaum comments the ATP model is more likely to be found in unionised environments, the ALP in non-unionised.

McMahan & McWilliams, 1994; Tyson 1995) approach to SHRM. The “best fit” approach is typified by attempts to model the HR strategy which corresponds to a specific business strategy (Miles & Snow, 1978; Jackson & Schuler, 1995). This allows for the existence of a variety of approaches to SHRM, of which HCM is only one. The “best fit” approach needs to address fundamental questions about business strategy (Boxall, 1996), such as: what is strategy and how is it formed. The corollary of this is the implication that the use of business analysis tools to determine organisational priorities and drivers (e.g. Pennings, 1985; Johnson & Scholes, 1993; Schendel & Teece, 1994) is a necessary precursor to the development of an effective HR strategy; much research in this area is based on Porter’s strategy categorisations (Porter, 1980).

One of the key papers in this area of “best practice”/”best fit” is Tyson (1997), whose review of the literature moves away from “best practice” to promote the “best fit” approach to SHRM. He sees SHRM as a way of managing the inner context of the organisation in relation to the external environment, emphasising the importance of developing an HR strategy which reflects external forces and is internally congruent. This is represented diagrammatically in figure 4.

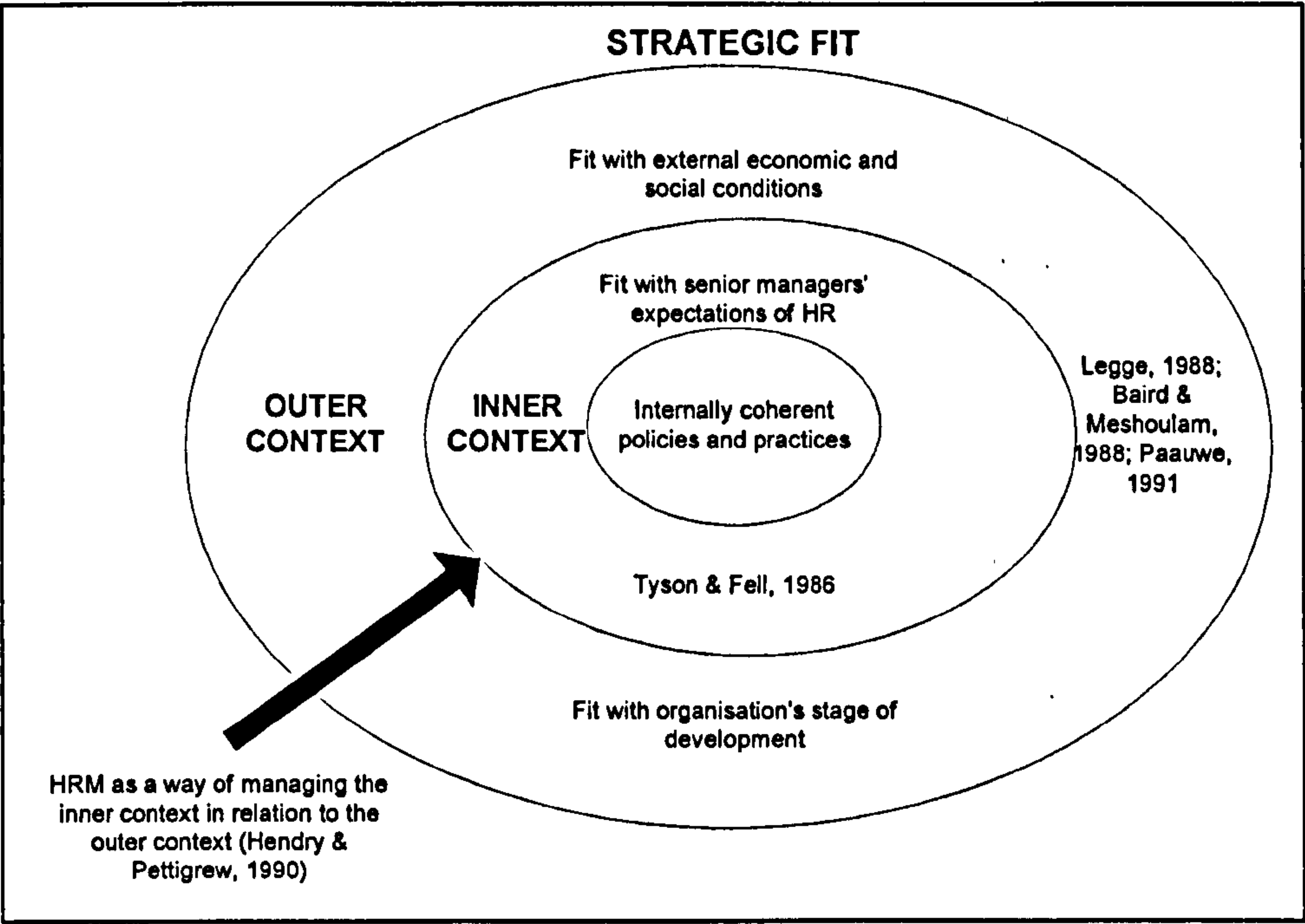


Figure 4: HRM and Strategic Fit

Tyson’s view of HR strategy is as a process resulting from an emergent formulation of business strategy (i.e. a view of business strategy not as a rational process, but rather as negotiated and emergent), which may be more appropriate to a public sector environment driven as much by politics as rational business decision making processes.

One major school of thought is the “strategic choice” perspective (Child, 1972), which sees strategy as a set of choices about the business, its relationship with its external environment and the way in which a business is conducted. SHRM gains particular importance in this context, as the achievement of an organisation’s strategic aspirations (e.g. market share, profit) will depend upon its ability to marshal its internal resources. This forms the basis of the Resource Based View (RBV) theory of SHRM discussed later.

Like “best practice”, however, “best fit” has a number of issues, which are detailed in figure 5, leading researchers to the development of a theory of “idiosyncratic contingency” (Collins & Montgomery, 1995). This perspective accommodates both path dependency and causal ambiguity. This views strategy formulation as the result of a series of managerial choices, based in bounded rationality and influenced by political as well as business considerations. This creates a link to institutional theory, which will be discussed later.

Research methodology	The case study approach makes it difficult to control variables, where comparison is attempted.
Empirical evidence	There is a lack of empirical support for the ‘best fit’ model (“the empirical testing has proved disappointing”, Purcell, 1006, p31), due to the fact that (i) strategy always occurs in a context of bounded rationality and (ii) strategy formulation and strategy implementation have an imperfect correlation.
Theoretical issues	The over-reliance on Porter and other shareholder value based formulations of strategy fail to explain strategy in public or not-for[profit] sections, where political dynamics may be as, or more, important than business considerations in strategy development.

Figure 5: Issues with the “Best Fit” Model

Adding in the recent focus on business strategy as a creator of organisational agility (Dyer & Shafer, 1999), a clear link can be drawn between Prahalad & Hamel’s concept of core competencies, and the development of an appropriate HR strategy which facilitates the acquisition, building, utilisation and retention of those competencies (Capelli & Croker-Hefter, 1999).

Despite the huge potential of this concept, however, work on the role of HR in building and facilitating organisational agility is extremely limited. A detailed review of the literature which does exist will be provided in project three.

3.2.2. Internal Coherence

Typically as an adjunct to discussions around best practice or best fit, a further key concept in the literature is discussion around the need for the internal coherence of HR components within an HR strategy. Boxall (1996, p171) typifies this:

“... the idea of a bundle of HR practices that is a combination of mutually supportive practices ... which appear to have

performance outcomes where these are appropriate to firm strategy.”¹⁰

Building on Tyson (1997) and the HCM model’s concept of “HR bundles”, it is obvious that an effective HR strategy must have internally coherent components, which work together to deliver business strategy. This creates a clear link between this view of SHRM and the principles of general systems theory (reviewed in the following section).

3.2.3. The Major Theoretical Approaches to SHRM

Existing SHRM research divides broadly into 8 theoretical approaches. These are derived from the disciplines of economics, sociology, psychology and management and are summarised in figure 6.

A review of the various theoretical perspectives, in the context of their applicability to the private and public sector organisations under review in this study, suggests that economics based and sociological theories may be limited in their applicability to public sector organisations: economics based theories are better suited to pure private sector environments, whilst sociological theories fail to fully consider the business imperative created by commercialisation.

General systems theory and resource dependency theory can provide explanations of certain aspects of the public sector environment. The former has the potential to explain commercialisation and the transition from closed to open system which the public sector is currently undergoing, whereas resource dependency theory is useful in explaining the power trade unions exert in the organisation via control of valued resources.

The SHRM theories which appear to have utility in both the private and public sector environments are the resource based and the institutional theories of SHRM. The resource based approach offers a business model tied to concepts of competition and market; this may enhance its appropriateness to the UK public sector, which has been under pressure from the last two governments to operate in a more business like fashion¹¹. The institutional model allows for the inclusion of political and social drivers¹², which are particularly evident in the public sector.

These two approaches, resource based view and institutional theory, are outlined in the text, providing firstly an overview, then discussing the application

¹⁰ Boxall cites Ishniowski et al, 1996 and McDuffie, 1995.

¹¹ e.g. public-private partnerships for funding, increasing pressure to operate on a business like (if not a commercial basis), dependence on revenue, increased public disclosure of accounting.

¹² c.f. Ferris et al, 1998, who proposed that workplace climate, culture and politics mediate the links between HR, individual and organisational processes.

of the theory to HRM, and concluding with an indication of their appropriateness to the organisations with which the projects are concerned.

TEXT BOUND INTO THE SPINE

	Theory	Theoretical Perspective	Main Writers (theory)	Implications for HRM	Main Writers (HRM)	Disciplinary basis	Applicability to modernising public sector company
A	General systems theory	Unit of analysis is understood as a complex of interdependent parts. Organisations can be described as input, throughput and output systems, involved in transactions with their environment.	Von Bertalanffy, 1950	Treats HRM as a sub-system embedded in the wider organisational system (Katz & Kahn, 1978); competence model of organisations (Wright & Snell, 1991).	1st - Mowday, 1984; Katz & Kahn, 1978; Wright & Snell, 1991	Ecology	Useful framework to describe the move from closed to open system.
B	Role behaviour perspective	Sees organisations as social systems characterised by multiple roles, role senders and role evaluators. The "behavioural perspective" (Schuler & Jackson, 1987; Miles & Snow, 1984) sees employee role behaviour as instrumental in the implementation of strategy.	Schuler & Jackson, 1987; Miles & Snow, 1984	HRM is the organisation's main means of sending role behaviours through the organisation, supporting desired behaviours and evaluating role performances.	Katz & Kahn, 1978	Sociology	Deals only with roles and ignores knowledge, skills and abilities.
C	Agency theory	Analyses the contracts which govern the relations between parties ("principles") and those to whom work is delegated ("agents").	Jensen & Meckling, 1976	HRM as a way in which the organisation tries to align the interests of the owners (principles) and the managers and employees (agents), e.g. use of equity in compensation packages.	(Case studies) Newman & Huselid, 1992	Economics	Difficult to see use outside compensation and limited initiatives such as EOC.
D	Resource dependency	Resource dependency theory concentrates on the relationship between an organisation and its components, emphasizing resource exchange as key feature of organisational relationships. In this model, departments gain power via control of valued resources.	Pfeffer & Cohen, 1984	HRM activities are assumed to reflect the distribution of power within a system.	(Case studies) Osterman, 1984, 1992; Pfeffer & Cohen, 1984	Sociology	Limited applicability, but could be useful in articulating managerial, trade union and modal differences.
E	Human capital theory	Refers to the productive capabilities of people: skills, experience and knowledge have a value to the organisation.	Becker, 1964	HRM can be used to increase the organisation's human capital ("make" or "buy" decisions and the influence of contextual factors on these decisions).	Cascio, 1991; Flamholz & Lacey, 1981	Economics	Limited applicability, focus only on resourcing and development (ignores ER, IR).
F	Transaction cost theory	Transaction theory assumes organisations will choose governance structures (within the assumptions of bounded rationality and opportunism) which will minimise transaction costs associated with (establishing, monitoring, evaluating and enforcing) agreed upon exchanges.	Williamson, 1979, 1981	Use of HRM to achieve governance structures which develop, enforce and revise the contracts (implicit and explicit) between employers and employees.	Wright & McMahon, 1992	Economics	Limited applicability, focus primarily on ER.
G	Resource-based view	Based on Porter's (1985) theories of competitive advantage: organisations can be successful if they gain competitive advantage (CA). CA is gained and sustained by developing and implementing a value-creating strategy which is difficult to copy, imitate and substitute.	Porter, 1985; Barney, 1991; Conner, 1991	Superior HRM can influence the quality and the quantity of the human and organisational resources the company has available to develop and implement the CA creating strategy.	Schuler & MacMillan, 1984; Wright et al, 1992, 1994; (Case studies) Castanias & Helfat, 1991; Fiol, 1991	Organisational economics/strategic management	Questionable in true public sector company, as assumes efficiency to be central; may be driver for change in TfL.
H	Institutional theory	Views organisations as social entities driven by the seeking of approval for their actions in socially constructed environments. Organisations conform to gain legitimacy and acceptance. Research focuses on the social/cultural, rather than the economic, pressures upon organisations.	Meyer & Rowan, 1997; Zucker, 1997	HRM concentrates on context as a major explanation for resistance to change and the adoption of new HR practices.	(Case studies) Abrahanson, 1991; Tolbert & Zucker, 1983	Sociology	Could be very useful framework to understand non-rational decision making in TfL.

Figure 6: 8 Theoretical Approaches to SHRM

3.2.3.1. *Resource Based View*

One of the most widely utilised theories of SHRM is the Resource Based View or RBV (Barney, 1991; Conner, 1991). RBV claims that an organisation is a bundle of resources, and some of these resources can be used by the organisation to gain and sustain competitive advantage (Ambrosini, 2002).

The roots of RBV are to be found in the late 1950s in the work of Selznick (1957), who advanced the concept of distinctive competencies, and Penrose (1959), who laid the theoretical foundations for a view of competition which saw firms as heterogeneous, the value could be gained by the exploitation of the differences: competitive advantage. This concept was picked up by a number of writers in the mid-eighties and early nineties¹³.

Sustainable competitive advantage is that which is difficult for competitors to copy, and for which there are no ready substitutes available. Prahalad & Hamel (1990) evolved this approach, viewing competitive advantage as the consequence of building organisational core competencies which are superior to those of the competition.

This view was extended by Barney (1991), who developed the concept of sustainable competitive advantage, i.e. competitive advantage which was difficult for other firms to copy, defeat or imitate. Barney defined the criteria which resources must have to create sustained competitive advantage: value, rarity, imperfect imitability, imperfect mobility, and non-substitutability.

There are a number of divergences from this view of RBV, most notably Michael Porter and the industrial organization economics perspective (IO), which sees competitive advantage as a product of market positioning. Porter's (1985) fundamental assumption was that gaining and sustaining competitive advantage is the key to organisational success, but he saw this as a result of the organisation's positioning, given its external environment (this is seen in the 5 Forces Framework, illustrated in figure 7).

¹³ e.g. Wernerfelt, 1984; Dierickx & Cool, 1989; Barney, 1991; Conner, 1991; Grant, 1991; Mahoney & Pandian, 1992; Amit & Shoemaker, 1993; Peteraf, 1993.

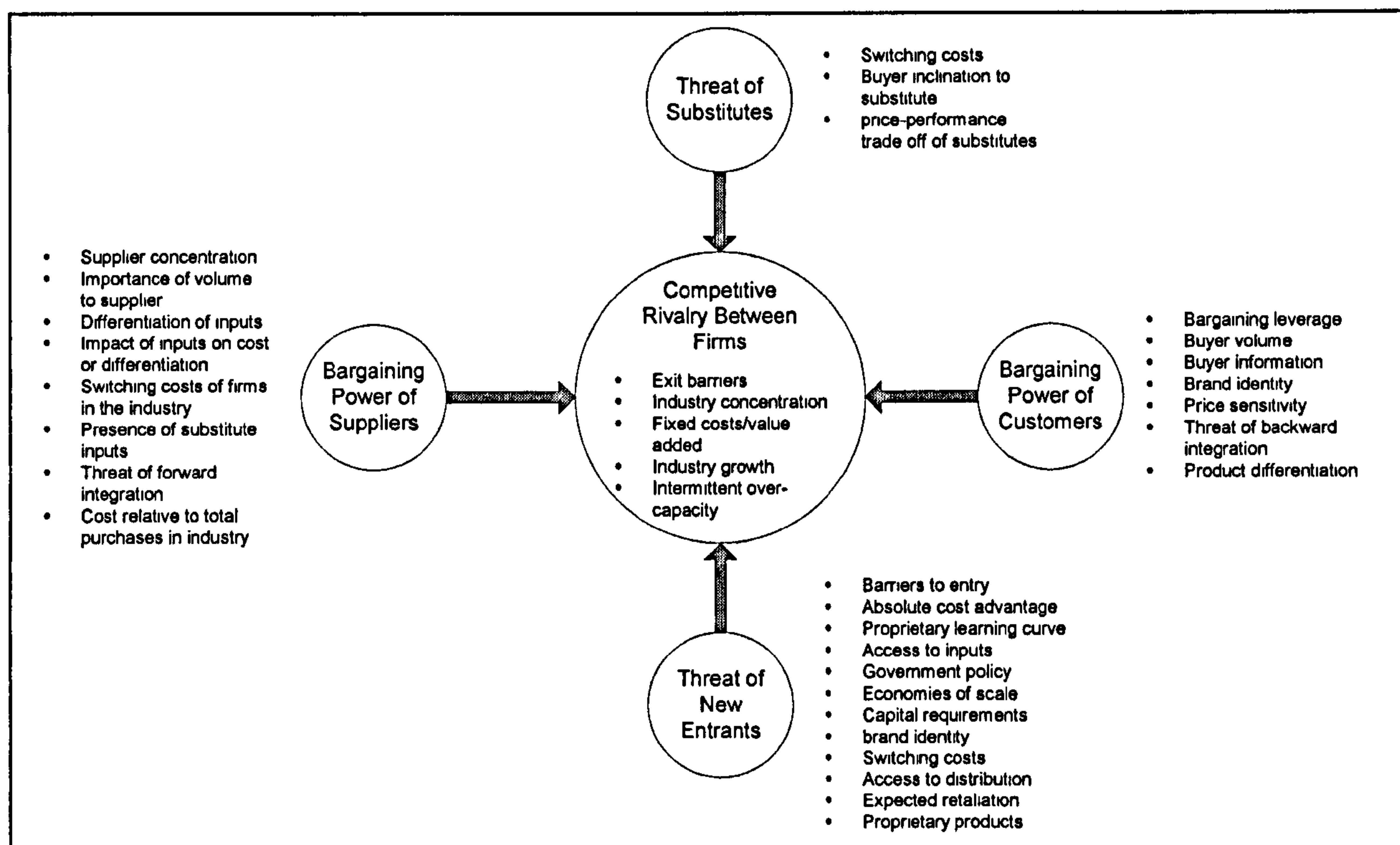


Figure 7: Five Forces Diagram

This has similarities to the RBV (for instance, in the IO concept of 'barriers to entry' and the RBV concept of 'mobility barriers'; Ambrosini, 2002, p141), and may be complementary to the internally focused RBV.

These theories have an intrinsic appeal, for a number of reasons: they are not static, they explain the formation of core competencies over time (Teece, 1985; Dierickx & Cool, 1989; Kay, 1993; Teece et al, 1992; Amit & Shoemaker, 1993; Peteraf, 1993) and they are not deterministic (Hambrick, 1987; Hunt, 1995; Baden-Fuller, 1995), that is, they imply the need to build strategic management processes such as leadership, learning and innovation). They also, crucially, create a potential new role for HR, as the provider of one category of resource: in Barney's (1991) parlance, "human capital".

Human capital, clearly, can be both a sustainable and inimitable core competency, particularly when viewed in the context of the complex inter-relationships with the firm's other resources (physical, financial, legal etc.). The possibility of provision of the strategic role which HR has long craved has resulted in the generation of a significant amount of academic literature on RBV and SHRM.

Notable amongst this work is Peter Boxall, who's writing suggests that the resource based approach to SHRM, building on Porter's (1980, 1985) theory of competitive advantage and Prahalad & Hamel's theory of core competencies (Prahalad & Hamel, 1990), may be useful in the development of a model of HRM. These theories are focused on acquiring, developing and utilising core competencies for sustainable competitive advantage. Boxall

moves beyond the “matching”/“best fit” models of SHRM (which link HR strategy to business strategy) into a more fluid model. This approach allows HRM to be flexibly deployed in business scenarios where environmental and organisational change require agility.

Boxall’s approach, furthermore, also rejects the “unitarian” perspective which assumes that employees will follow the organisation’s direction unquestioningly (a characteristic of the “matching” model). This allows for the inclusion of industrial relations into the model.

RBV does, however, have a number of limits to its applicability to the public sector. Notably, it fails to address the implicit assumption in the resource based model that organisations are rational systems, and will behave in a fashion which maximises stakeholder value. For instance, although Boxall rejects the unitarian perspective, and references the potentially derailing influence of industrial relations, unlike Tyson (1997), his work does not explicitly consider the negotiated and political nature of strategy formulation in organisations.

This produces an apolitical theory which has limited applicability in the politicised public sector environment. It may serve a useful purpose as an indication of the SHRM interventions which may drive the organisation towards modernisation, i.e. RBV may be very useful in the creation and communication of a vision for the future. In of itself, however, it will need the inclusion of the political dimension to describe and bring about change within the public sector environment.

3.2.3.2. *Institutional Theory*

Given the limitations identified with RBV, to gain a wider view of how SHRM may work in a high profile, politically sensitive, public sector environment, it will be necessary to incorporate a consideration of political influences into any analysis. This should consider both intra and extra organisational influences.

The institutional theory of SHRM may have something to offer in the search for a model for HR in a politicised public sector environment. Its basis is the assumption that organisations are, first and foremost, social entities, and will conform to gain social legitimacy and acceptance, and hence secure resources, from multiple stakeholders (Meyer & Rowan, 1977; Zucker, 1977, 1987; Scott, 1987; DiMaggio & Powell, 1983). Institutional theory has similarities to resource dependency theory, but emphasises social legitimacy rather than resource exchange as the key feature of organisational relationships.

This study will take the broad sociological definition of institutional theory, as summarised by Tsai & Child:

“An institution is defined by sociologists as a collective and regulatory complex consisting of political and social agencies

which dominate other organizations through enforcement of laws, rules and norms.” (Tsai & Child, 1997, p5)

Whereas RBV assumes that organisations will face pressures of an economic nature, institutional theory proposes that organisations have cultural and social pressures directed at them:

“Environments ... may make social and cultural demands that require organisations to play particular roles in society and to establish and maintain certain outward appearances ... Environments dominated by social demands reward organisations for conforming to the values, norms, rules and beliefs of society.” (Hatch, 1997, p83)

Or as DiMaggio & Powell more succinctly expresses:

“Organizations compete not just for resources and customers, but for social as well as economic fitness.” (Powell & DiMaggio, 1983, p150)

Various sources of institutional pressure have been identified. Scott (1987), for instance, refers to regulatory structures, government agencies, laws and courts, professions, interests and mobilized public opinion. The most widespread categorisation, however, is provided by seminal writers on institutional theory, Powell & DiMaggio (1991), who grouped the different types of institutional pressure driving organisations towards conformity (as shown in figure 8).

Coercive Institutional Pressure	Pressure to conform from government regulations or laws
Normative Institutional Pressure	Pressure to conform from cultural expectations (e.g. the professional training of organisational members)
Mimetic Institutional Pressure	The desire to look like other organisations, arising from uncertainty

Figure 8: Powell & DiMaggio's Types of Institutional Pressure

Powell & DiMaggio postulate that these pressures operate on organisations to create institutional isomorphism (i.e. organisations, over time, come to resemble each another):

“Early adopters of organizational innovations are commonly driven by a desire to improve performance ... As innovation spreads, a threshold is reached beyond which adoption provides legitimacy rather than improves performance.” (Powell & DiMaggio, 1983, p148, quoting Meyer & Rowan, 1997)

Meyer & Rowan (1977) went on to describe a mechanism whereby these institutional pressures and the behaviours they promote become “rationalised myths”, i.e. shared belief systems. Organisational actors create the organisation’s social reality via these shared belief systems. They create

rational arguments which are used to explain non-rational, emotionally based decisions. Rationalised myths are things which cannot be tested in an organisation, but are unchallenged as they are regarded as unquestionably true. In other words, institutionalisation is seen as a social process whereby individuals tacitly agree a shared conceptualisation of social reality. Likewise, organisations reflect the myths of the society in which they are embedded (Meyer & Rowan, 1977). These myths are institutionalised in products, services, techniques, policies and programmes.

This is a variant of institutional theory: neo-institutionalism (Selznick, 1957; Meyer & Scott, 1983; March & Olsen, 1984; Scott & Meyer, 1987; Meyer et al, 1988; Scott, 1992) looks at the way in which belief systems develop, rather than the more straightforward legitimacy/social acceptance model of DiMaggio and Powell. Neo-institutionalism views institutions and institutional actions as constructed, given shared meaning through “repeated actions and shared conceptions of reality” (Hatch, 1997, p84). Neo-institutionalism also questions the assumption that every decision is derived from a conscious, rational decision making process (Meyer & Scott, 1983; March & Olsen, 1984; Scott & Meyer, 1987; Meyer et al, 1988). This provides links to work on bounded rationality and causal ambiguity.

A corollary of the institutional view is that organisations which are subject to institutional pressures are inherently change resistant (Meyer & Rowan, 1977; DiMaggio & Powell, 1983).

Institutional theory appears to offer useful insights in to the public sector, due to the influence of political and ‘non-rational’ drivers in public sector companies. This is particularly relevant, given the significant influence of industrial relations (Bach & Winchester, 2003). Furthermore, intuitively, public sector companies are likely to be more “dominated by social demands” (Hatch, 1997, p83) than their private sector counterparts. Social constructivist approaches such as neo-institutionalism may prove useful when examining public sector companies from the perspective of the actors within it, and has obvious resonance with the proposed discourse analysis methodology for this study.

3.2.4. The Epistemological Approaches to SHRM

As alluded to earlier, the majority of SHRM research takes a positivist approach, as evidenced by: the relative popularity of RBV and other economics based approaches to SHRM; best practice models; and the quantitative work of authors such as Huselid (e.g. Delaney & Huselid, 1996) and Patterson (e.g. Patterson et al, 1997). Constructivist approaches such as institutional theory are to be found, and a number of researchers are working within this epistemology (e.g. Karen Legge), but, as Harley & Hardy (2004) point out, these are relatively marginalised.

The positivist construction placed on SHRM has led some researchers to see SHRM as a replacement for the pluralistic employee relations discourse which preceded it (Keenoy, 1999; Harley & Hardy, 2004). Authors such as Legge

(2001) have been overtly critical of writers on SHRM “socially constructing” the phenomena under study by means of a positivist epistemology and use of statistics.

Linked to the positivist/constructivist debate is a further categorisation of SHRM approaches into ‘hard’ or ‘soft’ (Storey, 1987; Hendry & Pettigrew, 1990; Legge, 1995). The ‘hard’ approach (also called ‘unitarian instrumentalism’) is led by business strategy:

“...emphasises the rational, quantitative and calculative aspects of business by focusing on the integration of human resource policies and systems with business strategy.” (Morgan & Allington, 2002, p35)

The soft approach, conversely, sees the key to the integration of HR policies and business objectives as the employees:

“...treating employees as valued assets and as a source of competitive advantage through their commitment, adaptability, motivation and skills.” (Morgan & Allington, 2002, p35)

4. *SHRM in the Public Sector*

As one of the companies hosting the study will reside within the public sector, it is relevant to examine the limited literature on SHRM in the public sector. The majority of the work on SHRM reviewed above has been based in the private sector, but there is a small literature which links SHRM (more commonly referred to as HRM in British public sector studies) to the public sector.

The literature makes a case for a distinctively different public sector HR, particularly in respect of employee and industrial relations.

“... in the area of HRM at least, organizational policies and practices in the public and private sectors remain different in many important respects. In particular the traditional style of paternal, standardized and collectivized HRM is more prevalent in public than private organizations.” (Boyne et al, 1999, p417)

A notable article in this under-researched area is Farnham & Horton’s (1996) analysis of differentiated approaches in the public and the private sectors. They identified 4 major areas of difference: management style, employment practices, industrial relations and the ‘model employer’ status of the public sector. This model is briefly reviewed in figure 9, illustrated via Boyne et al’s contrast with the private sector.

Public sector characteristics	Description	Private sector characteristics
Farnham & Horton, 1996		Boyne et al, 1999
Paternalism	A paternalistic style of management, emphasising the health, safety and welfare of employees	Rationalism, individualism
Standardisation	Standard employment practices typify the public sector, i.e. consistency of pay, terms and conditions for people doing the same job or providing the same service, irrespective of geographical location	Flexibility
Collectivisation	Emphasis on staff participation and consultation, strong role for trade unions, high levels of union membership, focus on collective bargaining	Rationalism, individualism
'Model employer'	The public sector aspires to be a 'model employer', setting employment and HR standards to which other sectors should follow	The end or the private sector's assumption of the model employer role

Figure 9: Model of Public Sector HRM

Authors have tended to use Farnham & Horton's categories to stress the differences between HRM in the public and private sectors, as the following quote indicates:

"In particular the traditional style of paternal, standardised and collectivised HRM is more prevalent in public than private organisations. Furthermore, activities associated with the conventional state role as model employer, such as staff training and the promotion of equal opportunities, are still more likely to be found in public organisations." (Boyne et al, 1999, p417)

The research typically cites the "model employer" status enjoyed by the public sector until the mid-1970s:

"... the traditional role of the State as a model employer, in which public employers set an example for other public and private sector employers to follow ... public sector employers provided a model of employment which was essentially collectivist, paternalistic, bureaucratic and welfare centred." (Farnham, Horton & Giles, 1994, p98)

The 'model employer' title is seen by a number of authors (Hood, 1991; Du Guy, 1994; Rhodes, 1994) as having subsequently been transitioned to the private sector (Morgan & Allington, 2002, p 35; Farnham, Horton & Giles, 1994, p 98), and HRM is a consequence of the private sector 'model employer' now leading the public sector:

"... these changes have given rise to a reversal of roles, in which public employers are now encouraged to follow and emulate the

‘best’ practice in the private sector ... this has meant that current personnel practice are being influenced by new employer-led approaches, emerging in private sector personnel management, generically termed as Human Resources Management (HRM).” (Farnham, Horton & Giles, 1994, p 98.)

The literature, however, is contradictory, even within articles. Boyne et al (1999), despite setting up in their literature review an argument that the public sector has moved towards the private sector, showed strong quantitative evidence to support the continued existence of a distinctive HRM in the public sector environment (Brook, 2002).

Boyne et al’s (1999) questionnaire based study found greater paternalism, standardisation, collectivism and ‘model employer’ characteristics in public sector companies than in their private sector counterparts. However, lack of longitudinal data in this study made it impossible to determine whether there had been movement in the public sector away from these characteristics over time, and, if so, whether that movement was in parallel to or convergent with changes in the private sector.

Farnham et al propose a hybrid model, recognising the potential of HRM whilst acknowledging the unique features of the public sector environment and the perceived threat which HRM constitutes within it. However, the majority of public sector writers seem disinterested in this potentially useful compromise, and use the differences between private and public sectors to dismiss HRM.

Many of the articles have a polemical tone which belies the bias of the researcher and raises questions about the objectivity of the research. Many of the debates are explicitly located in the political context, using pejorative language:

“... the Conservative governments in the UK encouraged public sector managers to ‘emulate’ the behaviour of their private sector counterparts. This implied the replacement of the traditional methods and ethos of public administration by supposedly superior private sector practice.” (Boyne et al, 1999, p 407, my emphasis)

HRM is often linked to the unwelcome pressure from government upon public sector organisations to improve their efficiency, and hence is rejected. The following article, ostensibly about the use of HRM in the Further Education sector, is typical:

“In practice, the Labour Government is not seeking partnership and neither are employers. In the context of the employment relationship there is no reason why they should. Employees are being told in no uncertain terms across the public sector that they are less efficient than their private sector counterparts and that they must accept changes, especially in pay systems, structures and working practices.” (Burchill, 2001, p156)

In a less overtly critical article, Morgan & Allington (2002) bemoan the fact that 'hard' HRM has been used in the public sector (evidenced in their study by application of HRM practices in job restructuring, protective trade union legislation and public sector pay), whilst 'soft' HRM would have been much more appropriate to the public sector environment:

"The soft model is more relevant to the public sector where the standards of quality of services are highly dependent upon employee motivation, skills and service orientation." (Morgan & Allington, 2002, p35)

For Morgan & Allington, the implications of this "inappropriate" application of 'hard' HRM to the public sector has a range of undesirable consequences. These include a deterioration in the quality of advice to ministers from public servants concerned about job security, an "assault on collectivism" (2002, p40) and recruitment and retention difficulties arising from "lower relative pay" (2002, p40). Burchill (2001) is even clearer in his rebuke to the Further Education sector:

"... the discourse of current management practices had infected (managers') culture." (Burchill, 2001, p2, my emphasis)

HRM is therefore inextricably linked to the 'commercialization' of the public sector, and consequently reviled by public sector writers. Given the antipathy with which successive governments' programmes to modernise the public sector (as reviewed in project one), it is to be expected that some guilt by association will linger in the minds of public sector employees and trade unionists.

This leaves the researcher in something of a quandary: the lack of unbiased literature on the application of HRM in the public sector creates a gap in the literature, but also provides little theoretical basis for a study of HRM in the public sector. It is clear that consideration of institutional pressures and context specific models of HRM will be essential in the public sector environment.

CHAPTER THREE - METHODOLOGY

The study of SHRM from the theoretical viewpoints of resource based and institutional theories suggests that a social constructivist methodology may be the most useful: political considerations are subjective and constructed through language (rather than possessing an empirically observable reality). Discourse analysis, a methodology for dealing with natural language data developed by social psychologists, appears to be a suitable methodology for a study of this type.

1. DISCOURSE ANALYSIS

There are a number of theoretical conceptualisations of discourse and discourse analysis, which can be broadly grouped into two schools of thought (Alvesson & Kärreman, 2000). The first concerns the study of social text (both written and oral) in organisations, which seeks to linguistically make sense of organisations and organisational attributes. The second, which this study will utilise, sees discourse as both constructed by and constructive of social reality.

This second conceptualisation of discourse analysis has been defined as follows:

“... the constructed and constructive use of language and on the functions and consequences of language use.” (Potter & Wetherell, 1987, p206)

The major contention of this approach to discourse analysis is that language is not neutral, but is used by individuals to do things (e.g. to justify a position, a stance or to create a social reality). This constructed view of language is echoed in the management research context by Fairclough (1992). Discourse analysis is a particularly appropriate tool with which to examine the rich linguistic data with which participants are constructing (often complex) philosophical constructs into everyday conversation, constructs which are intrinsically tied up with issues of ideology, power, political positioning, persuasion and justification.

It seems, thus, admirably suited to the exploration of the political and “non-rational” influences operating on HRM in TfL, particularly when utilising institutional and neo-institutional theory as theoretical bases for the research.

2. KEY CONCEPTS

Discourse analysis has its origins in three traditions – speech act theory, ethnomethodology and semiology – which create the three research principles

which guide discourse analysis: the functionality of language, variation and social constructivism.

2.1. Functionality

Both speech act theory and ethnomethodology stress that people use language to perform particular tasks: to accuse, to ask, to persuade, to command. Language is thus not seen as a neutral representation of events, objects, people etc., but as subjective and value-laden, tailored to achieve certain discursive purposes: discourse analysis takes a view of language as functional.

2.2. Variation

A consequence of the functional view of language is variation. Discourse analysis assumes that a participant's language is functional, and that this functionality is related to context. It thus follows that, as the context changes, the representation of events, motives and actions which is functional within that context will also change. One would thus anticipate considerable variation in peoples' accounts, as Potter & Wetherell intimate:

“In general, we find that if talk is oriented to many different functions, global and specific, any examination of language over time reveals considerable variation.” (Potter & Wetherell, 1987, p33, their emphasis)

Potter & Wetherell's claim, however, goes further than this: they suggest that, as variability arises as a consequence of the discursive functionality of a particular discourse, one can begin to deduce to what function the speaker is using that discourse:

“As variation is a consequence of function it can be used as an analytic clue to what function is being performed in a particular stretch of discourse. That is, by identifying variation ... we can work towards an understanding of function. We can predict that certain kinds of function will lead to certain kinds of variation and we can look for those variations.” (Potter & Wetherell, 1987, p171)

This immediately diverges from more positivist searches for global rules and generic principles. However, Potter & Wetherell delimit variability to the level of the individual:

“... discourse is variable in the sense that any one speaker will construct events and persons in different ways according to function.” (Potter & Wetherell, 1987, p172)

They go on to claim that there is regularity in discourse, but analysts must look more broadly, at larger tracts of data involving a number of subjects or a number of discursive situations. The search becomes for patterning in responses: under what circumstances do particular kinds of discursive representation regularly appear?

This search for regularity led Potter & Wetherell to adopt the concept of “interpretative repertoires” (Gilbert & Mulkay, 1984; Potter & Mulkay, 1982, 1985; Wetherell, 1986) as the categorisation system which underpins discourse analysis. “Interpretative repertoire” has been defined as follows:

“Interpretative repertoires are recurrently used systems of terms used for characterizing and evaluating actions, events and other phenomena. A repertoire ... is constituted through a limited range of terms used in particular stylistic and grammatical constructions.” (Potter & Wetherell, 1987, p149)

The concept of the interpretative repertoire is a useful one, because it allows the examination of variability as a topic of interest in its own right (what function is the speaker intending, which has created the variation) rather than dismiss it as a research anomaly or ‘noise’ in the data.

2.3. Construction

The final element of discourse analysis is its emphasis on the constructed nature of language:

“ ... people are using their language to construct versions of the social world. The principle tenet of discourse analysis is that function involves a construction of versions, and is demonstrated by language variation.” (Potter & Wetherell, 1987, p33, their emphasis)

Language is seen as both a product of the social world and constitutive of that world. This builds on a long philosophical tradition of seeing language as an important influence in the construction of social reality (Wittgenstein, 1995, 1961; Berger & Luckmann, 1966). The key metaphor here is that of manufacture; language is not simply a reflective representation of an independent reality, but an account which is devised, developed and which, in turn, constructs that reality.

3. SOCIALLY CONSTRUCTED DISCOURSES

3.1. First-Order and Second-Order Realities

It is useful at this point to introduce the concept of a hierarchy of realities. Ford uses Watzlawick's (1990) concept of first-order and second-order realities and Bohm's (1996) presented and represented realities in his important 1996 paper.

Ford defines first-order reality thus:

"First-order, presented realities refer to the physically demonstrable and publicly discernible characteristics, qualities or attributes of a thing, event or situation ... first-order realities, therefore, are composed of uninterrupted facts and data that are accessible (i.e. in the world), measurable, and empirically verifiable." (Ford, 1999, p481)

However, he indicates that the constructivist perspective indicates the profound influence of language on the representation of these first-order realities:

"In a constructivist perspective, the discourse which constitutes first-order realities is itself a construction ... and different language games will give different constructions, understandings and testings of reality." (Ford, 1999, p482)

The concept of second-order reality develops this idea further, seeing the addition of meaning as the difference between first-order and second-order reality:

"What differentiates second-order reality from first-order reality is the attachment of meaning. Second-order, represented realities are created whenever we attribute, attach, or give meaning, significance, or value to a first-order reality." (Ford, 1999, p482)

Second order realities are important because people create them as reality as they act upon them:

"... second-order realities create a reality apart from first-order realities because of the 'consequences' of these attributions of meaning, create concrete results of a personal and societal nature, i.e. people act on the basis of their interpretation." (Ford, 1999, p482)

Ford goes on to indicate that the fundamental implication of this hierarchy of realities is their obfuscation in everyday use:

“The significance of these two realities lies in our failure to distinguish between them and to understand the nature of their interconnection ... the representation (second-order reality) fuses with the presentation (first-order reality) so ... the result is what Bohm calls a net presentation in which the two realities fuse and mingle together, occurring as one, seamless reality.” (Ford, 1999, p482)

This, Ford argues, has significant implications for change and change management, where “shifting conversations” can be a powerful driver for change. This will be discussed below.

3.2. Power and the Definition of Social Realities

This leads to the concept of socially constructed discourses. Early proponents of discourse analysis advanced the concept of rhetorical psychology, which suggests that individuals have access to a variety of socially shared discourses:

“ ... the content of the dialogue has historical and ideological roots, for the concepts involved, and their meanings, are constructed through the history of social dialogue and debate.” (Billig et al, 1989, p6)

As the post-structuralist philosopher, Michel Foucault, indicates:

“Each society has its regime of truth, its ‘general politics’ of truth: that is the type of discourse which it accepts and makes function as true.” (Foucault, 1977, p93)

In the late 80s, social psychology adopted this model as a core concept of discourse analysis. Individuals can draw upon socially shared discourses (the Foucauldian “regime of truth”, although socially shared discourses may also be produced by sub-groups, and dominant discourses may be subverted to the use of the sub-group) variably, to their own functional ends. Interpretative repertoires are attempts to capture these socially shared discourses. This will be a key concept in this study, as it links the individual’s use of language to shared and socially shared themes:

“... the rhetorical approach does not start by considering individual motivations or individual information processing. It starts from the assumption that knowledge is socially shared and that common sense contains conflicting, indeed dissonant, themes.” (Billig et al, 1989, p20)

Rhetorical psychology, thus, draws an important link between discourses available in society and a functional and variable view of language in use.

The corollary of the socially shared nature of discourses is an intrinsic link with power: power will be used to ensure certain discourses will gain currency, and discourses that are used by the powerful are likely to be pre-eminent.

This owes obvious allegiance to Marx & Engels' critique of Feuerbach in 'THE GERMAN IDEOLOGY':

"The ideas of the ruling class are in every epoch the ruling ideas, i.e. the class which is the ruling material force of society, is at the same time its ruling intellectual force. The class which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby ... the ideas of those who lack the means of mental production are subject to it ... The individuals composing the ruling class regulate the production and distribution of the ideas of their age."
(Marx & Engels, 1888, p64)

Marx & Engels, however, did not allow for the possibility of idea production by sub-groups or individuals who are not members of the ruling class. This paper will argue that power is a shifting phenomenon, subject to conflict and negotiation, hence changes in the power dynamic will change representational meanings:

".. there is no reason to expect that representations will remain contextually and historically stable but every reason to think that they will shift. Power will thus be implicated in attempts to fix or uncouple and change particular representational relations of meaning." (Clegg, 1989, p151-2)

As participants compete for power and status, language representations may change (Francis, 2002(a)), and, consequently, meaning is continually negotiated and re-negotiated (Pettigrew, 1985; Dawson, 1994; Doz & Prahalad, 1988). The implication of this is that it is the powerful who construct "truth":

"'Truth' is linked in a circular relation with systems of power which produce and sustain it, and to effect of power which it induces and which extend it." (Foucault, 1977, p94)

This is echoed in the occupational context by McCloskey (1994, cited by Francis, 2002, p2), who defined rhetoric as a form of "wordcraft" used by senior managers to construct, justify and legitimise a particular "world view" of the employment relationship.

4. VALIDATION

Validation of a discourse analysis study is handled in a very different way to validation of more positivistic methodologies (where a range of statistical tools may be used for validation purposes). In the words of Potter & Wetherell:

“The goal is to present analysis and conclusions in such a way that the reader is able to assess the researcher’s interpretations ... a representative set of examples ... must be included along with a detailed interpretation which links analytic claims to specific ... aspects of the extracts ... each reader is given the possibility of evaluating the different stages of the process, and hence agreeing with the conclusions or finding grounds for disagreement.” (Potter & Wetherell, 1987, p172)

In other words, the transparent presentation of the data and the analytic process acknowledges that the researcher is producing one of a number of possible competing interpretations, and the reader is invited to critique the researcher’s coding and proffer their own. There is no attempt to produce one “true” representation of events, attitudes or internal states from the discourse data. Validation, consequently, in discourse analysis, is embedded in the transparency of the process and in the critique of the reader.

In short, discourse analysis does proceed on a rigorous basis, using coding schemata (“interpretative repertoires”). This methodology is described in detail in project one, when discourse analysis is used for the first time, and coding schemata for each project are presented in the appropriate section. Whilst discourse analysis may not meet the validation criterion of replicability which is required by positivist methodologies, its validation lies in the transparency of the coding schemata used and the inclusion of the raw data selected to support the conclusions drawn.

5. DILEMMATIC DISCOURSES, COMMON SENSE AND IDEOLOGY

One further concept of the social constructivist model of discourse analysis which is potentially useful is that of dilemmatic discourse (Billig et al, 1998): the notion that individuals will use language to debate issues over which they have internal dilemmas:

“The contrary themes of common sense provide more than the seeds for arguments: they also provide the seeds for thought itself. The justification for suggesting this is based upon the notion that thinking and arguing are closely connected. When one thinks about a dilemma, wondering whether to pursue one or other course, one arranges the reasons as in an argument, sifting

the balance of justifications and criticisms ... In a real sense social argumentation can be seen as providing the model for social thinking.” (Billig et al, 1998, p17)

A further important construct is contained within this extract: the notion of “common sense” which contains contrary themes which give rise to dilemmatic thinking:

“The common sense of all societies will possess contrary themes, which provide the possibility of argument and deliberation.” (Billig et al, 1998, p18)

This “common sense” is socially shared and socially constructed:

“... the currents of ideological history can quietly pass through our thinking, in a way which ensures that our thinking is not purely our own. Moreover, the cross-currents and contrary tendencies of this history can continue to shape the contents of our thinking about the dilemmas of present ordinary life.” (Billig et al, 1998, p 42)

In this extract, Billig et al have moved from “common sense” to “ideology”, taking as their assumption that “intellectual ideology” (“a system of political, religious or philosophical thinking ... the product of intellectuals or professional thinkers”, Billig et al, 1998, p27) passes into “lived ideology” (“the social patterning of everyday thinking”, Billig et al, 1998, p28), thence to “common sense” (“the commonsensical origin of intellectual notions, which can be returned in a transformed state back to common sense and thereby further transformed”, Billig et al, 1998, p26), in an iterative process.

Contrary themes and dilemmatic thinking, in Billig et al's terminology, show themselves as explicit and implicit dilemmatic discourses. Whilst it is obvious when an individual explicitly expresses both sides of an argument (for instance, to show reasonableness in considering a less preferred side of the argument or to anticipate potential criticism), an implicit contrary theme will require greater analysis to uncover it, as the overt meaning may conceal its negative in the semantic structure of the discourse¹⁴.

The significance of the concept of contrary discourses to the notion of “shifting conversations” (Ford & Ford, 1995), which will be discussed later, is high.

¹⁴ Billig et al, 1998, use the example of discourse on education, which demonstrates the explicit theme of egalitarianism, but contains as implicit theme of authoritarianism.

6. USE OF DISCOURSE ANALYSIS IN MANAGEMENT RESEARCH

The majority of papers which use discourse analysis as a methodology reflect its origins in social psychology. There is, however, a growing recognition that it can be a useful descriptive tool in management research, with recent papers using discourse analysis to study areas as diverse as the setting of cod quotas in the Russian and Norwegian fishing industries (Honneland, 2004), speeches on information technology by the World Bank's President (Thompson, 2004) and airline alliances (Vaara, Kleymann & Seristo, 2004).

Discourse analysis, however, may be more than a purely descriptive tool. A small number of studies have recognised the potential of discourse analysis to create alternative social realities for the participants (Francis, 2002). The negotiated nature of social construction identifies a role for discourse analysis which goes beyond the diagnostic: if new meanings are created, or alternative meanings are given pre-eminence, can that in itself be a driver for organisational change? This builds on the work of a number of authors (e.g. Storey, 1992; Tyson, 1995; Caldwell, 2001; Ulrich, 1997) who have postulated a role for SHRM in changing meanings for employees (Tyson 1995, 1997, for instance, sees the "strategic value" of SHRM as resting in its potential to provide a "meaning structure" which will enable managers to develop a common language around change) and reinterpreting symbols.

Useful in this context is the work of Ford and Ford (1995), which uses the phrase "shifting conversations" to describe the way in which change may be generated by creating shifts in language use and alternative "conversational realities" (Francis, 2002). The overtly political nature of this process is recognised:

"... any fundamental shift in organisational routines and behaviours must be rooted in the orders of discourse and attempts at political influence to inform conversations for change."
(Francis, 2002, p323)

There is a strong link between this notion of "shifting conversations" and Billig et al's notion of dilemmatic discourses. It seems self-evident that the exploration of divergent discourses in the speech of an individual or a group will highlight areas in which cognitive dissonance may already exist, and where the individual/group may be amenable to having their conversation "shifted".

Fundamental shifts in behaviour, it is implied, will follow a shift in the conversation, although this is questioned in other studies (Knights & McCabe, 2002) and inferred rather than substantiated in Francis's (2002) case study.

The language of change management and the constraining influences of “top down” models of change becomes a valid issue for research (Butcher & Atkinson, 2000). Classic papers by Ford (Ford & Ford, 1995; Ford, 1996) take a social constructivist approach to change, arguing that conversations constitute and are constituted by organisations. Change, in this context, is no more and no less than the ascendancy of new conversations within an organisation, and that there are useful sequences of conversations which can initiate and drive change. Change, in this view, becomes the creating and embedding of new conversations, hence new social realities:

“It is possible to consider organizations as networks constituted in and by conversations. Accordingly, producing and managing change involves shifting that network of conversations by intentionally bringing into existence and sustaining ‘new’ conversations whilst completing (and removing) existing conversations. Rather than being simply a tool, conversations are the target, medium, and product of organizational change.” (Ford, 1996, p496)

Perhaps because of the overwhelming interest in positivist epistemologies, however, this exciting area remains under-exploited.

7. USE OF DISCOURSE ANALYSIS IN SHRM RESEARCH

To take this argument to its logical conclusion, one must construct SHRM itself as a discourse, used by HR practitioners, academics and organisations, to create a particular social reality. This was posited by Kennoy, who conceptualises SHRM topics such as excellence, customer care and empowerment as fluid discourses which potentially create an alternative organisational reality:

“... a conceptual re-envisioning of work relations in which ‘nothing has changed’ but everything will be perceived differently.” (Kennoy, 1997, p836)

Keenoy's scholarly article demonstrates the scope of the HRM definition problem. He raises 4 issues with HRM:

- There is no clear agreement on what the term HRM means, which leads to a multiplicity of competing theories;
- There is a failure to demonstrate empirically the spread of HRM through UK organisations
- There is an inability to ‘fix’ HRM linguistically (i.e. the language of HRMN is ambiguous and changeable);

- The environments in which HRM is practices are themselves under transformational change, and concepts such as 'the organisation', 'the employee' and 'the employment relationship' are progressively being eroded.

Keenoy sees these questions as the consequence of the adoption of a realist epistemology, and his view of HRM as "a socio-cultural artifact implicated in the 'management of meaning'" (Keenoy, 1999, p 2) has much appeal to social constructivists. Keenoy sees HRM as both creating and being created through social interaction, as the following quote indicates:

"HRMism is a phenomenon which has been constituted and enacted by significant social actors – including managers, employees, unions, politicians, consultants, academics and publishers." (Keenoy, 1999, p2)

If one sees HRM as a social construction, one can envisage how normative institutional forces are being brought to bear upon it (as is apparent from Keenoy's "significant social actors") and definitions of HRM are determined by those who possess Foucauldian power:

"The 'real HRM phenomena' ... is constructed ... by managerial elites in particular organizational locales." (Keenoy, 1999, p8)

To illustrate this, he describes the way in which organisations such as HP and IBM have come to epitomise the "discursive identity and ontology" (Keenoy, 1999, p5) of HRM. Keenoy asserts that there is a connection between this pre-eminence and their non-union, unitarian, individualistic culture; this link is obviously As Keenoy indicates:

"... they demonstrated how to manage without unions and 'living proof' that the unitary shibboleth was achievable." (Keenoy, 1999, p5)

This is diametrically opposed to the UK's pluralistic employee relations model, and to the public sector "model employer" of Farnham & Horton. It is a small step from Keenoy's social constructivist view to see HRM as little more than a rhetorical gloss, highly functional for (primarily US based) HR practitioners who wished to develop such an employment culture to support the move towards the less employee centric working practices (downsizing, restructuring, cost cutting, job insecurity etc.) which have come to dominate the global marketplace.

Keenoy's metaphor of HRM as a hologram has an intrinsic appeal to social constructivists: to exist, a hologram needs both technical (lasers, boxes, light sensitive plates) and a constitutive social process (it needs a viewer to utilise the technology and interpret what is perceived). Secondly, a hologram varies according from where and by whom it is viewed:

“... holograms underline the point that what we see also varies according to where we, quite literally, stand. As we have seen, it appears to be much the same for HRM.” (Keenoy, 1999, p11)

8. *THE DISCOURSE ANALYSIS VARIANT USED IN THIS STUDY*

This study will concentrate on the functional use of language and development of social constructions via language. As such, the highly detailed form of discourse analysis which incorporates every pause, repetition and interjection will not be used. Instead, the quotes will derive from verbatim transcripts, but will be ‘cleaned up’ to omit these elements and improve readability.

CHAPTER FOUR – CONTRIBUTION TO KNOWLEDGE AND SUMMARY OF APPROACH

1. *CONTRIBUTION TO KNOWLEDGE*

The previous section reviewed a variety of models of HR, and provided a detailed review of the factional nature of SHRM. A number of gaps in the literature have been identified:

- The combination of RBV and institutional theories of SHRM has the potential to provide a description of the forces impacting HR in organisations, allowing for consideration of political as well as business drivers.
- There is a need to develop a model of strategic HR which is compatible with non-SHRM environments.
- The literature review shows that literature on HRM in the public sector in the main is polemical and resistant, and there is a clear need to establish a definition of HRM which is broader than job reductions and cost savings, and which has greater resonance with public sector values.
- Discourse analysis may be useful in diagnosing change and change resistance, by application of its constructivist view of language.
- The application of discourse analysis to SHRM interventions is an under-researched area, both in terms of utilising the concept of SHRM itself as an alternative discourse, and/or providing HRM interventions as a means of promoting alternative discourses.

All of the above points suggest that there is a need to build a new descriptive research model of HR which is appropriate to non-SHRM environments. These projects offer the opportunity to test such a model in environments which contain many of the elements which make SHRM problematic (i.e. industrial relations, pluralistic employee relations, the impact of political and 'non-rational' drivers in the organization; an environment which lacks strong contextual drivers and has concomitantly more influential actors; an environment of radical, unplanned change).

RBV, neo-institutional theory, social constructivism and discourse analysis provide appropriate theoretical, epistemological and methodological bases for such a study.

The research contribution to knowledge, hence, is the application of a social constructivist epistemology to the issue of HR strategy formulation and implementation in organisations. It will develop and test a new descriptive research model for HR which is applicable in diverse environments, which incorporates the following elements:

- The model will utilise contextually based theories of HR as a diagnostic framework (including both resources based and institutional elements)
- The model will give centrality to the influence of the actors, recognising strategy formulation as a negotiated, emergent and iterative process
- The model will consider HR strategy implementation as well as formulation.

2. *SUMMARY OF APPROACH*

Given the organisations under study (a politicised public sector organisation and a private sector organisation where the actors have considerable freedom to determine strategy) it appears that certain of the approaches are more appropriate than others.

An indicative approach is represented diagrammatically in figure 10.

PHILOSOPHICAL PERSPECTIVE

THEORETICAL PERSPECTIVE

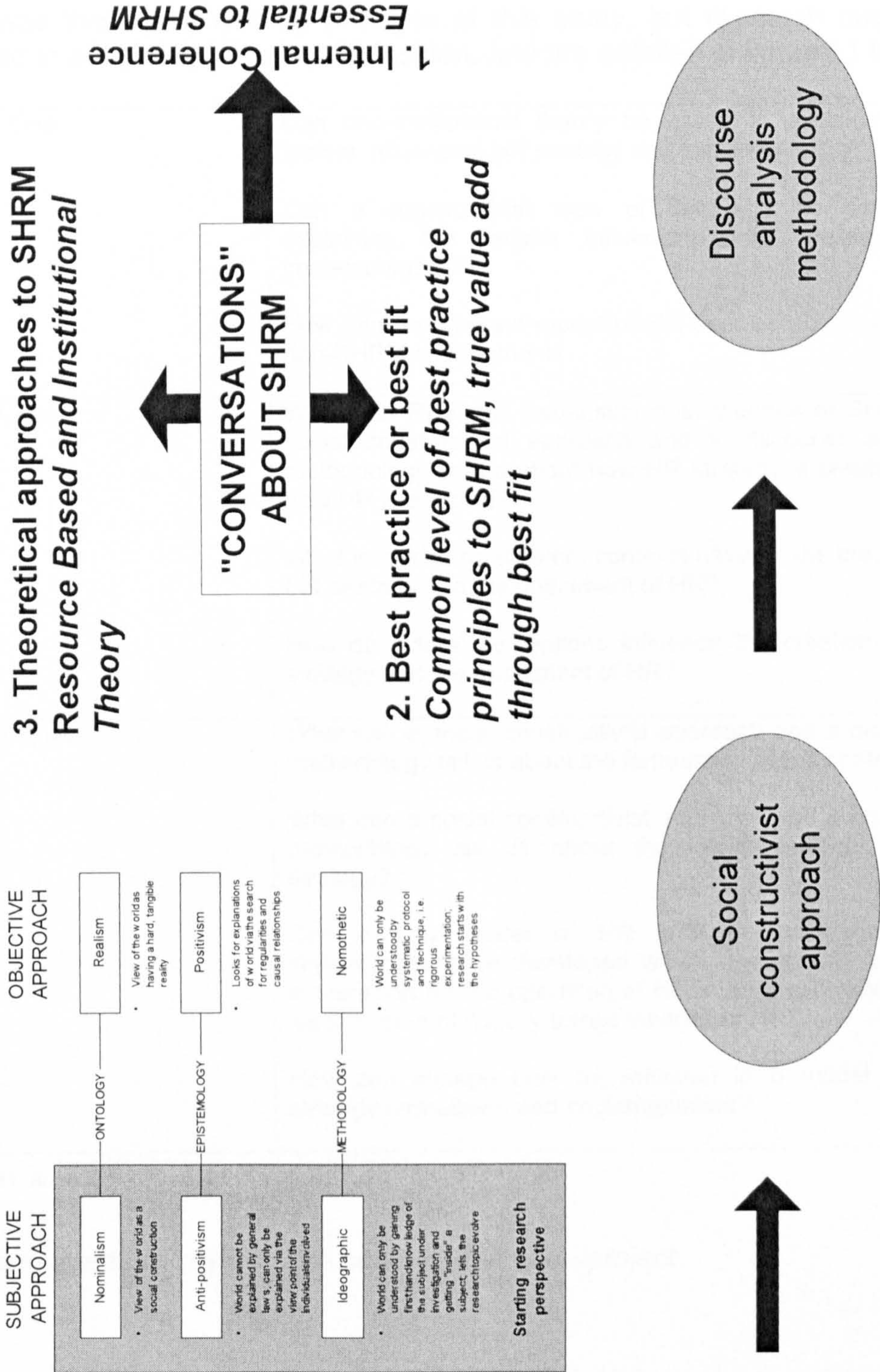


Figure 10: Summary of Proposed Approach

This is presented an indicative approach, but this section will further consider the approach in the light of the literature reviews on industrial relations and the UK public sector, and in the context of the methodology section in chapter three.

Arising out of theoretical concerns which arise from consideration of the literature in chapter two, a series of projects were devised, looking at SHRM in different organisational contexts. This study takes as its general topic how the meaning of SHRM is negotiated in different organisational contexts and the process of HR strategy development and implementation.

This was the broad guiding principle of this study, but research questions evolved in a logically incremental fashion, and are detailed in figure 11 below.

Project One	<p>Can neo-institutional theory be useful in explaining the factors influencing HR strategy and implementation?</p> <p>Can a constructivist view of language be useful in explaining the factors influencing HR strategy and implementation?</p> <p>How can the operant model of HR best be described in a non-SHRM environment?</p>
Project Two	<p>What can RBV and neo-institutional theories of SHRM, a social constructivist approach and a discourse analysis methodology tell us about how HR strategy is created and how HR is enacted?</p> <p>What influence do different contexts have on the creation of HR strategy and the enactment of HR?</p> <p>How do actors' perceptions influence the creation of HR strategy and the enactment of HR?</p>
Project Three	<p>What can a social constructivist approach and a discourse methodology tell us about the formulation of HR strategy?</p> <p>What can a social constructivist approach and a discourse methodology tell us about the implementation of HR strategy?</p> <p>Can a new model of HR strategy formulation and implementation be developed which can provide a better explanation for the operation of HR in an organisation than 'best fit' or contextually based theories of HR?</p> <p>How can change best be reflected in a model of HR strategy formulation and implementation?</p>

Figure 11: Summary of Research Questions

Detailed literature reviews are contained in each project.

The Linking Document attempts to bring these three projects together, and attempts to refine a descriptive research model of HR, evolved over the course of the three projects.

PROJECT ONE

“DISCOURSES OF TRADE UNION RELATIONS IN LONDON UNDERGROUND”

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ABSTRACT

This paper examines discourse around trade union relations in an important but under-researched organisation, London Underground (LUL). It uses discourse analysis as its methodology, taking as its fundamental assumption that individuals will use language functionally and variably, to construct their social reality.

In one of the few academic papers to study LUL, Darlington (2001) contented that left wing union activists were critical in collectivising employees, proposing in support of this claim that 4 factors sustained continued militancy in LUL. One of these factors was managerial belligerence towards trade unions. He did, however, fail to include data from the influential senior management group, whom one would reasonably suppose to hold different views from the unionists and HR staff whom Darlington interviewed.

This study argues that senior managers do reference Darlington's 4 factors, including acknowledging a managerial contribution, but fail to support his contention for the critical role of union activists. There is greater evidence in the managerial data of the socially shared use of contrary discourses and themes not referenced by Darlington. This study concludes that managers' representations were more complex and ambiguous than suggested by Darlington, due to the fact that managers are using language functionally, to explain and justify ongoing militancy.

1. BACKGROUND AND RATIONALE FOR PROJECT

1.1. Introduction

Project one looks at the discourses around industrial relations in London Underground (LUL). In LUL, Industrial Relations (IR) dominates the HR and business agendas, to the extent that IR is a proxy for HR in LUL. Little other HR activity takes place, and the managerial and HR staff are all, to a greater or less extent, involved in IR related activities. This project provided an opportunity to study an organization which has a radically different model of HR to that studied in the majority of HR research: an organisation in which HR has been subsumed by and conflated with IR.

This project is part of a wider study which will examine SHRM, looking at institutional and resource based views of SHRM. This project will support an argument for the inadequacies of the SHRM model in an industrial relations environment.

Both the study and this project adopt a social constructivist epistemology, and use discourse analysis as their methodology.

Data comprise interviews with managers and HR staff at various levels in their respective organisations. The participants comprised senior managers and employee relations staff involved in the London Underground pay negotiation 2004, and were interviewed during or shortly after the negotiation had concluded. Two trade union officials who had key roles in the pay negotiation were also included. Three additional London Underground interviewees were added, because of their key roles in historical events, as were two Transport for London (TfL) senior managers who had close associations with the industrial relations events surrounding the pay negotiation.

As an under-researched organization (Urquhart, 1992), this study will draw upon the only academic paper to look at industrial relations in London Underground: Darlington's 2001 paper on left wing militancy in London Underground.

Whilst the academic study of industrial relations (at least in the UK) has been interdisciplinary, taking contributions from sociology, economics, law, psychology and history, the potential of mainstream social sciences to provide both theory and methodology has been under-explored (Edwards, 2003b, p 16). This paper attempts to use discourse analysis, a methodology from mainstream social psychology, to illuminate an industrial relations topic of study.

Discourse analysis takes as its fundamental assumption that managers are constructing their social reality through their language, and that social reality is

constructed through language. This therefore has potentially considerable implications for industrial relations practice in the organisation.

The coding for the project data was generated through a grounded theory approach, where the data determine the analytic categories; discourse analysis has an affinity with this approach. The data was coded in three ways:

- Accounts of the industrial relations history of London Underground.
- A review of data to support Darlington's contentions for the continuation of militancy in London Underground.
- Socially shared discourses in the participants' discussions of current events.

1.2. Rationale

The business and academic rationales for this project are shown in figure 12 below. The project’s contributions to knowledge are contained within the five components of the academic rationale.

Business Rationale	Industrial relations is perceived as the most significant blocker to change in London Underground. Change management activities are difficult and time consuming, due to the powerful blocking influence of the trade unions.	
Academic Rationale	Examination of an HR model in a non SHRM environment	SHRM has been dominated by quantitative, positivist research ¹⁴ . It has tended to take a unitarian view of employees, and, in the few cases where trade union environments have been studied, has cast trade unions as the ‘losers’ if SHRM is implemented, or has demonised them as a barrier to SHRM implementation. This project will provide a study of the operation of HR as pluralistic employee relations, as a potential alternative to the SHRM model which dominates most research.
	Neo-institutional theory	Neo-institutional theory will provide a theoretical framework which will support the analysis of forces cited by participants as inhibitors to change in LUL.
	Constructivist view of language	This project will examine how industrial relations actors use discourses around trade unionism functionally, to explain, for instance, a failure to modernise. It will also suggest possible alternative discourses around partnership which could be provided to the organisation and its trade unions.

¹⁴ Note that this is a theoretical issue, which is debated in chapter 2 in the literature review on SHRM.

	Applicability of social psychological methodologies to industrial relations research	This paper takes up Edward's call for the use of social psychological methodologies in industrial relations research, by exploring the utility of discourse analysis in researching this topic.
	Critique of existing work on London Underground	This project will argue that the only significant piece of academic work on LUL (Darlington's 2001 paper) fails to include the views of an influential stakeholder group, and, as such, its presentation of a 'true' version of events in the organisation is over-simplistic.

Figure 12: Business and Academic Rationales for Project One

The anticipated output of this project is likely to be recommendations for the provision of new discourses, but implementation would require the completion of a further study.

The research questions for this project, hence, are as follows:

- Can neo-institutional theory be useful in explaining the factors influencing HR strategy and implementation?
- Can a constructivist view of language be useful in explaining the factors influencing HR strategy and implementation?
- How can the operant model of HR best be described in a non-SHRM environment?

Note that, in an environment wholly dominated by industrial relations, HR is conflated with IR for the purposes of this project.

1.3. Background

1.3.1. Organisational Context

1.3.1.1. Introduction

The host company for this project was London Underground (LUL). At the time of the study, London Underground had just become part of Transport for London (TfL), the integrated company responsible for London's transport system, accountable for both the planning and delivery of transport facilities, including London Underground, London's buses, London Underground, the Docklands Light Railway and London Tram and River boat services.

This was a time of considerable change and upheaval for LUL and the other TfL organisations. The individual operating units ('modes') had strong identities and cultures (particularly LUL), and were resistant to TfL's central control. The

organisation and its various components were highly resistant to what was perceived as centrally mandated change.

As well as modal integration, at the time of the study, TfL was experiencing a schism between public sector and private sector views, attitudes and approaches, as a large number of senior managers were recruited between January and April 2003, from primarily private sector backgrounds. These two polarities reflect the organisation's often conflicting dual role of operating a business and functioning as a significant element of the Mayor of London's political positioning. It was a highly politicised organisation, subject to considerable financial and business pressures as well powerful institutional forces.

The context of the study was the TfL 2004 pay negotiation, which occurred in the heightened political environment of a mayoral election, in which Ken Livingstone was endeavouring to be re-elected for a second term. The LUL pay negotiations were the first to commence, and would set the benchmark level for the rest of TfL. The major trade union players were the RMT (Railway, Maritime and Transport Union), ASLEF (Associated Society of Locomotive Steam Enginemen and Firemen) and TSSA (Transport Salaried Staffs' Association), with a number of other trade union players with smaller memberships (TGWU, BTOG and Prospect).

The pay negotiation was prefaced by years of industrial unrest and a resistance to modernization of trade union relations. This is described in detail in section 6.1.

Given the influential and contentious relationship with TfL and its unique culture, this project will provide a detailed review of TfL as well as LUL. The analysis of TfL will look at the organisation (its profile, structure, history, vision and purpose, and its culture and will also review HR and IR in LUL).

The section on organisational context will also cover LUL, where the organisation's position is relatively discoverable and subject to little debate (e.g. organisational structure). However, in many areas (e.g. industrial relations), there is no single shared view within LUL, suggesting that these topics may be more amenable to a different approach (such as social constructivism), which may better reflect the complexity and the differing organisational views which exist in these areas.

1.3.1.2. *Transport for London (TfL)*

1.3.1.2.1. Introduction

Transport for London (TfL) is the integrated company responsible for London's transport system. TfL is accountable for both the planning and delivery of transport facilities, including Surface (Buses and Street Management, including Congestion Charging), London Underground, London Rail (surface rail,

including Docklands Light Railway) and London Tram Link, River Boat Services and the London Transport Museum.

This section will profile TfL, based on extensive analysis of TfL and McKinsey documentation, and on insights gleaned by the researcher in her tenure as a senior manager in the organisation.

The analysis was informed by regular interaction with the Managing Directors (MDs), particularly the MD, Corporate Services, to whom the researcher reports. She also had daily or weekly contact with the Corporate Services management team, the Heads of HR group (which comprises both business unit and corporate HR), the Group HR team and the London Underground operations management. The analysis was supplemented by a number of formal interviews on areas in which the researcher was less involved, such as Business Planning.

At the time of the project, TfL was in a post merger integration phase, having incorporated London Underground (LUL) 1 year previously. The individual operating units ('modes') had strong identities and cultures (particularly LUL), and were resistant to TfL's central control. The organisation and its various components were highly change resistant.

As well as the challenges of modal integration, within TfL a schism also existed between public sector and private sector views, attitudes and approaches. Over 100 senior external hires were made to facilitate the organisation's integration, the majority of them from the private sector. This resulted in the development of competing world views, both of which have positive and negative attributes. These are shown in figure 13.

	Positive Values	Negative Features
Public Sector Model	Representativeness, social responsibility, respect for the individual	Entitlement culture, cult of mediocrity, task rather than results focus
Business Model	Business focus, customer service orientation, flexibility, performance based	Bullying, disrespectful behaviour

Figure 13: Values of the Generic Public Sector and Business Models (Barrett, 2003, p3)

These two polarities reflected the organisation's often conflicting dual role of both operating a business and as functioning as a significant element of the Mayor of London's political positioning. It was a highly politicised organisation, subject to considerable financial and business pressures as well powerful institutional forces.

This created two organisational challenges: modal integration and public sector/business model integration. These challenges were reflected in a number of different 'conversations' within the organisation, and the lack of a shared vision and shared social reality was seen as hindering the integration process.

This section will continue with a more detailed review of TfL and will cover the following topics:

- The Organisation
- Organisational profile
- Structure
- Organisational history
- Vision and purpose, reporting and the business planning process
- Culture
- HR in TfL
- IR in TfL.

1.3.1.2.2. The Organisation

1.3.1.2.2.1. Organizational Profile

TfL is the integrated company responsible for London's transport system, accountable for both the planning and delivery of transport facilities. It was formed from 15 predecessor bodies from central and local government and the voluntary sector. Many of these predecessor organisations had long histories and strong cultures (London Underground being the most extreme example of this).

TfL's strategic role is defined as follows (Audit Commission, 2004, p9):

- Taking an overall long term view of London's transport needs;
- Integrating transport services across the Modes;
- Integrating transport policies with other Mayoral objectives, to support sustainable development;
- Administering circa £140 million transport funding annually to the 33 London boroughs.

The organisation employs over 18,000 people directly, the majority of whom are operational staff in London Underground. Through Public Private Partnership (PPP), maintenance was contracted out and the majority of bus drivers are also outsourced through a franchise agreement.

TfL has a budget (2004/2005) of some £4.9 billion, just over half of which comes through government grant.

This section will look at the organisation's vision and purpose, reporting and constituent elements and, finally, the organisation's future.

1.3.1.2.2.2. Structure

TfL comprises three operational business units ('Modes') and a corporate centre.

The top level TfL organisation chart is shown in figure 14, which includes the corporate centre. A more detailed modal organizational chart (and a discussion of the mode) is provided only for London Underground, as the project concentrated on the corporate centre and LUL, and only respondents from these units were interviewed.

Transport for London Top level structure



Figure 14: Top Level Organisation Chart (September 2004)

London Underground Limited (LUL) carries over three million passengers a day, covers a route of 253 miles and serves 275 stations. LUL was formed in 1985, but its history dates back to 1863, when the world's first underground railway opened in London.

LUL was transferred to TfL in July 2003, following protracted debate and negotiation around funding for essential infrastructure investment.

The LUL environment is a difficult one, beleaguered by militant trade unionism and an infrastructure which is outdated and suffers from years of under-investment. A good review of LUL's pre-integration industrial relations environment is to be found in Darlington (2001). In terms of infrastructure, many stations and lines operate at full capacity and much of the infrastructure is old, with difficult access and track conditions which lead to cancellations and delays.

The solution proposed to the infrastructure problem was a Public Private Partnership (PPP). Under the PPP, London Underground continues to specify and run services, employing train and station staff, but LUL has entered into 30-year contracts with private companies (called Infracos) who have promised to deliver the rehabilitation and maintenance of the Underground's track, tunnels, rolling stock, signal systems and stations. This arrangement was organised by arranging the Underground system into three groups of lines:

- SSL: (Sub-surface lines); Circle, District, Metropolitan, Hammersmith & City and East London Line
- BCV: Bakerloo, Central, Victoria and Waterloo & City
- JNP: Jubilee, Northern and Piccadilly.

The Infracos responsible for maintenance are Metronet and Tube Lines, the staff of which are largely ex-London Transport staff who were transferred to the companies when they were set up. Residual links remain to these organisations through associated pension schemes and other informal connectivities. The relationship between TfL and the Infracos is tense, given the outspoken objections which continue to be raised to privatisation by both the Commissioner and the Mayor. Examples of this are to be found in accounts of the Camden derailment (for which Metronet was blamed by both Bob Kiley and the RMT: Transport for London, 2004e) and in documents as high profile as the Annual Report, as the following statement from Bob Kiley indicates:

“Although we have been forced to accept the constraints that come with the ... PPP arrangements ... both the Mayor and I have been open regarding our views on this.” (TfL, 2004b, p5)

Indeed, this opposition to the PPP is possibly the only issue on which TfL and the trade unions publicly agree on.

An organization chart for LUL (current at the time of the study) is shown in figure 15.

London Underground organisation chart

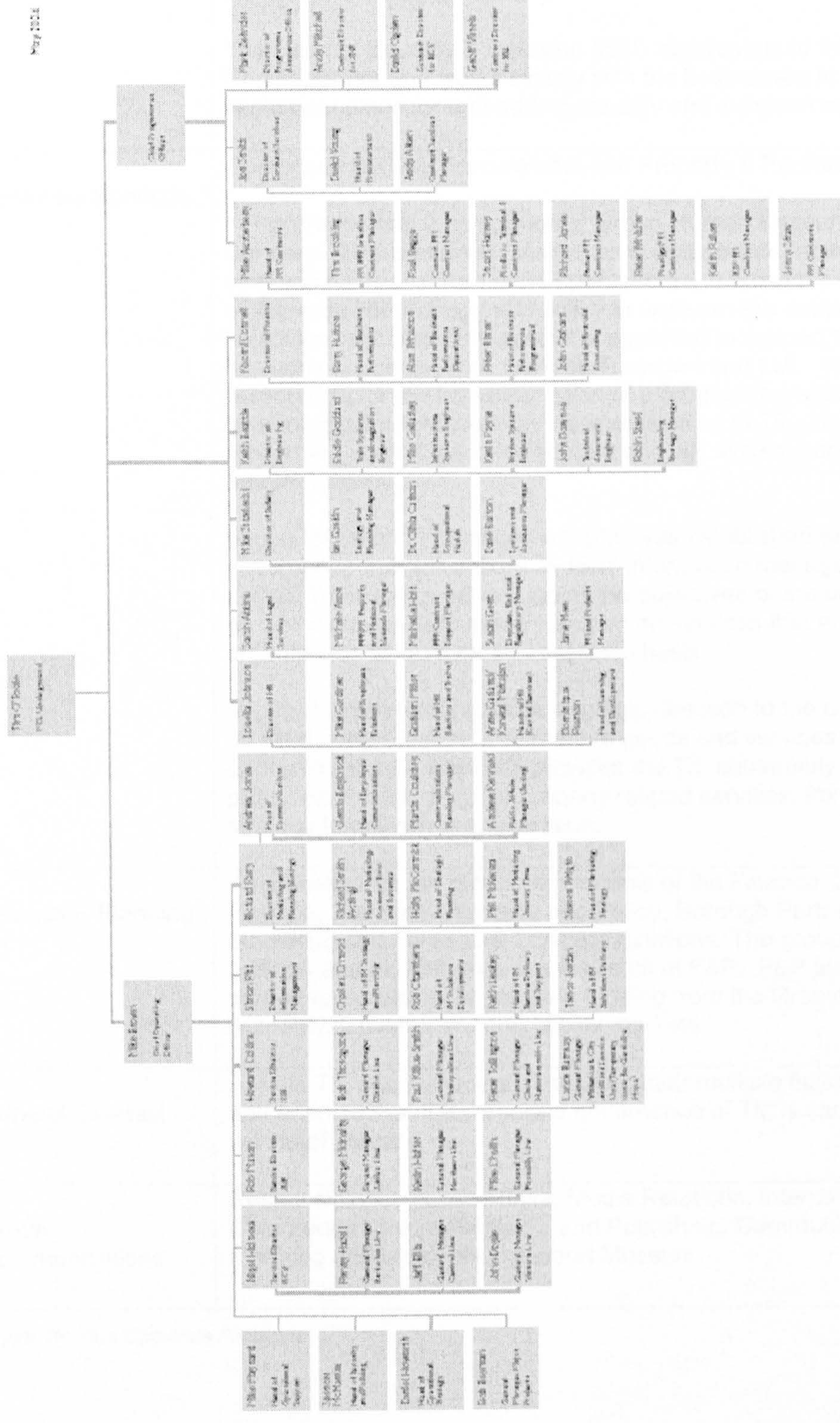


Figure 15: LUL Organisation Chart (October 2004)

The three Modes are supported by TfL’s corporate function: the Office of the Commissioner (including Equality & Inclusion), Corporate Services (HR, IM, Procurement and Property & Facilities), Finance & Planning, General Counsel and Group Communications. These are described in figure 16.

Office of the Commissioner	<p>The Commissioner is supported by a Chief of Staff (who liaises with the various businesses on a range of issues of importance to TfL and actively drives forward ongoing initiatives of particular concern or interest to the Commissioner).</p> <p>The Head of Equality & Inclusion (E&I) also reports to the Commissioner and works closely with the businesses to develop and implement plans for embedding equality and inclusion across TfL.</p>
Corporate Services	<p>Comprises HR, IM, Procurement and Property & Facilities.</p> <p>HR is divided into 2 components: Group Human Resources and HR Services. Group Human Resources is responsible for informing TfL's strategic decisions from an HR perspective, leading the development of TfL-wide HR strategy and policy to underpin the delivery of business objectives and providing specialist expertise to support the HR functions in London Rail, Surface Transport and LUL. HR Services is responsible for the implementation of a programme which will deliver technologically enabled high-volume services to TfL, including resourcing, learning & development and HR systems and administration.</p> <p>Group Information Management (IM) was established to provide the governance that will ensure all IS/IT information management practices across TfL are aligned to support the objectives of the business plan, as well as to manage those common IM services that enable the organisation to work on an integrated basis.</p> <p>Group Procurement provides strategic direction to the different Modes on what, where and how to procure goods and services across TfL. Group Property & Facilities provides the TfL community and all its parts with the full range of property related services, from concept and strategy to delivery and operation.</p>
Finance & Planning	<p>Responsible for the group components of the Finance, Corporate Finance, Transport Planning and Policy, Borough Partnerships, Marketing and Fares and Ticketing functions. The group's financial position and performance are the remit of F&P. F&P also have the prime responsibility for securing funding from the Greater London Authority, Government and capital markets.</p>
General Counsel	<p>Assists TfL and the Board in meeting their multiple fiduciary obligations and ensures that the corporate governance of TfL is carried out in line with best practice.</p>
Group Communications	<p>Responsible for Public Affairs, Media Relations, Internal Communications, New Media and Publishing, Communication Planning and London's Transport Museum.</p>

Figure 16: TfL’s Corporate Functions

The reporting line of E&I direct to the Commissioner (rather than the more usual line into Corporate Services or HR) indicates the action of institutional forces on the organisation: this will be considered in more detail later.

The entities from which the TfL organisation was built were classic Weberian bureaucracies (Weber, 1947).

Weber believed that bureaucracy was a pervasive feature of modern society, and set out an 'ideal-type' of bureaucracy, the characteristics of which were: elaborate hierarchical division of labour; use of explicit, impersonally applied, official rules to direct that labour, applied inside and outside the organisation; staffing by full time, life time professionals who do not own the 'means of administration' (computers, files, property etc.) but draw a salary rather than live from income generated directly by the performance of their jobs. Both the professionalism of the staff, their salaried status and their dissociation from the 'means of administration' support consistent application of rules, according to Weber.

Bureaucracy is the dominant form of organisational structure for public sector organisations, which leads one to consider why this has evolved. Meyer & Rowan (1977, p343) discuss the way in which organisational forms become legitimised and come to be viewed unquestioningly as rational in organisations, due to the impact of isomorphic institutional forces on organisations which cause them to become like one another. Mimetic forces (where organisations in similar industries come to resemble one another) or coercive forces (where regulatory forces operate on an organisation to force it to behave in a specific way), it may be surmised, may have contributed to the dominance of bureaucracy as a public sector organisational form.

One can further propose that, whilst bureaucracy was an initially sensible organisation structure for administrative public sector activities, the appropriateness of this design has diminished with the modern pressure on public sector companies to commercialise.

TfL, in common with other public sector organisations, has a bureaucratic structure. This is most clearly seen in London Underground, with its militaristic, command and control culture. LUL has developed bureaucracy as the optimal structure for an organisation which has large numbers of blue collar staff, and is governed by an over-arching requirement to assure safety. The public sector heritage of the Modes also predisposes the organisation and the staff (typically long serving) towards bureaucracy.

TfL functions exclusively as a hierarchy: power is strictly apportioned on the basis of level, access is restricted to senior staff and merit, talent and performance are less important than rank. This can be related to one of the criticisms leveled at Weber, namely that he failed to distinguish between hierarchical and professional authority in his ideal-type of bureaucracy, and that the tension between these two authorities will create conflict in an

organisation (Gerth & Wright Mills, 1946), in contrast to professional authority, based on superior knowledge, skills and competencies.

This is interesting in the context of TfL, given its exclusive reliance on the hierarchical definition of authority. This is signified in a number of ways, which will be discussed in the section on culture.

This lack of recognition of professional authority is an issue for a number of ex-private sector employees, inculcated in meritocratic organisations, where professional authority is accorded a level of significance. Individuals brought in at very senior levels have found their lack of authority in TfL difficult to accept.

McKinsey's proposed matrix organisation was the intended successor to this bureaucratic model, where Modes were provided with centralised services, to allow them to concentrate on their core business of running their operation. This semi-centralised structure has, however, created significant boundary issues which remain unresolved and, as a result, has neither been accepted or adopted.

The result is neither a bureaucracy nor a matrix – the Modes have maintained their bureaucratic structures, and the matrix structure imposed over the top of it is regarded as additional and, to a large extent, irrelevant.

As indicated in the section above, the consequence of this was the “dysfunctional organisational structure” noted in the Branded study (Branded, 2004, p14). There is a lack of clarity in accountability and responsibility – typically, no one has clear accountability for any task. It also creates inefficiency, duplication, and an increase in transaction costs as both the Modes and the Centre spend considerable time trying to manage their counter-parts.

1.3.1.2.2.3. Organisational History

TfL is the successor organisation to London Transport (LT), an organisation which variously operated under the control of the GLC and central government in the 1970s and 1980s. LT's responsibilities for London Buses, Dial-a-Ride, Victoria Coach Station and London River Services were incorporated as Transport Trading Ltd on 4 May 2000, following the first Mayoral election in London. These, along with Croydon Tramlink, Travel Information Call Centre, LT Museum, Lost Property and the central support activities were transferred to TfL on 3 July 2000.

TfL also inherited Docklands Light Railway, Public Carriage Office, Traffic Control Systems Unit, Traffic Director for London, Woolwich Ferry and parts of the Highways Agency that dealt with London's roads.

London Underground Limited (LUL) remained independent until July 2003, when it was belatedly incorporated into TfL. The organisation had poor relations with Ken Livingstone, who famously referred to the management

team as “knuckleheads and dullards” (The Guardian, 2002a). This has two implications: it created feelings of betrayal and distrust from LUL management which still permeate the organisation today, but it is also routinely and opportunistically quoted by opponents of LUL such as Bob Crow (British Broadcasting Corporation, 2004), Socialist Worker (2004) and the Revolutionary Communist Party (2004).

At the time of the project, TfL was in a post merger integration phase, having incorporated London Underground (LUL) 1 year previously. The individual operating units (“Modes”) have strong identities and cultures (particularly LUL), and were resistant to TfL’s central control. The organisation and its various components were highly change resistant.

1.3.1.2.3. The McKinsey Project

When the decision was taken to integrate the disparate businesses and create the umbrella TfL organisation, McKinsey were appointed to design the high level structure for the new organisation. After a lengthy and expensive project (over £10 million), they developed an organisational structure which, it can be argued, was influenced by the operation of institutional forces as much as by business rationality. The top level organisation chart produced by McKinsey is reproduced in figure 17.

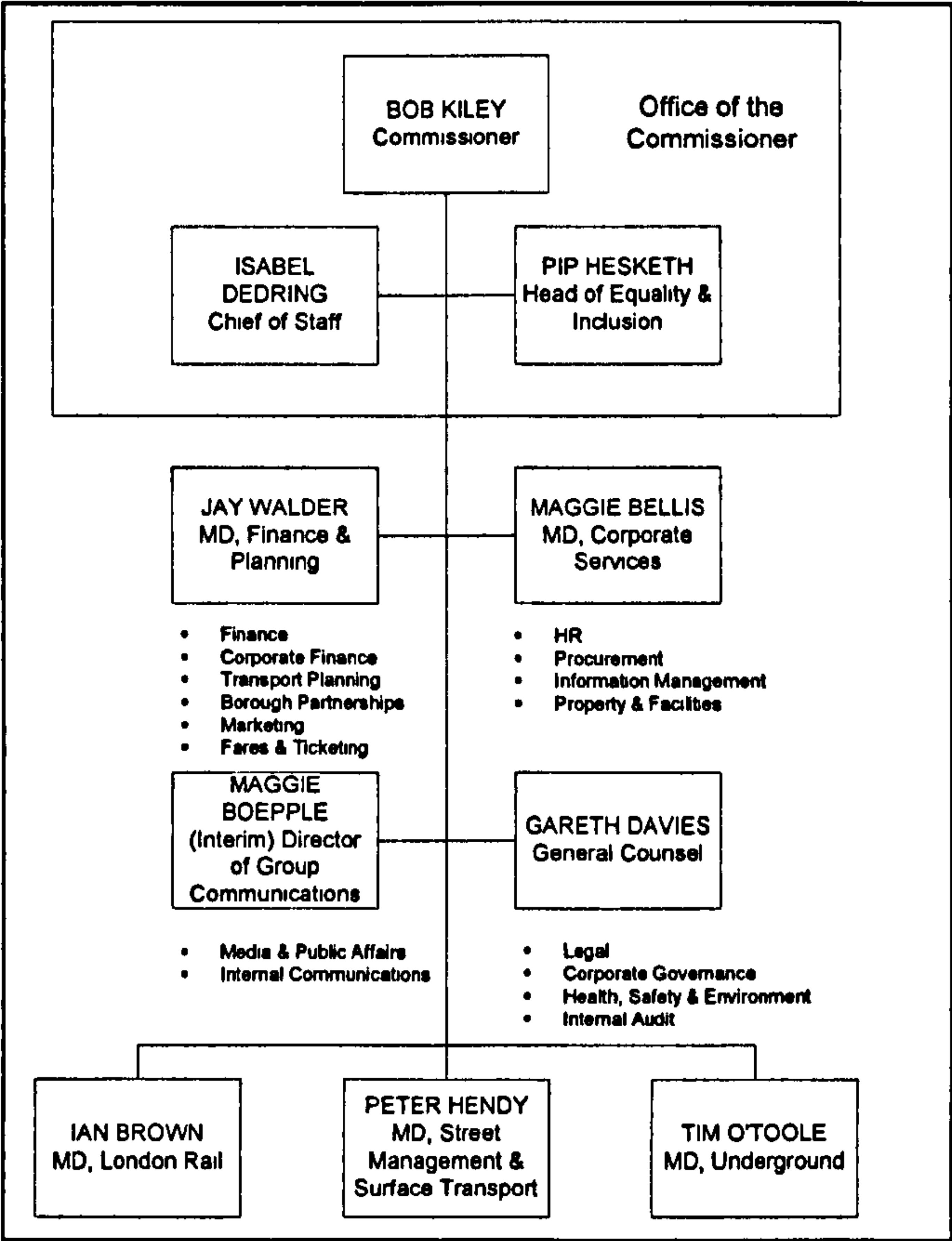


Figure 17: McKinsey Organisational Structure (TfL, 2003)

The model proposed by McKinsey was based on Dave Ulrich's shared services model, recommending the centralisation of standardised functions (e.g. Learning & Development – L&D, Resourcing, HR Services, IT, Financial Accounting) and strategic development (e.g. Group HR Strategy, Finance & Business Planning). Decentralisation was recommended where business efficient.

The project commenced 18 months after the McKinsey design was produced, and it was at that point evident that a number of issues had arisen during the implementation of the model:

The new organisational design recommended decentralisation where business efficient, which was interpreted by the Modes as a decentralisation policy, and by the Centre as promoting centralisation.

A number of activities remained unspecified by McKinsey (e.g. IT and Procurement were set up as central functions, but the majority of staff remained in the business units); this led to a 'resource war' as (typically) new, externally appointed senior managers attempted to centralise functions and modes retained their own staff or set up 'shadow' organisations.

The implementation of the McKinsey project failed to meet the basic requirements for organisational design (i.e., to use Fayol's principles of organisational design, authority with corresponding responsibility, unity of command and direction, and scalar chain of command: Brunel University, 2004). Given strong political and cultural drivers in the Modes towards independence (particularly in LUL), such ambiguity in accountability and reporting line allowed the Modes to maintain and create their own 'shadow' organisations.

The latter was a source of considerable friction, as the Centre endeavoured to fulfil its role and implement its new strategy into largely unresponsive business units. Modal managers, who saw their reporting line as exclusively to their modal MD, interpreted the attempts of the centre to deploy strategy as interference. Likewise, the Centre interpreted this behaviour as obstinacy and resistance to change.

Despite (Central) Finance's attempts to police budget and headcount, shadow organisations continued to exist. The lack of a strong integration message from the leadership team meant that such behaviour remained unchallenged.

The antipathy between the Modes and the Centre was clearly documented in the research on brand conducted in 2004 (Branded, 2004)¹⁷, which characterised the relationship between the Centre and the Modes as one of:

“... a stepfather coming into an existing family: uninvited, yet to prove itself, not one of us/not a blood relative, unable to assert itself, no mutual respect, struggling to find its role, struggling to communicate in the family's language”. (Branded, 2004, p8).

A further problem was that McKinsey were not asked to define organisational structures below Director level; it was left to the Modes and the Centre to decide optimal staffing (although McKinsey provided Saratoga benchmarks) and reporting lines for this headcount. In a politicised environment, this was a recipe for conflict, resulted in a frustrated Centre and resistant business units (overtly, via resistance and dissention, or covertly, again, in the setting up of shadow organisations).

The consequences of the implementation of the McKinsey model, coupled with the organisation's history, political dynamics and the characteristics of its leadership team was a highly dysfunctional organisation. The diagnosis of the 'Branded' study (Branded, 2004, p14) listed the organisation's "significant issues" as follows:

- Unclear role of TfL brand externally and internally
- Poor working relationships between the modes and the centre
- Confusion over customer relationships
- Dysfunctional organisational structure
- De-motivated employees
- Business inefficiencies.

Within the organisation, this state of affairs was largely attributed to the McKinsey model, although the model had not been seriously questioned, let

¹⁷.This study interviewed 137 people throughout the organisation, across all Modes and all levels.

alone disassembled. Reasons for this are suggested in the later discussion on institutional forces.

1.3.1.2.4. The HR Experience

To look specifically at the impact on HR, an example of the difficulties encountered in implementation of the McKinsey design is shown in figure 18, which shows their proposed HR design.

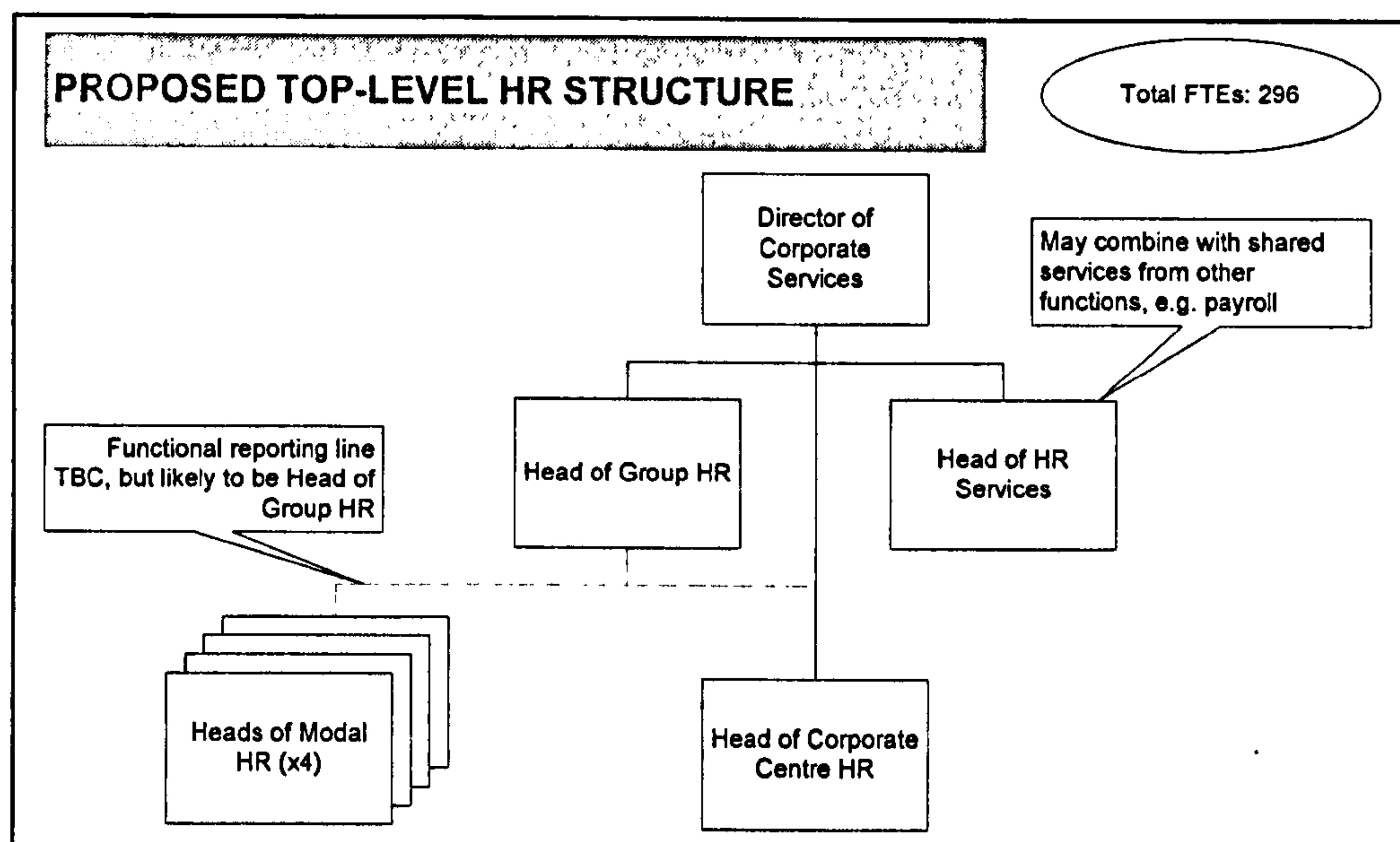


Figure 18: McKinsey HR Organisational Structure (McKinsey & Co, 2002)

Whilst some resources (L&D, Resourcing) were brought into the Centre (McKinsey was used as a mandate for coercive change), HR business partners remained in Modes. Despite the organisational chart shown in figure 21, there were no dotted lines in actuality from the Modes to the Centre, and the absence of other integrating mechanisms (shared objectives, 360 degree feedback) allowed the Modes to function largely independently of the Centre. This caused conflict and frustration in both Central and Modal HR.

The implementation of the Shared Service model created a further difficulty in HR by dividing Group HR and Group HR Service (HRS) between two directors. HRS had responsibility for putting in SAP and setting up an HR service operation, as well as delivering commodity L&D and resourcing. Although the individuals appointed into these roles endeavoured to manage this relationship and prevent conflict, the product emerging from Group HRS was vanilla, un-customised either to the Group HR strategy or the business environment into which it was to be implemented. The critical 'go-live' date in December had already been expensively delayed due to a failure to consider the business requirements (complexity of rostering operational staff in the pre-Xmas and Xmas period), and at the time of the project plans were underway to revise the McKinsey model and combine the 2 HR organisations under one head.

1.3.1.2.5. Staffing the New Structure

In January 2003, an extensive process commenced to fill roles in the new organisation. This began with the assignment of existing staff into roles in the new organisation ('preferencing'). Employees were categorised as 'mapped' (where posts were substantially unchanged – i.e. 60% or more of the job content was the same), 'hybrid' (where posts were substantially unchanged, but the number of staff required was less than the existing staff; in this case, selection was carried out on a 'closed list' basis) or 'at risk' (where new posts were created or posts were substantially different, selection occurred on a 'closed list' basis, with unsuccessful staff being formally displaced).

In parallel with the 'preferencing' exercise, external recruitment commenced. 151 positions were identified in top 4 levels of the new structure, 39 of which were deemed to be out of scope and 15 of which were resourced through block moves. This left 97 jobs to be filled, through the parallel processes of internal and external sourcing. Around 70% of these 97 jobs were recruited externally, creating a senior management cadre where over two thirds of the incumbents had been newly recruited, largely from the private sector, without public sector experience. These individuals were expected to work alongside the few internal placements placed in stretch assignments.

Corporate Services was a typical example of this process. An externally appointed managing director (ex British Airways and DHL) recruited her team from the private sector (Axa, Barclays, Capital One, American Express) to work alongside a sole internal placement. Although this caused few issues within the Corporate Services group, elsewhere it was highly problematic, in terms of the culture clashes, differing work ethics and a mutual lack of respect.

1.3.1.2.6. Vision and Purpose, Reporting and the Business Planning Process

1.3.1.2.6.1. Vision and Purpose

TfL's purpose is the provision of integrated transport across the Capital, through realisation of its vision, "A world class transport system for a world class city".

In 2004/5, this was directly linked to the Mayor's overall vision of London as an exemplary, sustainable world class city. 3 of the 15 objectives which underpinned the Mayor's vision were directly linked to transport, namely: to improve and expand public transport in London; to reduce congestion in London; to improve international, national and regional transport in London. Other objectives (e.g. improving safety, health, tourism, the economy and the environment) also had strong links to transport.

London itself creates challenges in terms of its transport infrastructure: it has a population of some 7.1 million (younger and more ethnically diverse than

the rest of the UK, speaking some 300 languages, and expected to increase by 800,000 by 2016) and 3.8 million people who work in London (723,000 of whom commute). The majority are employed in a small part of central London, leading to high levels of demand and congestion. London is the economic, business and financial centre of the UK and generates more wealth than any other region (whereas London has 12% of the population, it contributes 18% of the UK's output). 30 million tourists visit London each year, contributing £15 billion to the economy, and 75% of international arrivals to the country pass through London (figures from Transport for London, 2004).

In consequence, there is little spare capacity on road, rail or underground systems at peak times, an exceptionally high proportion of travel is undertaken on public transport, much of which is old.

TfL's business plan is driven by a number of documents, including the government's transport objectives, the London Plan, the Mayor's Transport Strategy.

1.3.1.2.6.2. Reporting

In terms of reporting, TfL is part of the Greater London Assembly (GLA) group, comprising the London Development Agency, Metropolitan Police Authority and the London Fire & Emergency Planning Authority.

TfL is headed by a Commissioner who reports directly to the Mayor of London. In 2005, the Commissioner was Bob Kiley, the Mayor, Ken Livingstone.

The Mayor has extensive powers over TfL, although the London Assembly is responsible for the scrutiny of the activities of both TfL and the Mayor. The GLA Act 1999 requires the Mayor to chair the TfL board of directors and the appointment of board members is entirely at the Mayor's discretion (although in practice the GLA Code of Conduct introduces an independent element into this process).

There were 14 board members at the time of the project, representing a wide variety of interests, expertise and background, including 2 trade unionists from ASLEF and TGWU (Bob Crow, General Secretary of the RMT, resigned as a board member following the Mayoral election). Three Special Advisors also attend the Board meetings, with the agreement of Board Members, but are not entitled to participate in decisions or vote on any issues considered by the Board.

This structure caused issues: the concept of a worker representative board (with membership from trade unions as well as special interest groups such as disability representatives) is well understood in Scandinavia and other social democrats countries, and works because all of the parties are obliged to work in the interests of a successful business. Bob Crow, especially, with no such

obligation, was unwilling to take a business perspective, and ensured that the Board was a showpiece, and decision making was positioned elsewhere.

The problematic nature of worker representative boards in the UK has been articulated since 1983 (Batstone, Ferner & Terry, 1983), and the TfL Board shows many of the characteristics described by Batstone (the impingement of worker representatives on strategy and decision making, the establishment of alternative decision making bodies and the discomfort and fragmentation of the union side).

Batstone further commented that the inherent conflict between the worker representative and trade union role and the opposition of management are such that it is such arrangements:

“... are likely to occur on any scale only when the political climate is favourable to the extension of workers’ rights.”
(Batstone, Ferner & Terry, 1983, p5)

TfL was such an organisation, the worker representative board illustrating the conflict between the organisation as a political entity (part of Ken Livingstone’s electioneering) and running a business, and the operation of institutional forces on the organisation. This will be discussed in greater detail at the end of this chapter.

The worker representative board created a further problem, as the issues with the composition of the board resulted in management of the business lying with the Commissioner and a group of managing directors and chief officers. However, the MD group meetings (‘COG’ – Chief Officers’ Group) was largely regarded internally as a talking shop and not a decision making forum.

This left the organisation without an executive decision making forum, with the result that anyone wishing to initiate an activity within the organisation had to ‘walk’ the idea to every stakeholder, and even if approved by each of the stakeholders, decisions were regularly reversed if a change in the political climate made that expedient.

1.3.1.2.6.2. The Business Planning Process

TfL’s business plan derived from the government’s transport objectives, the London Plan and the Mayor’s Transport Strategy. The business plan set out TfL’s priorities for investment in the transport system, including expenditure plans, resource requirements and targets.

Business planning was conducted around a decentralised view of organisational structure in financial matters, which gave each chief officer local authority to manage and incur significant levels of expenditure. Finance & Planning (F&P) co-ordinated the development of an annual business plan and budgeting cycle. They also monitored performance and progress against business plan targets throughout the year.

'Best Value' was an integral part of the business planning process. Legislated through section 6 of the Local Government Act 1999 and related Statutory Instruments and guidance notes, Best Value was a framework which challenged public sector companies to improve services and imposes a requirement on TfL to assess performance and put in place measures which sought continuous improvement in terms of efficiency and effectiveness of service delivery.

TfL used a scenario based financial planning system, in recognition of uncertainties around continuity of the political agenda and availability of funding.

1.3.1.2.7. Organisational Challenges

Project one was completed in early 2005. At that point, the future of TfL – and LUL - was subject to two sets of forces: political and business.

The political future of the organisation had largely been determined for the next 4 years by the re-election of Ken Livingstone for a second 4 year term in June 2004. This had given the organisation continuity and a level of stability to pursue its longer term strategy. This was particularly significant, given that the Chief Officers' contracts were typically linked to the Mayoral term, and the election of a candidate other than Ken Livingstone would have triggered the automatic termination of the majority of the Chief Officers' contracts, as well as the disestablishment of the Board.

Given the nature of the organisation, changes on a national political level were likely to be highly influential, but the consistency of direction in public sector policy adopted by successive Conservative and Labour governments suggested that this was unlikely to result in the organisation being disaggregated or having to undertake a major change of direction.

The business forces operating on the organisation had been changed radically by the government's introduction of public sector prudential borrowing. This allowed public sector companies to borrow to fund capital projects, and had resulted in a total of £10bn in investment being allocated to TfL over 5 years. This comprised £3bn in new borrowing, £3bn in capital investment funded by government grant and revenue surpluses and £4bn scheduled to go into LUL as a result of existing PPP and PFI contracts.

The organisation had an ambitious 5 year investment plan, including projects to grow the network, improve access and safety and environment friendliness (Transport for London, 2004f). This was in addition to TfL's involvement in Crossrail (the major east-west rail link, the route of which is Paddington – Bond St – Tottenham Court Rd – Farringdon – Liverpool St – Whitechapel), then estimated for completion in 2013. At the time of the project, funding for Crossrail was still under negotiation. Crossrail is London's key infrastructure project and is integral to any plan involving future transport capacity management in London.

Such an investment programme would create huge change in the organisation, requiring project management expertise, railway engineering capability and a level of organisational agility which the organisation did not possess. This ambitious investment programme will posed huge challenges to every aspect of the organisation.

1.3.1.3. *Culture in TfL*

This section will look at some of the cultures and sub-cultures in TfL and indicate some conclusions about how culture impacts on the organisation and its personnel. It will draw a cultural web (Balogun & Hope Hailey, 2004, p53) to create a picture of the organisation, then will look at two specific elements: organisational dichotomies and change resistance.

1.3.1.3.1. Cultural Web

The cultural web is a descriptive tool used to illuminate organisational culture.

The basic format is shown in figure 19.

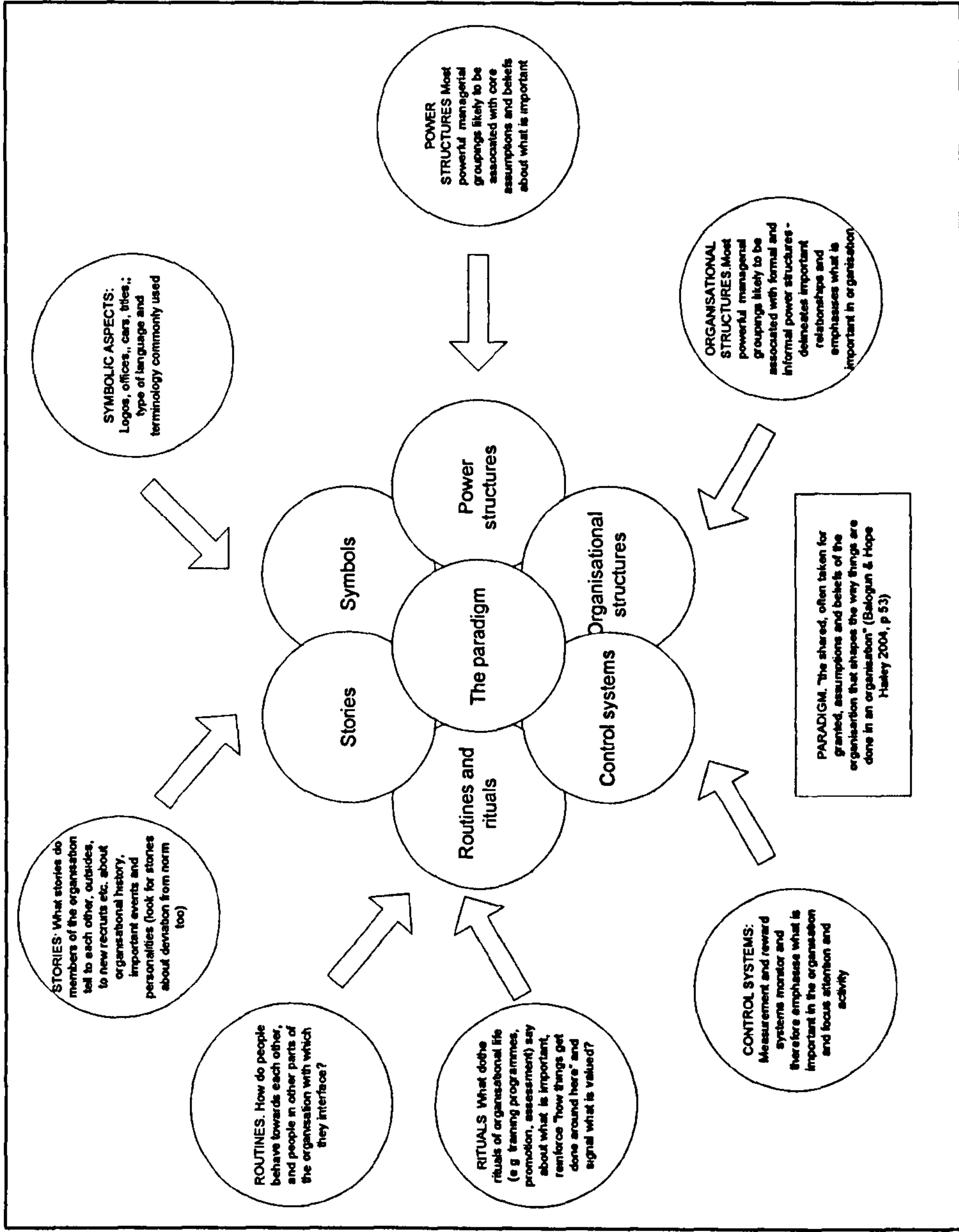


Figure 19: Cultural Web – The Tool

A simple cultural web was developed for TfL. The purpose of this was to illuminate the organisation's paradigm, i.e.:

"the shared, often taken for granted, assumptions and beliefs of the organisation that shapes the way things are done in an organisation." (Balogun & Hope Hailey 2004, p53)

i) Symbols

TfL's symbols are indicative of its constituent elements, rather than its integrated brand. All of the TfL entities are branded using the LUL roundel in different colours, which indicated both the significance of LUL to the organisation and the power of the LUL brand.

Offices also reflected the LUL heritage: the grade 1 listed Art Deco building occupied by London Underground is a grand property, redolent of the organisation's glory days in the 1930s. It is, however, markedly unsuitable as a modern office building, its cruciform design creating rows of individual offices, where closed doors are guarded by personal secretaries. The wood paneled executive and conference floors make a significant statement about power and position, exacerbated in summer as the only floor to have air conditioning is the 7th (executive) floor.

In Windsor House, the TfL building, this theme is continued. The structure of hierarchical authority is denoted in a number of ways, including job titles (e.g. "Commissioner" and "Chief Officers" have a quasi-political denotation), office space (whilst the organisation is extremely short of space, and open plan accommodation is the norm for all staff including heads of department and directors, Chief Officers have extremely large, enclosed offices including conference space), decision making authority and budgetary control (both of which rest exclusively with the Chief Officers and are not delegated, formally or informally).

A more detailed cultural web will be developed, which will include an examination of the language and terminology used in the organisation.

ii) Power structures

The most powerful managerial groupings in the organisation are likely to be associated with core assumptions and beliefs about what is important.

The hierarchy of Chief Officers was very evident at this time: the Commissioner was likely to listen to and accommodate the MDs of the 2 major operational businesses and the Finance Director in preference to the other MDs. This was evident in the response of the Commissioner to pay demands from the MDs (particularly the Finance, Legal and major operational – LUL and Surface - MDs, who have considerably higher salaries than their colleagues (Transport for London, 2004d, p13) and in the lack of challenge to

activities conducted in LUL and Surface which cut across the integration objective.

The Commissioner operated as a 'Chairman', rather than a CEO. This was exacerbated by the age of the Commissioner (69) and the perceived likelihood of his departure, which created infighting for CEO role (and potentially succession to the Commissioner's position) between the Surface and Finance MDs. This resulted in an MD population who were involved in political positioning, running the business on this basis rather than business rationality.

Directors had to utilise their MD to gain access to this group, as direct access was highly restricted. As indicated earlier, the organisation functioned as a hierarchical bureaucracy, and the existence of professional bureaucracy was very limited.

The style of the Leadership Team was diverse, but the Commissioner's old style management practices (project participants quoted him as saying that "a little management by fear isn't a bad thing) and American "macho management"¹⁸ sit uncomfortably with the public sector environment. Likewise, the FD was seen as "intellectual bullying" and ruling his department through fear and intimidation. However, charismatic leaders such as the MDs of Surface and LUL provided some counter-balance to this.

Whilst the percentage of females in the Managing Director group was reasonable (20%), they were concentrated in the 'typical' female professions of Corporate Services and Legal. The only ethnic minority in this group was fired after 5 months in post, and had been replaced by an interim whom is white and male.

Looking at the directorates as a whole, leadership style varied by unit, and by the extent of the transformation process already conducted. Figure 20 plots the dominant leadership style of the major units using Blake & Moulton's grid (1964).

¹⁸ C.f. quote from participant AC in project one.

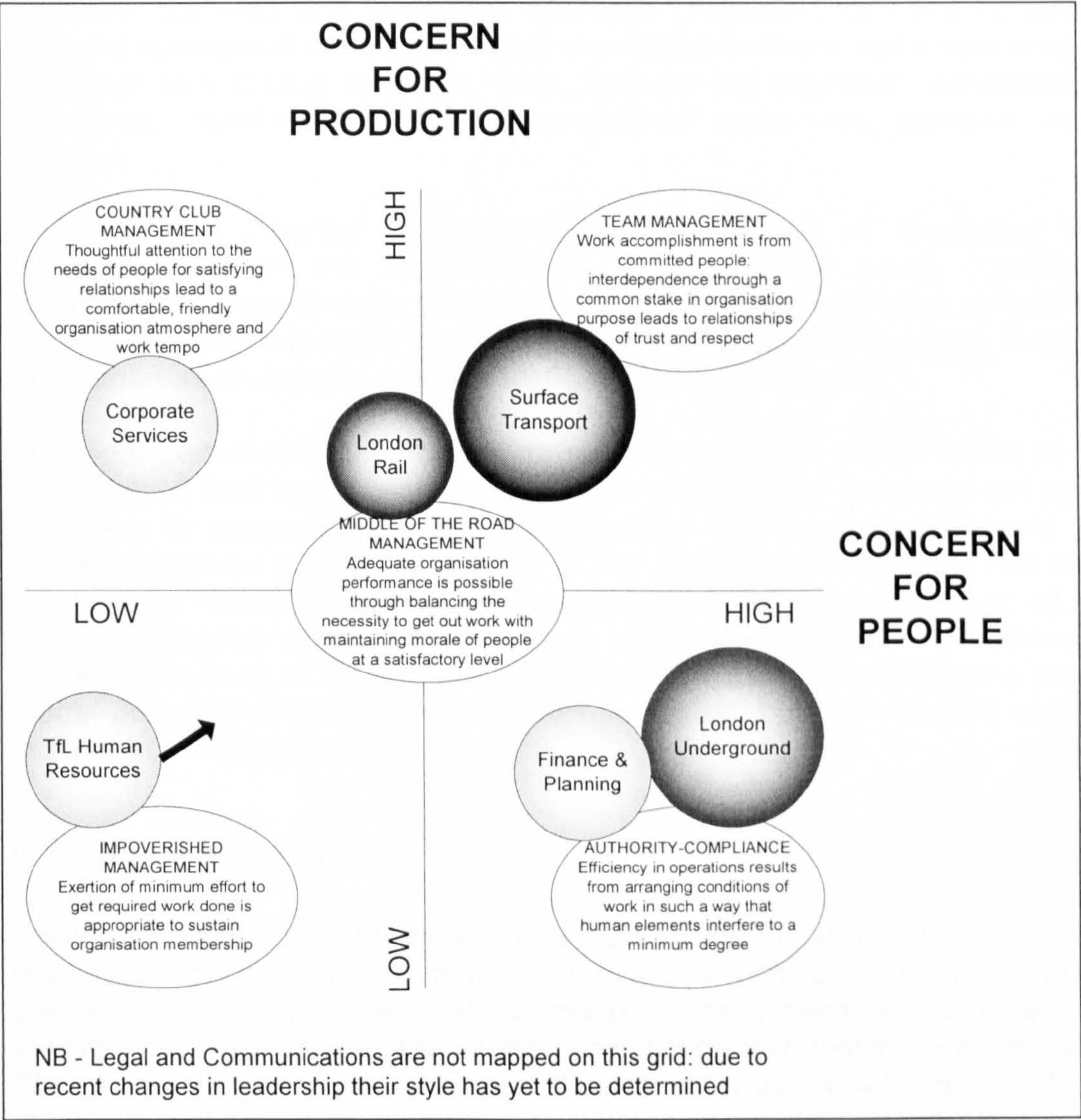


Figure 20: Mapping of leadership styles

iii) Organisational structures

The most powerful managerial groupings likely to be associated with formal and informal power structures which delineate important relationships and emphasises what is important in organisation.

This is covered in the section above.

iv) Control systems

Measurement and reward systems monitor and therefore emphasise what is important in the organisation and focus attention and activity.

The organisation's primary targets are passenger journeys, percentage of schedule operated and kilometres operated (Transport for London, 2004c, p4), and operational areas were rigidly monitored on these and a vast array of additional targets (e.g. incidents, ONA 'operator not available', adherence to timetable). Monitoring of the non-operational areas was, however, more sketchy.

Whilst Central Finance endeavoured to take control of headcount and budgeting through the establishment of the CIRG group (Corporate Investment Review Group), the legitimacy of this body had been questioned and it was accommodated as an organisational routine to be gone through, rather than as an integral part of a well managed organisation.

Individual performance management, even at the most senior levels in the organisation, was haphazard. Notably, the 'performance contracts' set up by McKinsey to support the integration exercise had been ignored, and the shared objectives for MDs generated in the performance contracts had been replaced by modal performance management systems or nothing at all. A new performance management system was being piloted in a number of areas at the time of the project, which had the objective of bringing cross-modal 360 degree feedback into the organisation, but this was still some 6 months from full implementation.

v) *Routines and rituals*

A more detailed study of routines and rituals will be found in the main body of the project, as this is a topic more amenable to a social constructivist analysis than a summary here, looking at how people behave towards each other, and towards people in other parts of the organisation with which they interface? The main body of the project will also consider what the rituals of organisational life (e.g. training programmes, promotion, assessment) say about what is important, reinforce "how things get done around here" and signal what is valued?

The approach to internal communications is a major indicator here, as its prescriptive style, use of limited media and its one-way approach were illustrative of the style of the organisation. Whilst internal communications

had dramatically increased their provision of information, their limited approach appeared to reflect the historical hierarchical approach to information and information sharing (the “need to know basis”). One can also see this in the adoption of the “Team Talk” process in LUL, the commendable vision of which was a discussion forum to support engagement of staff by their managers. However, its prescriptive, mandated form diminished its relevance and turned it into a mechanistic process which is disliked by both managers and employees¹⁹.

vi) *Stories*

The body of the project will also examine what stories members of the organisation tell to each other, outsiders, to new recruits etc. about organisational history, important events and personalities. It will also look for variance between different levels and units within the organisation.

LUL, with its history, had the largest number of stories, a number of which centred around the last major restructure (“Company Plan”) and the activities of the previous HR director, Bob Mason.

vii) *The Paradigm*

The rudimentary cultural web drawn above has a number of elements which can be extrapolated as a paradigm, namely:

- Individual performance does not matter
- Integration does not matter
- The command and control structure supports hierarchical authority
- The organisation has difficulty in determining whether it should be a business first and a political entity second, or the other way round.

¹⁹ C.f. quote from participant DH in project one.

1.3.1.3.2. **Dichotomies**

There are a number of clear dichotomies in the organisation.

- Mode/Centre
- Public sector/private sector
- American/British
- Politically oriented/business oriented.

The importance of these dichotomies is not to be underestimated: they polarised the organisation to the extent that opposing views were not reconciled, and that strategy formulation and implementation were seriously impeded.

i) *Mode/Centre*

This is dealt with in the sections above.

ii) *Public Sector/Private Sector*

As well as modal integration, TfL also had a schism between public sector and private sector views, attitudes and approaches. Over 100 senior external hires were made to facilitate the organisation’s integration, the majority from the private sector. This resulted in the development of competing world views, both of which had positive and negative attributes. These are shown in figure 21.

	Positive Values	Negative Features
Public Sector Model	Representativeness, social responsibility, respect for the individual	Entitlement culture, cult of mediocrity, task rather than results focus
Business Model	Business focus, customer service orientation, flexibility, performance based	Bullying, disrespectful behaviour

Figure 21: Values of the Generic Public Sector and Business Models (Barrett, 2003, p3)

These two integration challenges (modal integration and public sector/business model integration) were reflected in a number of different ‘conversations’ within the organisation, the lack of a shared vision or shared social reality hindering the integration process.

These two polarities reflected the organisation’s often conflicting dual role of operating a business and functioning as a significant element of the Mayor of London’s political positioning. It was a highly politicised organisation, subject to considerable financial and business pressures as well powerful institutional forces.

iii) American/British

The Chief Officer group was divided between American (Commissioner, FD, MD LUL) and UK (MDs of Surface, Legal, Corporate Services, Communications and London Rail) personnel. This appeared to cause few problems at the executive level (although different attitudes and approaches to industrial relations were a source of tension), but the number of Americans holding senior positions in what was perceived as a quintessentially British organisation was a source of dissent at lower levels in the organisation.

iv) Politically Oriented/Business Oriented

This is dealt with in the sections above.

1.3.1.3.3. Change Resistance

A final comment should be made in this section under the heading of change resistance. As expected in a public sector organisation, with its exposure to institutional forces, the organisation was inherently change resistant.

This had implications for the role of change agents, who typically find their activities regarded with suspicion and covertly or overtly blocked.

This resulted in a variety of change strategies being adopted. The two most common were 'coercive' and 'virus'. The 'coercive' strategy endeavoured to force through change via ensuring resource dependency by taking control of resources, whereas the 'virus' strategy attempted to create user 'pull' via piloting projects in sympathetic areas.

The former strategy in TfL had greater success, as demonstrated by the progress made in HRS (where McKinsey centralisation of resources created resource dependency in the areas of HR information, administration, learning & development and resourcing) and Group HR (where projects such as performance management were only now beginning widespread roll out, due to the lengthier timeframe of the 'virus' process). In the long term, however, the levels of user resistance generated by the HRS approach may ultimately mean that the 'virus' approach was more suitable for generating long term buy in.

1.3.1.3.4. HR in TfL

The status of HR at the time of the project was problematic: HR had been for years seen in the TfL predecessor companies as administrative, bureaucratic, proceduralised and lacking in both competence and business focus. Despite

the recruitment of a new HR team in the early part of 2003, that legacy had been difficult to redress.

The Commissioner had no strong empathy with HR, as demonstrated by the positioning of HR on the organisational charts: HR was not represented directly on the Board (its reporting line was via the Managing Director, Corporate Services), and the senior HR role was a director, not a managing director. In a hierarchical organisation, this was indicative of the view of HR which was taken. Furthermore, the Commissioner had an arcane and selective view of HR (his major requirement from the function over the previous year had been a closed door succession planning process).

HR had for many years operated as a closed system, as figure 22 (an analysis of the function against best practice) shows.

Area of HR	Best Practice (open system)	TfL HR (closed system)
REWARD	<p>American style compensation practices (Berger & Berger, pp17-40) becoming more prevalent, i.e.: Variable pay (and increasing use of competency based as well as results based bonuses) Contribution/business value add based pay Pay points based on market/external equity Gainsharing/stock options & restricted stock/profit share to encourage ownership Grading structures tend to be based on very broad bands</p> <p>Formal job evaluation may be limited or may not be used at all Increasing use of customised remuneration strategies to achieve specific business objectives²⁰</p> <p>Increasingly flexible and innovative approach to benefits and benefits delivery (Phelps, p48)</p>	<p>Traditional pay structures predominate (IPD Report Number 9), features of which include: Fixed pay with minimal variable element</p> <p>Little or no contribution or business value add based pay Pay points based on internal equity Entitlement culture No stock options or profit share (by definition) but also little use of gainsharing Elaborate grading structures (many levels and sub levels, incremental seniority based progression over a number of years) Elaborate formal job evaluation (typically Hay or similar KSA based system) No reward strategy or strategy unlinked to business objectives (CIPD Survey Report, p4) Traditional set benefits package based on assumption of a static workforce</p>

²⁰ e.g. Berger's Alignment Model, in Berger et al, p7.

Area of HR	Best Practice (open system)	TfL HR (closed system)
RESOURCING	<p>External recruitment at all levels</p> <p>Key role succession planning only, if at all; talent management becoming increasingly common</p> <p>Selection based on competencies</p> <p>Management of attrition through wide ranging (and often stock and cash based) retention strategies</p> <p>Large scale redundancy programmes in economic downturns</p> <p>Equality promoted as making good business sense</p>	<p>Internal resourcing for all but most junior levels (although senior recruitment has latterly tended also to be external),</p> <p>Elaborate succession planning at all levels; talent management programmes unusual</p> <p>Selection based on experience and technical skills</p> <p>Little need to manage attrition as high retention, supported by incremental seniority based promotion scales and final salary pension arrangements</p> <p>Degree of insulation from economic downturns</p> <p>Equality promoted as a pre-eminent organisational value</p>

Area of HR	Best Practice (open system)	TfL HR (closed system)
DEVELOPMENT	<p>Companies operate as “learning organisations”, where staff take responsibility for their own learning</p> <p>Self-directed learning</p> <p>Supports individual learning</p> <p>Supports employment proposition of employability</p> <p>Individually tailored programmes</p> <p>May use a wide variety of developmental interventions</p> <p>Management development concentrates on leadership ability at many levels in the organisation</p> <p>Organisational development supports a wide range of topics including change management, cultural interventions, organisational architecture and design and individual, interpersonal, group & organisation wide interventions</p>	<p>Traditional training and development function teaches job skills</p> <p>Organisationally driven and selected learning</p> <p>Supports immediate job requirements</p> <p>Sheepdip, not individually based</p> <p>Learning & development tends to equal formal classroom training</p> <p>Management development concentrates on top leadership</p> <p>Organisational development equates to learning & development and perhaps limited involvement in counseling</p>

Area of HR	Best Practice (open system)	TfL HR (closed system)
EMPLOYMENT BRAND	<p>Business focused</p> <p>Employability</p> <p>Employer of Choice</p> <p>Wealth creation through ownership and equity stakes</p>	<p>Paternalistic</p> <p>Job security</p>

Area of HR	Best Practice (open system)	TfL HR (closed system)
EMPLOYEE RELATIONS	TU partnerships moving towards European model of co-determination Performance managed by reward and discipline, significant differences between treatment of high and low performers	Conflict model Limited management of performance, little difference in treatment of high and low performers
INFRA-STRUCTURE	Service centre driven to gain efficiency and consistency Increasing trend towards outsourcing of administrative processes	Arcane, often manual processes

Figure 22: Appraisal of TfL Versus Best Practice (Barrett, 2003a)

In 2004/5, the modernisation initiative in the public sector had reached HR, but its attempts to introduce best practice prior to the McKinsey restructure were poor. An attempt to bring in competency based 360 degree performance management was over-engineered, introduced without business buy in and consequently not used; PRP (performance related pay) was ‘neither fish nor fowl’, providing for performance related bonuses, the concept of which was then emasculated by consolidation of those bonuses into salary.

Employee relations was likewise unsatisfactory: terms & conditions were fragmented, inconsistent and inequitable, innumerable TUPE transfers which had not been followed by harmonisation activities creating significant disparities in pay and conditions (most noticeable of which is the £12,000 salary gap between bus and train drivers). The employee relations atmosphere was unhealthy, employees relying on grievances, harassment claims and tribunals to resolve internal disputes, or to deflect attention from their own misdemeanors or under-performance, even at very senior levels in the organisation (a 2004 example involved a head of department accusing another head of department of discrimination following the initiation of a disciplinary investigation into the conduct of the former).

Industrial relations was old fashioned and adversarial. Industrial relations in LUL wa a throwback to an earlier generation of industrial relations practice: the complex multi-union environment, the use of LUL as a political pawn by militant trade unions, entrenched and bitter actors with long histories on both management and staff sides, and pockets of unsympathetic and adversarial management created one of the most difficult industrial relations environments in the UK. LUL’s IR climate was epitomised in the following quote:

“The RMT on London Underground, with its left wing leadership, seems to typify the image of so-called old-fashioned militant trade unionism which many commentators assumed had long ago been abandoned.” (Darlington, 2001, p5)

Surface Transport, in contrast, had relatively cordial relations with its TGWU dominated union environment, largely due to the long relationship between union personnel and the managing director, Peter Hendy, and his personal management of union relations. London Rail, a newer organisation, had little entrenched union history and a satisfactory, if occasionally difficult, industrial relations environment.

Typical of both Modes and Centre was the contemptuous treatment of moderate trade unions by managers and HR staff alike: only trade unions who had the capability and the willingness to take industrial action were taken seriously.

TfL lacked an industrial relations strategy, hence appeared caught in an eternal cycle of pay rounds, ballots and industrial action. The two main strategies for proactive management of industrial relation, union substitution activities or partnership working, had, at the time of the project, by-passed London Underground, although vestiges of the latter were to be seen in the non-LUL businesses and a successful move towards partnership in the Centre.

An ambitious programme of modernisation in HR was currently underway, although resistance in the senior management and Modes was proving very difficult to overcome.

The major areas of change were SAP implementation (HR shared service, L&D and resourcing) and an organisational efficiencies programme which was mid-way through exiting large numbers of staff or reassigning them to different roles.

Organisational Capability, employee relations and compensation & benefits were all undergoing significant and transformational change, with new strategies being adopted in each of these areas.

1.3.1.5. *Industrial Relations in TfL*

1.3.1.5.1. Introduction

TfL has high levels of trade union membership, including significant management representation, despite the fact that this group is not covered by a collective bargaining agreement. It operates in a multi-union environment, with a range of unions from moderate to militant²¹.

It has 4 main union players (ASLEF, RMT, T&GWU and TSSA), small memberships of two large unions (GMB and Unison), as well as a number of very small trade unions with insignificant membership (BTOG, Prospect). Figure 23 describes the TfL trade unions and their characteristics²².

²¹ Kelly's (1996) definitions of 'militant' and 'moderate' will be used throughout, which define militancy as preparedness to take industrial action, having an ideology of conflicting interests and a reliance on the ability to mobilise members.

²² Membership figures are TUC figures, Jan 2003.

TEXT BOUND INTO THE SPINE

(Abbreviation)	(Full name)	(Classification)	(Size)	(numbers)	(estimate)	(Target membership)	(Political orientation)
ASLEF	Associated Society of Locomotive Engineers & Firemen	Craft	Small	16,172	Medium	Railways (drivers, operational supervisors and staff)	Militant (but recently deposed moderate general secretary)
BTOG	British Train Operators Guild - part of Amicus' Federation of Professional Associations	White collar	Very small	Not disclosed	Low	Managers, engineers and other professionals in the transport industry	Moderate
GMB	General, Municipal & Boilermakers' Union	General	Very large	703,970	Low	Public services - primarily NHS, local government, care education; also engineering, construction, shipbuilding, energy, catering, security, civil air transport, aerospace, defence, clothing, textiles, retail, hotel, chemicals, utilities, offshore, AA, food production and distribution	Moderate
PCS	Public and Commercial Services Union	White collar	Medium - large	281,923	Low	Government departments and agencies, public bodies, private sector information technology and other service companies	Moderate
Prospect	Prospect	White collar	Medium	105,480	Low	Engineering, scientific, managerial and professional staff in agriculture, defence, electricity supply, energy, environment, health & safety, heritage, industry, law & order, shipbuilding and transport	Moderate
RMT	National Union of Rail, Marine & Transport Workers	Craft/semi-skilled/unskilled	Medium	63,084	Medium	Railways and shipping, underground, road transport	Militant
T&GWU	Transport & General Workers Union	General	Very large	835,351	Medium (dominant in associated companies, particularly buses)	Administrative, clerical, technical and supervisory: agriculture, building, construction and civil engineering; chemical, oil and rubber manufacture; civil air transport; docks and waterways; food, drink and tobacco; general workers, passenger services; power and engineering; public services; road transport commercial; textiles; vehicle building and automotive	Previously militant, moving to moderate
TSSA	Transport Salaried Staffs Association	White collar	Small	32,345 (exc NI)	Medium	Administrative, clerical, supervisory, managerial, professional and technical employees of railways, London Underground, buses, road haulage, port authorities and waterways in GB and Ireland, including employees in the travel trade, hotel and catering industry	Moderate
Unison	Merger of COHSE (health service), NALGO (national and local government officers) and NUPE (public employees)	Federation of single industry/white collar unions	Very large	1,289,000	Low	Local government, health care, the water, gas and electricity industries, further and higher education, schools, transport, voluntary sector, housing associations, police support staff	Moderate

Figure 23: Transport for London's Trade Unions and Their Characteristics

1.3.1.5.2. History of the Trade Unions

This section will present a brief history of the 3 major trade unions: RMT, ASLEF and TSSA.

RMT

RMT are viewed within TfL as the most politically motivated of the trade unions. A general union, with major memberships in the train driving and station assistant populations. The origins of the RMT lie in the 1870s, with the establishment of the NUR (National Union of Railwaymen). The RMT can be described as a 'syndicalist' trade union, i.e. they believe that workers should organize into a single group to take control of means of production and abolish wage system. They are a semi-closed union, in that members have to be associated with the railway or maritime industries, but they accept a broad range of workers within that industry (from train drivers to station assistants).

ASLEF

ASLEF, whilst categorized within the organisation as a militant trade union, have very different origins, based within a 'craft' or a 'professional guild' tradition rather than a syndicalist one. This is clearly indicated in their manifesto: "To promote at all times a pride in our craft and to act in a professional manner, committing ourselves to providing a public service and safety ethos at all times" (ASLEF Publications, 2004, p5).

Established at roughly the same time as the RMT (1880), ASLEF is a wholly closed union, membership of which is only open to train drivers.

TSSA

TSSA occupy a very different niche to RMT and ASLEF. Whilst a general, open union, their origins as a staff association both define their membership (managerial and white collar staff, although they do have a significant membership within the station assistant population, bringing them into competition for members with the RMT) and constrain their strategy (white collar staff are less easy to collectivise and mobilise, and less tolerant of adoption of militant tactics).

1.3.1.5.3. Industrial Relations Strategy in TfL

At the time of the project, TfL had modal industrial/employee relations strategies which were implicit rather than articulated, and were based on traditional models of negotiating machinery and dispute resolution. There was no over-arching industrial/employee relations strategy for TfL.

The absence of clear strategy, multiple strong, politically motivated trade unions and government intervention had led to years of appeasement behaviour which reinforced the power and position of militant trade unionism in London Underground, impacting TfL as a whole.

Multi-unionism can create difficulties for organizations (Salamon, 1998, p147): competition between unions for both members and jobs, creating job demarcation disputes; complicated collective bargaining; duplication and dilution of union efforts to recruit, represent and service members; and the need to form joint shop stewards' committees and other co-ordination mechanisms.

Multi-unionism can, however, also create opportunities for organisations: internal and external politics mean that three of these unions in TfL were "in play" at the time of the project, as shown in figure 24.

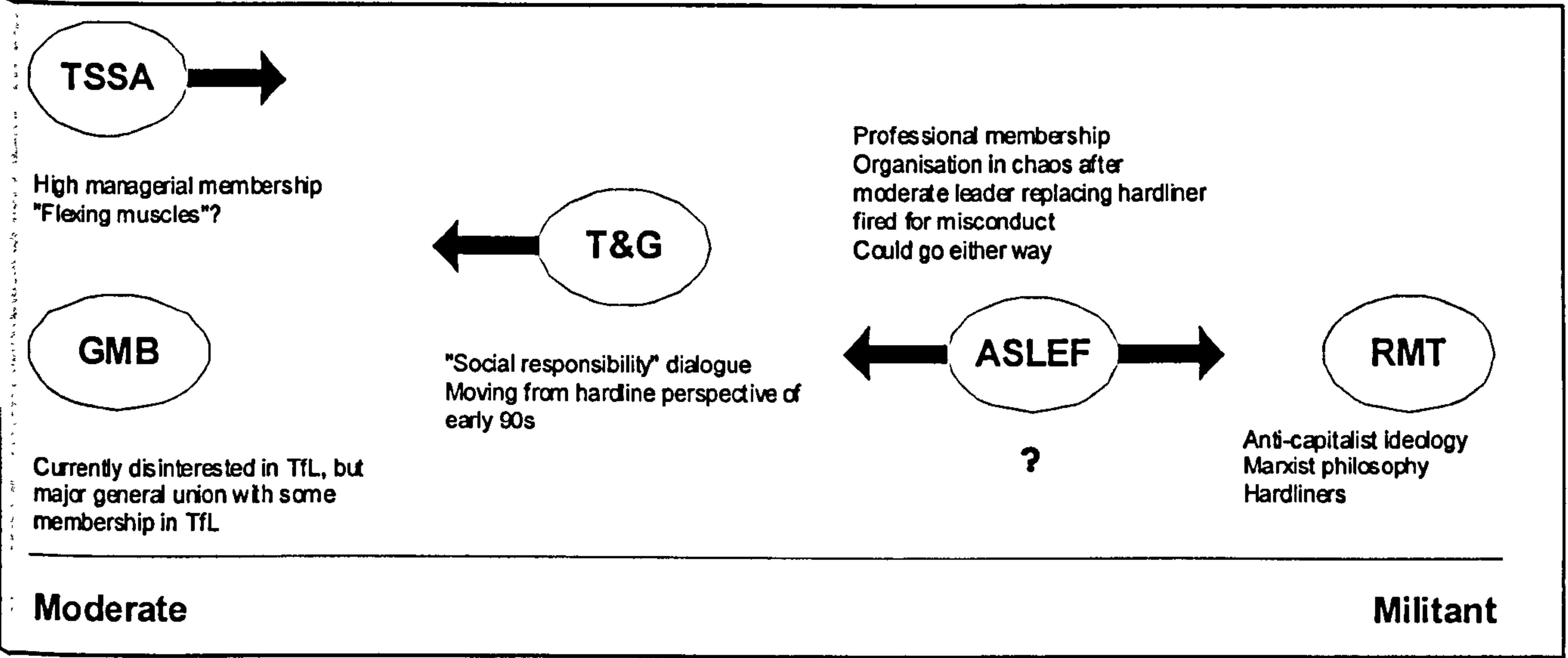


Figure 24: Trade Union Positioning in Transport for London (Barrett, 2004)

However, the opportunities presented by multi-unionism had not been exploited (particularly the more moderate influences of TSSA and T&G). The organisation continued to be reactive to its militant trade unions and, at best,

tolerated its moderate trade unions. The environment continues to be adversarial, typified by protracted negotiations, threats of or actual industrial action and inter-union conflict and competition for members.

A forcefield analysis was conducted for the industrial relations aspect of TfL, as shown in figure 25.

Enablers	Blockers
TSSA desire for greater influence	History of appeasement behaviour
SR 2004 and budget pressures ("burning platform")	Organisational lack of experience and expertise in change management
Inter and intra union fragmentation	Inter and intra union fragmentation
	Lack of trust (management and TUs)
	Variable managerial capability
Success of TUCF move to modern model	Presence of adversarial and politically motivated trade unions
	Interference from political element, restricting employee communications
	"Command and control" culture

Figure 25: Industrial Relations Forcefield Analysis (Barrett, 2004a)

A tripartite industrial relations strategy was under development in late 2004, based on formal partnership negotiations, the move to a local representative de-escalation/early engagement model and employee engagement (with a strong emphasis on managerial capability). This was, however, not yet in place.

Industrial relations in LUL is complex and profoundly influenced by historical events, and although there was a level of commonality in the views of IR which were expressed, there were also widely differing perspectives on historical events, the current state and suggested future strategy. As such, this makes IR in LUL more amenable to a deep social constructivist analysis than to attempt to provide an overview here. Section 6 will use discourse analysis to provide a richer analysis of the state of IR in LUL.

1.3.1.6. Summary

This chapter described the Transport for London organisation and has endeavoured to provide a flavour of the organisation's culture, creating the framework in which the analysis of LUL can be situated.

A clear theme running through the organisational analysis is the operation of institutional forces on the organisation (Meyer & Rowan, 1977) and the conflict that these institutional forces create with business and operational pressures.

Examples of the influence of institutional forces include:

- The positioning of E&I (Equality & Inclusion) as a direct report to the Commissioner reflected the importance placed upon this issue by the Mayor and its centrality to his political positioning and electioneering.
- The 'fudged' organisational structure proposed by McKinsey, which is neither decentralised nor centralised. As the organisational structure fails to meet the basic requirements for organisational design, one has to surmise that the aim of the structure was to appease the key players in the organisation rather than to create a workable business structure.
- The McKinsey model remained unchallenged, despite the obvious issues which it causes throughout the organisation and the fact that applications of the same model were being dismantled by organisations (like BT) who implemented similar structures under the guidance of McKinsey; one may surmise that it was sustained by political forces within the organisation (both the Finance Director and Chief of Staff being ex-McKinsey; an expensive project is rarely criticised by the management team which commissioned it).
- The worker representative board structure, despite evidence of its lack of success elsewhere and its results on organisational dynamics (decision making has had to be made elsewhere), may be interpreted as a political decision made by Ken Livingstone to bridge his ideology as a trade unionist and his responsibility as the ultimate authority of Transport for London.

The lack of a 'burning platform' (i.e. a compelling business reason to change) allowed the organisation to continue to operate with a level of inefficiency which would be untenable in a private sector company (TfL ran at a £757m deficit in 2003/4; Transport for London, 2004b), despite having higher ticket prices in LUL than any similar system in the world); this lack of balance to institutional forces allowed them to propagate within the organisation.

The consequence of this was an organisational structure which actively blocked modernisation (RBV), instead pandering to political forces (institutional theory). It was unlikely that the organisation will progress without addressing this fundamental issue.

The natural role to raise this was the MD, Corporate Services. This individual, however, was unlikely to be able to drive this through. She was disadvantaged by the operational versus non-operational hierarchy imposed by the Commissioner, which devalued her role relative to the operational MDs. A number of personal characteristics further precluded her from challenging

the organisation – her style was conflict avoidant and service oriented (upward management being her major priority), coupled with a lack of interest in ‘rocking the boat’ (this was her last job, from which she expected to retire in 18-24 months). People further down the hierarchy were unlikely to be able to influence, due to strength of hierarchy, therefore change was unlikely in the medium term.

1.3.2. Specific Literature Review

The initial literature “map” used for this research is shown in figure 26.

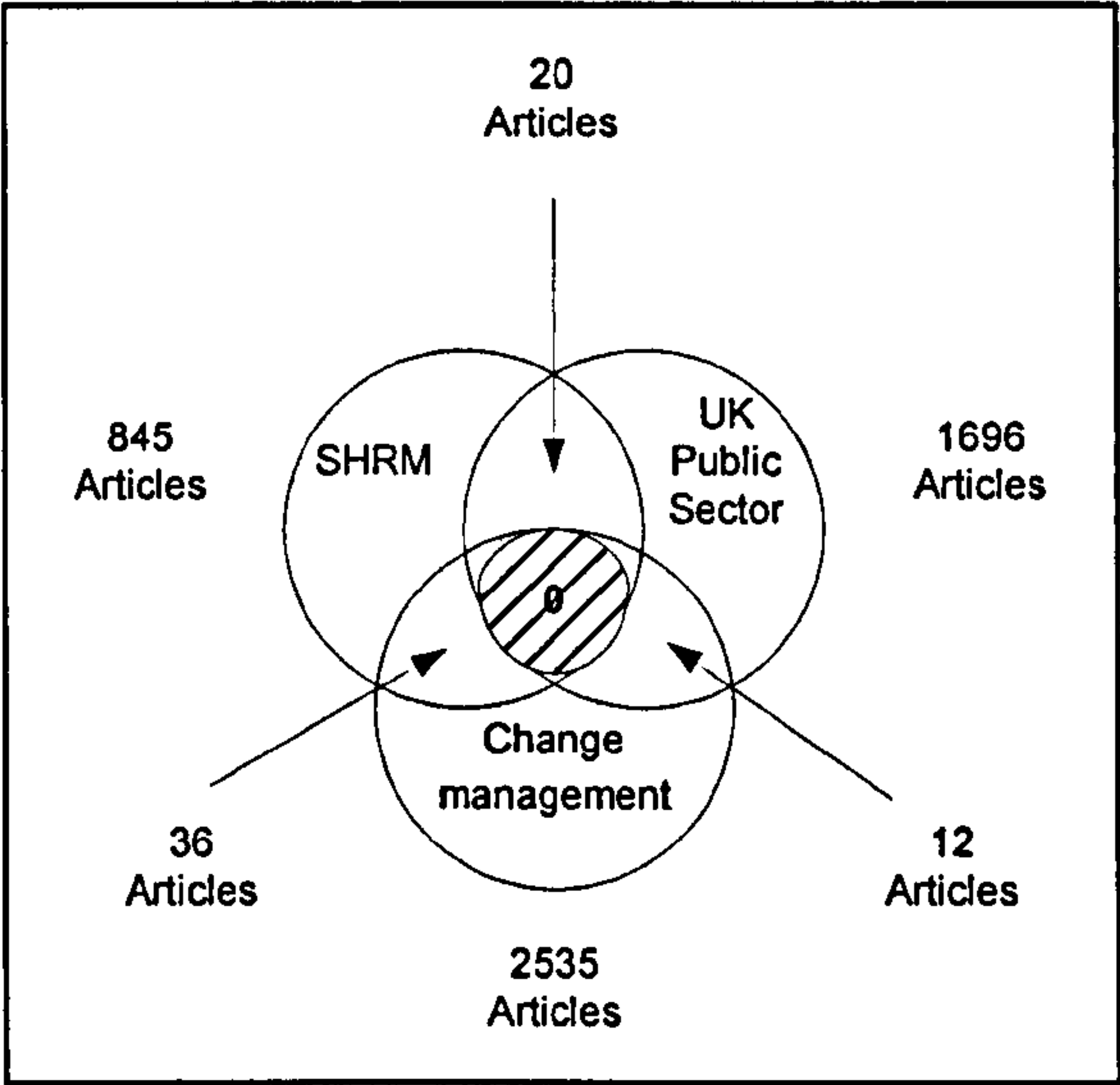


Figure 26: Initial Literature Map for Research Area

As can be seen above²³, there is considerable research in each of the three areas of SHRM, UK public sector and change management. The literature

²³ The figures relate to the number of scholarly articles found referencing each area in the citation and abstract, including the usual antonyms, using the ProQuest search engine. The EBSCO database produces similar results.

within each of the “intersections” on the Venn diagram, however, is small. Using this methodology, there is no scholarly research which links the three areas (indicated by the ‘0’ in figure 26, which suggests a gap in the existing literature. A literature review was conducted for the intersection between the two remaining topics, based on the principles of systematic review, and this will be summarised in section 1.3.2.1.

Similar literature reviews were conducted on the areas of industrial relations (section 1.3.2.2.) and public sector industrial relations (section 1.3.2.3.). Section 1.3.2.4. will look at the literature in the intersection between IR and SHRM. The literature maps²⁴ for these areas are shown in figure 27.

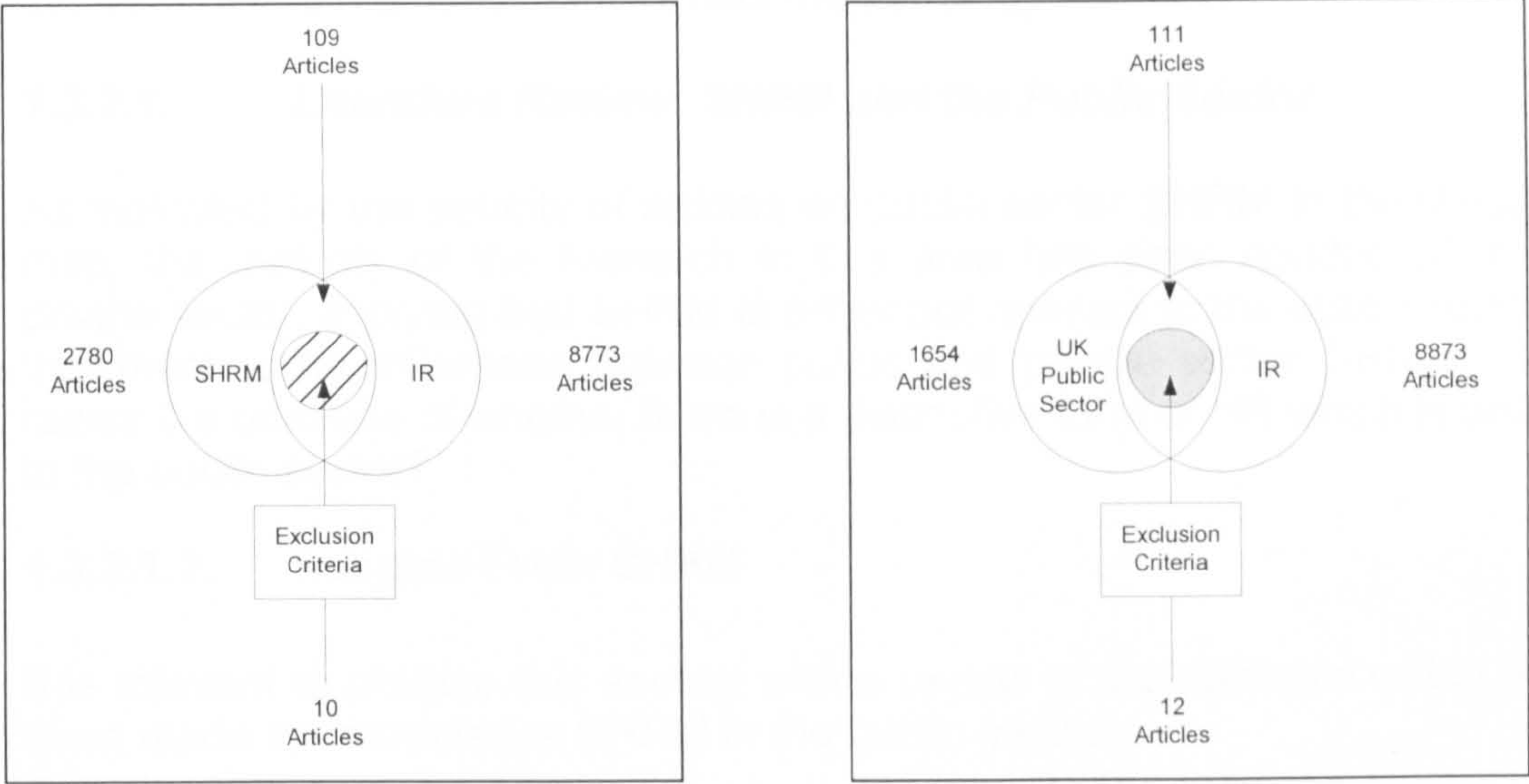


Figure 27: Literature Maps for Key Industrial Relations Areas

²⁴ The figures relate to the number of scholarly articles found referencing each area in the citation and abstract, including the usual antonyms, using the ProQuest search engine. The EBSCO database produces similar results. This was supplemented by a title and abstract search through the last 10 years' editions of three key journals: the British Journal of Industrial Relations, Industrial Relations Journal and Employee Relations.

Section 1.3.2.5. will consider 4 specific writers on industrial relations who have work of particular relevance to the LUL studies: Darlington, Batstone, Kelly and Fox.

No attempt was made to review the extensive literature on change management, but section 1.3.2.6. provides a review of the limited literatures on change management, HR and the British public sector. This will be supplemented in section 1.3.2.7. by a review of arguably one of the most important elements of public sector change literature: commercialisation and modernisation. A brief review of the most relevant articles on organisational politics, power and conflict will also be included (section 1.3.2.8.), although this did not use the systematic review methodology.

1.3.2.1. *Literature Review: SHRM and the Public Sector*

As indicated by the paucity of articles on public sector SHRM in the literature map, the majority of the research in this area has been conducted in the private sector, implying that SHRM is either not relevant to the public sector or that there is no difference between public and private sector SHRM. This raises the question of whether there is a distinctive form of HR which is unique to the public sector?

1.3.2.1.1. Insights From SHRM

It is relevant to preface this section with a review of the attempts which have been made to characterise SHRM in the public sector²⁵.

The literature makes a case for a distinctively different public sector environment, particularly in respect of employee and industrial relations.

²⁵ The terms HRM and SHRM will be used interchangeably in this section, as the latter term is rarely used in the context of public sector environments.

“... in the area of HRM at least, organizational policies and practices in the public and private sectors remain different in many important respects. In particular the traditional style of paternal, standardized and collectivized HRM is more prevalent in public than private organizations.” (Boyne et al, 1999, p417)

Farnham & Horton (1996) identified 4 characteristics which defined HRM in the public sector, which clearly defined an industrial relations model for the public sector. This model is briefly reviewed in figure 28.

Public sector characteristics	Description	Private sector characteristics
Farnham & Horton, 1996		Boyne et al, 1999
Paternalism	A paternalistic style of management, emphasising the health, safety and welfare of employees	Rationalism, individualism
Standardisation	Standard employment practices typify the public sector, i.e. consistency of pay, terms and conditions for people doing the same job or providing the same service, irrespective of geographical location	Flexibility
Collectivisation	Emphasis on staff participation and consultation, strong role for trade unions, high levels of union membership, focus on collective bargaining	Rationalism, individualism
'Model employer'	The public sector aspires to be a 'model employer', setting employment and HR standards to which other sectors should follow	The end or the private sector's assumption of the model employer role

Figure 28: Model of Public Sector HRM

Boyne et al's (1999) questionnaire based study confirmed that there were statistically significant differences between the sectors on the majority of factors under each of the above headings, suggesting that there is still a distinctive HRM for the public sector.

There is thus evidence to support the existence of a distinctive HRM in the public sector environment (Brook, 2002), but is industrial relations itself manifest in a different way in the public sector?

When one looks at the industrial relations dimension of this research, the questionnaire based approach paid limited attention to the role of trade unions, preferring to ask questions about generic employee participation. Boyne et al's study does, however, suggest that staff consultation and

participation are significantly more likely to be found in the public than private sector organisations, and that this difference is more marked where trade unions are involved.

This evidences the claim for a distinctive public sector industrial relations, based on pluralism, with a high emphasis on trade unions as the employee voice mechanism.

Any claim for a unique public sector industrial relation is, however, inevitably limited by the wide range of employee groups represented. The moderate professional services trade unions (such as the Royal College of Nursing) which perhaps typify public sector trade unionism are one end of a spectrum, the opposite pole of which is represented by ASLEF and the RMT in London Underground. It is difficult to see how one theory can explain such an ideological spectrum and suggests, rather, that the public sector shares the diversity of industrial relations models of the private sector.

This perspective is echoed by Fairbrother (1996a), who saw the upheaval in the public sector in the 1980s as an opportunity to move from “traditionally centralised and hierarchical unions”, (Fairbrother, 1996a, p110) and develop “more vibrant and participative forms of union (sic)”, (Fairbrother, 1996a, p142). His study is, however, inconclusive on whether this is being achieved: whilst civil service unions have “begun to reorganise in more participative directions”, (Fairbrother, 1996a, p140), in local government there has been a “reaffirmation of centralised and hierarchical forms of union organisation in the context of a decentralisation of managerial structures and organisation”, (Fairbrother, 1996a, p140).

Fairbrother attributes lack of progress in the latter to “managements which have continued to insist on centralised bargaining procedures and negotiations” (Fairbrother, 1996a, p140), but it seems likely that fundamental differences in organisational context, membership and leadership preferences and management style make generalisations about public sector trade unionism very difficult.

1.3.2.1.2. Differentiating Factors

Differences between the two sectors inevitably arise due to the higher concentration of union membership in the public sector (Brook, 2002), especially in managerial grades (Brook, 2002).

However, the public sector is also subject to greater institutional pressures than the private sector, both in the expectation that it is the bastion of exemplary employment practices (if not the ‘model employer’ of yesteryear),

and its exposure to greater political influences, not least of which is the prescription to act in the “public interest” (Salamon, 1998, p316).

Bach & Winchester support the argument for public sector uniqueness by citing the important differentiator of institutional forces:

“... the degree of public scrutiny, and the amount of political intervention in key public services, has no equivalent in the private sector. This public scrutiny is likely to continue to influence change in employment relations.” (Bach & Winchester, 2003, p310)

One must also look to the differences in the values of the organisation and the employees within it: public sector values are distinctively different to those found in private sector companies; Boyne et al (1999) find evidence to support Pratchett & Wingfield’s (1996) claim for a “public sector ethos”, which again may create a differentiation between public and private sectors.

All of these factors (membership concentration and profile, institutional forces and employee values), one may surmise, are likely to constrain use of less union-friendly options within industrial relations strategy, and may suggest that the pluralistic employee relations model may be the most internally and externally acceptable option.

A further case for uniqueness may be the more limited exposure to market forces experienced by the public sector:

“The driving force behind the management of organizations in the public sector is materially different from that in the private sector ... Although it is true that public sector organizations can find themselves the subject of a hostile takeover or an unwelcome merger, the recipients of public funds do not often go bankrupt ... [public sector organisations] are not ‘in business’ for the same purpose ... they are involved in managing for social result.” (Thomson, 1992, p38)

1.3.2.1.3. Convergent or Parallel Tracks?

Given that there is some evidence for a distinctive public sector model, the question then arises of whether the public sector is a unique model, or whether it represents the vestiges of an older form of HR, the transformation of which private sector companies (exposed to greater commercial pressure) managed some years ago.

“The differences we have identified could simply reflect a lag in the adoption of new management practices by public agencies, perhaps because private companies are more quickly influenced by ‘management fads’ ... in this case, public and private management may always appear to be significantly different, even if they are both moving in the same direction.” (Boyne et al, 1999, p417)

There certainly appears to be a degree of convergence and cross-pollination between the public and private sectors, which mitigates against the idea of a persistent difference:

“Although our results show that HRM varies significantly between public and private sectors, it is possible that the distinctions have become less pronounced over time. In other words, the absence of homogeneity does not rule out a process of convergence which is not yet complete.” (Boyne et al, 1999, p417)

“It can be argued that a partial convergence between public and private sector employment relations has occurred, but the diversity of institutional arrangements and employment practices and outcomes ... seem more notable than the similarities.” (Bach & Winchester, 2003, p310)

Government policy is seen as a driver of convergence:

“The cumulative effect of Government policy has been to blur the line to some extent between the private and the public sector.” (Thomson, 1992, p38)

Specifically, policy concerning the involvement of the private sector in public sector reform is seen as a significant driver. Exposure to the private sector, through commercialisation (represented as an isomorphic process) or cross sector labour mobility, is seen as a key factor creating convergence:

“... the extent of convergence between public and private management is likely to vary across public agencies. Organizations that have been commercialized ... may be driven to ‘emulate’ their private competitors. Similarly, public organizations with a large number of new staff may follow private sector practices more closely, especially if such staff have been recruited from the private sector.” (Boyne et al, 1999, p417)

The link between convergence and labour mobility between the public and private sectors was also noted by Newman & Clarke (1994, cited in Boyne et al, 1999, p 407)..

The question, however, remains unanswered. Is the public sector on the same trajectory as the private sector, but running to a slower timeline, or are they on parallel tracks, or indeed divergent, courses? This is partly answered by the longitudinal quantitative study of Poole et al (1995), who saw a degree of convergence between public and private sector values in the areas of enterprise culture, industrial relations and the organisational and employment context, which they attributed to the impact of “the enterprise culture and ... market values” (Poole et al, 1995, p85) on the public sector during the Thatcher years.

1.3.2.2. *Literature Review: Industrial Relations*

This section will review in detail 7 areas of the extensive literature on industrial relations (IR).

- History of industrial relations
- Models of trade unionism
- Categorisations of trade unionism
- Roles of the actors
- Alternatives to trade unionism
- Partnership
- Public sector industrial relations.

This section will draw upon a number of classic texts in this area by Eric Batstone, John Kelly and Gregor Gall.

1.3.2.2.1. The History of Industrial Relations

The literature on the historical evolution of the trade union movement is beyond the scope of this study, but the interested reader is referred to Hyman (2003), who provides a basic review of the topic.

It is, however, pertinent to make a few comments on IR in the UK today. The current environment for trade unions is confusing. Having confronted decades of declining membership following the Miners’ strike and the Conservative Government’s use of legislation and polemic to advance an anti-union agenda, the trade union movement finds itself supported by the current government, given access to the policy making arena, and the beneficiary of a slew of protective and facilitatory EC legislation (Earls, 2002, p1).

However, despite the stabilisation of the decline in trade union membership reported by the DTI (Brook, 2002), trade unionism is fragmented (e.g. Unions21, 2003). Increased militancy is demonstrated in a number of organisations (e.g. the Transport industry, the Royal Mail, the Fire Brigade) whilst the TUC and the Labour Government continue to endorse partnership. The trade union movement appears uncommitted in its response to partnership, but a significant number of trade unions and union bodies have recognised the “changing political and ideological mood” (Ackers & Payne, 1998, p531), which was brought about by the EC Social Chapter. The Social Chapter dramatically increased employment protection in law, with a concomitant decline in the requirement for the union’s traditional role as a defender of members’ interests (Dietz, 2004, p5).

Likewise, the much discussed “fracturing of collectivism” (Bacon & Storey, 1996, p43) has impacted on traditional trade union membership bases and has resulted in the articulation of a number of alternative union strategies (Storey et al, 1993). This describes a consequence of structural changes in the labour market, declining manufacturing and increasing service sector employee bases (Institute of Employment Research, 1987), the growing phenomenon of part time, contract and temporary workforces (Jenson, Hagen & Reddy, 1988), and the decreasing size of business units (Purcell, 1994), as well as management strategies aimed at fostering a relationship with the individual employee (Bacon & Storey, 1996, p 43).

Trade unionism in the UK, thus, appears to be at a juncture, represented at the militant²⁶ end of the spectrum by the FBU, the CWU and the RMT (which, as Darlington commented, “seems to typify the image of so-called old-fashioned militant trade unionism which many commentators assumed had long ago been abandoned.”, Darlington, 2001, p5). At the other extreme are the partnership agreements brokered by a diverse range of companies

²⁶ ‘Militant’ is a term which is used in a variety of ways in the industrial relations literature; it will be deconstructed in the project results.

including Blue Circle (IRS, 1997), Welsh Water (IRS, 1998a)²⁷, Littlewoods (Terry, 1999), Legal & General (IRS, 1998b) and Tesco (Allen, 1998).

Confronted by the challenges to their viability, the trade unions' response has varied. In recent years, the UK has seen significant increase in industrial unrest²⁸, making the universality of a move towards partnership more uncertain than ever.

1.3.2.2.2. Models of Trade Unionism

This section will first look at the variety of organisational responses to trade unionism, illustrating this via reference to comparative industrial relations. This will be followed by presentation of a typology of employment relationships.

1.3.2.2.2.1. Comparative Industrial Relations

This typology of trade unions has been mirrored with a diversity of approaches taken by organisations. A full review of IR models is beyond the scope of this paper, but it is relevant to outline the major models and comment on their application in the UK. As a caveat, these models can only be described in terms of generalisations, as the variety of forms of trade unionism and industrial relations is significant, even within these broad models.

Ackers, Smith & Smith characterise this diversity as follows:

“While unions are found throughout the global economy, their position in the employment relationship ... varies historically sectorally and between capitalist societies, as do their complexion and role ... National differences have created unions

²⁷ Welsh Water was renamed Hyder Utilities.

²⁸ At the time of the literature review, days have recently been lost to industrial action in organisations such as London Underground, Royal Mail, British Airways and the Fire Brigade.

with distinctive religious, political and occupational forms and divisions ... Any such broad categorisation, however, conceals a myriad of local factors ... the meaning of unionism varies, from the more politicised agencies ... to the more institutionalised and workplace-oriented organizations.” (Ackers, Smith & Smith, 1996, p2)

However, it is still pertinent to make an attempt to describe the major models of unionism²⁹: the American model, the European social model, the Japanese and British models.

i) American Model

The American trade union movement shows a similar decline in union membership to that experienced in the UK post 1984, but, despite a growing public sector membership, it shows no sign of the stabilisation evident in the UK figures (Nissen, 2003, p1). US trade unions tend to have low membership and tend to be focused on collective bargaining rather than political lobbying.

As a general rule, American organisations, confronted with weak trade unions, have a unitarian, adversarial view of trade unions. In Nissen's words, “It is virtually indisputable that employer opposition to unionization, both legal and illegal, has grown enormously from the 1960s to the 2000s” (Nissen, 2003, p2).

There is much evidence of a strong anti-union emphasis (Ferner, 2003, p93) which makes sense in the context of low trade union membership, the history of trade unionism in the USA (unlike the UK, US unionism was not born in traditions of feudalism, hence lacked the association with class and had a greater acceptance of industrial capitalism), and a legislative system which provides for minimal employment protection.

²⁹ Note that these are not, however, exhaustive; other models (e.g. political trade unionism in South Africa) do exist.

Non-unionism in the USA is often supported by “union substitution”, which deploys modern HR practices (including higher pay than comparative unionised firms, employer of choice and other initiatives aimed at increasing the employee’s “psychic” stake in the organisation) to reduce the chance of a successful union recognition claim. Again quoting Nissen, “union substitution” occurs when employees feel no need for union protection due to pro-employee measures undertaken by managers” (Nissen, 2003, p4).

Edwards described “the American model of weak trade unions and extensive flexibility” (Edwards, 2003, p8) but there are some significant exceptions, such as the adversarial and politically motivated Teamsters. There is likewise academic research in Kochan et al’s (2003) “mutual gains” or “productivity coalition”³⁰, which proposes a hybrid alternative to the unitarian model described above.

The American unitarian model is in sharp contrast to the UK’s traditionally pluralistic industrial relations model, but the numbers of American multi-nationals in the UK have inevitably been a strong influence on UK industrial relations:

“Americanization embraces the continuing decline of unions and the assertion of a market-driven model.” (Edwards, 2003, p7)

Much SHRM research is written by Americans and/or based in American organisations, which provides a reason for the lack of consideration of IR in the SHRM literature.

³⁰ Quoted in Sisson & Marginson, 2003, p 172.

ii) European Social Model

To say there is a European model of industrial relations is something of a misnomer, as there are a number of different models which pertain, for instance, to modernising Eastern European countries and the Southern European model (France, Italy and Spain), which is "characterised by competing Catholic, Socialist and Communist National Federations" (Ackers, Smith & Smith, 1996, p2)

However, what has come to be regarded as the European social model (Northern European model), endorsed by the legislative powers of the European Community, is the social democrat model typified by Germany, Holland and Scandinavia.

The European social model is diametrically opposed to that of the USA. In its most advanced form it is based on co-determination, where worker representatives are found in decision-making bodies in the organisation. Co-determination emphasises the joint responsibility of managers and workers to manage the business for business success. This is represented in an entirely different approach, utilising partnership working, works councils, and worker representatives sitting at Board level to facilitate the co-management of the business.

iii) Japanese Model

Trade unionism in Japan is prevalent at the level of the individual enterprise, although they are not 'company' unions and retain their independent identity. It is common to find a single union which represents all employees in a company (including managerial staff), Japanese union not being based in the 'craft' tradition which creates demarcation in the UK and US trade union movements (Bean, 1985, p32-3).

The Japanese model has had a profound impact on British industrial relations. It is typified by single union deals in traditionally unionised areas, with non-unionisation as the preferred option elsewhere. High commitment management is a feature of the Japanese IR strategy, although it is utilised to a very different end than the American high commitment model, emphasising team work and long term employment stability.

The adoption of the Japanese model has, however, been far less significant than potentially anticipated: "there have been doubts as to how deeply these innovative practices have taken root even in Japanese subsidiaries" (Ferner, 2003, p 6), and the term "hybridization" (Abo, 1994)³¹ was coined to describe the partial adoption of Japanese practices by UK firms.

iv) British Model

The foreign models are fully represented in the UK: the Japanese model is seen in Nissan in Sunderland and Toyota in Derby, the American model (of non-unionism supported by HCM practices) in relatively young companies such as Capital One. Co-determination has been translated into increasing number of partnership agreements in organisations such as Blue Circle, which can take a unitarian or a pluralist perspective.

This heterogeneity raises a question: given the influence of the various foreign industrial relations models, is there still a distinctively British industrial relations model?

Ferner (2003) argues that there is a British industrial relations, but does not attempt to define it. It seems sensible to use Hyman's (2003, p 55) division of British industrial relations into two categories: traditional and management led.

Hyman describes the traditional model as follows:

³¹ Quoted in Ferner, 2003, p96.

“There remains a declining but substantial sector in which trade union organization is still relatively intact and employment is still regulated by collective bargaining – although its agenda and substantive outcomes may be very different from the past.” (Hyman, 2003, p 55)

Examples of this model include British Airways, the Royal Mail and London Underground.

Hyman's description of the second category is less satisfactory, but is seen as a management dominated system which is disadvantageous to employees:

“The second system ... allows management almost unrestricted autonomy in defining terms and conditions of employment. The weight of evidence ... suggests that the outcomes are rarely benign.” (Hyman, 2003, p55)

This resembles the “sweetheart” deal of emasculated compliant trade unions and echoes Kelly's (1996) fears for trade unionism under the partnership agenda.

Hyman's polarity does, however, omit the large number of organisations who have developed from the traditional model, creating relatively constructive relationships with trade unions which have not lost their independence. This model would be typified by organisations such as Tesco and Legal & General.

In conclusion, one may say that British industrial relations defies categorisation: it runs the full gamut from partnership to militancy. As described by Bean (1985, p21), attempts to typify British industrial relations have, however, resulted in a number of generalisations. British unions tend to be more involved in the pursuit of worker rights (particularly collective bargaining) than political or class consciousness (the converse is true in France and Italy). Feudalism has, however, grounded UK unionism in class division and the ‘craft’ tradition (Bean, 1985, p29), which has resulted in strong occupational solidarity and job demarcation. This has resulted in fragmentation and a multiplicity of competing unions (as opposed to post-War Germany, which consolidated into only 16 unions), often exacerbated by religious and ideological divisions.

Many of these generalities have been eroded over time (the trend away from national collective bargaining, substantial consolidation of the union movement via mergers), but this brief review indicates some of the tenets of British industrial relations.

1.3.2.2.3. **Categorisations of Trade Unionism**

As well as industrial relations models which deal with cross cultural organisational approaches to trade unions, the literature also provides models of the employment relationship.

1.3.2.2.3.1. Typologies of Employment Relationships

One of the most influential typologies of ideological approaches to the employment relationship was developed by Fox (1974). These form a continuum along which different trade unions position themselves. This is illustrated in figure 29.

	Unitarian	Pluralist	Radical (Marxist)
Range	Authoritarian - Paternalistic	Co-operation - Conflict	Evolutionary change - Revolutionary change
Assumptions	Capitalist society Integrated group of people Common values, interests and objectives	Post-capitalist society Coalescence of sectional groups Different values, interests and objectives	Capitalist Division between labour and capital Imbalance and inequalities in society (power, economic wealth etc.)
Nature of conflict	Single authority and loyalty structure (that of management) Irrational and frictional	Competitive authority and loyalty structures (formal and informal) Inevitable, rational and structural	Inherent in economic and social systems Disorder precursor to change
Resolution of conflict	Coercion	Compromise and agreement	Change society
Role of trade unions	Intrusion from outside Historical anacronism Only accepted in economic relations (if forced)	Legitimate Internal and integral to work organisation Accepted role in both economic and managerial relations	Employee response to capitalism Expression and mobilisation of class consciousness Develop political awareness and activity

Figure 29: Fox's typology of Employment Relationships (adapted from Salamon, 1998, p5)

i) The Unitarian Perspective

Batstone (1988) provided a useful elaboration on the features of these three categorisations of industrial relations, commencing with the unitarian

approach. The unitarian approach sees conflict as neither “a necessary or legitimate feature of industrial relations” (Batstone, 1988, p11), and that mutually supports the employment relationship (the employee can only continue to be paid if the organisation is profitable, and profitability depends on the skills of the entrepreneur. The entrepreneur’s authority, consequently, is constructed as legitimate, within the unitarian perspective.

Batstone draws the following conclusion from the unitarian perspective:

“ ... the achievement of optimal welfare requires that workers should not be able to obstruct the working of the market; second, they should defer to the wisdom and skills of those who provide their livelihood – the entrepreneur.” (Batstone, 1988, p11)

Batstone, concurring with Fox, depicts a range within the unitarian perspective: at the extreme, the unitarian perspective totally rejects the concept of collective organisation, whereas the less extreme view accepts a role for “responsible” trade unions, with limits as to their power, who impede neither the operation of the market or the exercising of managerial (i.e. entrepreneurial) skills.

The ‘problem’ of industrial relations, from a unitarian perspective, is the excessive power of the trade unions and the irresponsible usage of that power. Industrial action becomes, for a unitarian, subversive or misguided, strikes potentially endangering the interests of both the organisation and the union members who depend upon it for their livelihood.

ii) The Radical Perspective

Batstone is equally lucid in his description of the radical perspective. Radicalism argues that industrial relations can only be understood in the wider social context, and that the actors are conditioned by their positions within the social structure. The radical perspective sees a society characterised by fundamental inequities, deep societal divisions and irreconcilable conflicts of interest. For the radical, even participating in collective bargaining is perpetuation of a mechanism of oppression and inequality.

The radical perspective can be divided broadly into Marxian and non-Marxian schools of thought. However, they share the belief that a major upheaval of the social structure is required to transform the structural inequalities in society.

Radicalism assumes that workers' behaviour and attitudes are shaped by an unconscious acceptance of the dominant ideology (what Batstone calls "the hidden faces of power" – the mobilization of bias involved in institutions and structures and the ability to create and promulgate an ideology supportive of the powerful", Batstone, 1988, p13), and concomitantly sees a role for union activists in raising class consciousness and awareness of oppression.

This argument, one might further suppose, also serves as a justification for the schism between union leaders and membership, and wards off accusations that the union fails to act 'in the members' interests'.

The 'problem' of industrial relations, from a radical perspective, is the need for a fundamental change to the social order, to overthrow fundamental inequities and divisions in society.

iii) The Pluralist Perspective

Pluralism recognises:

"The legitimacy of employer and trade union interests and their equal social and moral status." (The Guardian, 2002)

As Fox's taxonomy indicates, the pluralist perspective can take a variety of conceptualisations, from co-operation to conflict.

The pluralist perspective sees no fundamental problem with the balance of power between trade unions, employees and employers, and that, whilst conflicts of interest inevitably exist, compromise is possible and desirable. The solution to the industrial relations 'problem', consequently, becomes orderly compromise through the formalisation of "coherent and explicit agreements between the parties" (Batstone, 1988, p2).

Batstone (1988) locates the tradition of 'liberal pluralism' (Batstone, 1988, p3) and the important work of the Donovan Commission (1968) in the centre of Fox's continuum from unitarianism to radicalism. The 1968 Donovan Report was, if not the initiator of the pluralist approach to industrial relations, certainly catalytic.

The Donovan Report was a response to the perceived 'problem' of industrial relations, which the Report saw as caused by a conflict between the 'formal' system (enshrined in pan-industry collective agreements) and the 'informal' system (the actual behaviour of the stewards, employees and managers, trade unions and employers' associations, custom and practice, unwritten

codes and understandings). These 2 systems, Donovan proposed, mutually weaken each other: pan-industry agreements are diminished by comprehensive plant agreements and the “disorderly” (Batstone, 1988, p5) realities of day to day negotiation; the informal system results in fragmentation of bargaining, competitive and chaotic agreements and, when combined with the reliance upon unwritten agreements and custom and practice, lead to greater likelihood of industrial pressure and unrest and restrictive practices.

Donovan’s recommendations argued for factory agreements, the extension of collective bargaining and the need for more extensive rights for workers and unions, particularly in the definition of the “rights and obligations of shop stewards within the factory” (Donovan Commission, 1968, p41). This has been criticised by academics and practitioners of all persuasions. Unitarists supported a reduction in trade union power within the workplace, and Donovan’s strengthening of union rights and the rights of shop stewards was interpreted as playing into the very hands of the most problematic group. For radicals, Donovan’s assumption of the equal distribution of power between employees and employers was a sign that he had looked only superficially at the behaviour of actors, and failed to consider the way in which this behaviour is shaped by the fundamentally unequal distribution of power. For radicals, Donovan was “basically managerialist, in practice if not in intention” (Batstone, 1988, p14).

Donovan has also been critiqued by pluralist writers, notably the Oxford School (a number of researchers working around the Donovan Commission, including Turner, Flanders and Clegg) and Fox. Their initial championing of the pluralist perspective was reversed to question the academic legitimacy of the entire pluralist approach (Fox, 1973). The Donovan Report does, however, still mark a watershed in the study of British industrial relations, undoubtedly creating the theoretical and practical basis for the partnership approaches to industrial relations discussed in subsequent sections.

1.3.2.2.3.2. Implications for Trade Union Relations

Fox’s categorisations have a profound impact on the industrial relations strategy selected by management, constraining the options and the applicability of the industrial relations models described earlier in this section.

A unitarian “management ideology” (Fox, 1973) is likely to align with an industrial relations strategy focused on alternatives to trade unionism. The authoritarian pole may be demonstrated in overt anti- or non- union environments and de-recognition. The paternalistic manifestation of the unitarian ideology is likely to be direct participation (employee voice) and union substitution linked to high commitment management practices (as described in the section on the US model of industrial relations). At the border

of unitarianism and pluralism may be what Storey described as a senior management attitude of “benign neglect” (Storey, 1992, p258) towards trade unions.

The pluralistic perspective is compatible with partnership agreements (co-operation), but also covers the pluralistic British employee relations model which, whilst recognising the legitimacy of trade unions, may find that relationship conflictual (Fox, 1973, p196). The pluralist perspective may utilise direct or indirect mechanisms of employee voice, or may use both (“dualism”; Storey, 1992). Both management and unions may hold a pluralist philosophy.

The radical perspective is the preserve of militant trade unionists (Hyman, 1975). Whilst the evolutionary change pole may be compatible with reasonably co-operative industrial relations, it is unlikely. Trade unionists focusing on revolutionary change are likely to be motivated by political agendas as well as representing their members’ interests. As Darlington comments, “it would appear that the politics of union leadership is an important ingredient ... to an understanding of the dynamics of workplace industrial relations and trade unionism” (Darlington, 2001, p3, his emphasis). This may show itself in destructive behaviour.

1.3.2.2.3.3. Definitions of Trade Unionism: Militancy and Moderation

Before proceeding, it is also necessary to look at definitions of the terms ‘militancy’ and ‘moderation’. As indicated by McClendon & Klass (1993, p 561), there is considerable ambiguity in the literature around the term ‘militancy’, and the term is often used as a truism, little attempt being made to deconstruct the construct’s meaning. The exceptions to this are Allen, Kelly and Gall; this paper will build upon their definitions.

Allen (1996) provided one of the most useful early expositions of militancy, defining it in terms of “good union practice” (Gall, 2003, p10), i.e. the use of various means (including, but not limited to, industrial action) to achieve better terms and conditions of employment. Militancy, for Allen, has two components: the full exploitation of market forces by workers to achieve improved terms and conditions; and, secondly, a refusal to compromise with management or what Gall (2003,p10) calls the “forces of socialisation” (which cite issues such as ‘national interest’ to pressurise workers to reduce demands and withdraw industrial action). Avoiding the agenda of employers and/or government is a key feature of Allen’s definition of militancy.

Gall (2003, p11) does, however, indicate a number of ambiguities and points of clarification required by Allen’s work, and criticises his concentration on

economic militancy (to the exclusion of political militancy), a focus on union rather than worker militancy and on national rather than workplace unionism.

To move on to the second significant writer in this area, the left wing writer John Kelly recognised that Allen's model lacked consideration of union power bases, and failed to assess the implications of union ideology. In response, Kelly divided militancy into its component parts, building a multi-dimensional model of militancy, shown in figure 30.

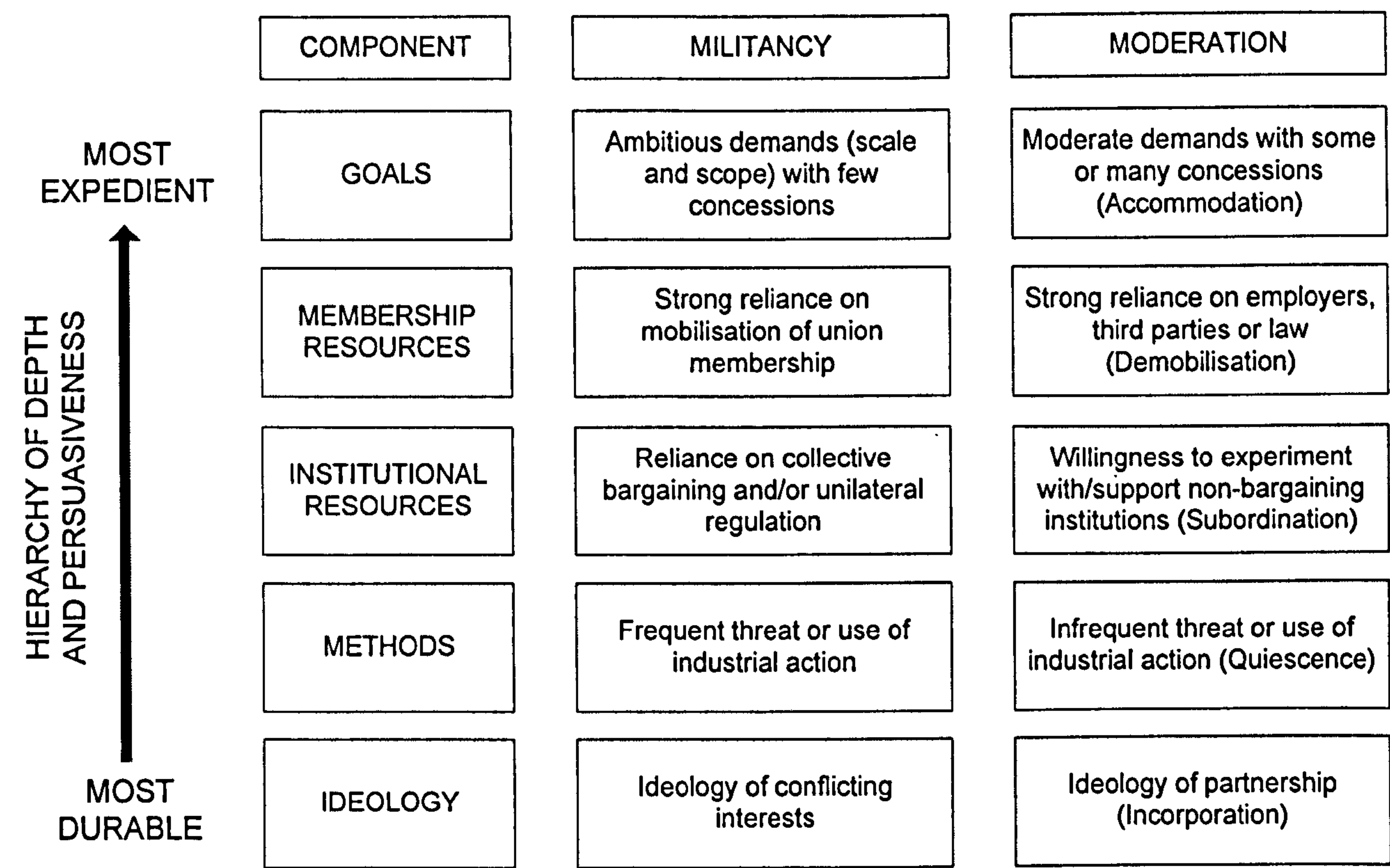


Figure 30: Kelly's Components of Union Militancy and Moderation (adapted from Kelly, 1997)

There are two important aspects of this model: firstly, militancy and moderation are not seen as absolutes, but are rather poles on the continuum and, secondly, the 'hierarchy of depth and persuasiveness'.

To look first at Kelly's concept of a continuum, this raises several important points. The union's place on the continuum is influenced by their environment and by other actors (particularly the State and employers), and there may not be a direct correlation between militant intention and militant action. The implications of this are fourfold:

- The avowed goals, methods and resources of the trade union may not be a true reflection of the preferences of the union leaders, officials and members, due to the impact of the wider environment in which unions operate.
- Trade unions must necessarily be responsive to their environment and pragmatic in their response to it; this implies taking a pragmatic approach to each situation. Kelly (1996, p100) draws this into a distinction between “policy-neutral contingency” (where the union does not have a preference for militancy or moderation, and will take a stance on a case by case basis) and “policy based contingency” (Kelly, 1996, p100), under which a strong orientation towards one or other of the poles on the continuum will guide decision making, although it is recognised that pragmatic compromises may have to be made.
- The actors themselves may also be profiled on the moderate-militant continuum (one can, for instance, envisage a militant employer coercively changing terms and conditions).
- Unions may move along the continuum (e.g. the militant TGWU of the 1970s has moved significantly towards moderation over time), therefore militancy is not necessarily a stable or enduring construct.

Moving on to the second implication of Kelly’s model, the “hierarchy of depth and persuasiveness”, Kelly sees his 5 components as ranging from the most expedient (goals, which may be sacrificed for the achievement of other goals) to the most durable (ideology, which may change over time, but is likely to show greater permanence than methods or the two types of resources). This hierarchy allows unions to be more or less militant on different dimensions (e.g. militant ideology, moderate bargaining goals). It also means that, to define a trade union as militant, one must profile it on all of the dimensions.

Kelly’s writing must, however, be contextualised by an appreciation of his left wing perspective. His work sees union militancy as the only response to an environment in which employers are increasingly antagonistic to trade unions:

“... what employers object to is not a particular form of trade unionism but the very fact of its existence.” (Kelly, 1996, p89)

Industrial action, for Kelly, leads to a stronger trade union with greater recruiting power, and that strikes lead to gains, both directly for the members and indirectly for the union by providing a consolidating force which creates a sense of conflicting interests and a greater ideological coherence. Indeed, Kelly perceives moderate trade unionism to be the danger:

“... the more radical forms of moderation can seriously weaken trade unions, and leave them vulnerable to employers’ attacks,

because they erode both the willingness and the capacity of members to resist and to challenge employer demands. Ideologies of partnership and co-operation can damage the perception of conflicting interests.” (Kelly, 1996, p101)

Kelly sees militancy as a legitimate and necessary foil to employer power:

“... militant trade unionism quite rightly seeks to defend the right to strike and to maintain the willingness and capacity of the membership to take collective action. Trade unionism without these attributes depends on employers and the state for its survival, whereas militant trade unionism builds on the only reliable foundation, namely its membership and their willingness to act.” (Kelly, 1996, p102)

And perceives militancy as a response to hostile employers:

“Ultimately it is sustained by the hostility of employers to independent trade unionism and by the antagonistic interests of workers and employers.” (Kelly, 1996, p102)

Once Kelly’s writing has been thus contextualised, it provides a very useful analytical framework.

Gall, however, argues that Kelly concentrates on union militancy to the exclusion of other forms, and that it is necessary to view ‘militancy’ as a much more fragmented and less coherent phenomenon. Gall argues for five categorisations of militancy, as shown in figure 31 (although his definition of these categories is vague).

Type of Militancy	Definition
‘Labour’ militancy	Workplace based, concerned with local issues
‘Worker’ militancy	Focused on wider issues with a more political basis, e.g. women’ rights
‘Union’ militancy	Kelly’s concept that some unions are more predisposed to militancy than others
‘Union political’ militancy	Gall defines this as “intra-union groups, sections and factions” (Gall, 2003, p13)
‘Industrial’ militancy	Gall does not offer a definition of this, but it is presumed to refer to industries, such as transport, which have typically had difficult or adversarial industrial relations for a number of years

Figure 31: Gall’s (2003) Categorisations of Militancy

'Union political' militancy is a particularly important concept for Gall, as he uses this concept to explain the different viewpoints of union leaders and members, and the different factions within trade unions.

Gall adds to this fragmentation by claiming that each of these elements may have sub-forms (such as 'wage' militancy), suggesting that there are variants of militancy which take an economic or a political orientation. Furthermore, Gall distinguishes between the different ideological basis operating within the trade union movement, noting that the world view of trade unionists who believe they are engaged in class struggle will differ from those who see their role as the upholding of workers' rights.

Gall, disappointingly, stops short of providing his own, alternative, definition of militancy (particularly given that the title of his book is 'The Meaning of Militancy?'), but one can extrapolate his model from the following quote:

"Militancy relates to, and is defined by, workers' aims, outcomes and methods of bargaining and collection (sic) actions. The definition of aims is worker-centred, ambitious and far-reaching, infused with some ideological notions of wider social change ... this definition must be related to levels of union structure and internal collections of workers." (Gall, 2003, p22)

The lack of an agreed definition of militancy points to the socially constructed nature of the term, which is potentially the best way to view the construct. As a shorthand, Kelly's (1996) definitions of 'militant' and 'moderate' will be used throughout this paper. Kelly views militancy as preparedness to take industrial action, having an ideology of conflicting interests and a reliance on the ability to mobilise members, but the multi-dimensionality of his model allows for militancy to be divided into its component parts, so providing a more comprehensive analytical framework. Project one will examine assumptions around militancy and moderation, the functional use of the terms and the implications of the usage of the term.

1.3.2.2.4. The Roles of the Actors

A major strand of industrial relations research has concentrated on the roles of the actors. A comprehensive review of the literature in this area is beyond the scope of this paper, but it is pertinent to make a number of points. The reader is referred to work by Beynon (1984), Batstone (1977, 1978), Kelly (1996) and Gall (2003) for more in-depth discussion.

1.3.2.2.4.1. The Shop Steward

A number of authors, including Beynon, Batstone and Kelly, have made important contributions in looking at the roles of shop stewards in the industrial relations environment.

i) Beynon

An important early industrial relations case studies was by the industrial sociologist, Huw Beynon. His 'WORKING FOR FORD', originally published in 1973, has much to say about shop stewards and their role.

Beynon is particularly lucid on the motivations of shop stewards. Whereas he recognises their motivation to represent their members' interests:

"Trade unions exist because working people need them. It is this need that leads straightforward 'ordinary men' ... to become shop stewards." (Beynon, 1984, p202)

he sees a political orientation as a necessary precursor to becoming a steward:

"While there was a general agreement that working men need trade unions for protection, the union meant more than that to most of the stewards ... It represented the struggles fought by workers over generations, it was a living tradition based upon collectivistic values of unity and brotherhood." (Beynon, 1984, p202)

Beynon calls this the "dualism ... between ... the 'ideological' and 'business' dimensions of unionism" (Beynon, 1984, p203), but sees no conflict between the two roles. Discussions of this conflict, however, will represent a major theme of the discourse both of managers and trade unionists in project 1.

ii) Batstone

Batstone and his collaborators (1977, 1978) provided one of the most detailed discussions of the role and nature of shop stewards. They proceeded largely through case study work, using a grounded theory approach and observation and interviewing as their major techniques.

Their systematic work is probably the best exposition of the role of shop stewards in organisations, and it is pertinent to make two points here.

Firstly, Batstone et al see a symbiotic relationship between stewards and management:

“... the steward organizations often have strong organizational interests and consequently a considerable degree of dependence upon management.” (Batstone, 1977, p2)

They contrast this to conveners and full time officials:

“... many conveners are frequently full-time in that job and may be divorced from the membership through their contacts with management and their use of a variety of company-provided facilities such as offices, and freedom to come and go as they please.” (Batstone, 1977, p2)

This concept of mutuality will be particularly important in the study of London Underground, where respondents argue that the public sector’s lack of mutuality is a significant factor in the continued industrial unrest.

Secondly, Batstone’s analysis divides stewards into 4 ideal types, as shown in figure 32.

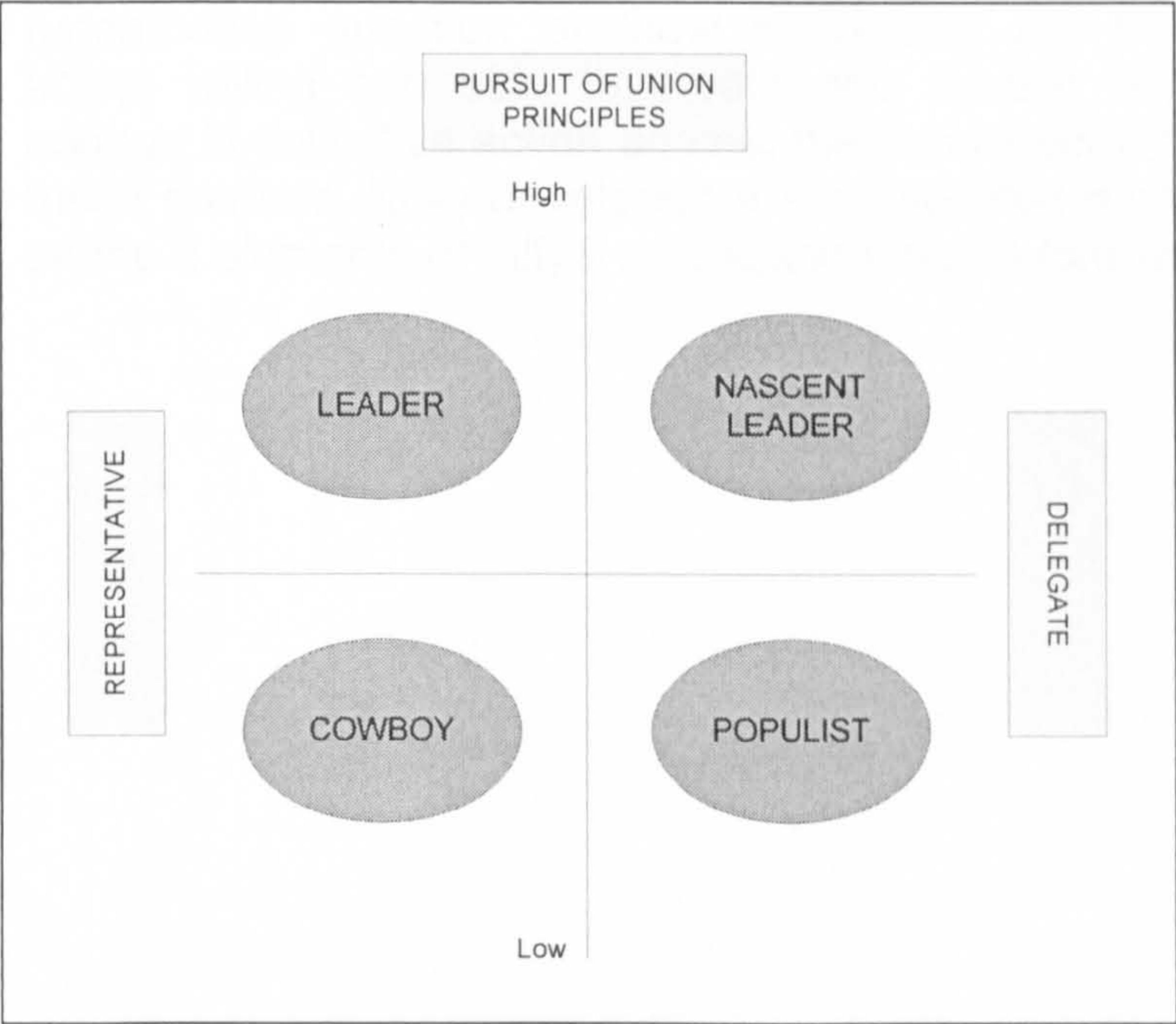


Figure 32: Ideal Steward Types (Batstone et al, 1977)

Batstone et al (1977) categorise the poles as follows: representatives shape the issues that they deal with (either by initiating issues or by amending or refusing to take up issues raised by others) and tend to deal with issues

themselves, without reference to more senior officials. High pursuit of union principles is characterized by reference to the norms of steward leadership, in preference to references to members' interests.

Whilst 'leaders' can both play a representative role for his members and implement union principles, 'nascent leaders' are committed to the latter but find the representative role difficult: they may be a junior representatives sponsored by a leader. The 'cowboy' can play the representative role (at least in the short term), but is likely to be focused on advantage for his group of members rather than union principles. The 'populist' acts as a delegate, without commitment to union principles, and generally operates in accordance with the articulated wishes of his members. The 'nascent leader' and the 'cowboy' are typically roles of short duration and are less common: Batstone et al's study found that 'populists' were the most common type, both in staff and shop-floor organisations.

iii) John Kelly & Mobilization Theory

Kelly (1998) drew upon work by Gamson (1992), McAdam (1988) and Tilly (1978) to create his theory of mobilization, attempting to address the fundamental question of "how individuals are transformed into collective actors willing and able to create and sustain collective organization and engage in collective action against their employers" (Kelly, 1998, p 28). From these sources, Kelly developed a sophisticated model of mobilisation, based on the 5 elements of Tilly's mobilization model (shown in figure 33 below).

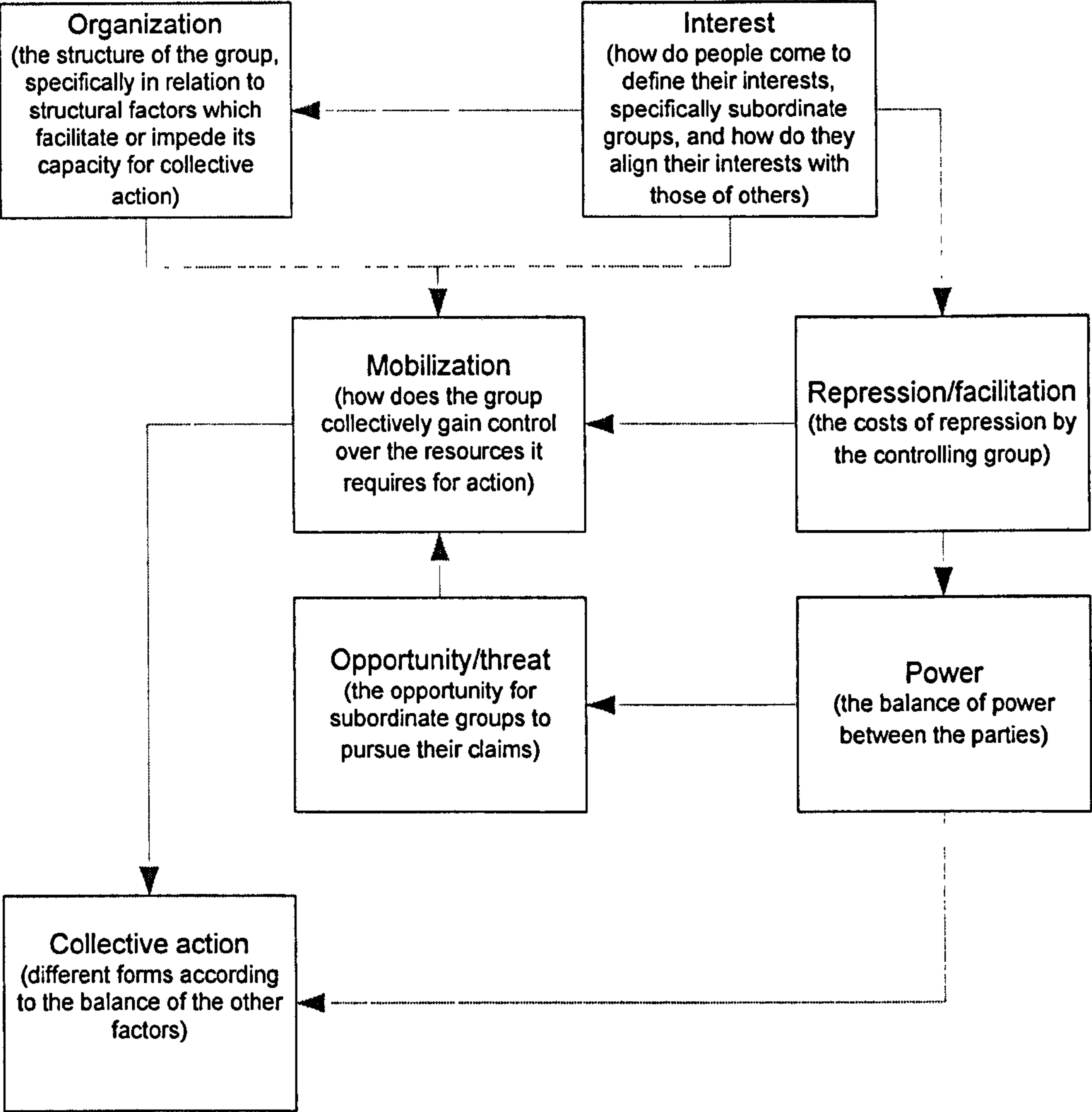


Figure 33: Tilly's Mobilization Model (from Kelly, 1998, p26)

Kelly overlaid this with a sociological framework derived from McAdam which indicated the role of injustice, agency, identity and attribution in the shaping of workers' interests (figure 34).

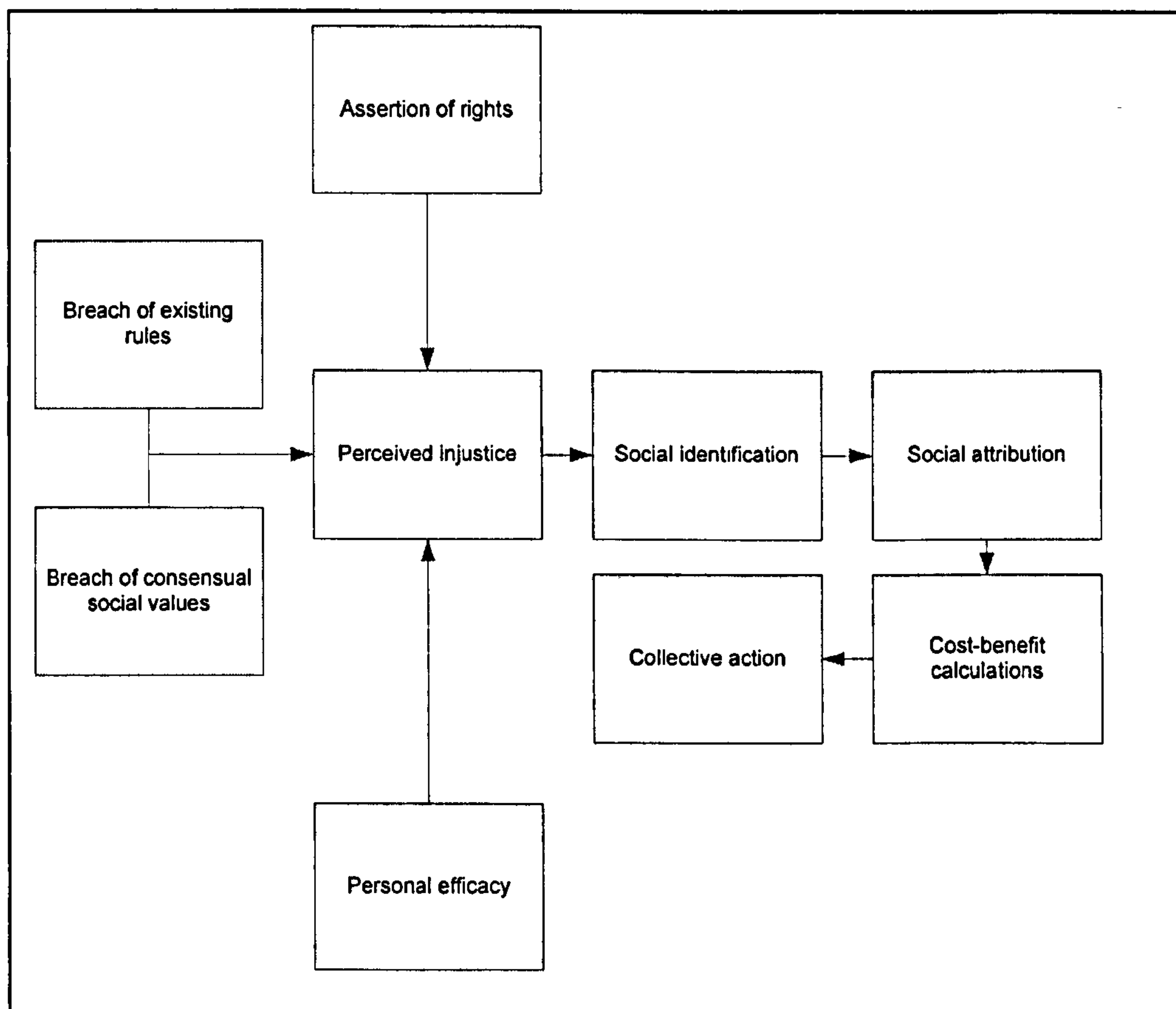


Figure 34: McAdam's Model of Collective Action (Kelly, 1998, p28)

Using the mobilization theory, Kelly (1997) theorised that the future of trade unionism will be determined only partly by structural factors (such as unemployment, over which the unions have little control). Instead, Kelly hypothesises that, even in a favourable environment, unions still have to mobilise employees, a process of “collectivisation” (i.e. unions must persuade employees that they have collective interests, establish that those interests conflict with employers’ interests and that resolution is only possible via collective organisation and action). A sense of injustice is a necessary precursor to this process (Kelly takes data from the British Social Attitudes Survey to substantiate an increasing dissatisfaction with employee ‘voice’ and increasing pay gap between high and low paid, leading to a growing distrust of management) .

Kelly (1997, 1998) proposed that there are 4 roles which left wing shop floor activists play in the role of collectivising employees to create a body which can be mobilised by the trade unions (shown in figure 35).

1	Construct a sense of grievance amongst workers, attributing blame to employers or the State, rather than to uncontrollable economic forces
2	Promote group/social identity, encouraging workers to become aware of their common interests in opposition to employers
3	Urge workers to engage in collective action (which is essential, given the cost of such action to the employee and the inexperience of employees in taking action)
4	Legitimate collective action against employer's counter claims

Figure 35: Kelly's Roles of Shop Floor Activists

Left wing, politically motivated trade union activists are problematic to organisations:

“... left wing union representatives with an overtly ideological and solidaristic (rather than instrumental and individualistic) commitment to trade unionism, can play a crucial role in translating shop-floor discontent into a sense of injustice, which then enables them to mobilise workers for collective action against management ... a commitment to building the strength of workplace organisation through an adversarial approach to management prerogative.” (Darlington, 2001, p3)

Darlington goes on to indicate that left wing activists oppose moderate trade unions and encourage members (who may not share their ideology) to engage in militant collective activity. Darlington's paper is particularly interesting, as it is the only paper to study industrial relations in the context of London Underground, and will be reviewed in more detail in the literature review for project one.

1.3.2.2.4.2 The Union Leadership

The influence of the unions' executive committees and leadership is central to debates about trade unionism; a number of authors (eg. Batstone, 1977; Kelly, 1998; Darlington, 2001) note a potential difference in aims and objectives between the union leadership and their membership. Two models allow for a schism between the leadership and the membership: the Marxist perspective and Kelly's militancy model.

The Marxist perspective, as indicated in the section on radicalism, assumes that workers' behaviour and attitudes are shaped by an unconscious acceptance of the dominant ideology, and union activists therefore have a role in raising class consciousness and awareness of oppression. This model suggests an almost inevitable conflict between the “aware” trade unionists and the “unaware” workers, and a justification for the schism between union

leaders and membership is the need to challenge the unconscious acceptance of the capitalist status quo by the membership.

Kelly's militancy model allows for a schism between the leadership (keepers of the ideological component of trade unionism), the stewards (who may be ideologically motivated but may be more concerned with institutional, membership or goal components) and the membership (who are likely to be goal focused, those goals varying from individual to individual).

On a pragmatic level, the degree of influence the union leadership exerts on a workplace is a significant topic. Batstone (1977) did look at this area, but found that the two unions in his case study were largely independent from the larger union, although stewards did rely upon the larger union for much of the their identity and legitimacy:

“... stewards often place great emphasis on the importance of the larger union as the embodiment of union principles and as a basis for their self-identity.” (Batstone, 1977, p185)

The influence of the larger union on domestic organisations via the shop stewards, hence, may be quite limited. However, the involvement of full time officials, particularly in negotiations, is likely to exert a more durable (in terms of Kelly's model) form of trade unionism on the organisation.

In London Underground, however, the role of the union leadership will be a much more significant issue than it was to the organisation in Batstone's study, both because the RMT is an overtly political organisation (the RMT claims as a constitutional goal, “to work for the supersession of the capitalist system by a socialistic order of society”; RMT, 2004) and, secondly, London Underground is a pivotal organisation which can be used as a pawn by the union to put pressure on politicians (specifically the Labour Government and the Mayor) to accede to their demands (particularly as concessions achieved in LUL, with or without government intervention, are likely to be translated to other, privatised/part-privatised parts of the transport industry).

1.3.2.2.4.3. The Employee

As can be seen from the work of Kelly and Darlington reviewed above, the tendency in the literature appears to be to see the employee as a passive recipient of the influences of the trade union and the management (indeed, Batstone (1977, p5) alludes to the ‘dual loyalty’ of employees, to the employer and to the union which is widely noted by authors such as Purcell, 1953). Workers tend to be defined in terms of their relationship to the other actors, as in Batstone's work.

Batstone sees the relationship between stewards and their membership as pivotal; as he comments, "Steward leadership depends ultimately upon the ability either to by-pass the membership or to win their support" (Batstone, 1977, p100).

Batstone defines employees in terms of their relation to stewards: on the shop floor, where steward leadership is more important, and the union is central to the work experience, shop stewards have a fundamental role. Collectivist behaviour is the norm. On the shop floor, 'leader' stewards have influence over their members because:

- The union is considerably more central to the organization of work than in staff areas.
- They tend to be opinion formers and have strong links with other opinion formers

Batstone indicates that 'leader' stewards (who have the ability to initiate issues or choose which issues to pursue) may gain some independence from their members because of previous success in bargaining (Batstone, 1997, p100). It is notable, however, in Batstone's work, that there is a difference between operational and staff environments: in the latter the union assumes lesser importance, and, as individualism is the dominant tenet, the role of the steward assumes less centrality.

Other researchers tend to take up this view of employees as passive. Gall's 2003 exposition on militancy in the Royal Mail saw little raised consciousness on the part of the workers:

"Most postal workers remain committed to 'low collectivism'. Most believe their interests and other workers' interests should be represented a party (sic) of the working class. Only a minority is of a more elevated consciousness. The former see the need for managers and do not wish to run industry themselves but they see conflicts of interests in how management carry this out reflected in strikes. Thus, only a few see their interests as either antagonistic to RM's (Royal Mail) *per se* or in class terms. Striking has made little impact in developing widespread existence of higher levels of union and class consciousness." (Gall, 2003, p247-8, his emphasis).

Gall clearly sites the Royal Mail employees within the category of 'labour' militancy:

"... labour militancy has dominated the behaviour of those postal workers with tendencies towards militancy, generally based on,

and conditioned by, workplace localism ... Much less evidence of union or worker militancy was found.” (Gall, 2003, p274)

Gall sees his employee base as largely inert:

“... passivity, inactivity, sectionalism, lower trade union consciousness and attendant organisational expressions are more dominant (than militancy) amongst postal workers.” (Gall, 2003, p 275)

Although he does make the point that this inactivity does not actively oppose militancy, therefore possibly offers it tacit support.

This constriction of employees within ‘labour’ militancy contrasts with claims made by Kelly (and picked up by Darlington) that a critical role for shop stewards is the instilling of a collective consciousness in employees (Kelly, 1997, 1998; Darlington, 2001).

1.3.2.2.4.4. The State

The fourth actor with a profound influence on industrial relations is the State. Much has been written about the role of the State, particularly in the study of comparative industrial relations. Union recognition legislation is probably the most visible sign of a national approach to industrial relations (e.g. the UK’s transition from the disassembly of protective trade union legislation under Margaret Thatcher to the raft of European legislation implemented under the Blair regime).

However, although legislation has a profound influence on workers and their trade unions, recognition legislation is not a universal panacea for trade unions. As Gall (2003a) points out:

“They are not universal laws, operating in a blanket fashion where employers are subject to punitive measures for not recognizing unions ... Unions are cast in the position of always having to take the initiative and demonstrate their support. The onus is on them and the laws in themselves guarantee nothing, however supportive they are viewed to be.” (Gall, 2003a, p231)

The State, according to Gall, simply reflects the existing labour-capital inequities:

“Little evidence can be found of recognition laws constituting, or providing opportunities for, substantial challenges to managerial prerogative.”

Gall also references the debate around the dependency of unions upon the State: should unions be independent from the State, and thus able to withstand periods of reduced State support or State antagonism, or should they accept the support of the State (which may be essential if weaker trade unions are to develop into a position where they are sufficiently powerful to gain that independency). Gall, unfortunately, does not develop this debate further.

The State manifestly has a more profound influence on public sector companies, which are held to higher standards of conduct and compliance with legislation. However, the still high levels of union membership in the public sector probably relate to factors unique to the public sector environment, rather than the more direct influence of the State.

1.3.2.2.4.5 Management

It is notable that the case study research which characterises industrial relations research largely omits management. Articles which study managerial attitudes towards trade unionism are limited, and many have a quantitative basis (e.g. Poole et al, 1995) and there is a dearth of work which looks at the perceptions of individual managers from a social constructivist perspective.

Looking at the detailed qualitative industrial relations studies produced by authors such as Beynon, Gall and Darlington, their coverage of managerial attitudes is almost negligible (although, in their defence, it must be said that access to this population is difficult). Although they all reference the influence of managers, they view this population through the second hand lens of the workers and trade unionists, which inevitably produces a view of managers as belligerent and/or incompetent.

Beynon (Beynon, 1984, p112) neatly divides criticism of managers into 'structural' (the Marxist argument that they perpetuate the inequities of the capitalist state) and 'moral' (criticism of the actions that managers take), but the Ford managers to whom he refers are only represented in the views of the workers and the trade unionists Beynon interviewed.

Darlington (2001), likewise, conducted extensive interviews with workers and union activists, but his only representatives of management were employee relations staff, and the 'sanctioned' views of official documentation. Gall (2003) interviewed 40 full time officials and lay representatives in his study of the Royal Mail, but, from the management side, interviewed only the national industrial relations manager, relying on company documentation and Martinez Lucio's work on management strategy to fill in the gaps. This is problematic in

that the only view of management attitudes Darlington and Gall have, excepting the second order representations of the interviewees, is the officially sanctioned one embodied in formal documents and articulated strategy.

Batstone is perhaps more helpful on this issue, as the first volume of Batstone's observation based study, 'SHOP STEWARDS IN ACTION' (1977), provides greater opportunity to examine the role of management within the industrial relations context. His research focus, however, remains the stewards, and management are only referenced in terms of their influence on the stewards.

Management, Batstone argues, influence steward leadership in two ways: firstly, their organization of work and working conditions influences the extent to which a steward can assume a leadership role and the role which a union can play. Secondly, management exert an influence via how they deal with individual stewards, i.e. how far they involve stewards, accommodate or otherwise stewards' demands, and whether the relationship between steward and manager is seen as sufficiently independent and non-compromising. This last point is important to the credibility of the steward, as Batstone comments:

“... a particularly close relationship between management and a shop steward may be self-defeating if members begin to suspect the steward is no longer primarily pursuing their interests.”
(Batstone, 1977, p 5/6)

This is actually viewed more strongly by a number of authors, who see the “close” relationship between the management and unions as collusion. Whilst alluded to by the Donovan Report and by Batstone, critics of management go much further, as indicated by this broadcaster's view of LUL:

“Ridley (Tony Ridley, MD of London Transport, 1980) felt it was a conspiracy between the management and the unions because negotiations ‘just went on and on without ever getting anywhere’.” (Wolmar, 2002, p51)

Two other authors pick up this central role of management, but interpret it in a very different way. Boxall & Purcell see management as the only body which can drive the transformation of the industrial relations ‘tone’ in an organization:

“It is management who are the prime initiators here since they determine the fundamental approach. Unions are inevitably reactive to the style of management. It is extremely difficult for them to be proactive and to create a climate of ‘partnership’.”
(Boxall & Purcell, 2003, p177)

Kelly (1996), however, takes a very different stance, regarding any relationship between organisations and trade unions based on moderation and co-operation as one which will weaken trade unions:

“... (bargaining structures based on company councils or managerial sponsorship) identify the goodwill of the employer as the key to union survival and high membership density. It is the extreme dependency of the union on the employer which is truly alarming in these cases, a dependency reinforced by the absence of the normal countervailing powers of trade unionism.” (Kelly, 1996, p96)

And leave them exposed them to anti-union activities on the part of the employer:

“It is this dependency which renders moderate trade unionism so vulnerable to an employer’s counter-offensive in the event that they ever wished to dispense with unionism altogether.” (Kelly, 1996, p96)

Returning to Batstone, he argues that management will work to reduce uncertainty, and that their strongest relationships will be with stewards who can help them manage uncertainty. As labour is a major source of uncertainty and crisis, uncertainty is typically greater in shop floor as opposed to staff environments, and that stewards who provide strong leadership are more effective in controlling their members, his theory is that shop floor stewards who are strong leaders are most likely to be useful to management in reducing uncertainty; stewards with these characteristics are likely to have the strongest relationships with managers.

Batstone locates this argument within a context of management politics, and the “networks of co-operation and evasion” (Kelly, 1996, p96) which managers must establish to help them achieve goals, essential to protect managers in scenarios where uncertainty and crisis will necessitate rule breaking. This model is developed through the second volume, *THE SOCIAL ORGANIZATION OF STRIKES* (1978).

Batstone's survey data raises a number of interesting points. Managers saw shop floor workers as having a greater capacity to create uncertainty (by refusal to co-operate with management) and having a greater willingness to use that capacity. Shop floor stewards, concomitantly, assumed greater power than staff stewards, and “improving relations with stewards” was reported as the top industrial relations goal for 56% of shop floor managers (Batstone, 1977, p162); collective relations has a centrality for shop floor

managers not shared by managers of staff departments (who expressed greater concern over individual issues, largely around morale and motivation):

“For most shop-floor managers were convinced that it is through ‘responsible’ shop stewards who can control their members that their industrial relations problems will be overcome.” (Batstone, 1977, p161/2)

Batstone’s final discussion in his chapter on manager-steward relations is the definition of the conditions under which a strong bargaining relationship can develop. He paraphrases Brown’s (1973) definition of a strong bargaining relationship as follows:

“ ... the development of a relationship between steward and manager which goes beyond the minimum formal relationship which necessarily exists between them. At the minimum, this relationship is specific in terms of goals, affectively neutral, and universalistic in the sense that people are substitutable within the relationship. A strong bargaining relationship exists where the negotiating relationship becomes particularistic and affectively positive. As a consequence, certain kinds of information confidential to each side are exchanged, ‘off the record’ discussions occur, and to a degree each is concerned with protecting the relationship and the other party. The basic opposition of interests which exists within negotiation is therefore mediated by personal relationships which facilitate the constructive resolution of problems.” (Batstone, 1977, p168/9)

Strong bargaining relationships develop because they help both parties – stewards and managers – achieve goals. However, such a relationship is a double-edged sword for management: unions can glean much information about management politics which, if a conflict situation develops, can be utilised by the union to determine the most effective time and method for the taking of industrial action.

To be sustainable, a strong bargaining relationship must have two components: it must be based on “a broad balance of power between the two persons involved ... if a strong bargaining relationship fails to bring advantages to both parties, then there is little attraction in maintaining it”, (Batstone, 1977, p171). Secondly, there has to be a relationship of trust (facilitated by the exchanges of confidential information described above).

Batstone argues that the formulation of a strong bargaining relationship with influential stewards (i.e. those who lead and control their members responsibly) aids both managers and stewards in the achievement of their

goals, with the likelihood of strengthening the position of both within their respective organizations. Batstone presents a model of mutually beneficial co-operation between two individuals with an equal balance of power between them, rather than a collusion between managers and stewards. This is obviously a very different model from Kelly's emasculated dependent trade unions.

Batstone's second volume of this series, *THE SOCIAL ORGANIZATION OF STRIKES*, begins to evolve a more sophisticated view of management-union relations. Whereas the first volume, *SHOP STEWARDS IN ACTION*, presented a view of management as relatively homogeneous and uniformly focused on achieving production goals (although varying in their prioritisation of production needs, depending on their proximity to the shop floor), *THE SOCIAL ORGANIZATION OF STRIKES* explicitly articulates a heterogeneous view of management:

“Different managers have differing sets of priorities and sanctions exerted by workers are likely to have varying degrees of impact on different managers.” (Batstone, 1978, p37)

The addition of management politics builds a model of shifting power dynamics within the management group (i.e. production will be omnipotent when production is badly needed, sales may gain pre-eminence where supply exceeds demand).

The second development in Batstone's second volume is a comprehension that there may be occasions on which management seek, “an excuse for interruptions to production, and to avoid or alleviate the costs normally associated with such interruptions’ (Batstone, 1978, p 37). Batstone sees this as a management technique (“because some groups are important in the production process, it is possible for management to stir them to strike action to avoid having to pay those laid off when breakdowns occur, markets slump, or supplies run short, Batstone, 1978, p29), albeit one to which union

representatives are wise (“At times, notably when demand was low or there were shortages of supplies, the conveners ... suspected that management were purposely ‘setting the men up’. Accordingly, they would advise against strike action”, Batstone, 1978, p57).

1.3.2.2.5. Alternatives to Trade Unionism

1.3.2.2.5.1. Employee Voice

The term ‘employee voice’ has gained a degree of currency in the HR literature³², as it attempts to find a theoretical and practical way to explain and reconcile the plurality of interests in the workplace. Boxall & Purcell define ‘employee voice’ as follows:

“... a whole variety of processes and structures which enable, and at times empower, employees, directly and indirectly, to contribute to decision-making in the firm.” (Boxall & Purcell, 2003, p162)

Although by definition, the term ‘employee voice’ includes “indirect” mechanisms for employee voice (i.e. trade unions), its interest to managers and HR practitioners appears to be in its “direct” form, i.e. direct communication with and participation of employees.

Marchington & Wilkinson’s (2000) key paper in this area examined a range of options for employee voice (information, communication, consultation, co-determination and control), and cites changing economic and political circumstances as the determinant of the option selected (Marchington & Wilkinson, 2000, p 340).

³² The reader is referred to Boxall & Purcell, 2003, p 162 – 182 and Bach, 2004.

This was elaborated upon by Millward et al (2000, p118), who defined as important within these changing circumstances as the protracted decline in trade union membership, the reduction in the centrality of the unions provided by collective bargaining and the increasing managerial focus on direct participation and engagement. The latter was also observed by Cully et al (1999), who observed that managers expressed a preference for direct rather than indirect consultation in 72% of workplaces. A further impetus has appeared in the guise of the existing European, and the pending national information and consultation directives, which legislates for provision of employee voice mechanisms, but does not prescribe that these must be indirect.

This gives us three possible reasons for the interest in employee voice: declining union membership, managerial focus on direct participation and European legislation. All of these can be used to also explain the transition from indirect towards more direct forms of employee voice noted by Boxall & Purcell (2003, p 170).

The preference of managers to prefer direct forms of voice is likely to be a particular driver of the increased interest in this area. This was noted by Sissons (1997), who linked this to a unitarian partnership approach, and confirmed in the review of the Workplace Employee Relations Survey (WERS) data conducted by Cully et al (1999).

Employee voice, in summary, has been postulated as a real alternative to indirect employee consultation and participation.

1.3.2.2.5.2. Employee Engagement

An extension of the employee voice concept, employee engagement is a topic currently generating much interest in the HR literature, but little academic or robust practitioner research current exists (the exception is the large scale NHS study (Robinson, Perryman & Hayday, 2004) on which much of this section is based). Employee engagement refers to the fostering of the direct relationship between employees and the organisation, and has been defined by the Institute of Employment Studies (IES) as follows:

“A positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organisation. The organisation must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.” (Robinson et al, p9)

A number of advantages, accruing to both employee and employer, have been attributed to employee engagement (figure 36).

Benefit	Researcher	Date
Increased job satisfaction	Vandenberg & Lance	1992
Increased job performance	Mathieu & Zajac	1990
Increased total return to shareholders	Walker Information Inc.	2000
Increased sales	Barber et al	1999
Decreased employee turnover	Cohen	1991
Decreased intention to leave	Balfour & Wechsler	1996
Decreased intention to search for alternative employment	Cohen	1993
Decreased absenteeism	Cohen	1993
	Barber et al	1999

Figure 36: Benefits of Employee Engagement (source: IES, 2003)

Research indicates that engaged employees demonstrate a number of characteristics (figure 37).

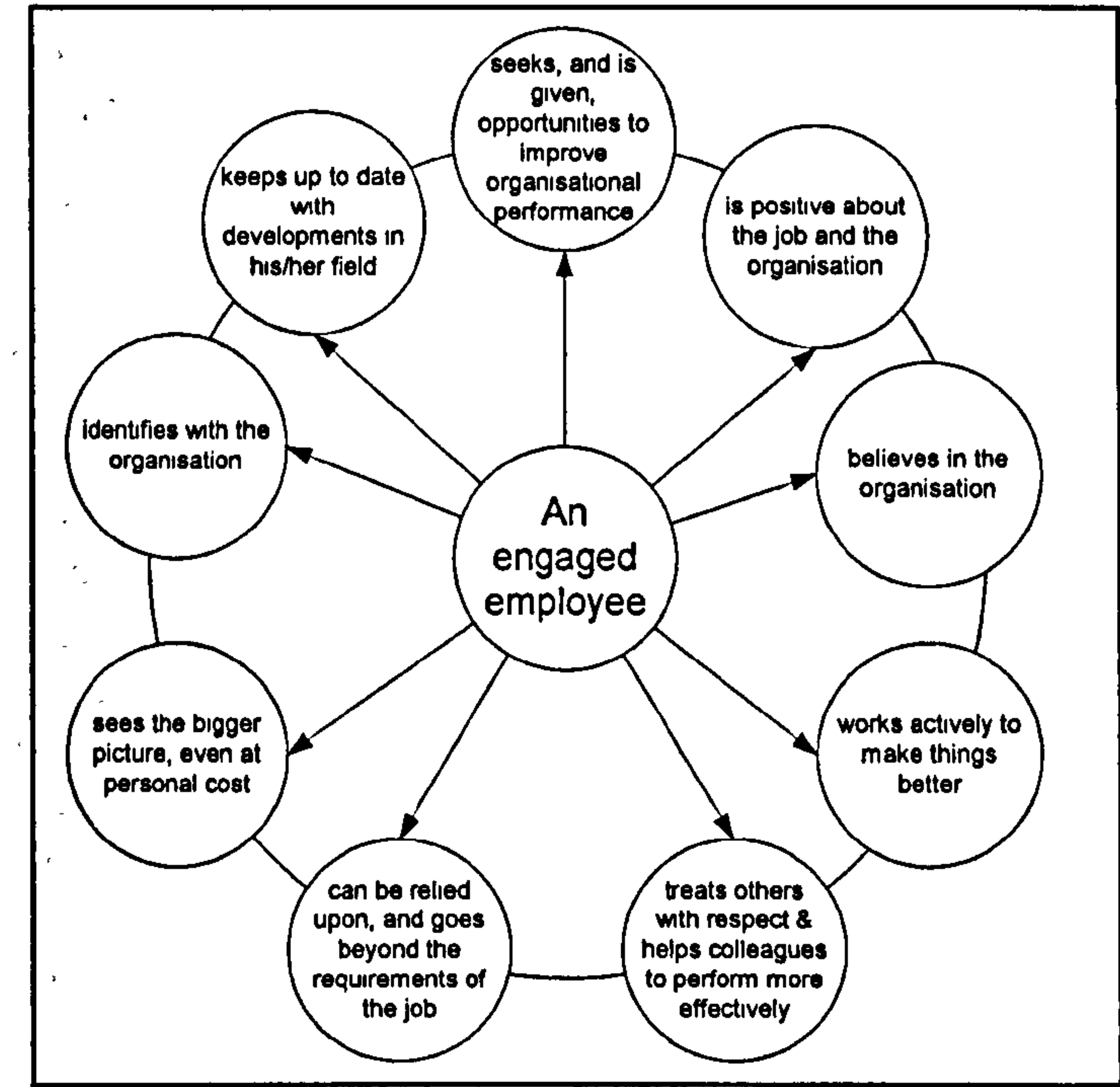


Figure 37: Characteristics of Engaged Employees (source: IES, 2003)

A public sector case study (Robinson et al, 2004, p24) has suggested that there are many drivers of engagement, the strongest of which is a sense of feeling valued and involved. This breaks down into a number of pre-requisites to employee engagement, as shown in figure 38. Engagement is multi-dimensional (Robinson et al, 2004, p 30), where no one factor guarantees or precludes engagement. Two elements were added to the IES model to reflect the Transport for London environment. The final element (vix) does not

appear in the IES report, but is particularly pertinent to an environment in which IR is central. (x) was included in the TfL model because of the perceived link between engagement and identification with the organisation.

(i)	Good quality line management
(ii)	Two-way communication
(iii)	Effective internal co-operation
(iv)	A development focus
(v)	Commitment to employee well-being
(vi)	Clear, accessible HR policies and practice, to which managers at all levels are committed
(vii)	Fairness in relation to pay and benefits
(viii)	A harmonious working environment
(vix)	Co-operative relationships between the organisation and employee representatives
(x)	Creation of an organisation with which employees can identify

Figure 38: Activities Driving Employee Engagement (source: IES,2004, with additions by TfL, Barrett, 2004a)

Employee engagement, hence, may be regarded as an extended version of employee voice, covering all elements of the employee relationship, but with communication and consultation as its focal points.

1.3.2.2.5.3. Non-Unionism, Anti-Unionism and De-Recognition

A review of these three topics, beyond the discussions already provided in the sections on the American IR model, is beyond the scope of this paper.

It is, however, pertinent to make a number of points. Non-unionism is not a unitary phenomenon, but shows a number of variants. In its most positive incarnation, it is supported by union substitution and HCM practices which negate the perceived need of employees to seek union membership. At its most negative, it is Sisson’s “Bleak House”, (Sisson, 1993, p207) where employees have neither high quality HR practices nor the protection of a trade union.

Anti-unionism has been discussed in the section on the American IR model, but the UK’s protection for trade unions and statutory recognition mechanisms suggest that anti-unionism will be demonstrated in a less overt way in the UK, perhaps better described as union avoidance by substitution.

Union avoidance has been categorised into 2 strategies (Beaumont, 1987; Blyton & Turnbull, 1998): substitution (providing benefits to reduce the likelihood of an employee joining a union) or suppression (the imposition of costs on workers for joining trade unions, typified by the US strategy of paying higher wages in non-union ‘shops’). This has been regarded as an over-simplification (Dundon, 2002, p236), however, and was developed into a 5 step schema for union avoidance by Roy (1980), unsurprisingly a US study,

which was extended to 7 steps and applied to the UK by Gall (2004). It also appears that opposition to union recognition campaigns is increasing in the UK, with both use of both suppressionist and substitutionist tactics (Heery & Simms, 2003, p5), supported by Gall's recent review (2004). Gall refers to this as "counter-mobilization" by employers (Gall, 2003a, p79), and (although admitting that these behaviours are less common in the UK than in the US) claims that a variety of tactics, both illegal (Gall claims that, in the "time honoured tradition" (Gall, 2003a, p93) the victimisation of activists, including sackings and harassment, takes place) and legal (such as establishment of non-union workplace forums and employee voice mechanisms), are being used to promote a union-free workplace.

This suppressionist-substitutionist approach to anti-unionism is not without its problems (Dundon, 2002, p267); for instance, it assumes free choice on the part of managers, is of dubious predictive value, it is static rather than dynamic in nature, and, perhaps most problematically, has been hi-jacked by left wing writers such as Gall to make a political point. This aside, it does potentially offers a richer understanding of anti-union behaviours.

De-recognition is an under-researched phenomenon³³, perhaps because it is relatively rare. Gall & McKay's review, the most comprehensive attempt to review the topic, concludes in 1998 with a finding that the rate of de-recognition is falling, after increasing in the early 90s (Gall, 2004, p38; Gall & McKay, 1999) , but there is no academic literature which brings the topic up to date.

³³ A ProQuest search revealed only 17 references, the most recent of which was 2001.

1.3.2.2.6. Partnership

1.3.2.2.6.1. Introduction to Partnership

The last 20 years in the UK have seen a significant decline in the trade unions' traditional power base (Edwards, 2003, p31) in national collective bargaining and industrial action, coupled with enhanced employment protection in law (and the concomitant devaluing of the trade unions' role in protecting employees' rights). Globalisation, the emergence of "social partnership" models³⁴, the introduction of HRM and contemporary programmes such as Blair's "Third Way" (IPA, 2004a) have furthered the decline in trade union membership.

This has led many trade unions and many organisations to look at alternatives to traditional industrial relations model of national collective bargaining and conflictual relations.

Partnership potentially promises a radically new approach to industrial relations:

"As a rhetoric it is very powerful, implying a markedly new role and new relationship for trade unions both with employers and with union members, potential and actual." (Boxall & Purcell, 2003, p173)

This purported to have advantages to trade unions as well as employers:

"... [the social partnership model] appears to offer unions a central place ... this prepares them to become joint architects of British partnership ... social partnership appears as a more proactive policy with an expansive vision of the part unions

³⁴ For an early attempt to define this term, see Ackers & Payne, 1998.

might play in British and European society.” (Ackers & Payne, 1998, p530/1)

Partnership is not, however, without its critics, one of the most vocal being John Kelly (1996), who saw partnership as weakening the unions' ability to oppose employers.

However, the promise and the threats of this concept seems unfulfilled: there is little evidence that partnership agreements have achieved a wholesale transformation of British industrial relations, but neither have they resulted in union emasculation. Why has partnership failed to deliver the benefits promised by the concept?

There are a number of possible reasons. Partnership resembles SHRM in that it suffers from a similar lack of agreement on the definition of the term and the content of the partnership construct. It also lacks empirical evidence as to the benefits it accrues to participants.

From an academic perspective, work to date on partnership lacks empirical verification:

“Despite ... widespread approval of the idea (of partnership), very few genuine examples have been identified.” (Dietz, 2004, p5)

And theoretical robustness is also absent. Work on partnership to date:

“... leave(s) uncertain the precise content of partnership and the practices that must be put in place for an organisation to be described as a partnership organisation.” (Guest & Peccei, 2001, p211)

Research is also limited on the final question of the existence or otherwise of a link between partnership and valued outcomes for the participants.

This leaves us with four issues to consider:

- the search for a definition of partnership;
- the content of partnership;
- the enactment of partnership in organisations;
- the existence or otherwise of a link between partnership and valued outcomes for the participants.

1.3.2.2.6.2. The Four Issues of the Partnership Literature

i) Definitions of Partnership

One of the major reasons for this lack of robustness is the lack of an agreed definition of partnership; as Ackers & Payne (1998, p530) indicate, “partnership combines seductive rhetoric with ambiguous and shifting meaning”.

Partnership has been promoted by a diverse range of proponents, including the Government and government bodies, trade unions and trade union bodies and employer and professional associations.

The Labour Government (Fairness At Work, DTI, 1998) set up the Partnership Fund to suppose a variety of partnership initiatives, and has argued that partnership was a major purpose of the Employment Relations Act, 1999. The TUC assumed that partnership is an inherently more productive model of industrial relations for both organisations and employees (TUC, 1998). The TUC takes the pluralist definition of the IPA (the Involvement and Participation Association), endorsing the view that employers and employees have legitimate but separate interests and perspectives, but that these may be managed to avoid overt conflict (IPA, 2004b).

The largest trade unions (including Unison, TGWU, GMB, Amicus and Usdaw) have all participated in partnership initiatives within organisations. ACAS, the Industrial Society, the Fabian Society and the Royal Society of Arts have all lent their support to the concept (Dietz, 2004, p5)..

There are, however, a number of rather more qualified views of the partnership concept. The CBI and the CIPD have taken a more unitarist view to partnership, and their endorsement has been considerably more cautious.

As can be seen, even given the brevity of the above review, there is a division in the literature between unitarian and pluralistic conceptualisations of partnership. This led Guest & Peccei (2001) to propose a taxonomy of partnership definitions, based around pluralistic, unitarian and hybrid models. This is summarised in figure 39.

Approach	Pluralist	Unitarian	Hybrid
Description	Representative partnership built around legislation and grounded in the pluralist tradition	Three variants: unitarian model supported by financial stake, direct participation or psychic stake in the organisation	Hybrid mutual gains model takes pluralist assumptions (representative systems) combined with direct involvement
View on capital versus labour interests	Acknowledges differences	Explicitly tries to reconcile, whilst simultaneously maximising involvement and commitment	Acknowledges differences, but tries to reconcile where common ground exists
Method	<p>Representative systems emphasised (employee representatives or trade union representatives) over direct employee participation (although latter not explicitly excluded).</p> <p>Supported by legislation (most evolved model is German co-determination model)</p>	<p>Number of variants:</p> <p>Financial stake (financial incentives and shared ownership)</p> <p>Direct participation and involvement of employees in day to day activities (but typically only if increased productivity results and typically limited to job and not wider employment opportunities)</p> <p>Psychic stake in the organisation (HCM type approach designed to maximise individual-organisation links and generate high satisfaction, commitment and loyalty)</p>	<p>Normally requires a formal joint governance system.</p> <p>Example is mutual gains model (Kochan & Osterman, 1994), where employees (direct and through representatives) work with management towards shared benefits (e.g. job security)</p>

Figure 39: Guest & Peccei's Taxonomy of Definitions of Partnership

ii) *The Content of Partnership*

Dietz attempt to define the content of partnership, although problematically only considered the topic from two of the most pluralistic of bodies: the TUC and the IPA. Dietz reconciled the two organisations' models (the major difference between these being, unsurprisingly, that the latter model allowed for non-union forms of participation, whereas the former did not), reproduced below in figure 40.

Partnership Element	IPA	TUC
A joint declaration of commitment to organisational success	Y	Y
Mutual recognition of the legitimate role and interests of management, employees and trade unions where present	Y	Y
Commitment and effort to develop and sustain trust between the organisation's constituencies	Y	*
Means for sharing information (IPA)/Transparency (TUC)	Y	Y
Consultation and employee involvement, with representative arrangements for "an independent employee voice" (IPA)/Transparency (TUC)	Y	Y
Policies to balance flexibility with employment security (IPA/TUC)	Y	Y
Sharing organisational success (IPA)	Y	
Adding value (TUC)	*	Y
Improving the quality of working life (TUC)	*	Y
* Implied in the text but not an explicit part of the model		

Figure 40: The Content of Partnership (from Dietz, 2004, p8)

Guest & Peccei (2001) created a slightly different model, analysing 4 principles of partnership, as shown in figure 41.

1	Good treatment of employees now and in the future
2	Empowerment: creating the opportunity for employee contribution
3	Employee rights and benefits
4	Employee responsibilities

Figure 41: 4 Principles of Partnership (from Guest & Peccei, 2001)

Assessing these principles via a questionnaire sent to management and employee representatives, Guest & Peccei found that these items were likely to be rated higher in companies which reported high progress towards partnership, although interestingly there were differences between the scoring of the management and staff representatives, suggesting the latter may be less sure of the benefits of a partnership approach.

iii) *The Enactment of Partnership in Organisations*

This brings us to the third of the four questions posed by the partnership literature: is there a consistency in the practices that must be put in place for an organisation to be described as a partnership organisation?

Guest & Peccei again provide a detailed examination of this, creating 8 classes of partnership practice which they assessed against the organisation's progress towards partnership. These are shown in figure 42.

1	Direct participation by employees in decisions about their work
2	Direct participation by employees in decisions about personal employment issues
3	Participation by employee representatives in decisions about employment issues
4	Participation by employee representatives in decisions about broader organizational policy issues
5	Flexible job design and focus on quality
6	Performance management
7	Employee share ownership
8	Communication, harmonization and employee security

Figure 42: 8 Classes of Partnership Practice (from Guest & Peccei, 2001)

This is a useful 'checklist' of partnership practices, although it combines elements of the unitarian and pluralistic models, and is not generalisable to the public sector due to its inclusion of share ownership.

iv) *Partnership and Valued Outcomes*

The last of the four questions posed by the partnership literature is the existence or otherwise of a link between partnership and valued outcomes for the participants.

Evidence in this area is conflicting. Dietz (2004) found that evidence that there were benefits to managers, employees and trade unions in his case studies of three organisations who fulfilled the IPA's definition of partnership, although he based his explanation of this in the success of individual and informal relationships ("trust") rather than formal policies and procedures.

Guest & Peccei likewise claim benefits for all participants, linking a subset of their partnership practices to more positive employee attitudes and behaviours, thence to more positive employee relations, thence to higher productivity, thence to more positive sales and performance. They do, however, emphasise that the relatively small number of respondents would require their conclusions to be validated.

One may, however, surmise that the positive view of partnership, promulgated by the organisations listed above, is likely to conceal the likelihood of imbalance in the advantage accruing to the participants. Guest & Peccei themselves identify a significant difference in the responses of managerial and staff representatives, and make the point that:

“... mutuality lies at the core of the concept of partnership; yet the results ... suggest that the mutuality may be somewhat unbalanced management would appear to be gaining more from the practice of partnership.” (Guest & Peccei, 2001, p231)

This is echoed by Martinez Lucio & Stuart (2002), who conducted a quantitative study in 2002 on the impact of partnership on a group of MSF representatives. Whilst finding some cautious acceptance of the concepts of partnership, they found little evidence that partnership was producing valued outcomes for the unionists, failing to meet the TUC's “acid test” of partnership (greater job security, transparency, involvement and quality of working life).

v) *Summary: Reasons For The Differing Perspectives On Partnership*

There are two possible reasons advanced for this imbalance in mutuality: firstly, partnership has been adopted by trade unions as an enforced reaction to their changing environment (hence in a time of weakness) and, secondly, the impetus for a partnership is surmised to rest with management.

To look at the first possible explanation, the decline in trade unionism has led many trade unions to the recognition that developing an alternative to their traditional adversarial role was necessary to their ongoing survival:

“... with the collapse of unions' traditional roles in many, but not all sectors, they are left with a difficult choice of being marginalised and continuing to lose members, or of seeking new forms of relationship based on cooperation and joint problem-solving.” (Boxall & Purcell, 2003, p177)

In other words, much of the literature sees partnership as a response forced upon trade unions by their changing/shrinking marketplace and diminishing power.

To move to the second possibility, it has been claimed that the impetus for partnership working will always rest with the organisation rather than the trade unions; organisations need to give permission for partnership to work.

“... this pre-supposes that management is willing to accept a joint philosophy and work to make it meaningful ... It is management who are the prime initiators here since they determine the fundamental approach. Unions are inevitably reactive to the style of management. It is extremely difficult for them to be proactive and to create a climate of ‘partnership’.” (Boxall & Purcell, 2003, p 177)

Although this may be something of an overstatement, it does hint at the power imbalance implicit in trade union-management relations. A consequence of the partnership literature has been a lack of focus on workplace conflict (Gall, 2004, p36): development of an industrial relations model which rebalances this is appropriate.

1.3.2.3. Public Sector Industrial Relations

1.3.2.3.1. Trade Union Membership in the Public Sector

Arguably the clearest distinction between the public and private sector is levels of trade union membership. Whilst declining or static at best in the private sector, trade unionism is flourishing in the public sectors in both the UK (Brook, 2002) and the USA (Nissen, 2003).

The 2001 Labour Force Survey (Brook, 2002) indicated that 59% of public sector employees were union members, as opposed to 19% of private sector employees. 73% of public sector employees were covered by collective bargaining agreements, contrasted to 22% in the private sector. Reductions in trade union membership have occurred at an equal rate in the public and private sectors (which adds some weight to the parallel track theory advanced below).

A key difference between the public and private sectors is the phenomenon of managerial membership of trade unions; as Poole et al (1995) point out, the majority of public sector managers in 1990 still reported that they believed it was necessary to have a trade union to represent their personal interests, despite increasing opposition to managerial trade unionism (MacInnes, 1987; Beaumont & Harris, 1992). This phenomenon has shown only limited decline and limited convergence with the private sector trend, therefore suggests managerial trade unionism may be an enduring feature of the public sector environment.

The higher levels of managerial union members in the public sector may also explain Poole et al's (1995, p276) second point: there is considerably less hostility towards trade unions in the public sector.

There is also a division within trade union representation in the public sector. Staff associations or trade unions which represent professional groups have created a generally moderate environment, but this is by no means universal. In the RMT and ASLEF, TfL has two of the most militant trade unions operating in the UK today, and the threat to jobs posed by recent government prescriptions has resulted in trade unions such as PCS adopting militant tactics. The private sector trend for trade unionism to follow a uni-directional

transition from adversarial behaviour to collaborative working has been replicated in areas of the public sector (e.g. the NHS), but this is by no means universal. One could even argue that industrial relations in a number of public sector organisations is regressing to a conflict model.

1.3.2.3.2. *The Impact of Public Sector Reform on Industrial Relations*

To understand public sector industrial relations, one must consider the context of the political pressure to modernise placed upon the public sector during the 1980s. This is reviewed elsewhere. This modernisation process (privatisation, commercialisation, fragmentation, exposure of the public sector to market forces in areas such as competitive tendering and market testing, increased managerial autonomy in typical collective bargaining areas such as work organisation and pay systems) significantly impacted public sector employee relations:

“Trade unions, although faring much better than most of their private sector counterparts, were excluded from national policymaking and often faced severe difficulties in safeguarding their members’ terms and conditions of employment.” (Bach & Winchester, 2003, p285)

This modernisation process was, however, only partially successful when Labour succeeded the Conservative Government in 1997, leaving a “contradictory legacy” (Bach & Winchester, 2003, p285).

The Labour Government’s approach to this situation was to refuse to reverse the modernisation process, but to temper it through the ‘best value’ initiative (which mitigated the prescriptiveness of Compulsory Competitive Tendering) and increased public expenditure. A further element of Labour’s approach to the public sector was an emphasis on partnership working and higher emphasis on HRM in areas such as benefits and family friendly working.

The responses of public sector trade unions to this process have been varied. Job losses have provoked a number of previously moderate trade unions (e.g. recent protests by PCS over the Department of Work and Pensions restructuring, with its concomitant severe job losses) into industrial action, whereas the NHS have managed their radical restructuring with a minimum of disruption. One can surmise as to the reasons for this difference (Bach, 2004) (the NHS contains professional groupings such as nurses, and their unions present themselves as “professional guilds” and staff associations, which are typically apolitical and non-militant; the fragmentation of the NHS through the modernisation process made organising difficult, greater consultative management in the NHS, less radical restructuring), but one must look to the literature to determine the reasons.

1.3.2.4. *Literature Review: Industrial Relations and SHRM*

As already inferred, industrial relations is a major omission in theories of SHRM and HRM, particularly in its positivist/"best practice" orientations, which are essentially unitarian and fail to adequately explain industrial relations environments. As Boxall indicates:

"The primary problem is the model's [SHRM] implicit unitarianism: it tends to assume that workers will fall into line with management's perception of the required behaviours ... The need for compromise with worker rights and interests is overlooked." (Boxall, 1999, p77)

Why should this omission have occurred? Kamoche concurs with Boxall, but proposed an additional reason:

"Efforts to reconcile ideological differences and achieve some kind of consensus ... have not been sufficiently articulated in SHRM, partly because of the manifestly unitarist nature of the latter and partly because industrial relations concerns are not viewed as particularly relevant to professionals and managers." (Kamoche, 1999, p102)

An interesting view begins to emerge of the formulation of a definition of SHRM as a political process.

The majority of SHRM work ignores industrial relations and, indeed, largely assumes that employees will unquestioningly follow the company line. The pluralism of employee relations is largely invisible in SHRM literature and, indeed, SHRM is explicitly constructed in a number of articles as the "replacement" for or alternative to pluralistic employee relations, as the following review by Guest suggests:

"Given the significant constraints, many UK companies would not want to practice human resource management. The 'professional' personnel management found in many successful organizations is one alternative. In many of the more stable bureaucratic organizations, policies based on administrative efficiency and cost-minimization make sense, while in production-driven companies cost-effective support policies may be most applicable." (Guest, 1987, p518)

The limited SHRM research which does reference industrial relations tends to deal with industrial relations in two ways: trade unions are seen as "losers"

when HRM initiatives are implemented, or are demonised as barriers to such implementation. Both of these are reflected in the following extract:

“... the adoption of a ‘full blown’ model of HRM is likely to undermine the existence of trade unions because of its underlying philosophy of unitarianism and individualism. This, however, underestimates the barriers to the implementation of HRM policies and practices in settings where employees belong to trade unions ... many of the American companies that are used as exemplars of HRM ... are non-union companies.” (McGovern, 1999, p143-5)

Some of the literature, indeed, precludes HRM as an approach for industrial relations environments.

“[HRM’s] focus on management activity and policy issues accords traditional industrial relations a marginal role at best. As such, human resource management becomes a particular approach which is distinct from other approaches found in organizations where trade unions are powerful.” (Guest, 1987, p510)

Although there is an element of truth to this, and the applicability to a US labour relations context is clear, this simplification fails to reflect the successful realities of partnership working and shared objectives, in areas such as workplace learning and safety, demonstrated in the European co-determination model.

There is also a paucity of research which looks at the trade union response to SHRM: exceptions to this are Martinez Lucio & Weston’s analysis (1992) of the TUC’s response to HRM and Fairbrother’s longitudinal 1996 study.

This is a simplification, however: one distinctive thread of research claims that HRM is actually more likely to be found in unionised workplaces (e.g. Sisson, 1993): Storey called this “dualism” (1992), to reflect the phenomenon of trade unions which drive transformation, but are not part of the transformation process. It must be said, however, that this is not a widely espoused view.

Particularly given the significance of employee relations and the embedded nature of trade unions in the UK public sector, there is a need to develop a model of HRM which recognises the pluralistic nature of employee relations.

1.3.2.5. Literature Review: Project Specific Review

Whilst the above provides a general literature review on industrial relations, it is relevant to outline here the main theoretical bases for this specific project: Darlington's paper on LUL, Batstone's work on power in industrial relations, Kelly's definition of militancy and theories of industrial relations conflict.

The aim of this study will be to review Darlington (as one of the few academic papers to study LUL), and to use the other 3 writers to aid interpretation of the important industrial relations concepts articulated by the respondents.

1.3.2.5.1. Darlington

In his 2001 paper on left wing militancy in London Underground, Darlington (Darlington, 2001) contended that four factors drive the continued militancy experienced by the organisation. This study examines whether these factors are referenced in the discourse of a group of senior managers and trade unionists in London Underground, three years after the Darlington study.

Darlington's case study approach was based on semi-structured interviews with union officials, employees and human resource personnel. It does not appear that he included any data from the senior management group, who are substantively responsible for the development and implementation of industrial relations policy and practice. This is particularly problematic, given that Boxall & Purcell see management as the only body which can drive the transformation of the industrial relations 'tone' in an organization:

"It is management who are the prime initiators here since they determine the fundamental approach. Unions are inevitably reactive to the style of management. It is extremely difficult for them to be proactive and to create a climate of 'partnership'."
(Boxall & Purcell, 2003, p 177)

This study attempts to provide the view of a group who have a fundamental role to play in the setting of the industrial relations climate, but who are omitted from Darlington's study. It will also provide an update Darlington's work following the merger of London Underground into Transport for London and its change of control to the Mayor of London.

Darlington characterises the LUL environment as follows:

"The RMT on London Underground, with its left wing leadership, seems to typify the image of so-called old-fashioned militant

trade unionism which many commentators assumed had long ago been abandoned.” (Darlington, 2001, p 5)

Darlington does, however, recognise that ASLEF, the second of the major trade unions in London Underground, take a somewhat different stance:

“... although there is an informal left-wing grouping ... within ASLEF there has been a fairly conservative Labour tradition on the London Underground, albeit with an occasional militant industrial edge.” (Darlington, 2001, p 6)

Darlington fails even to mention TSSA, despite their position as the second largest union in LUL.

Darlington identifies a number of features of the London Underground environment which he regards as factors which perpetuate the climate of industrial unrest:

- The schism between the union's leadership and its members (this links to a distinctive view of employees).
- Managerial contribution to industrial unrest.
- Accounts of factors driving militancy.
- Conflict between unions.

Darlington's factors are reviewed below, and discourse on these topics will be a major part of the study, the data reviewed in section 6.2.

i) The Schism Between the Union's Leadership and its Members

Darlington's paper is focused on an exploration of the role of left wing militant workplace activists in the creation of militant collective activity by employees. In this, Darlington draws upon mobilization theory, developed by writers such as Tilly, McAdam and Kelly (reviewed in chapter 3).

Implicit in the concept of mobilization theory (and indeed the radical perspective on trade unionism per se) is that trade unions leaders and members may not share a common view of the 'proper' role of trade unions (i.e. one would expect, as a generalization, union leadership to have greater political motivation, and workers to have greater focus on obtaining workplace concessions). As discussed in chapter 3, mobilization theory indicates that, even where the view is common, leaders have a role to play in creating a collective consciousness from a sense of individual injustice. Leaders have a need to 'collectivise' employees in order to utilise them, whether the goal is political or workplace based.

Darlington's paper picks up on this concept of a potential schism between the union's leadership and its members. He quotes a Victoria line activist who discusses the difference between the union leadership and the membership:

"You have an RMT leadership that desperately wants to fight and wants to try to galvanise the membership to fight the kind of political struggle that is needed. But they have a membership that is a lot less sure. The leadership are well to the left of the membership and the membership are not convinced of having a political strike. They make rational decisions about 'Am I going to get something back for all the money I'm losing'." (Quoted by Darlington, 2001, p 14)

This is linked to Gall (2000), who drew a distinction between union (the organisation as an entity) and labour militancy (workplace behaviour and activity).

This leads Darlington to express a view on employees: despite the schism he notes between the leadership and the membership, he views employees as not unquestioningly militant. This supports his claim that left wing union activists are critical in motivating employees to take collective action:

"... workers did not just respond automatically to environmental opportunities (and limitations). On the contrary, the role of leadership in focusing workers' varied grievances upon common objectives to ensure united action was also of central importance." (Darlington, 2001, p 16)

This view of employees, as passive until motivated by the union, will also be explored in this study.

ii) Managerial Contribution to Industrial Unrest

Darlington is categorical in his attribution of blame for the continued conflict to the London Underground management:

"... this militancy has not merely been a reflection of the preferences of the union's left wing leadership ... London Underground management's general industrial relations belligerence (particularly towards the RMT) ... acted to sustain such militancy and create conditions in which there has been little basis for the type of 'social partnership' advocated by many commentators." (Darlington, 2001, p 15)

“Kelly (1996) seems justified in arguing that militant trade unionism is ultimately sustained by the hostility of employers to independent trade unionism.” (Darlington, 2001, p 18)

As managers would be expected to produce a rather different view of events, this will be a topic of considerable interest in the current study.

iii) Accounts of Factors Driving Militancy

Darlington attributes blame to London Underground management, but also references a number of other factors driving militancy: privatisation, monopoly position and the composition of the militant unions' membership.

The first factor Darlington suggests is privatisation and the resulting threat to jobs and conditions:

“... the impending threat posed to jobs and conditions by privatisation ... acted to sustain ... militancy.” (Darlington, 2001, p 16)

The potential for privatisation to weaken the strength of the trade unions is also referenced:

“Even if ... militant trade unionism on the London Underground has been relatively successful in the past, it may prove much more difficult in the future within a potentially more hostile and part privatised environment.” (Darlington, 2001, p 18)

Conversely, however, Darlington also indicates that the presence of a monopoly situation, which reduces the pressure on jobs, is a driver for militancy:

“... the monopoly public service context in which Underground passenger demand and services have continued to grow rapidly and where the hard-faced realities of viability and compulsory redundancy common to many other industries have been felt less acutely, has encouraged workers' self-confidence and provided favourable opportunity structures for collective action.” (Darlington, 2001, p 16)

The final factor Darlington draws out is the RMT's different membership composition:

“The RMT’s broader based union membership and weaker bargaining position compared to ASLEF also needs to be taken into account in explaining why they have engaged in strike action so frequently.” (Darlington, 2001, p 16)

iv) Conflict Between Unions

This leads to Darlington’s final point: conflict between RMT and ASLEF. The fundamental difference between the politically motivated RMT with its more general membership (e.g. station staff, ticket office staff, some train drivers, signalers), and the professional ‘craft’ union of ASLEF (train drivers only) is exacerbated by differences in the policies of the leadership:

“ASLEF leadership has traditionally taken a much less confrontational stance than the RMT, and refused on a number of occasions during the 1990s to support industrial action mounted by the RMT ... such differences have been compounded by the history of different and sometimes very acrimonious relationship between the two unions.” (Darlington, 2001, p 6)

1.3.2.5.2. Batstone’s Determinants of Trade Union Power

Batstone (1978) saw that there were 4 sources of trade union power: substitutability, criticality, immediacy and the impact on uncertainty.

He defined these 4 types of power as follows:

- **SUBSTITUTABILITY:** skills which are difficult to substitute, which may be determined by the scarcity of the skills (Clegg, 1970) or the acceptability of substitutes to the remaining workers;
- **CRITICALITY:** occupancy of a critical position in the production process (Sayles, 1958), although power derived from this may be weakened if a number of other groups can also disrupt it (Batstone’s example is assembly workers, or an area in which the managers choose to incite that area to strike);
- **IMMEDIACY:** the immediacy with which workers can disrupt the company (Sayles, 1958; Clegg, 1970) – workers may take steps to increase the immediacy of the impact of strike action by, for instance, reducing output over proceeding weeks so reducing stock piles, managers may take the converse action;
- **UNCERTAINTY:** the creation of uncertainty or the coping with uncertainty in a process (Crozier, 1964); workers who break of rules or

follow informal practices (e.g. maintenance crews using 'short cuts') may create or help manage uncertainty.

This study will look at whether elements of Batstone's model are used by managers in LUL to explain trade union dynamics.

1.3.2.5.3. Kelly's Definition of 'Militancy'

This paper will take as a reference point Kelly's (1996) definitions of 'militant' and 'moderate'. Kelly defines militancy as preparedness to take industrial action, having an ideology of conflicting interests and a reliance on the ability to mobilise members. As indicated in the literature review, a number of authors have written on militancy, but Kelly's model is arguably the most comprehensive.

As discussed in the literature review, Kelly divided militancy into its component parts, building a multi-dimensional model of militancy, shown in figure 43.

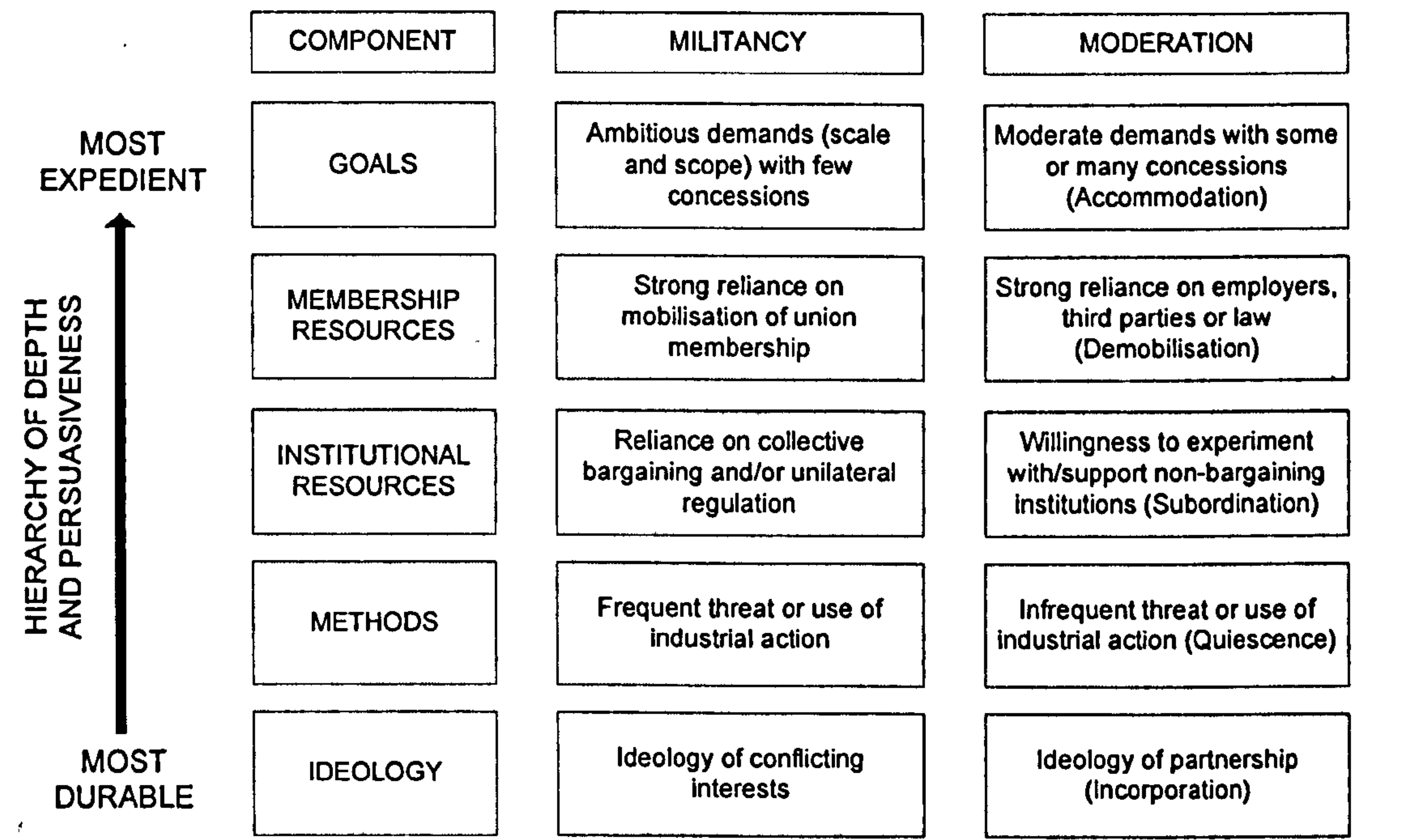


Figure 43: Kelly's Model of Militancy

It is, however, important to note that these terms require deconstruction, and a significant part of this project will be the analysis of the use of these terms by the industrial relations actors in London Underground.

1.3.2.5.4. Theories of Industrial Relations Conflict

Theories of industrial relations conflict can be grouped according to the Fox taxonomy discussed in chapter 3. The unitarian, pluralist and radical perspectives have different constructions of industrial relations conflict, which will be useful to relate to the discourse of the various participants. These are detailed in chapter 3, but are summarized below.

At one extreme, the unitarian perspective presents conflict as irrational and dysfunctional. The supremacy of the role of the entrepreneur and the managerial prerogative to which it gives rise depicts the only legitimate authority structure in the organisation being that of the management. The unitarian perspective, hence, constructs conflict as illegitimate as it potentially endangers the interests of the organisation and the workers who depend upon it.

At the opposite pole, the radical perspective sees conflict as an inevitable consequence of fundamental social inequities and a necessary precursor to societal change: conflict, hence, is an integral and vital component of the trade union role.

Between unitarianism and radicalism lies the pluralist perspective. As Fox's taxonomy indicates, the pluralist perspective can take a variety of conceptualisations, from co-operation to conflict.

The pluralist perspective sees that conflicts of interest inevitably exist, but that compromise is possible and desirable. This view is picked up by Batstone (1977), who presents conflict as the exception rather than the norm. He sees day to day trade union activities as assuming "an essentially accommodative hue" (Batstone, 1977, p 11), given that even a strong union operates within a "web of rules (which) recognizes and reinforces the position and certain goals of management" (Batstone, 1977, p 12).

These views of conflict are mirrored in the discourse analysed in this framework, and will be discussed in the appropriate results section.

1.3.2.6. *Literature Review: Change Management, HR and the British Public Sector*

As indicated in the introduction, this section will not attempt to review the extensive literature on change management, as most of this pursues a positivist and managerialist model of change:

“... much of the established vocabulary of change is embedded in assumptions associated with a top-down, managerialist approach to change, which relies on a rational, hierarchical paradigm of organisation ... within a context which remains stable and resistant to change.” (Butcher & Atkinson, 2001, p555)

Exceptionally, however, conventional texts on change management may usefully provide a descriptive, if not an analytical, framework. One such text takes “best fit” as the underpinning theory of SHRM, and building upon the work of Johnson & Scholes (1993), Balogun & Hope Hailey (2004) develop a context specific model of change, which considers “non-rational” features of the organisational environment (e.g. power and readiness) as well as rational (e.g. capacity, capability, scope, time) in their “change kaleidoscope” (Balogun & Hope-Hailey, 2004, p14).

This review will, however, concentrate primarily on the small literatures on change management and HR (section 4.1), change management and SHRM (section 4.2) and change management, SHRM and the public sector (section 4.3). As these literatures are small, however, the section will begin with a more general review of the change management literature in relation to HR.

1.3.2.6.1. Change Management and HR

Despite the increasing linkage of the two topics in practitioner literature (a scan through the CIPD’s 2004 index includes articles such as “A Change as Good as the Rest” “Signs of Change”, “How to Manage Organisational Change”, CIPD, 2004, p 48), there is a surprising paucity of scholarly literature linking the two topics, as figure 44 shows.

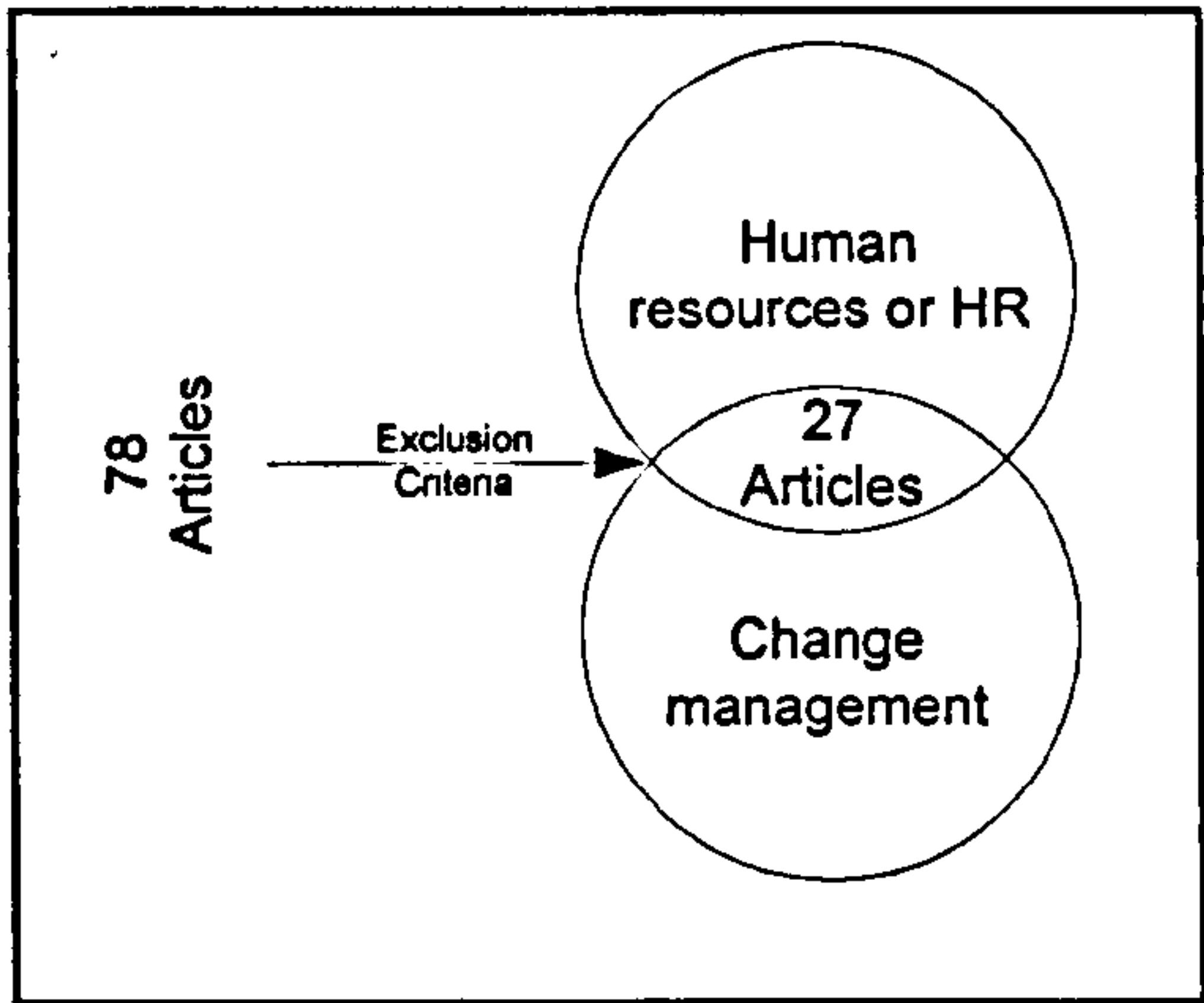


Figure 44: Literature Review - Change Management and Human Resources

Of the 78 articles produced, only 27 remain after the application of the usual exclusion criteria³⁵. Of these, a number focus on leadership and were also excluded. Because of the limited success of the search, a different strategy was used, i.e. a Proquest topic search (HRM and organisational change yielded 792 results, although selection of scholarly articles only reduced this to 360). Reviews were also conducted of two of the major journals in this area, Journal of Organisational Change Management and Journal of Change Management to provide an additional perspective.

1.3.2.6.2. Change Management and SHRM

Given the extensive literature on both SHRM and change management, it seems curious that few authors have explicitly considered the potential for organisational transformation inherent in SHRM. From an original literature search producing 36 articles, only 4 remained after the application of exclusion criteria: a review of HR's historical approaches to change management (Ogilvie & Stork, 2002), a study of organisational subcultures and their role in enabling or constraining HR strategy (Palthe & Kossek, 2002) and a study of change and HRM in the voluntary sector (Kellock Hay, Beattie, Livingstone & Munro, 2001). The final article (Francis, 2002) takes a very different tack and takes a social constructivist approach to change, which will be discussed in section 4.2.2.

Rather than discuss these 3 unexceptional articles, it is perhaps more interesting to surmise why a more considerable literature does not link these two topics. One possible explanation is that far more linkages are made at the practitioner level than in academic circles, and that there is a lack of cross-over between academic and non-academic writing. However, a second, perhaps more interesting explanation, rests with the positivist constructions of SHRM discussed earlier.

³⁵ Not about HR, concerned only with a specific area (e.g. teleworking, IIP, diversity or patents), focused on a non-UK geography or non-relevant industry, leaders/book reviews, published before 1990.

1.3.2.6.2.1. Positivist Approaches to SHRM and Change Management

If one considers HRM from a positivist epistemology³⁶, HRM as a driver for change is relatively processual. However, this may be over-simplistic, as Francis & Sinclair point out:

“... the conceptualization of change processes concerned with the deployment of HRM strategies typically ignores or plays down the complexity and significance of conflicting values and interests at the workplace.” (Francis & Sinclair, 2003, p686)

This literature review, hence, will concentrate on the limited literature which adopts a social constructivist methodology.

1.3.2.6.2.2. Social Constructivist Approaches to SHRM and Change Management

As Francis (2003) points out, approaches to change and change management are largely positivist in orientation (Francis, 2003, p 309). She does, however, suggest an alternative: the interpretation of change management through the lenses of a social constructivist epistemology and a discourse analysis methodology. A number of articles begin to define this alternative approach: Ford & Ford (1995), Ford (1999), Butcher & Atkinson (2001), Francis (2002, 2003), and Francis & Sinclair (2003).

This approach links the social constructivist approach (which proposes that people construct their social reality and are constructed by that reality) with the functional and variable view of language articulated by discourse analysis.

This model assumes that language has a fundamental role to play in the change of attitudes and behaviours:

³⁶ As typified by writers such as Delaney & Huselid, 1996, Patterson et al, 1997 and Guest 1997, 2001.

“...any fundamental shift in organizational routines and behaviours must be rooted in a shift in the orders of discourse and attempts at political influence to inform conversations for change.” (Francis, 2003, p323)

Change, this model argues, can only occur within language:

“Change as an organizational phenomenon necessarily occurs in a context of human social interactions, which constitute and are constituted by communication ... These interaction produce and reproduce the social structures and actions people know as reality ... From this perspective, change is a recursive process of social construction in which new realities are created ... sustained, and modified in the process of communication. Producing intentional change, then, is a matter of deliberately bringing into existence, through communication, a new reality or set of social structures.”

Using these concepts to inform a theory of change, the role of the change agent becomes the re-presentation of an alternative social reality to those affected by the change:

“In this context, the job of change leaders is to bring into existence a new ‘conversational reality’ that frames the context within which subordinates develop new interpretive frames and behaviours in the workplace.” (Francis, 2003, p311)

Ford described this phenomenon as “shifting conversations” (Ford, 1999), and developed a change management model which was based on the concept of using 4 “conversations” to drive change: initiative, understanding, performance and closure. This is summarized in figure 45.

Initiative conversations	Signal the beginning of change and rely on assertions, directives, promises, and declarations to focus attention on what could or should be done.
Conversations for understanding	Characterised by assertions and ‘expressives’ (the latter are expressions of an affective state such as apology or desire). Used to determine cause-effect relationships, which provide an opportunity to examine assumptions (and implications) that underlie thinking, develop a common language among change participants and create a shared context in which people learn to talk to each other.

Conversations for performance (getting into action)	Combinations of requests and promises spoken that focus on generating action and intended results (expressives or assertions are considered 'noise' at this stage). Performance conversations are necessary for co-ordinated action, required to move the change forward.
Conversations for closure (completing the change)	Characterised by assertions, expressives and declarations to bring about an end to the change process, these involve summaries, justifications for termination, expressions of positive sentiments, and discussions of continuity in which things are related to a larger context that is not ending.

Figure 45: Ford & Ford's Four Conversations of Change (adapted from Francis, 2003, p 313)

This model is useful in that it can be used to study both the initiation and management of “intentional” (Ford & Ford, 1995, p541) change as well as adjustment and accommodation to “unintentional” change (also discussed in terms of “bottom up” or “eruptive” models of change, Finstad, 1998) resulting from the action of external events and/or wider social changes (there are links here to processes which purport to allow people to progress more quickly through the change curve, e.g. coaching and counselling interventions).

The role of HRM in such ‘managed’ change is the topic of interest for Francis (2003), and her study supports a valuable role for HRM in supporting ‘proactive’ change, particularly in the first two ‘conversations’ described above:

“... the discourse of HRM may be used to actively manage ‘conversations’ according to their (managers’) own particular orientations, interests, and organizational context.” (Francis, 2003, p 324)

However, it is important to note the argument made by Kennoy (1999) at this point: given a social constructivist perspective, HRM becomes one of a number of possible discourses, and is subject to the same processes of power, negotiation and competing “conversations” as any other discourse:

“This article ... (reveals) the socially contested nature of HRM-based change and the essentially fluid nature of the discourse that surround such programmes.” (Francis & Sinclair, 2003, p692)

In other words, HRM has the potential to create change, but the social constructivist perspective more richly conceptualizes HRM as a one of a number of competing discourses struggling for pre-eminence, rather than the

positivist approach which regards HRM as a singular, measurable phenomenon.

This raises a further interesting point about this approach to change: it can accommodate the action of power dynamics:

“... meanings and positions created by change leaders through alterations in language use are always open to re-articulation as organizational participants struggle to compete for power and status.” (Francis, 2003, p311)

as well as negotiation and conflict:

“ ... the processes by which organizational members generate shared meaning are always in process of negotiation and/or conflict.” (Francis, 2003, p312)

Ford & Ford take this argument further, seeing change as a process through which power is claimed, disputed and displayed:

“Change is sometimes seen as a mechanism for the acquisition and use of power intended to bring about an alteration in the status of participants ... Under these conditions, communication is not considered neutral: it is something that can be manipulated by actors in the pursuit of their own self-interests.” (Ford & Ford, 1995, p568)

Language is, however, a volatile resource; actors may “manipulate” language, but cannot predictably manage the outcome:

“Although managers can appropriate these (HRM concepts such as empowerment and team working), they cannot fully control the ways in which others will interpret and act upon them ... case-study accounts ... reflect a constant struggle for meaning amongst participants.” (Francis & Sinclair, 2003, p687)

This links neatly to Fairclough’s (1992, 1995) concept of “hegemonic struggle”, described by Francis & Sinclair as follows:

“Fairclough argues that discursive practices create and challenge existing power relations and become facets of ‘hegemonic struggle’ in which dominant groups seek to achieve hegemony over the meanings and minds of others.” (Francis & Sinclair, 2003, p687)

As well as this competition for control of “conversations”, this model can see change as embedded in a wider social and political context, as noted by Francis & Sinclair (2003) in their case study of 2 manufacturing companies.

To summarise, one can see how this model of change enacted in language can provide a rich, multi-dimensional view of change and resistance to change in organisations, and this approach will be used throughout the projects.

1.3.2.6.3. Change Management and the UK Public Sector

The modernisation/commercialisation of the public sector has produced a range of literature looking at change in the UK public sector, and a selective review is contained below.

McHugh et al's 1999 paper discusses the inadequacies of a top down approach to change. She and her colleagues both recognise the difficulties of initiating change in a public sector environment:

“It is acknowledged that changing public sector organizations is a mammoth task, which is made even more difficult by the long term stability and the deeply-embedded culture which exists as a relic of the past within the public sector generally (Brooks and Bate, 1994).” (McHugh, 1999, p66)

Whilst also seeing the imperative for change:

“... ignoring the task of change is likely to lead to a situation whereby public sector organizations may assume the characteristics of seriously maladaptive bureaucracies amortized in “self-reinforcing equilibrium” (Crozier, 1964).” (McHugh, 1999, p66)

McHugh et al (1999) point out the inadequacies of a top down approach in somewhat pejorative language:

“... managers are generally fearful of such workplace democracy and avoid sharing decision making with employees ... This is particularly evident in bureaucratic cultures characteristic of public sector organizations where Kanter (1997) argues, powerlessness turns the powerless into controlling petty tyrants who guard their own small patch of turf, rather than seeking to focus on the pressing demands being made upon the organization.” (McHugh et al, 1999, p557)

McHugh et al continue to itemise the difficulties with public sector change management:

“Quite apart from the top-down nature of many organizational change programmes, the approach adopted by public sector organizations to the management of change is frequently reflective of an adherence to the values of scientific management and Taylorism (Taylor, 1947). When looking at change management there is a tendency to view the task in terms of its component parts, a legacy of FW Taylor.” (McHugh et al, 1999, p559)

Finally concluding that the issue is disenfranchisement of those most fundamentally affected by the change:

“In accordance with their underlying culture they frequently chart a logical and rational programme aimed at achieving desired results in the short term. In many cases, these strategies are formulated by a small team of senior managers, more or less in isolation from those whose support and commitment are vital ingredients for implementation, representing a top down approach to change management ... such an approach to change management is essentially short-sighted and limited. This is due to the fact that the implementation of this logical and rational programme over a longer time frame requires the continuous commitment of highly-skilled and satisfied employees. These employees must be sufficiently empowered by managers who are themselves innovative, and seek to foster innovation in others.” (McHugh, 1999, p69)

McHugh et al's argument is that change which “commences at the periphery and is led by relatively junior front line staff, with senior management practitioners acting as facilitators of organizational transformation” (McHugh et al, 1999, p556) is far more likely to be successful than top down change imposed by distant managers.

Despite its somewhat polemical tone, this is a useful article, linking the bureaucratic heritage of public sector organisations to their resistance to change.

One interesting theme to be produced by this literature search was a number of articles who viewed the employee's experience of change, and the ability to construct that experience, as central. At the extreme of the social constructivist pole is Francis's explicitly discourse analysis based study (Francis, 2003), which proposes (after Ford, 1995; Ford & Ford, 1996) that

language has a central role to play in the conditioning of the acceptance of change. There are, however, a number of articles which whilst less overtly social constructivist in nature, still stress the importance of communication in conditioning employees' responses to change (McHugh et al, 1999; Skinner, 2004).

Skinner's 2004 article, for instance, applies a social constructivist view to public sector change management, but concentrates on the importance of accessing employees' perception of events, arguing that managers may assume a reality which is not shared by the mass of employees. Skinner makes a case that concentrating on recognition and sharing of perception and experience at every level of the organisation may be a useful way of increasing the acceptance of organisational change.

1.3.2.6.4. Change Management, SHRM and the UK Public Sector

Scholarly literature which explicitly links the three topics was not found in the literature reviewed. However, a number of comments on the applicability of SHRM and change management to the public sector can be found in more general texts. Two interesting points emerge: the lack of ability to choose one's own destiny:

"In organisational terms, many change texts assume that an organisation's management team have full latitude of discretion in terms of the choices they can make about change. In reality, many organisations are constrained in what they can undertake by their relationship with other institutions. This is particularly true of public sector organisations contemplating change. They may not be allowed to choose the obvious or best course of action because of constraints placed upon them by their political masters." (Balogun & Hope-Hailey, 2004, p89)

This infers a clear role for institutional theory in creating explanations for the selection of specific change management approaches in the public sector.

1.3.2.7. Literature Review: Public Sector Commercialisation and Modernisation

1.3.2.7.1. Public Sector Commercialisation and Modernization

The public sector has been subject to radical reform over the last 2 decades, which has been summarised into seven categories (Thomson, 1992, p33): privatisation, delegation, competition, enterprise, deregulation, service quality

and curtailment of trade union powers. The Conservative Government's policy on reform is summarised in figure 46.

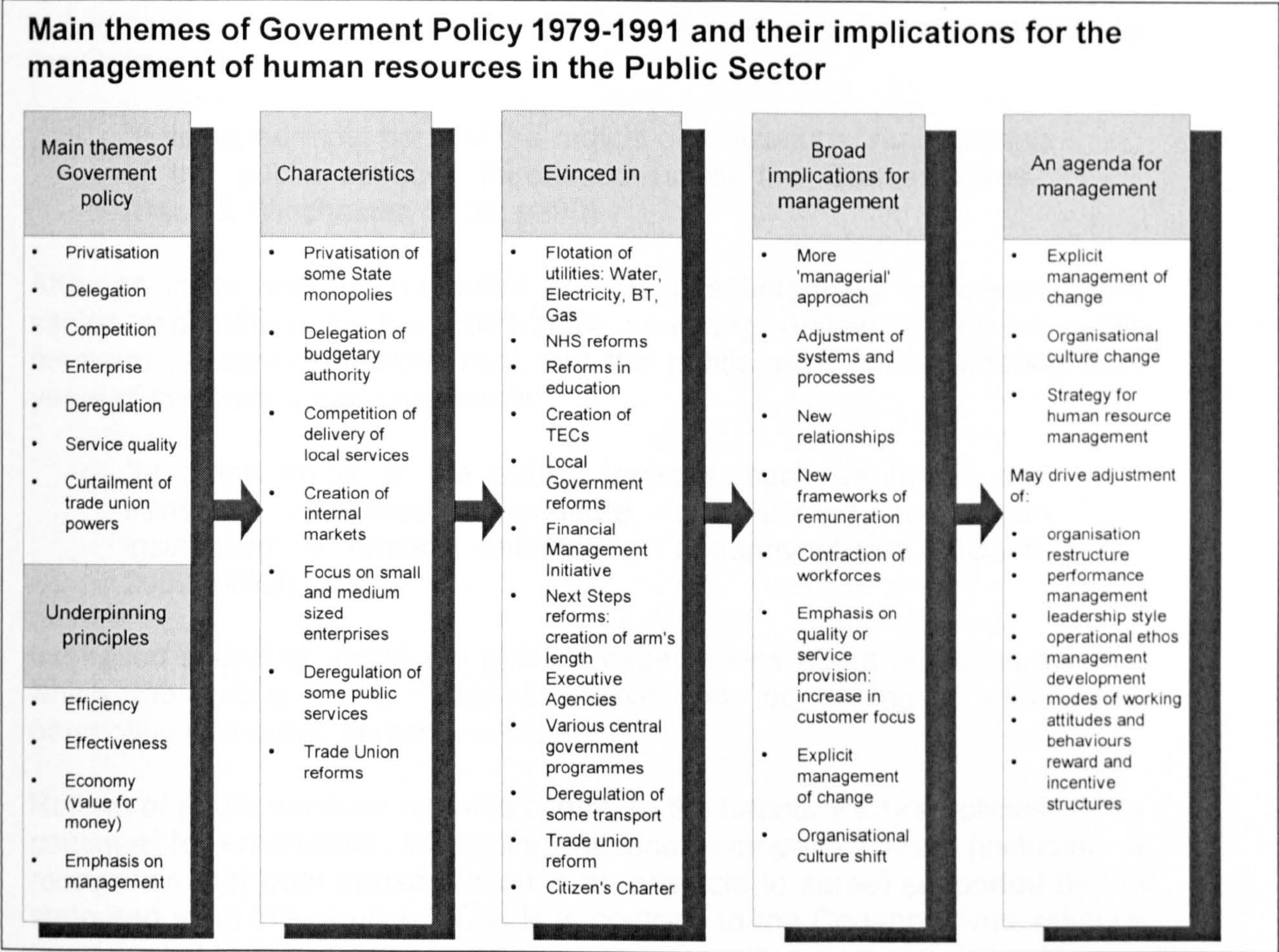


Figure 46: The Conservative Government's policy on reform (Thomson, 1992)

Figure 46 does, however, imply a degree of strategic planning which may not have existed: as Thomson comments:

“Many of the initiatives outlined were not evolved as a part of a master plan, but, rather, were *ad hoc* responses to changing political and economic circumstances.” (Thomson, 1992, p34)

The result of this was that much of the intended reform remained uncompleted by the 1997 election:

“Despite the introduction of market-type incentives to foster change, traditional hierarchies and long-standing working

practices remained intact in some parts of the sector.” (Bach & Winchester, 2003, p285)

On winning the 1997 election, the Labour Government’s approach to the public sector was to continue the process of modernisation commenced by the Conservatives:

“It accepted most parts of the radical organizational restructuring of the public services introduced under the Conservatives.” (Bach & Winchester, 2003, p290)

After an initial restraint on public spending, substantially increased public sector expenditure in the 2001-2004 spending review increased public pressure for service improvement, but the public sector was suffering from years of systemic under-investment:

“In many areas of the public services, such as health and transport, increased expenditure from 2000-1 has been insufficient to remedy decades of underinvestment.” (Bach, 2002, p323)

Increased spending raised the public’s expectations about improved service, which the public sector failed to deliver on, generating a widespread perception of a public sector in crisis.

Reform of public services remains central to the Labour Party’s policies. They continue to emphasise increasing national competitiveness (including a recognition that poor transportation is an obstacle to same) supported by the state and state intervention. This is in contrast to the Conservatives’ reliance upon market to achieve the same end.

Reform of public-sector pay continues to be problematic due to equal value, recruitment and retention difficulties and the commitment to pay for performance in a reluctant public sector.

1.3.2.7.2. The Impact of Commercialization on Public Sector Industrial Relations

Relations between the Labour Government and the trade unions have been strained by a number of Labour policies: continuation of the modernisation programme and a disinterest in ownership issues. The Government has also been criticised for its failure to genuinely work in partnership, as well as for its manner of implementation of the modernisation programme.

Although the Conservatives' cost minimisation model was replaced by one favouring service quality orientation and standards monitoring, the continuation of the modernisation programme was to the dismay of the trade union movement, who have continued to pursue an anti-privatisation agenda (Bach & Winchester, 2003, p309). High profile disputes in occupational groups with a history of militancy (e.g. London Underground, Royal Mail, Fire Brigade) continue to be a feature of the industrial relations climate (Bach, 2002, p321).

The Labour Government has focused on regulation rather than ownership (Bach, 2002, p326). They view delivery of services as pre-eminent, and ownership as secondary. In particular, the involvement of the private sector in public sector reform has incurred the wrath of the trade union movement: the Government continued the Conservatives' policies in areas such as the involvement of senior private sector executives to examine issues in public sector reform, privatisation and, most contentiously, the Private Finance Initiative (PFI).

The PFI, a means of using private sector financing to fund public sector capital expenditure, has been particularly reviled, the trade unions seeing this as a short step towards a privatisation which they believe will disadvantage trade unions and result in a deterioration in terms and conditions (Bach, 2002, p329/330). This has been exacerbated by the Government's "muddled approach" (Bach, 2002, p336) to the issue. In the light of evidence to suggest the PFI provided limited value for money (IPPR, 2001), the Government's continued pursuit of public-private partnerships (for instance on London Underground) has resulted in a major rift between the trade unions and the Government.

The unions have likewise been critical of the Labour Government's approach to policy development. An inclusive model of policy development and implementation was to be expected from a Labour Government, which has shown a willingness to enter into discussion with trade unions about public sector modernisation. The approach taken to this, however, has been social partnership, rather than the co-deterministic models of the European Social Democrat countries. This has resulted in criticism from the TUC (2001, p13) as a lack of genuine commitment towards partnership working.

Furthermore, the method of implementing modernisation, described by Bach as "overly centralized and authoritarian" (Bach, 2002, p336), has also exposed the Government to the criticism of the trade unions:

"Public-sector trade unions have often been sympathetic to the goals of government policy, but concerned about the manner in

which policies have been implemented with minimal staff consultation.” (Bach, 2002, p327)

The combined result of this disillusionment with the Labour Party has led to a number of unions (notably FBU, GMB and Unison) to question their funding of the Party. Criticism of privatisation has become a tool for certain unions in the quest to recruit and retain members:

“Uncompromising criticism of government policy on privatization ...was also used as a means to raise its profile amongst public - sector workers.” (Bach, 2002, p330)

Commercialisation has direct as well as indirect implications for industrial relations, as Boxall indicates:

“... a rediscovery of the management prerogative ... is particularly evident in sectors where competitive pressures have intensified, but it is not universal. In the public sector ... union roles have changed only slowly and adversarial industrial relations remain the norm. Here, where public funding is constrained, adversarialism can remain the only avenue for unions to exert an influence on the allocation of resources in terms of jobs and pay”. (Boxall & Purcell, 2003, p177)

Although this review and the militancy of a relatively small group of trade unions may exaggerate the gap between the trade unions and the Government, it is clear that industrial relations under the Labour Government is problematic and union support for modernisation limited and qualified.

1.3.2.8. Organisational Politics, Power and Conflict

It is beyond the scope of this study to offer a review of the multitude of research papers which exist on these topics, but it is useful to state the view taken to each of these constructs. This study, taking a social constructivist/institutional theory perspective, views each of these topics from this perspective.

1.3.2.8.1. Organisational Politics

Institutional theory presupposes that not all decision making in organisations is rational, and that decisions may equally be influenced by issues of politics and power. Organisational politics, consequently, becomes attempts to use power and/or politics to drive decisions towards a preferred outcome. As

Organisation Theory indicates, there is a fundamental link between politics and power.

“Organizational politics involves those activities taken within organizations to acquire, develop, and use power and other resources to obtain one’s preferred outcomes in a situation where there is uncertainty or dissensus about choices.” (Pfeffer, 1981, p7)

1.3.2.8.2. Power

For the purpose of this study this review will utilise Dahl’s definition of organisational power:

“A has power over B to the extent that he can get B to do something that B would not otherwise do.”(Dahl, 1957, p203)

Importantly, Dahl sees power as existing within the relationship between social actors (which can be individuals, groups or organisations), rather than something which resides within the actors themselves, i.e. power is a social construction.

Power can be overt, or it can function to suppress opposition. This links to the discourse analysis perspective which is discussed in the next chapter, which proposes that those who are powerful will have a greater ability to determine which discourses (and hence which social constructions) will dominate, i.e. they will have greater ability to construct what is regarded as ‘truth’ in an organisation. This will be discussed in greater detail in the following chapter.

This study will move from the traditional authority based conceptualisations of power (see Pfeffer, 1981, for a discussion) towards a strategic contingencies theory of power, which sees power as follows:

“... power derives from the ability to provide something that the organization highly values and that can only be obtained through a particular social actor.” (Hatch, 1997, p287)

This view of power as control of resources will be fundamental to an analysis of an industrial relations environment. This notion has been applied and expanded in the industrial relations context by Batstone (1978), who saw that there were 4 sources of trade union power: substitutability, occupancy of a critical position, immediacy and the impact on uncertainty.

Batstone further defined these 4 types of power as follows:

- **SUBSTITUTABILITY:** skills which are difficult to substitute, which may be determined by the scarcity of the skills (Clegg, 1970) or the acceptability of substitutes to the remaining workers;
- **CRITICALITY:** occupancy of a critical position in the production process (Sayles, 1958), although power derived from this may be weakened if a number of other groups can also disrupt it (Batstone's example is assembly workers, or an area in which the managers choose to incite that area to strike);
- **IMMEDIACY:** the immediacy with which workers can disrupt the company (Sayles, 1958; Clegg, 1970) – workers may take steps to increase the immediacy of the impact of strike action by, for instance, reducing output over proceeding weeks so reducing stock piles, managers may take the converse action;
- **UNCERTAINTY:** the creation of uncertainty or the coping with uncertainty in a process (Crozier, 1964); workers who break of rules or follow informal practices (e.g. maintenance crews using 'short cuts') may create or help manage uncertainty.

Batstone (1977, p178) also notes that there may be external influences on organisational power (e.g. the exerting of power on the union within an organisation by the 'parent' union), which is also considered by Stacey et al (1975) and Stein (1960).

1.3.2.8.3. Conflict

This literature review will look at two bodies of work on conflict in organisations: analysis of conflict developed in the field of industrial relations, where Marxist theory predominates, and organisational theory.

1.3.2.8.3.1. Organisational Theory

i) Theories of Conflict

In its simplest form, conflict is the antithesis of co-operation (Burrell & Morgan, 1979). This conflict as dysfunctional model, however, ignores the universality of conflict and its basis in different goals, values and sub-cultures.

These inadequacies led to an alternative conceptualisation of organisational as the natural consequence of conflicting interests, scarce resources or limited opportunity (Pondy, 1967; 1969). Taking this perspective, conflict is natural and unavoidable. This was evolved into a theory which saw conflict as functional, creating adaptation, innovation and critical in the prevention of group think (Barnard, 1968). This, in turn, led to a contingency theory of conflict, which proposed an optimal level of conflict, neither too little (poor

decision making, apathy, stagnation) nor too much (unco-operative behaviour, open hostility). This is shown in figure 47 below.

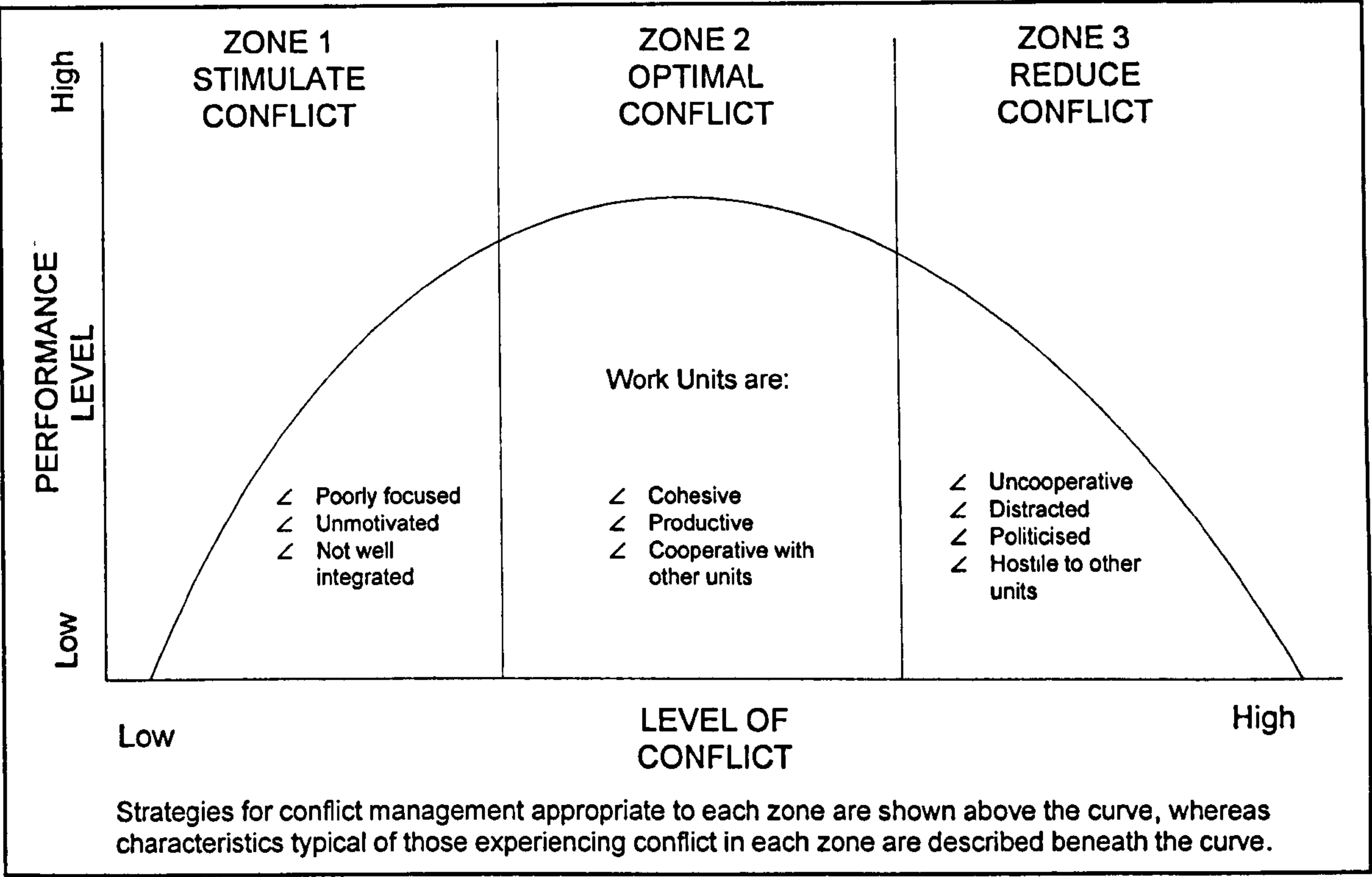


Figure 47: Curvilinear Relationship Between Conflict and Performance (from Hatch, 1997, p305)

Organizational theory provides a further useful distinction: horizontal and vertical conflict. Horizontal conflict cuts across the hierarchical authority lines in the organisation (e.g. conflict between subsidiaries), whereas vertical conflict follows the lines of authority (e.g. conflict between headquarters and a subsidiary, management and labour conflict).

ii) *Horizontal conflict*

Horizontal conflict is an area of considerable research³⁷, but of particular interest to this study is a piece of work (Walton & Dutton, 1969) which defined the conditions under which such conflict may develop. A number of these are pertinent to TfL, namely: differentiation/integration pressures, common resources, communication obstacles and individual differences.

Most important of these may be differentiation/integration pressures:

“Differentiation and integration pressures are always in conflict within an organization and are inherent in the processes of organizing ... each unit faces the opportunity to develop its own identity and subculture within the organization ... When the differentiated units are expected to co-ordinate their activities and share resources and opportunities, the potential for conflict is confirmed.” (Hatch, 1997, p 309)

It is reasonable to suggest that, when several organisations with already strong identities and cultures are merged (such as is the case in Transport For London), horizontal conflict will be magnified.

This is exacerbated by establishment of a new corporate function which has taken over a number of the key resources previously “owned” by the business units (e.g. resourcing, learning & development), speaks a different language (private sector versus public sector). Individual differences may also play a role.

A full analysis of horizontal conflict will require an analysis of the organisational context, as conflict may be generated through environment, strategy, technology, social structure, organisational structure and physical structure (Hatch, 1997, p 313).

³⁷ The reader is referred to Hatch, 1997, p 308 – 315, for an introduction to this topic.

iii) Vertical conflict

Vertical conflict, as indicated above, follows the lines of authority. The most widely used theoretical basis for work on vertical conflict is Marxist organisational theory; this creates the conventional understanding of workplace conflict as class conflict between the bourgeoisie (the capitalists who own the means of production) and the proletariat (the workers, who rely upon the capitalists to provide employment). This underpins much of the trade union ideology.

Marx proposed that the inherent contradiction of capitalism was the conflict between owners seeking to maximise profit (maximising the 'exchange value' of labour, i.e. the revenues received from the sale of products/services produced by the labour) and workers seeking higher wages (the 'use value' of labour, i.e. what owners must pay to procure workers' labour). 'Surplus value' (i.e. profit) is the difference between the use and the exchange values, creating perpetual conflict between owners and workers as to what proportion of the surplus value should be apportioned to the workers.

Competition was seen by Marx as a factor aggravating this conflict, creating a constant downward pressure on prices, and thus reducing the amount of surplus value available for distribution.

Marx believed that this inherent instability in society between the classes would result in the replacement of one form of domination by another (slavery by feudalism, feudalism by capitalism), which would ultimately be overthrown by communism, which would give shared ownership of capital to all, hence ending class conflict. Post-modernism has viewed this in less revolutionary terms, seeing such instability as the necessary condition for change and innovation.

iv) The Non-Rational Organisation

Theories of conflict, power and domination are important to this study, both because they are central to the study of industrial relations, but also because they move away from the concept of the rational organisation. This leads to the social constructivist view of an organisation, and a view of rationality in an organisation as a social construction:

"Marxists and non-Marxists ... claim that rationality is an ideological tool rather than a tool of reason ... rational argument

is a technique of persuasion founded on criteria designed to protect the interests of the powerful.” (Hatch, 1997, p320-1)

The concept of rationality, Hatch argues (quoting Edwards and Benson) is a major force in the continued subjugation of the workforce: as long as they believe the capitalist system is rational, they will continue to work unquestioningly within in. Only once their class consciousness has been raised will they begin to challenge the capitalist construction of rationality.

1.3.2.7.3.2. Industrial Sociology

Industrial sociology provides an alternative way of viewing industrial relations conflict.

Theories of industrial relations conflict can be grouped according to the Fox taxonomy referenced earlier. The unitarian, pluralist and radical perspectives have different constructions of industrial relations conflict, which will be useful to relate to the discourse of the various participants. These are discussed in chapter 3, but are summarized below.

At the unitarian extreme, conflict is presented as irrational and dysfunctional. The supremacy of the role of the entrepreneur and the managerial prerogative to which it gives rise depicts the only legitimate authority structure in the organisation being that of the management.. The unitarian perspective, hence, constructs conflict as illegitimate and potentially endangers the interests of the organisation and the workers who depend upon it.

At the opposite pole, the radical perspective sees conflict as an inevitable consequence of fundamental social inequities and a necessary precursor to societal change: conflict, hence, is an integral and vital component of the trade union role.

Between unitarianism and radicalism lies the pluralist perspective. As Fox's taxonomy indicates, the pluralist perspective can take a variety of conceptualisations, from co-operation to conflict.

The pluralist perspective sees that conflicts of interest inevitably exist, but that compromise is possible and desirable. This view is picked up by Batstone (1977), who presents conflict as the exception rather than the norm. He sees day to day trade union activities as assuming “an essentially accommodative hue” (Batstone, 1977, p11), given that even a strong union operates within a “web of rules (which) recognizes and reinforces the position and certain goals of management” (Batstone, 1977, p12).

2. *PURPOSE OF PROJECT*

The project will firstly look at different accounts of the recent industrial relations history of London Underground. Whilst this is primarily included in the interests of context setting, it will also be used to start to identify some of the dilemmatic discourses operating within the organisation.

The main purpose of the study is, however, the study of accounts of trade union relations in London Underground, to examine to what extent Darlington's factors are drawn upon by actors in the industrial relations environment to explain and justify the situation. Darlington's factors will be contrasted with the 'socially shared' discourses of the actors, i.e. those generated through free coding the data.

3. *DEFINITION OF TERMS*

No definition of terms is thought necessary.

4. *THEORETICAL POSITIONING*

This paper takes a social constructivist perspective, which is appropriate to a study of perceptions, opinions and views in a highly politicised environment.

The theoretical basis for the project is institutional theory. The basis of institutional theory is the assumption that organisations are, first and foremost, social entities, and will conform to gain social legitimacy and acceptance, and hence secure resources, from multiple stakeholders (Meyer & Rowan, 1977; Zucker, 1977, 1987; Scott, 1987; DiMaggio & Powell, 1983).

Institutional theory proposes that organisations have cultural and social pressures directed at them:

“Environments ... may make social and cultural demands that require organisations to play particular roles in society and to establish and maintain certain outward appearances ... Environments dominated by social demands reward organisations for conforming to the values, norms, rules and beliefs of society.” (Hatch, 1997, p 83)

Given the importance of political and “non-rational” drivers in public sector companies, specifically the significant influence of industrial relations (Bach &

Winchester, 2003), and that, intuitively, public sector companies are likely to be more “dominated by social demands” (Hatch, 1997, p 83) than their private sector counterparts, it seems that institutional theory may offer useful insights into public sector companies. Social constructivist approaches such as neo-institutionalism may prove useful when examining public sector companies from the perspective of the actors within it, and has obvious resonance with the proposed discourse analysis methodology for this study.

5. *METHODOLOGY*

5.1. Overview

A pilot study, comprising interviews with 4 managers (2 LUL and 2 TfL) was conducted. The interviews for the pilot project were conducted during the London Underground 2004 pay negotiation, i.e. between May and August 2004. A semi-structured interview format was used, the interview schedule for which is included in appendix 1. Interviews for the main project commenced in August 2004 and continued through to the conclusion of the pay round in October 2005. The last interview was conducted in January 2005. Interviews were supplemented by a review of company documentation and press releases, and, in addition to interviews with the managers and trade unionists involved in the pay negotiations, a number of interviews were conducted with staff that had historically played key roles.

The interviews were transcribed and coded using NVivo. Discourse analysis was used for coding and subsequent data analysis. Discourse analysis, a methodology for dealing with natural language data developed by social psychologists appears to be a suitable methodology for a study with a social constructivist epistemology. The study of constructions of trade unionism in a public sector organisation, likewise, will inevitably involve consideration of

power, political and 'non-rational' influences, which themselves are subjective and constructed through language (rather than possessing an empirically observable reality). Furthermore, discourse analysis is admirably suited to the theoretical basis of the project in institutional theory.

There are a number of theoretical conceptualizations (Keenoy, 1997; Alvesson & Kärreman, 2000) of discourse and discourse analysis; this study will utilise the version generated within social psychology, which sees discourse as both constructed by and constructive of social reality³⁸. This has been defined as follows:

“... the constructed and constructive use of language and on the functions and consequences of language use.” (Potter & Wetherell, 1987, p 206)

The major contention of this approach to discourse analysis is that language is not neutral, but is used by individuals to do things (e.g. to justify a position, a stance or to create a social reality). Discourse analysis is a particularly appropriate tool with which to examine the rich linguistic data with which participants are constructing (often complex) philosophical constructs into everyday conversation, constructs which are intrinsically tied up with issues of ideology, power, political positioning, persuasion and justification.

This leads to the concept of socially shared discourses. Early proponents of discourse analysis advanced the concept of rhetorical psychology, which suggests that individuals have access to a variety of socially shared discourses:

“ ... the content of the dialogue has historical and ideological roots, for the concepts involved, and their meanings, are constructed through the history of social dialogue and debate.” (Billig et al, 1989, p 6)

³⁸ This constructed view of language is echoed in the management research context by Fairclough (1992).

As the post-structuralist philosopher, Michel Foucault, indicates:

“Each society has its regime of truth, its ‘general politics’ of truth: that is the type of discourse which it accepts and makes function as true.” (Foucault, 1977, p 93)

Individuals can draw upon to these socially shared discourses variably, to their own functional ends. This will be a key concept in this study, as it links the individual’s use of language to shared and socially shared themes:

“... the rhetorical approach does not start by considering individual motivations or individual information processing. It starts from the assumption that knowledge is socially shared and that common sense contains conflicting, indeed dissonant, themes.” (Billig et al, 1989, p 20)

Rhetorical psychology, thus, draws an important link between discourses available in society and a functional and variable view of language in use.

The corollary of the socially shared nature of discourses is an intrinsic link with power: power will be used to ensure certain discourses will gain currency, and discourses that are used by the powerful are likely to be pre-eminent.

Power is a shifting phenomenon, hence changes in the power dynamic will change representational meanings:

“.. there is no reason to expect that representations will remain contextually and historically stable but every reason to think that they will shift. Power will thus be implicated in attempts to fix or uncouple and change particular representational relations of meaning.” (Clegg, 1989, p 151-2)

As participants compete for power and status, language representations may change (Francis, 2002a), and, consequently, meaning is continually negotiated and renegotiated (Pettigrew, 1985; Dawson, 1994; Doz & Prahalad, 1988). The implication of this is that it is the powerful who construct “truth”:

“‘Truth’ is linked in a circular relation with systems of power which produce and sustain it, and to effect of power which it induces and which extend it.” (Foucault, 1977, p 94)

This is echoed in the occupational context by McCloskey (1994)³⁹, who defined rhetoric as a form of “wordcraft” used by senior managers to construct, justify and legitimise a particular “world view” of the employment relationship.

It must, however, be noted that Foucault determines that power is necessary for one to promulgate one’s version of ‘truth’. It is perhaps more likely that the existence of sub-cultures and divergent interest groups within an organisation will be manifested in a continued tension and conflict as actors attempt to negotiate and promote their particular view of ‘truth’ within an organisation.

The concepts of socially shared discourses and the links between discourse and power will be critical to this study.

A final reference point for this study is the work of Ford, which recognises that there is an objectively verifiable reality to which actors are reacting. Ford uses Watzlawick’s concepts of ‘first and second order reality’ (Ford, 1999) to describe this relationship between ‘reality’ (“presented”) and the constructed (“represented”) version of that reality in language.

This constructed, “representational” conceptualization of social reality allows us to adopt a different approach to change management. If actors react according to their social construction of a social reality, the challenge in change management becomes: how does one persuade the actors one wishes to change to adopt a different social reality? This study will allude to Ford’s concept of “shifting conversations” (Ford, 1999) and the role of the change agent in providing different and modifying existing discourses to initiate and help people understand and adapt to change.

³⁹ Cited by Francis, 2002, p 2.

5.2. Key Steps

A pilot project was completed on project one which looked at one segment of the interviewees, i.e. senior managers (operational and HR). One interview was conducted with a trade union representative, to test the efficacy of the questionnaire on this group. The main study added additional senior managers and trade union representative interviews.

The profile of the interviewees for the main study is shown in figure 48. The interviewees covered all of the managers directly or indirectly involved in the pay negotiation, as well as a number of historically and organisationally key figures.

The trade unionists were senior full time officials in their respective unions, who were directly involved in the 2004 LUL pay negotiation.

UNIT	TRANSPORT FOR LONDON STAFF					
	Managing Director		Director/Head of Dept		Employee	
	Operational	HR	Operational	HR	Operational	HR
Corporate	1	2	3	4	5	6
LUL	7	8	9	10	11	12
Surface	13	14	15	16	17	18
London Rail	19	20	21	22	23	24

UNIT	TRADE UNION OFFICIALS		
	General Secretary/Executive Committee Member	Full Time Official	Lay Representative
TSSA	25	26	27
RMT	28	29	30
ASLEF	31	32	33
TGWU	34	35	36

Figure 48: Interview Groupings

5.3. Basis for Establishing Rigour

5.3.1. Validation

Validation of a discourse analysis study is handled in a very different way to validation of more positivistic methodologies (where a range of statistical tools may be used for validation purposes). In the words of Potter & Wetherell:

“The goal is to present analysis and conclusions in such a way that the reader is able to assess the researcher’s interpretations ... a representative set of examples ... must be included along with a detailed interpretation which links analytic claims to specific ... aspects of the extracts ... each reader is given the possibility of evaluating the different stages of the process, and hence agreeing with the conclusions or finding grounds for disagreement.” (Potter & Wetherell, 1987, p 172)

In other words, the transparent presentation of the data and the analytic process acknowledges that the researcher is producing one of a number of possible competing interpretations, and the reader is invited to critique the researcher’s coding and proffer their own. There is no attempt to produce one “true” representation of events, attitudes or internal states from the discourse data. Validation, consequently, in discourse analysis, is embedded in the transparency of the process and in the critique of the reader.

5.3.2. Researcher Bias and the Role of the Observer

It is relevant to discuss both researcher bias and the role of the observer. As this is a discourse analysis based study, the biases of the researcher and the perceptions of the participants in respect of the researcher will influence both the data and the analysis.

These comments are made to allow the reader to judge the validity of the data collected and the analysis produced.

5.3.2.1. *Researcher Bias*

To firstly discuss researcher bias, the researcher is a senior HR professional who has worked in both SHRM and traditional environments, and in Europe, the USA and the Far East as well as the UK.

Her experience of industrial relations has ranged from the traditional conflict model in a downsizing blue collar environment to building partnership agreements on greenfield and traditional sites, including co-determination models in Germany and Holland and union substitution models in the UK and USA.

She has been a long term member of a moderate trade union and has a commitment to trade unionism in the UK, which is a potential source of bias in her data collection and analysis. Her commitment to trade unionism is likely to be known by the participants.

A further source of bias may arise from her academic background in social psychology, social constructivism and discourse analysis, which has predisposed her to a critique of positivist approaches in the area of management research.

A final source of bias, which was not identified by the researcher at the time of the project but was noted afterwards, is her private sector background. The impact of this can be seen in a conscious use of business language by certain respondents (e.g. MB) who share that background, but may have been a potential barrier to discussions with respondents from entirely public sector backgrounds.

5.3.2.2. *The Role of the Researcher*

The role of the researcher is likely to influence the data produced in a number of ways. At the time of the study, the researcher was a senior manager of the organisation under study, which has the potential to create socially desirable responses and impression management in participants.

The researcher's role obviously has a significant impact on the data produced. It is noticeable that the participants are trying to be helpful and provide useful data (c.f. the beginning of 9.6 interview, where subject is at pains to clarify exactly what the researcher is looking for, so he doesn't "go off at a tangent", likewise 9.3). They also tend to be complimentary about the researcher's knowledge ("and with people like you on board, Liz":9.6) and contribution

(9.2), aligning themselves with the researcher (“you and I know”, “you and I have seen”:2.1). This suggests a degree of socially desirability in response which must be taken into consideration when evaluating the data produced.

Her knowledge of London Underground is derived from her position as a member of the management team negotiating the 2004 pay deal, which created strong, supportive relationships with the managers interviewed. These relationships inevitably impact both the data produced (the familiarity is likely to mean that the managers are likely to be more candid in their responses) and the researcher’s interpretation of that data.

Her role with the trade union representatives is potentially more problematic: although she is well known to the participants on a social, as well as a business, level (which may mitigate some of the tendency to perform a role or to be guarded in response), there is inevitably a conflict of interests between the roles that the researcher and the union representative perform. Her position as a management negotiator during the pay deal would further exacerbate this perception of a conflict of interests.

A further problem in the evaluation of the data produced is the unwillingness of the RMT trade union officials to be interviewed. This means that the data is incomplete, in that the unionist one would suppose who have the most strongly opposing view to that articulated by the managers (and to a certain extent the trade union officials in the study, who articulate views which could be reasonably categorized as moderate) are not represented in this study. This is a significant limitation of the work.

5.3.3. Other Limitations

This study is also limited by its small number of interviewees, which does place restrictions on the generalisability of the conclusions drawn, although this is mitigated to a certain extent, as the interviewees were selected on the basis of their centrality to industrial relations in LUL.

A further issue arose in terms of the questionnaire design. On the basis of these interviews, the questionnaire was not necessary: participants talked with minimal prompting for 60 – 90 minutes, on the basis of the question “Could you describe in broad terms the industrial relations environment of London Underground? This does, however, raise a potential problem in comparability of interviews, although it does allow participants to select and discuss the issues they regard as most important, with minimal ‘leading’ by the interviewer.

6. RESULTS

The data was coded in 3 ways:

- The industrial relations history of LUL (section 6.1).
- Darlington factors (section 6.2).
- Socially shared discourses (section 6.3).

The coding schemata for sections 6.1 and 6.2 were established by, respectively, emergent chronological breaks (note that this, however, is itself a construction) and academic literature. The coding for section 6.2 was generated through a grounded theory approach, where the data determine the analytic categories; discourse analysis has an affinity with this approach.

The NVivo coding is summarized in appendix 2.

The first area of review is the industrial relations history of London Underground (section 6.1). In an organisation with long established relationships, this is obviously of fundamental importance to the interpretation of modern events by the actors concerned. Their constructions of the organisation's history and its events have significant implications for modern industrial relations in LUL: in the words of one of the trade unionists, "we're dealing with an organisation that's got (a long memory)". [26.1: p25] Whilst there is undoubtedly a "first-order reality" (Watzlawick, 1990), in the introduction of agreements, the occurrence of ballots and industrial action, this paper will argue that the "net presentation" (Bohm, 1996) is far more greatly influenced by the "second-order reality" (Watzlawick, 1990) of the actors' linguistic constructions of events.

The second area of review (section 6.2) will review data in support of the factors which Darlington claims facilitate the continuation of militancy in London Underground. It will be argued that Darlington's choice of interviewees (particularly his omission of the senior management group) limited his view of the dynamics of industrial relations in LUL and that the environment is far more complex and ambiguous than Darlington's paper suggests.

To continue to support the argument for the limitations of Darlington's analysis, the results section will conclude (section 6.3) with an examination of the presence of socially shared discourses in the participants' discussions of industrial relations events. It will be argued that these socially shared discourses provide the clearest indication of the "second order reality" and

functional use of language created by the participants and used to create and communicate their social reality.

6.1. The Industrial Relations History of London Underground

It is firstly necessary to make some observations about the industrial relations history of London Underground, to provide some historical context and to begin to outline the linguistic themes in the data.

This section uses documentation to review early events, notably the detailed review of the 1996 dispute, 'Moving Forward to Everest' (London Underground Limited, 1996). This is supplemented by interviews with key staff involved in these events. Accounts of later events are based on interviews (again with key staff) and the personal experience of the researcher as a management participant in the 2004 pay negotiation, and her conversations with operational managers, employee relations specialists and trade unionists between May and November 2004. It will also make limited use of a textual analysis of press releases issued between 2001 and 2005.

This section will be a "net presentation" of the recent industrial relations history of London Underground, containing a mixture of description of the "first-order" events and the "second-order" representations of those events by the people involved. It must be noted that this is, in itself, a construction, and should be regarded as the researcher's version of events.

6.1.1. Pre-Company Plan

The recent organisational history can be traced back to the introduction of the 'Company Plan' in 1992/1993. At this point, LUL had already experienced decades of industrial unrest and adversarial trade union relations, and was universally regarded as a bureaucracy beleaguered by inefficiency, overstaffing and restrictive practices. This period probably represented the nadir for London Underground, with the Kings Cross fire in 1987 and unprecedented levels of industrial action (14 one day strikes in 1989).

Wolmar (2002) provides a good review of this pre-Company Plan period, albeit from a journalistic rather than an academic perspective. However, a number of his comments are illustrative and, corroborated by this study's interviewees' comments, they set the context for modern-day events.

Wolmar indicates that, prior to 1992, the relationship with the trade unions was already seen as a blocker to progress:

“The relationship with the unions was key – and remains problematic to this day ... negotiations never got anywhere and ... decisions were not implemented ... (the MD of LUL) felt it was a conspiracy between the management and the unions because negotiations just went on and on without ever getting anywhere.” (Wolmar, 2002, p 51)

This is corroborated by a managerial participant in this study, who presents industrial relations at this time as bureaucratic and reactionary:

“ ... we had a huge amount of full time representation at here at 55 Broadway, the Sectional Councils as they were called in those days, and they basically became extremely powerful bodies almost dictating to management how the Railway was operated ... they were very much dominated by the train drivers' union, ASLEF, and NUR as it was then, National Union of Railwaymen ...and there literally was almost a whole floor of this building ...where these people sat, where these people drunk coffee and other things in the LT Bar as it was then. And a lot of deals were done, beer and sandwiches totally white, male, mid-50s old soaks ... they probably related to white, male, mid 50s managers, and that's what it was like. And there were agreements, minutes, processes, thousands of restrictive practices.” [9.6:34-44]⁴⁰

Wolmar indicates that management capability was already identified as an issue, both in their intimidation by the trade unions:

⁴⁰ Extracts are identified according to the following notation [categorisation as per figure 2.instance::paragraph number].

“The management ... ‘was afraid of the communist shop stewards who are allowed to sit in the canteen all day’.” (Wolmar, 2002, p 52/3)

And their lack of operational ability:

“The lack of managerial control was felt keenly throughout the organisation.” (Wolmar, 2002, p 53)

6.1.2. Company Plan

6.1.2.1. *The Objectives of Company Plan*

Company Plan was LUL's answer to this state of affairs. It moved all staff (including train staff) to salaried status, providing an average increase in earnings of 6%. This was in return for productivity improvements achieved through more flexible rostering arrangements and related measures (including consolidation of grades, abolition of overtime, meal payments and Sunday double time), and a reduction in headcount from 21,000 to 16,000 (achieved from natural wastage and voluntary redundancy). Although the changes were negotiated and implemented (by issuing new contracts) without threat of industrial action, a London Underground review (London Underground Limited, 1996) indicates that both the changes themselves and the way in which the changes were implemented were extremely unpopular with train staff and the beginning of an enduring resentment.

6.1.2.2. *Accounts of Reaction to Company Plan*

The language used by managerial participants to describe Company Plan indicates the importance with which they regard it and their perception of the condemnation with which it was received:

“... the infamous Company Plan.” [9.5:20]

“What changed the world was this word *everybody y’know winces when you say it*, ‘Company Plan’ in 1991.” [9.6:44, my emphasis]

“... Company Plan the notorious MacBeth like never referred to the Scottish Play.” [10.1:296]

A similar staff reaction to the Company Plan is articulated in Darlington's study (although he does, unfortunately, take the view of the staff and the union activists interviewed and represents it as his academic perspective):

“The combined package of changes, known as the *Company Plan* was presented to the unions virtually *fait accompli* with little negotiation. It represented a major challenge to workers’ conditions and threatened to seriously weaken union strength.” (Darlington, 2001, p 9, his emphasis)

Darlington makes little reference to the benefits Company Plan offered to employees,, i.e. salaried status (provision of health care and other benefits previously not available to ‘blue collar’ staff) and an average 6% pay increase, which Darlington pejoratively regards as having been added in to “sweeten” the deal (Darlington, 2001, p10). One of the managers makes this point in the following extract:

“And we negotiated that (Company Plan) through, very successfully, so we had no industrial action whatsoever, as a consequence. Lots of sabre rattling, but the reason we managed to get it through was that for train operators it meant more time turning the handle, but their hours dropped and their pay increased.” [9.7: 80]

Managers vary in their accounts of Company Plan, the majority concurring with Darlington and echoing Darlington’s “fait accompli”. There are divergent views, however: this managerial participant concurs with Darlington and suggests that trade union involvement occurred only after the Plan had been 2 years in development:

“... when this company did Company Plan ... we spent 2 years with a value analysis team developing proposals, developing where we wanted to be, the structure of the organisation we wanted. And after 2 years, we would then negotiate this with the trade unions, after 2 years of work.” [10.1:296]

Others see the consultation process as an attempt to engage the employees rather than the trade unions:

“... when we did the Company Plan discussions, although it was very much a *fait accompli*, we would launch to the trade unions at the same time as the staff. We spent a whole 2 weeks down there, explaining to the people who work for us, what our plans were. So it was one to one, or we had gangs of managers go down there and say this is what we’re doing, and you could answer questions.” [9.4:115]

Only one manager describes a trade union consultation process, substantiating this by citing the lack of industrial action:

“...the infamous Company Plan, where we actually removed six and a half thousand jobs, em with no strikes, not one jot of an industrial relations problem at all. It’s because we sat down, we worked out what our plan was to start sorting the company out, we sat down and at great length, for months, we talked to the trade unions about it.” [9.5: 20]

This latter segment, however, should be contextualized: the speaker was one of the architects of Company Plan, and this extract is part of a wider discourse in which this respondent presents himself as trusted by the unions because of his preparedness to talk to them and involve them.

6.1.2.3. *The Legacy of Company Plan*

Managers tend to represent Company Plan as a major step forward in LUL:

“... out of that massive effort on Company Plan ... from an industrial relations point of view, it was a success. It wasn’t perfect, but it was a success.”
[9.5:139]

The success of Company Plan is described both in terms of the results and in achieving a level of discipline in employee relations process which has never since been replicated:

“Company Plan, it was structured. We had piles of sealed envelopes – letter A and letter B – ready to send out. We had the ER team, a virtual ER team, set up in this room actually. We had flip charts, the right font, branded the whole thing ... We had a comms strategy, we knew exactly what we were doing.”
[9.4:270]

They do, however recognise that Company Plan has had an ongoing negative impact on industrial relations, creating long term unrest and setting a target for the TUs to erode all concessions made. In other words, Company Plan is constructed as a seminal event in the industrial relations history of LUL which has created an enduring negative impact on the organisation. As such, discussions of Company Plan become functional to managers in their explanation of the organisation’s failure to modernise.

“Now we were very very fortunate, ‘cause in 1992 – 1993, high unemployment blah blah blah, all the reasons why one could say the trade union strength was not there: we had the high ground and we pushed it through. Or as a person said to me at that

time, 'you'll only ever do that once, get away with it once'. And we got away with it or did we? Because the echoes are still there." [10.1:296]

Managers and trade unions draw remarkably similar pictures of the legacy of Company Plan, lending evidence to the fact that this has become a socially shared discourse:

"... they got a good big pay rise and things went reasonably well and the guys who did the deal felt that they got a good deal but, there was a lot of bitterness about this. Trade unions have continued on ... 13 years later, a new recruit will tell you, 'everything was alright until that Company Plan'. They'd never even known about it or been involved. Because I think a lot of the trade unions felt that their colleagues sold their soul for the money. Over that period between '91 and now, I think the trade unions have done a reasonable job, from their point of view, of gradually carving back in, less flexibility, more restriction and more power." [9.6:46]

"I mean Company Plan a lot of my members got very resentful because before Company Plan booking clerks were paid more than train drivers. You can have a view on that, but when you sit down, start talking to them about what's gone wrong in London Underground, they always come back to Company Plan. Or they Company Plan was almost like y'know the worst thing that ever happened. And it's interesting because I mean I then think, 'well, hold on a minute, you can't now talk about something that's actually 12 years ago'." [26.1:515]

6.1.3. 1995/1996

In 1994/1995, as part of the 1994 annual pay review, the introduction of a 5 day week (replacing the existing 5.5 day week) was agreed and progressively implemented. The 5 day week was agreed on a self-financing basis. This did not reduce hours worked (38.5 per week), but extended shifts, with a greater proportion of the shifts being towards the maximum shift length of 8.75 hours. This again is reported in London Underground documentation as unpopular with train staff.

The pay claims in 1995 were rejected by management on the grounds of affordability, and industrial action was averted by ASLEF only after a legal challenge by LUL was upheld in the High Court. The RMT held 3 one day strikes.

(London Underground Limited, 1996, section 4.1.5). A Train Staff Morale JWP (joint working party) was also convened to address morale issues and design implementation of the 37.5 hour week and “appropriate measures” (London Underground Limited, 1996, section 4.1.5).

LUL reports suggest that the ambiguities of this 1995 agreement caused significant problems in subsequent years. Trade union support and commitment to the JWP process was extremely limited, and the JWP was very delayed in starting. In February 1996, ASLEF and RMT submitted “separate, different and significant pay claims” (London Underground Limited, 1996, section 4.1.6), requesting RPI plus pay rises, further reductions in the working week and more annual leave. In the words of the management report commissioned to study the 1996 dispute:

“It became progressively clearer that the interpretation of the 1995 agreement was a major issue and that other outstanding issues from 1995 were likely to impact on the 1996 annual pay review.” (London Underground Limited, 1996, section 4.1.6)

Despite the increasing antagonism, central to which were arguments about the ‘1995 hour’, and likelihood of a dispute, calls from the managers to assign a full time team to this issue were not taken up.

1996 was a low point for LUL, with ASLEF and RMT balloting for, then taking, 7 days of strike action. 4 of these were particularly damaging, being ASLEF and RMT joint strikes. Each of these strikes had virtually 100% support from train staff, creating an almost total loss of service.

The widely held belief was that the 1995 deal was ‘to blame’, with an opinion survey suggesting that 42% of manager attributed the dispute to the fact that the deal was too vague, management had reneged on the deal or that little progress had been made in talks or the JPW since the previous year (quoted in London Underground Limited, 1996, section 4.1.8).

However, perhaps more influential were the existence of systemic problems within the organisation; a review of evidence dating from 1970 to 1996 (which included employee survey data) contained “persistent references to and evidence of morale, motivation, job satisfaction and job environment problems” (London Underground Limited, 1996, section 4.1.9).

The report on the 1996 strike made a number of recommendations, the majority of which related to underlying causation rather than the handling of events leading to the strike itself, which was seen as more or less inevitable:

“The organisation has failed to learn or has forgotten lessons learnt from previous disputes:

- The agenda on which strikes appear to occur is set by the trade unions, with two consequences: these issues may not reflect members’ concerns and managers are ill prepared or not prepared to respond on these issues;
- Whilst management may be able to impose significant productivity improvements on a reluctant employee base without industrial action, it seems that these result in a cyclical, ‘tit for tat’ pattern, where a management ‘win’ exacerbates underlying discontent.” (London Underground Limited, 1996, section 4.2.3)

The legacy of the 1996 dispute still resonates within the organisation, as demonstrated in the three points below.

Firstly, in contrast to the 1995 dispute, a “calm and tolerant” approach was taken in 1996, avoiding both the public “slanging matches” between LUL and trade union leaders and the taking of punitive action against staff and trade unions which had characterised the earlier dispute. Contemporary reports indicate that this “tolerant strategy” (London Underground Limited, 1996, section 4.3.5) was deliberately adopted in order not to exacerbate the dispute and to preserve relationships during the dispute. However, this was widely misunderstood, being interpreted as “intransigence or weakness” (London Underground Limited, 1996, section 4.3.6). This belief is still echoed in one manager’s discourse in this study:

“Where things all started to go wrong was when we started to give way for some reason to their demands. Aligned to a naïve belief in partnership. And what this meant is that the annual pay round became absolutely purgatory where – the unions know the government don’t want action. The unions – know that ideally management don’t want action as well, ‘cause that just makes them unpopular, with the press. Where(as) the unions really don’t care what the consequences are, but believe that by showing muscle you increase your membership at the expense of others. And you had a situation in which the RMT decided to get highly politicised, highly organised, highly aggressive.

As a consequence of that the ASLEF moved in that direction. Their reps all changed out to be vicious reps as well. And you have a spiral in which the RMT continue to try to outdo the ASLEF and the ASLEF try to outdo the RMT.” [9.7:80]

This is supported by opinion survey data which sees the unions as more successful in achieving their aims than management; likewise, the unions' change of position was interpreted as "flexibility", in contrast to the management's change being seen as weakness (London Underground Limited, 1996, section 4.3.10). A body of opinion, evident at the most senior levels in TfL, today still articulates this discourse equating tolerance with weakness. This can be related to the 'high moral ground' discourse discussed in section 6.3.2.1., where managers discuss the difficulties created by the public sector requirement to demonstrate high standards of behaviour.

Secondly, other staff groups, managers and other trade unions (notably TSSA) expressed concern over the "special treatment" (London Underground Limited, 1996, section 4.3.7) of train staff and the "reward for poor behaviour" (London Underground Limited, 1996, section 4.3.7), i.e. striking, whilst other staff and unions had behaved responsibly. This concept of "rewarding bad behaviour" is still a dominant social discourse in TfL today, and will be discussed in section 6.3.3.1.

Thirdly, managers indicate that the 1996 Everest report's recommendations are as pertinent today as when written; little action has been taken to address the systemic problems underpinning poor morale and dissatisfaction. One of the questions asked in this study was, given such a detailed diagnosis of the causes of industrial unrest, why they had not been acted upon. As one participant indicates:

"('Everest') was the executive summary of the review where a team of people had gone round, talking to trade unions, talking to staff representatives, to the members and talking to managers, and produced this document. And ...you could take that word for word now. And you could say this is just as valid today, in every respect, as it was in 1996. So we learnt something, did we? 'Cause we certainly didn't do anything about it ... there was about inadequate internal communications, and about resolving issues that should have been resolved, time taken – everything that you see today. And it just seemed to me that if you were a learning organisation, we didn't learn from that. Well we did but we didn't do anything about it. Why not? Well there must be something. Whatever the root cause we had because where are the people who are pushing forward in the development agenda. And I don't see it." [10.1:438]

This theme, that of LUL's failure to be a 'learning organisation', is reflected by managers and trade unionists and can again be seen as an explanation for lack of progress:

“ ... that’s another characteristic, it’s not what you’d call in the jargon, ‘a learning organisation’. It resists it. It actually actively resists it. It’s really weird. So one of the things that (we)... was we’ve gotta turn it into one that does listen and does learn.”
[9.5:377]

“ ... we’re dealing with an organisation that’s got that (a long memory). And as you said I mean, history has a chance of repeating itself because unfortunately some of the people dealing with it now, don’t necessarily respect what happened in the past. And maybe haven’t well they haven’t learnt the lessons because they didn’t actually learn the lessons.”
[26.1:521]

6.1.4. From Tolerance to Belligerence

After the Labour victory of 1997, the new government – widely expected to take a different stance to the outgoing Conservatives (Wolmar, 2002, p 102) – announced its intention to part-privatise the Tube, using the PPP (Public Private Partnership) as a mechanism to bring significant investment into LUL.

Despite the stability of a multi-year pay deal, LUL was again at the forefront of industrial unrest as the RMT embarked upon significant resistance to the PPP and PFI (Public Finance Initiative). ASLEF saw its drivers as unaffected by PPP, and did not participate in the action.

Darlington (2001) provides a good, if partisan, review of events during the 1998-1999 period (Darlington, 2001, p14 –15).

This period saw one 12 hour and two 48 hour strikes in summer 1998, with a further 48 hour strike in early 1999, all of which, whilst not enjoying total support, severely disrupted services. However, the employees’ support for this ‘politically motivated’ action was waning, and no further strikes on this issue were called, although the PPP still remains a major source of discontent for the RMT (a view which, interestingly, they share with both the Mayor and the Commissioner), as a cursory scan of their website indicates (RMT, 2004a).

Following the departure of a MD and HRD who were, in the words of one manager, characterised by their “naïve belief in partnership” [9.7:80], London Underground then appointed a new HR Director, on an interim basis. The organization demonstrated progressive actions on a number of fronts; for instance, the introduction of ‘Team Talk’, a formalised way of ensuring that managers talked to their staff, brought in the first principles of employee

engagement in a way which was appropriate to the “verbal culture” of the staff (London Underground Limited, 1996, section 4.4.9.1). However, the new HRD had an adversarial style, as a quote from one of the management interviewees illustrates:

“I think one of the mistakes we’ve made in the past, frankly, in this organisation is we’ve had the wrong personalities heading up employee relations ...I mean someone who would throw a newspaper across the table at a General Secretary of the trade unions you think you’re kinda on a hiding to nothing.” [9.2:162]

This was compounded by the temporary nature of the appointment, which accounts indicate made it difficult for the new HRD to be taken seriously by the trade unions. A personality clash between the HRD and the General Secretary of the RMT, and subsequently with Ken Livingstone, ensured that this appointment would not be extended.

The issue came to a head in the 2002 pay negotiation, over which the HRD had decided not to compromise: the decision was taken to impose a 3% settlement when negotiations had reached an *en passé*; in the words of the press release, “after exhausting all reasonable negotiations with our union colleagues.” (London Underground Limited, 2002, 16 September) This highly confrontational move was guaranteed to upset the trade unions, as an ASLEF senior official reports:

“... there was a time ... when he (the LUL HR director) imposed a settlement, rather than negotiated one, and no union can accept that – that’s just basic, y’know. You’ve gotta fight it. Albeit it was an increase they imposed rather than (laughs) a cut. Yeah, I say, it’s just natural, that you must oppose that, an imposed settlement.” [32.1:118]

The HRD’s style is also evident in the confrontational tone of the press releases produced by LUL in the period of August to October 2002, which differ dramatically from the anodyne press releases of subsequent years (although one may attribute the difference as much to the censorious influence of the Mayor’s office as to the style of the personnel involved in the pay negotiation).

“There was a low turnout of only 3,165 of the 8,000 members eligible to vote actually *bothering* to do so. But of the members who did vote, 2,518 voted in favour of strike action and 647 against. The Tube’s HR Director, Bob Mason said: “The justification for this ballot action is unclear but I know it has very little to do with pay and conditions. That much is clear from the

very small proportion of RMT members who have voted for strike action.” (London Underground Limited, 2002, 3 September, my emphasis)

The press releases indicate that LUL attempted to mobilise both public and staff opinion in the dispute with the trade unions. Following a survey assessing customer reaction to the strike, which showed that 38% of those surveyed supported the strike, a press release was issued containing the following comment:

“A London Underground spokesman said: ‘This confirms what we already knew – these strikes are pointless’.” (London Underground Limited, 2002, 25 September I)

As well as staff: the title of the second September 25th press release, “800 heroes refuse to be intimidated” marked a new level of polemic in the battle for the employees’ hearts and minds, as shown by the emotive and confrontational language used in the press releases:

“Despite attempts by RMT and ASLEF unions to *intimidate* Tube staff into striking, 56 per cent of those workers who run London Underground’s stations still reported for work. Of the 1464 staff rostered on, 808 turned up to help *frustrated* commuters get to work as best they could ... ‘We are *proud* of the staff who reported for work and want to thank them for trying to do their bit to ease the difficulties caused by this *needless* action.’ LU Spokesman.” (London Underground Limited, 2002, 25 September II, my emphasis)

“Almost half of London Underground’s Tube lines were running a service today *in defiance* of a strike called by the RMT and ASLEF unions.

More than 20 LU drivers *refused to be intimidated* by union picket lines and ran the trains so *Londoners who depend* on the Underground could use the service.” (London Underground Limited, 2002, 2 October, my emphasis)

“Almost 60 per cent of London Underground staff reported for duty during the strike called by the RMT and ASLEF unions on October 2. LU managing director, Paul Godier ... said ... ‘Some of them (the staff) made superhuman efforts which were a tribute to the commitment that I know the majority of our people have, not only to this company, but also to the 3 million people we carry every day ... Their continued determination is much

appreciated'." (London Underground Limited, 2002, 4 October, my emphasis)

The organisation also opened up a web site for comments, launched through a press release entitled "Get A Word In" on 26th September, where staff were asked to add their comments on the following questions to a web page:

"Do you think LU's offer is reasonable? Do you think the unions' strike action is justified? Should LU simply pay what the unions demand each year to avoid disruptive strike action? What would you do to solve the situation?

Tell us what you think on any strike-related matter." (London Underground Limited, 2002, 26 September)

On the third day of strike action by the RMT, it was widely believed by the management that support for the strike was waning, and staff were beginning to return to work. Ken Livingstone (not at that time in charge of LUL) at this point met with Bob Crow (both are ex-Communist Party members, and the RMT supported Ken Livingstone politically and financially after Livingstone's expulsion from the Labour Party), the contents of which were not disclosed to the Underground management, and the RMT returned to work. LUL reported the event as follows:

"The Mayor has stated that when he takes control of London Underground next year, he will enter into non-binding arbitration with the trades unions to agree a pay deal." (London Underground Limited, 2002, 9 October)

LUL's public response to this was guarded but shows obvious discomfort:

"Following a meeting with the Mayor of London, Ken Livingstone, the RMT and ASLEF have announced that they will not be calling further strikes in the current dispute. Underground bosses welcomed this decision. The Tube's Human Resources Director, Bob Mason said: 'It's good news that the unions have called off further strike action over pay. But the issue remains unresolved. It has simply been batted into next year, when the Mayor will face the same dilemma Underground management face today. Making the most of the limited money available to us, we have to pay our staff a fair wage and to improve the Tube for our customers'." (London Underground Limited, 2002, 9 October)

Although this manager is diplomatic in his comments over this event:

“... politically I can understand his (the Mayor’s) motives – you’ve got the power to stop a strike, save London, why wouldn’t you.” [9.2:82]

He recognises a legacy of feelings of betrayal and the negative repercussions on industrial relations in LUL:

“... there was a lot of people in LU who were very very animated by the Mayor’s intervention in the dispute last year... and actually that was at a point where the management of the Tube really believed that the strike was at the point of crumbling. And that would have been the first time for many years that would have happened. And the view was that he set us up. In a way that disabled a proactive, management led drive for change in employee relations, moving forward.” [9.2:80]

This story is also echoed by a moderate trade unionist:

“I suspect if Ken Livingstone had his time again, he may not have intervened in the way he did 2 years ago ... Because the way he did 2 years ago, I think was the catalyst for these problems a week before election day ... The point I’m making is is that what he was after was the good headline 2 years ago, and I think he got that because generally Joe Public out there saw the Mayor sorting out the trade union problem, and indeed Joe Public out there has now seen the Mayor taking a tough stance against the trade union problem. But there again the actual ‘sorting’ of the trade union problems have probably been put back 2 years because of him.” [26.1:12-20]

These two quotes provide a particularly good example of the opposition between business and political forces in the organization. Whilst the HRD was adjudged to be doing the right thing for the business, he failed to correctly read the political forces:

“(The HRD) didn’t have the wrong idea, about what he was going, trying to do with the unions. What he didn’t get right ... (was) timing and getting the support and have the political nouse to understand the reasons and the difficulties around that, he just didn’t. And he paid the price for it. It pains me to say it but the guy did have the right idea on that.” [2.1:64-68]

6.1.5. Recent Events

The 2004 pay negotiation, which provides the context for project one, was divided into 2 distinct halves. Prior to the June 10th Mayoral election, the RMT were aggressive and unreasonable (claims for a 4 day, 32 hour, week as well as an undefined but “substantial” pay increase), seemingly looking for an excuse to claim that negotiations had broken down and initiate industrial action. ASLEF and TSSA made their own demands but took a less oppositional stance. Despite negotiations still being under way, no final offer having been tabled by the management team, and the negotiating machinery being far from exhausted (referral to ACAS is a necessary step in the negotiating machinery prior to industrial action being called), RMT balloted for industrial action, gained a mandate, and planned a strike on election day itself.

Although direct evidence as to subsequent events is limited, it is evident from participants’ accounts that a deal had been struck between Bob Crow and Ken Livingstone, in which Crow had assured Livingstone that the RMT would not hold a strike on election day, and that the RMT were using the election as a bargaining chip to put pressure on LUL. Crow’s call to not strike was, however, narrowly outvoted by his executive committee, and a strike was confirmed for June 10th.

“ ... it’s significant that the decision to take industrial action, which again was going to be on Mayor’s election day, despite all that Bob Crow might have given us his assurances not to do that. The ballot was swung by one of, there’s 8 members of the Executive Council it was 5 3 and one person swung who was a Scottish Labour Party member ... the militant sort of Socialist Labour Party in Scotland. And in fact I think the majority of those that swung were actually from what used to be Scotrail, and you ask the question in terms of what on earth are Scottish trade union representatives doing deciding what happens in London.

Well of course it didn’t matter what they were doing in London, it was where they were going to get the most political clout, and the most sort of damage if you will. Because anti-government, anti-everything, no longer in the Labour Party, a trade union that no longer seems to be primarily concerned with the benefits and welfare of the membership, that will not sacrifice that for them

but will be guided on some occasions by purely political aims.”
[10.1:50-52]

This is consistent with the representations of the RMT as a fragmented, factional organisation, over which even the General Secretary does not have control:

“I think one of the problems he’s (Bob Crow) got, though, is he’s created certain parts of the agenda that he can’t control. I honestly believe that Bob wants to bring things into line now, but he can’t, because he’s given some of the wilder men their head, for too long. As a result, I mean the internal politics in the RMT I think are quite mind boggling.” [26.1:124]

This is consistent with the militant political stance of the RMT, which claims as a constitutional goal, “to work for the supersession of the capitalist system by a socialistic order of society” (RMT, 2004). This can be contrasted with the language in ASLEF’s version of the same objective: “To assist in the furtherance of the labour movement generally towards a socialist society” (ASLEF Publications, 2004). It seems that extremists within the RMT would see the appointment of Stephen Norris (the most likely challenger to Ken Livingstone for the Mayor of London, a right wing politician who had been openly critical of the LUL trade unions in the run up to the election) as an excuse for all out war, hence this apparently suicidal behaviour is explicable in terms of the RMT’s political agenda, despite the apparent contradiction of a trade union attempting to damage the election chances of the left wing Livingstone.

At this point, it appears that the General Secretary of the TGWU intervened, threatening to have the RMT banned from the TUC if they carried out this ‘anti-democratic’ act:

“... the RMT, where you’d one vote to strike on the Mayoral election day. It was perverse by any standard. You’d actually got Bob Crow going in to try to reverse it, from the Executive I mean, they tossed it out. And then it needed somebody from the TUC to come in and say “Well you need us, and listen, this is an affront to democracy, this is what you should do”, and the deal’s struck and they decided to work it out.” [10.2:201]

“I knew what was happening with RMT. RMT were going for an election day strike. RMT were looking for the excuse to go for the election day strike ... at the end as you know that Friday we managed to get the strike called off. I’m pretty sure that was

down to the fact that T&G basically told Crow he wouldn't get the ILL vote again." [26.1:209-317]

This account continues this idea, suggesting that the T&G intervention allowed Bob Crow to return to his executive committee (EC) and persuade them to have the strike postponed.

A 24 hour strike subsequently took place on 29/30 June. The newly re-appointed Mayor had criticised the RMT for taking industrial action and, on 24 June, had encouraged staff to cross picket lines. Bob Crow resigned his position as a TfL Board member of 25 June, citing as the reason that he had been "shocked, saddened and disappointed" by the Mayor's comments and could not "in all conscience" remain on the Board (British Broadcasting Corporation, 2004a).

After the Mayoral election, the RMT were manifestly in a different place, obviously less secure in their relationship with the Mayor (to the extent that their lead negotiator was careful to establish that the pre-election offer from LUL was still on the table), as a manager relates:

" ... (the RMT) got a little bit of a kick back when Ken didn't stand alongside them, when they thought he would, so they've actually lost their ace of spades, as Ken had said ... 'come on guys, I'll support you but be reasonable about it. Make silly claims, for big money, and ... I'm going to sit with the management team because ... I have to pay the bill ... I know I want to spend money in other areas rather than just furnishing and lining your pockets'. So I think that's ... really put us on a more even keel with the guys." [9.6:80]

Relationships between the RMT and the Mayor were strained still further over the Barrett case: Ken Livingstone was outspokenly critical of the RMT in their defence of an individual who had been sacked by LUL after being found playing squash when off sick with an alleged ankle injury.

At the same time, the ASLEF organisation was imploding. The appointment of a moderate, Shaun Brady, as General Secretary was a 'palace coup' by the non-London membership, replacing the militant Mick Rix. The organisation was obviously divided in its loyalty to the old and new General Secretaries, and their different political stances, and accusations of financial irregularities were widespread. The ASLEF situation came to a head on 20th May, when a brawl at a barbecue resulted in the suspension and subsequent departure of both the President and General Secretary. Since Shaun Brady's sacking in August, ASLEF has subsequently been headed up by an 'Acting General Secretary', a relatively inexperienced official (Keith Norman), and appears

confused and lacking in direction. In consequence, and due to the imminence of elections for some of the full time officials, ASLEF became unpredictable and intermittently belligerent through the latter stages of the negotiation.

Changes in the ASLEF leadership were mirrored in LUL's negotiating team. The long term Head of Employee Relations retired in July, and was replaced by an individual with a very different style: whereas the outgoing Head of ER was known as a deal maker and a 'fixer', his replacement set out his stall on the basis of his integrity and his refusal to break agreements. This change of personnel happened half way through the pay negotiation, and inevitably changed the dynamics of the negotiation as much as the outcome of the Mayoral election.

The final element in the negotiation was the decision to have a senior operations director chair the negotiations, rather than an HR or ER person. His calm, implacable style, his knowledge of the operation and his long term relationships with the trade unionists allowed the negotiations to proceed in an even tempered, productive manner, with a considerable amount of good humour.

This humour was also symptomatic of the fact that the 'real' deal was being done outside the formal negotiating forum, by the politicians and the senior trade unionists. A lack of mandate again resulted from the operation of political influences on the organisation cutting across business imperatives, and made the Company Council forum frustrating to all concerned, both managers:

"... the one thing that's been different for me out of this pay round, is that a lot of it's been the same, the ducking and diving, but the one thing that has been different is that after the election Ken came out very clearly and said – 'Bollocks: you're not having it' ... Now, you know Ken's a powerful person in terms of his mandate, and what have you. And plainly there was differences of opinion of the political and the executive wing of the enterprise, if I put it like that, which didn't align until very shortly after the election. But when they did align, and it kind of felt like we had that session where we came from out of the meeting and came down here to wait for instructions and we were waiting for ... the hand of God. I don't know you're probably closer to it than me but it sort of felt like the politics and the executive were finally sorting themselves out and the next day we did have a consistent message. And that has changed the dynamics, because we went through the industrial action, what we talked about and the way we were talking at the JWP, at Company Council last week, you know it's as if it didn't

happen. And I think that has wrong footed the RMT. They don't quite know what to do next." [9.1:34-42]

And trade unionists:

"I got frustrated with ... having meeting after meeting where the people I'm meeting – and I can make the decision, I have authority in that meeting – haven't." [32.1:122]

The influence of political forces on the organisation and a change of style is evident in the formal communications issued during 2003 and 2004. There is considerable less reference to industrial unrest in the later bulletins, and no overt attempt to win support from either the public or employees. Communications are conciliatory in tone, as the following typical example, under the heading of "LU Appeals for Union Patience" indicates:

"London Underground today *appealed* to the rail union, RMT, not to take industrial action over safety concerns following the recent derailments. LU has asked the union to wait until investigations into the cause of the Piccadilly Line derailment at Hammersmith and the Northern Line derailment at Camden Town were completed before deciding what to do.

Tube Managing Director Tim O'Toole said: 'I think certainly the union has every right to be coming in on this issue. There is no more important issue than safety. I do think *this isn't a matter of confrontation* between management and the trade unions or the employees because *we're on the same side here*. We want the same result. That's why I've asked for an emergency safety conference to be held with the trade unions on Tuesday, and I'm *very grateful* they have agreed to do it'." (London Underground Limited, 2003, 27 October, my emphasis)

The press releases which were issued tended to focus on the (less controversial) safety issues, upon which public sympathy could be more or less guaranteed, rather than the pay negotiation. The progress of the 2004 pay deal, unlike the 2002 negotiation, features in only 2 press releases, one prior to the proposed industrial action on the Mayoral election day which presents the organisation as reasonable:

"London Underground (LU) today (May 17) reaffirmed its commitment to continuing a constructive dialogue with the trade unions on pay and conditions ... A LU spokesperson said: 'We are surprised the RMT is proposing industrial action at this time,

as we are still in negotiations with them'." (London Underground Limited, 2004a, 17 May)

Even post industrial action, the tone of press releases is mild, non-adversarial and purposefully customer oriented, as "LU Boss Regrets Strike" indicates:

"London Underground's Managing Director Tim O'Toole said: 'I very much *regret* the disruption caused by yesterday's strike action by some members of the RMT. Thanks to the efforts of many staff we were able to run some services and our bus, DLR, tram and rail colleagues greatly helped in getting people around the city. However, I know how *badly affected* your journeys were in many cases. I am sorry for the *serious problems* you were *unnecessarily* caused'." (London Underground Limited, 2004a, 1 July)

The contrast to the 2002 communications could not be starker, suggesting both a change of approach in LUL management as well as the editorial function of the GLA's press office.

A two year pay deal was finally signed in late summer, at a reasonable cost to the company, with only one 24 hour strike. JWP negotiations continue on elements of the pay deal (shorter working week), but the organisation and the unions have the period of stability created by the 2 year deal to develop their working relationship. At the point of writing (January 2005), this stability does, however, appear fragile in the context of ASLEF's political machinations and the proximity of ASLEF elections, and the end of 2004 has been characterised by a number of ballots, strike threats and low level industrial action over relatively insubstantial issues. As an ASLEF official related:

"(The Employee Relations Director) thought he was buying 2 years' industrial peace, with that (pay) agreement and so did a lot of the other managers. All they bought was that headline annual row, over the pay ... So now, the reason I agreed it, was that I had another agenda, and that was to get some of the outstanding industrial relations issues addressed." [32.1:338-342]

6.2. Darlington's Factors

The study will next look for discourse around Darlington's 4 factors. The aim is not to support or otherwise Darlington's hypotheses, but to examine the accounts provided by managers around these issues. The Nvivo coding for this section is shown in figure 49.

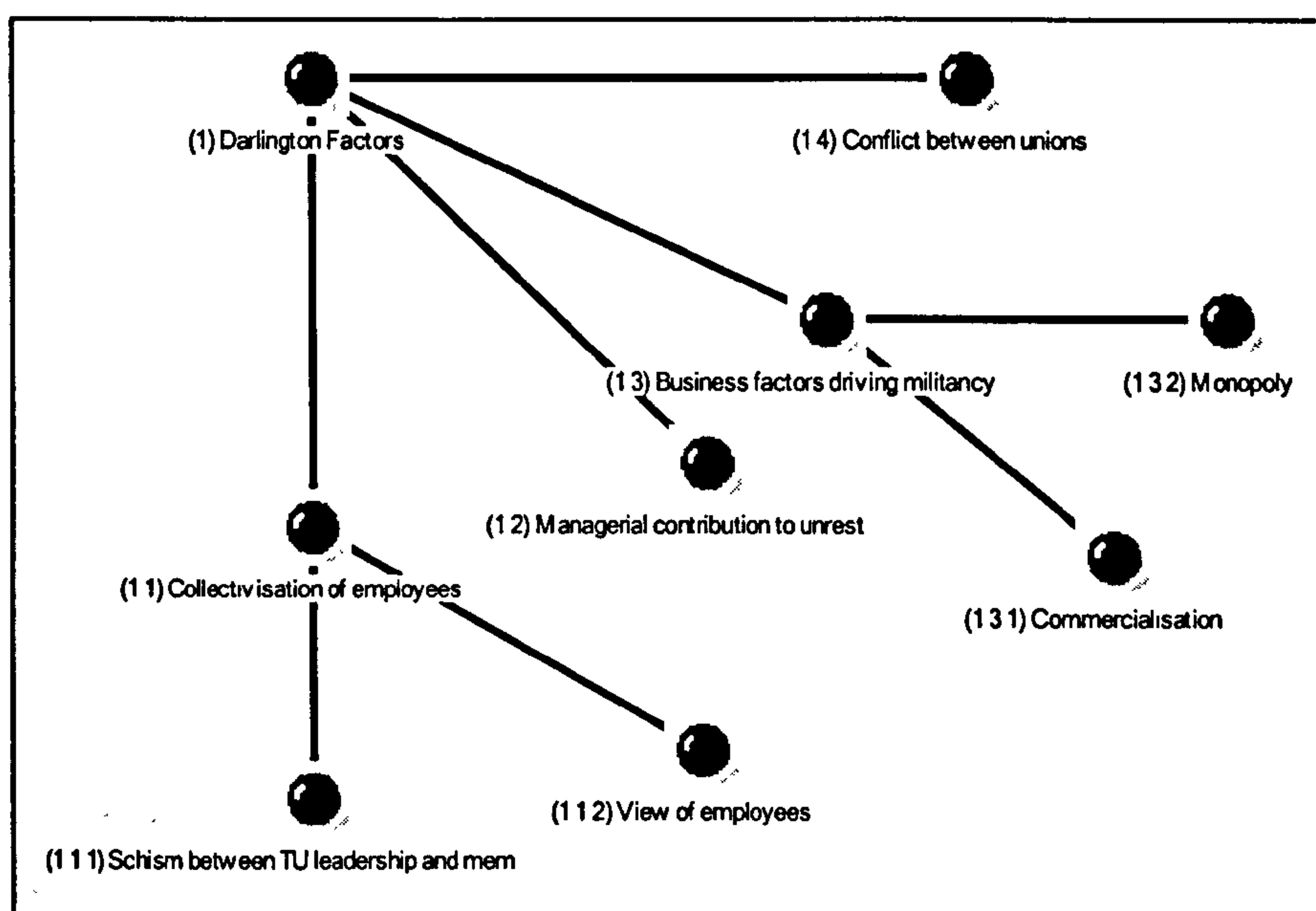


Figure 49: NVivo Coding for Darlington Factors

6.2.1. Collectivisation of Employees

According to the radical perspective, one of the roles required of trade unions is the raising of the employees' awareness of their oppression, the raising of their class consciousness. This does provide a perhaps convenient explanation for the fact that the (enlightened) union leadership may not always operate in the direct interests of their (un-enlightened) members, as they may be pursuing a larger, political agenda, the aim of which is societal transformation. This may be used to explain any schism which is apparent between the trade union leadership and its members.

Darlington makes two assertions under this heading. Firstly, there is a schism between politically motivated union leadership and the interests of members and, secondly, members are essentially passive, requiring left wing activists to galvanise them into collective action. This section considers whether the interviewees in this study corroborate these assertions.

6.2.1.1. *The Schism Between Trade Union Leadership and Members*

Discourses on the political motivations of trade unions and their leadership, used largely in opposition to a discourse about acting in members' interests, were a feature of the interviews. However, only one of the interviewees

(interestingly, a TfL interviewee who had the most distant relationship with the trade unions) explicitly described a gulf between the members and the union leadership:

“I think there are agendas being pushed for individual purposes and I sometimes feel like the staff get squeezed out. And I think that’s what goes on, quite a lot, in London Underground. I’m not sure that a lot of the battles are about staff; I think they’re about political positioning and in some ways an excuse for a fight, as it were.” [2:24]

“ ... it must add weight to anyone observing this process that the unions are in it for themselves, and there isn’t consideration of the staff.” [2:54]

This theme was used functionally by this interviewee to question the legitimacy of the RMT’s tactics. It also appears in the TSSA and ASLEF discourses as a differentiator between themselves and the RMT.

“ ... some of the RMT people, there is the political agenda and actually you’re paying these people to be full time political activists, for the RMT. They’re not doing what my people are doing, which is trying to sort out industrial problems.”
[26.1:495]

“ ... consequently some of the RMT members lost out. But surely, like the Signalling and like these people, if they’d been clever and said, accepted it for them, one group of their staff, surely then that strengthens your argument to get it for the other group of staff. ...So why do they then do that? I mean I can’t understand that as a negotiator. Right? You know you get your foot in the door. Instead they’re happy to be waving the red flag outside the manager’s door. When I see as a win-win then to get something for them then to improve on and build on in future years.” [32.1:140-148]

Interestingly, this ASLEF official sees the RMT’s actions as actively disregarding members’ interests, in contrast to how he defines his own role:

“ ... if you learn your history and I’ve seen it at the Post Office, Fords, British Leyland, people like the (senior RMT official) have you out on strike for 6 weeks, you’ve lost your mortgage, your wife’s probably left, the kids are crying ‘cause they’re hungry, and they’re saying it’s a political victory, they see this is us against the employers, brothers, and you go trudging back to

work. I'm paid a lot of money to go in there and negotiate, and ... they'll have received 27 and a half percent pay rise over those 5 years...43 days' leave, 35 hour week, and that's all been done through negotiation." [32.1:126]

There is, consequently, some evidence that this discourse is used by participants to question the legitimacy of trade unions' political motivations.

6.2.1.2. *View of Employees*

There is, however, less evidence to support Darlington's contention that activists play a critical role in motivating employees towards collective action. Managers fail to reference the role of union activists, but instead produce a range of explanations for why members support the RMT, ranging from coercion to benefit led to management engendered.

The coercion theme is used to similar ends to the 'schism' theme above, i.e. to question the legitimacy of the RMT's actions. Managers suggested that bullying and intimidation was a factor in the membership's continued support of the RMT:

" ... if we really were really to uncover it I think you'd find that there's a lot of bullying and harassment that goes along with that, some of the drivers that maybe don't not want to join the union, not go on strike, who are maybe persuaded them that was the right thing to do was stand up and stand in line with their brothers and I would think that happens in varying degrees of nasty ways." [4.1:99]

" ... then there was again intimidation ... It's a real problem out there. Because so many things are controlled by the staff reps out there: in the way people's duties are allocated, you know, the mafia system. 'You'll be thrown out of the mafia if you cross that picket line, if you come to work or if you vote no and you don't support your trade union you'll be out of there'. And your whole life is probably geared around being able to get those turns of duty which suit your domestic arrangements. And likewise in terms of should you need representation, well it won't be there. You'll be on your own. And staff fear that kind of thing, the loss of the solidarity of the union behind them." [10:1:84]

This supports the consistent theme is of union, rather than labour, militancy; if anything, the study supports Darlington's view of the London Underground

workforce as apathetic, essentially passive, and manipulated by the trade union:

“ ... well, by and large the trade unions have often got things out of strikes that made it worth their while. And that was why the membership were kind of happy to go to the barricades without really understanding why.” [9.1:56]

“ ... the silent majority out there who are satisfied with their job who do believe they have good conditions etc. etc. and will put ballot papers into the bin and then bemoan the fact that they’ve been called out on strike and are losing money. A strange muted loyalty, is it loyalty, is it fear? And it’s a combination probably of both.” [10.1:180]

“And if some of the membership had any idea about what was going on in these [pay] discussions, they would be saying ‘hey, you’re supposed to be representing us, where do I benefit out of this?’” [2.1:50]

“ ... staff as well were brought up on this idea that of saying ‘we don’t really want to go on strike, we don’t really need any more money, but we might as well support our trade union because we’ll only get more, won’t we’. Well, you know, they too, perhaps, do not understand those new realities in the situation.” [10.1:26]

Extracts 10.1:184, 2.1:50 and 10.1:26 are particularly interesting, as they all contain a pictorial representation of reported speech, an invocation of someone else’s voice. This is a feature of discourse analysed by Bakhtin/Volosinov, as Maybin (2001, p 68) comments:

“For Bakhtin and Volosinov, invoking a voice always also involves invoking an evaluative viewpoint, which may be used by the current speaker as a rhetorical resource to support their own speaking or writing purposes”.

It is interesting to surmise how this reported speech is being used by the respondents – perhaps to appropriate the employee’s view and to suggest this is not simply a managerial world view which is being articulated.

These discourses question the legitimacy of the trade union’s actions and substantiate this via the ‘appropriation’ of the employee voice via representations of reported speech. However, these were set against a less pejorative discourse which suggested that the militant union was perceived as

having done a good job for its members, and members were unlikely to express dissatisfaction with the leadership: the 'benefit led' theme. This presents a view of employees as making a rational choice, choosing to support the RMT on the basis of previous benefit delivered. This is in contrast to Darlington's view of employees as manipulated by left wing activists:

" ... if you're a train driver, you'd think that they've done a good job because their pay has gone up so much and that the Underground management seem to give into them ... And from a driver as far as someone who pays a membership subscription is concerned are you really going to have too much of a problem with what they've got, 'cause they'd be quite pleased. That's quite that's quite a significant thing for the union's positioning with its members, I think ... They'll (the RMT) become more moderate I don't think so. As long as the membership are happy, or the majority of the membership are happy, then I think that the union leadership is probably quite safe." [4.1:95]

" ... tremendous loyalty to the trade unions in what they're meant to do. And of course if you challenge people in terms of saying how well they're paid then the trade unions and particularly the RMT will say that's because we've pursued the policy that we have, that's because we've used the strike weapon." [10.1:24]

At the furthest end of spectrum, a legitimate role for the trade unions is created by a discourse which cites the employees' perceived need for the protection of the union. This 'you get the unions you deserve' discourse had a number of sub themes⁴¹, including the perceived need of the staff for union representation ('management engendered'):

⁴¹ This discourse contains a number of sub themes, including appeasement behaviour (links to 'conditioned behaviour'); lack of attention to employees (links to 'under-investment in people'); failure to resolve disputes; politically motivated trade unions (discourse created through opposition with 'acting in members' interests').

“ ...it’s just this whole sort of atmosphere of distrust and tension. It fosters the need for people the feeling that the staff feel they need reps in the background to protect them if anything goes wrong.” [9:14]

“ ... people empower their reps because they feel they need their protection, and you have to manage the reps and deal with the issues. But why do people feel that ... they need that protection?” [9:56]

In summary, the analysis on the first of Darlington’s factors suggests that participants recognised the political motivations of the RMT’s leadership (notably, this was not applied to ASLEF), but did not articulate a schism between membership and leadership.

Instead, managers articulated a range of explanations for why employees join and support a militant trade union (from coercive to benefit led to management engendered) to explain continued high levels of membership. This is a much more complex version of Darlington’s postulation of the role of activists in inciting employees to action.

6.2.2. Managerial Contribution to Industrial Unrest

Darlington, echoing Kelly, sees the “belligerence” of the management of London Underground as a contributory factor in the continued militancy. As one might expect, there are a complex set of discourses which are articulated around this topic. The study provides some evidence of managerial contribution, but also marked dilemmatic discourse. This again suggests that the situation is more complex than suggested by Darlington.

As indicated in the previous section, the respondents all recognised that management had contributed to the continued unrest.

6.2.2.1. Use of Socially Shared Discourses

The two respondents (4.1 and 2.1) who were part of the TfL rather than the LU organisation were, as one might expect, most critical of the LU management. The first of these uses a ‘conditioned behaviour’ discourse (which will be discussed in more detail in section 6.3):

“I think the management, the LU management their attitude to the unions is that they’re a bit scared of them, and tend to give in and therefore make rods for their own backs.” [4.1:125]

whereas the second respondent utilises a 'capability' discourse:

"So there's a lack of capability but it goes back again, you know, to me this is surely about capability. It's about the business having strong management, strong leadership, strong capability to do the things that are right for the business and right for the people and I don't think this organisation has had that." [2.1:78]

As expected, the current generation of managers are careful to make their references to poor capability retrospective:

"... back in 20 years ago 30 years ago the organisation wasn't well managed and the ... management had kind of abdicated really and it wasn't particularly focused on employees and I think allowed the trade unions to gather and to gather strength." [9.1:4-12]

This serves to create a blame attribution which is unrelated to the present management and explains current lack of progress through the creation of a view of London Underground as a victim of its history.

A sub-theme of the 'capability' discourse is inadequacy of communication. This attributes a degree of blame to the managers for failing to communicate a pro-organisational message to balance the unions' communications:

"We probably don't do it well enough in terms of you know dispel this myth around the whole thing. Why do people coming in ... be alarmed by the fact that or concerned that they needed a trade union quickly to protect their interests because this wicked organisation is likely to be getting rid of them etc." [10.1:190]

"This isn't all about job loss, it's about shifting the balance, it's about different skill sets ... But we're all back footed because we're not getting that message out there. And don't have a strong enough management capability to get those messages over. And, you know, maybe we wouldn't in an organisation that's as highly unionised as we are, but I do think we're missing something there, definitely. We're failing to sell the benefits to people as a win-win." [2.1:106]

6.2.2.2. Self-Critical Discourse

One managerial respondent, however, was critical of his own role in perpetuating the industrial relations environment:

“ ... weaselling around things or pretending you didn't know, we've all been there. I mean I had an agreement on the Bakerloo Line which I kinda weaselled around for years, 3 or 4 years, on how many times people can go up and down in a shift. And I knew if I kinda recognised this agreement that would be another constraint and I knew sooner or later they'll find the right piece of paper and they'd find out about this agreement and find the right process.” [9.1:158]

However, he does caveat this with a variety of explanations: learnt managerial behaviour, day to day operational pressures and political influence. He explains his negativity by use of the 'conditioned behaviour' discourse, created by the employees themselves:

“ ... I've had some experiences, as ... a local manager you lose faith in human nature because all you see is people messing you about. You see the 20 percent of people who're taking the taking the mickey, and not coming in and blah-di-blah-di-blah and you become very suspicious, of everybody's motives and it does become a sort of powerplay where you don't want them to have one over on you ... So you know and it's not just local managers I mean it's symptomatic of the whole organisation.” [9.1:14]

And by day to day operational pressures:

“I mean one of the most successful times I had in managing the Trains Functional Council was when for various reasons I was able to devote a whole day to it, every week ... we were heading all sorts of things off at the pass and by and large we were successful, y'know, that period. But if you know the day to day hurly burly doesn't generally allow you to do that.” [9.1:20]

The 'political influence' shared discourse is also cited as a justification for lack of progress, inconsistency of approach being referenced as much as overt interference.

6.2.2.3. *The 'Defining Moment' Discourse*

Managers also use the metaphor of the 'defining moment' to explain lack of progress. This metaphor appears in a number of discourses, either as a reason for a lack of change:

“And I think it’s also true that we haven’t had sort of our Wapping moment, if you like. We ... haven’t sort of cleared the path of weeds or gone out and sort of said this is where we stand and we’re repositioning the business and we’re going to do a miners’ or a Wapping and we’ll take whatever it takes and we’ll come out the other side.” [9.1:32]

Or as a catalyst, necessary for change in the future:

“I think there’s going to be a massive, massive punch up on the London Underground side, which will be something they won’t get over, which will mean the union relationship will be damaged. It will split them – maybe it’ll be a really long strike or something. ... I think that there’d be a big big thing that happens – that’ll make the RMT a lot less strong, and will allow London Underground management a choice to do something that they’ve wanted to do ... I think RMT will shoot themselves, in the foot, big style, and with a clever management, we’ll be able to exploit that.” [4.1:578]

“... (the MD, LUL) may get a big bang because the burning platform may be that the RMT completely lose the plot and decide to have an all out strike.” [2.1:309]

This is a widely used discourse which, one could suppose, serves the function for the speakers of explaining the failure to progress whilst also “buying time” for the organisation to change in the future.

6.2.2.4. *Affinity as a Disclaimer*

A final notable sub theme is expressions of liking or affinity for the union representatives. One can surmise that this is operating as a disclaimer⁴², warding off a possibly negative attribution from the listener, but it does suggest a degree of ambivalence inconsistent with Darlington's "belligerence".

"... having said all of that these are the most delightful people, real fun people that I would every want to deal with, individually, and sometimes collectively. But then so can your irresponsible teenagers, be great fun to be with, and people who aren't mature can be childishly fun to be with, and they are, on so many occasions, even when you wonder 'where the hell are they coming from?' ... That's the kind of difficulty I get into. There's much to admire in the individuals, there's much fun to be had in your dealings with them." [10.1:108]

This appears in a watered down version in the discourse of participant 4.1, who stresses the importance of personal relationships in managing industrial relations:

"So much of this stuff at the end of the day comes down to personal relationships. It really just depends on what the person's like who's ... sat over the other side of the table from you or the person who's sat next to you advising you, as to what your opinion is of that particular union." [4.1:47]

⁴² Potter & Wetherell, 1987, quoting Hewitt & Stokes (1975), use the term "disclaimer" to denote phrases such as "I'm not a racist but ...", which are used by the speaker before making a comment which they are aware may be perceived pejoratively, as an attempt to pre-empt such an attribution by the listener.

In all likelihood, however, this represents the complexity of inter-personal relationships in industrial relations in an environment such as London Underground. The participants have an ability to distinguish between the personal and the collective, as articulated by 10.1 and 4.1.

6.2.2.5. Summary

To summarise, respondents undoubtedly recognised the contribution of managers to industrial unrest, but their explanations are far more elaborate than simple “belligerence”, using shared discourses on conditioned behaviour, capability and political influence to justify their contribution.

Many of these discourses are used functionally by managers and moderate trade unionist respondents, as explanations for lack of progress, to explain and excuse the ongoing militancy and the organisation’s lack of modernisation.

There are obvious links to institutional theory (normative pressures), resistance to change and the polemical and resistant public sector literature on “commercialisation”.

There are a number of possible reasons for this discrepancy with Darlington: Darlington’s view may only be partially correct; the small sample in the pilot were unrepresentative (which will be tested further in the main study); or there has been a change in attitude between the Darlington study and the present interviews (this seems unlikely, as the majority of the participants have in excess of 10 years’ service). It seems most likely, however, that Darlington’s choice of interviewees, which did not include any managerial representatives, has produced conclusions which reflects the distinctive view of the union activists and ER staff he interviewed.

6.2.3. Business Factors Driving Militancy

Darlington posits two elements under this general category:

- Commercialisation.
- Monopoly situation.

The data in this study will be considered against these 2 items.

6.2.3.1. Commercialisation

Darlington cites one of the main reasons for ongoing militancy being the trade unions' ideological opposition to privatisation, and resistance to the resultant job losses or detriment to terms and conditions.

London Underground is not itself privatised, although the entire maintenance operation has been privatised (the 'PPP') and is now run by Metronet and Tube Lines, 2 private sector organisations staffed largely with ex-London Transport staff. The organisation is, however, currently subject to significant pressures to commercialise, therefore it was felt it was useful to look at wider discourses around commercialisation, rather than limit the topic of study to privatisation.

Respondents do raise commercialisation as an issue:

"But then you also have a genuine aversion with RMT and I think ASLEF as well, although ASLEF have adapted better, is to the actual involvement of the private sector.

Now, you know I mean quite clearly as far as RMT are concerned, 'private sector bad, public sector good'. Completely in their political views around not just the rail industry but generally, and that shapes their behaviour. Shapes their behaviour in some sort of really quite interesting ways I mean in terms of problems now we have a public-private partnership well the private part of that RMT will not rest until that in some way or other is reversed, pulled back into the public sector. The problems that with Railtrack and then with Network Rail and then a movement back into Network Rail of rail and maintenance staff etc. was a great victory for them. As far as they could see they greatly applauded Alistair Darling, you know, the darling of the left, who actually you can see it now was returning to nationalisation.

And it's that kind of political view, very extreme, old Labour type views. Old Labour type views, verging on sort of extreme socialist views. It's never far from the way they'll consider particular issues." [10.1:140-144]

And indicate that it is an issue which still influences behaviour:

“The days of when we could go back to government and the government would give us an increased grant, the days when we could do that are gone. So, that to an extent is also where the problem is very difficult. Will the trade unions do the trade unions really understand that? How do you change 10, 20 years and behaviours become different. Hang on a minute, that’s not how this game’s supposed to be played, they’re supposed to go and find more money for us.” [10.1:26]

This is part of the wider ‘explanations for lack of progress’ functionality of much of the discourse in this study and links to the ‘organisational history’ repertoire.

It is also used to justify a particular stance:

“We have a responsibility to London, we are here to provide a public service, not here to pursue the ends of any individual union, or any individual manager, or director or MD of this organisation. We have to provide services to London and we’re given a certain amount of money to do that. And that money isn’t limitless.” [2.1:86]

Interestingly, however, LUL is represented by 2 managers as the victim of rail privatization, in that it has become the last opportunity for militant trade unions to gain political power:

“... the trade unions have certainly seen their power base to some extent eroded in the National Rail network by privatisation, by fragmentation of the National Rail network. And I think they’ve kind of looked at London Underground as the last opportunity that they have to really exercise political power, sometimes with a big ‘P’, in terms of actually exercising some changes in society overall.” [9.2:24-25]

“And the difficulty w’ dealing with the political ideology, there is the agenda. It strikes me as pretty strange that the one company you hit the most is London Underground, which is really a public enterprise which is as a socialist you aspire to anyway. You want it. And yet when I look at the companies outside, 50 million pound profits, paying 600 thousand to their senior executives, guess what, they hardly get touched, it’s me that gets it. ‘Cause I think they see me, it’s really the bit if you can get in with 4 day weeks and get it because it’s a soft target, they can then try and apply that through the rail industry, mind

there's no doubt in my mind that they want to dominate the transport industry, completely."
[10:2:12]

There is a sense, however, that commercialisation as an issue is losing relevance:

"Y'know we've kind of done a lot to try and bring 'em in. And I think that has succeeded in you know also it's not being stoked at the political level as it was during the PPP, but it has done a lot to kind of take the strength of feeling out of that." [9.1:68]

This probably reflects the difference in timing between this (2004) and Darlington's study (2001).

6.2.3.2. *Monopoly*

The monopoly argument is the converse of the privatisation argument, proposing that lack of competition in public sectors has resulted in less pressure to reduce jobs than in the private sector.

Managers were clearly aware of the difference between a private sector company, with its exposure to competitive forces, and a public sector monopoly. A discursive repertoire on 'market messages' indicated that the lack of commercial pressure was problematic in instigating change:

"... market messages aren't as strong. You know we're not going to go bust. Absolute decades since we reduced the number of train drivers, let alone moved them around or made anybody redundant." [9.1:114]

"So people simply don't believe in that there's a slash-and-burn agenda or even a gentle 'people are going to have to face up to hard decisions' ... and we're not we're not sort of under competition from y'know Paris Metro is kind of moving in on our business ... There's no chance of a takeover bid or a competitor coming in. So there's no real messages just don't really exist, which is it's always been difficult to summon up the energy to stand your ground and I think as I say, the environment hasn't been conducive towards the long term, long term battleground." [9.1:18-126]

"... there are consequences for these behaviours but they don't believe that they will be that way in terms of London Underground, London Transport, they don't see that they will do

anything different there. For them it's never a case of well, if we don't do this the factory will close. It will always be there, someone will always come along and give them something to keep them happy." [10.1:102]

"... a successful business. That's much more apparent in the private sector where you can measure that interest and maybe it's part of the challenge for us in the public sector where you can't measure revenue as an absolute." [2.1:26]

This is linked to two socially shared discourses: the 'organisational history' sub-theme (see the last sentence of [10.1:102] and 'capability', stressing inadequacy of management communications (see 9.1's use of the term "messages" and 2.1's "challenge for us").

No inference can, however, be made from these sections that the unions' militancy is a response to being in a monopoly situation, simply that managers find it difficult to generate any urgency around change given the lack of commercial imperative.

6.2.4. Conflict Between Unions

The final factor which Darlington suggests increases militancy is conflict between ASLEF and RMT. As indicated above, there is conflicting evidence for this in this study.

6.2.4.1. *Membership Profiles*

Darlington characterizes the relationship between the 2 unions as conflictual, given that the RMT's broader based membership results in a commensurately weaker position vis-à-vis ASLEF. This was clearly refuted in the managers' discourses, which see the RMT as the most powerful union:

"RMT has I think because of their more generic involvement in the rail industry, actually have a power base that extends to for us its our station staff, the supervisors on our stations, a significant proportion of our train drivers and a very specific group in terms of signallers, the people who control services. So they have a strong power base in terms of their ability to wield industrial muscle on our services and can do so, very often, without the need for bringing about an all out strike situation, even some attempt to shall we say to have industrial action on the part of the signallers can have a damaging impact on our

services out of all proportion to the number of staff involved. Small number but again very strong.” [10:46]

Although problematic in its political orientation and cavalier in its approach:

“RMT are kind of at a crossroads. Because ... there is a labour government, RMT are disaffiliated from the Labour Party, they’re kind of sitting out there on their own. And you know the risk is they become too isolated from the realities of life, and actually become a sort of UKIP⁴³ equivalent on the trade union side ... and that’s probably not a healthy position for them to be in long term either. I think unfortunately their leadership, perhaps not all of their leadership understands the implications of that, and is just doing it ‘cause its fun to do it.” [9.2:200]

ASLEF are seen as having their own power base:

“ASLEF is a small trade union but a very powerful one in that it has 50, 55 percent of our train operators where our industrial muscle lies.” [10:7]

But are strongly ideologically differentiated from the RMT:

“ASLEF, although powerful in their own way, do behave in a different way. Very procedurally driven, not usually with political agendas. RMT is, of course, quite strongly politically driven, ASLEF seems to be primarily concerned about the wellbeing of their train drivers, and are rather proud of the train driver tradition.” [10.1:13]

Which demonstrates itself in a different way of doing business:

⁴³ UKIP (UK Independence Party) was a short lived political party who, headed by Robert Kilroy-Silk, attempted to contest the 2004 London mayoral election.

“... it’s (ASLEF) like a masonic lodge rather than a trade union”
[9.2:183]

And a different approach to industrial relations:

“I believe they (ASLEF) are the union that talk to us most about working in partnership and I think as far as they understand it they do want to do that.” [10.1:58]

However, ASLEF’s potential as a partner is qualified by its chaotic leadership battles:

“It will be slow for them, it will be difficult for them, but as they and particularly now post Mick Rix era and they haven’t been settled down with a new General Secretary so we don’t again they have their internal difficulties.” [10.1:58]

“ASLEF are in crisis. They’ve had internal punch-ups, metaphorically and literally ...They are leaderless in many ways, they are losing ground significantly to the RMT. In terms of credibility and membership ... when they count the numbers up, surely we’ll see that RMT have significantly more train driver membership than they used to have.
[9.6:52-56]

“I really think that the leadership mess that ASLEF has got itself into the last year has really done huge damage to them and probably is something that isn’t easy to recover from, I think. You know I think they’re slightly naïve if they think that a new general secretary will arrive and will turn the trade union around again. It will take a long time to rebuild that.”
[9.2:186]

And its position as a union in decline:

“But in London Underground, ASLEF probably will die as a trade union, maybe 20 years out but the membership will fall as we have an ability by technology to have driverless trains.” [10.1:56]

I think they I actually think ASLEF are in real danger now of losing a lot of members and a lot of credibility. I think a lot of younger staff have you know ASLEF have always appealed to the traditional senior train operator, train driver, male, white, members of staff.” [9.2:183]

One respondent, indeed, goes so far as to suggest ASLEF is likely to be subsumed by the RMT:

“They did have a swing to the left when Mick Rix was elected as General Secretary, he did move closer to RMT. There was some speculation that the future of ASLEF probably may well lie in joining with RMT, being swallowed because with a small membership base it is more expensive to belong to ASLEF, they don’t noticeably do that much better job for members so there has been a swing away from ASLEF to RMT.” [10.1:56]

One can surmise that this is influenced by current events (as discussed in section 6.1.4.), but it still suggests a significant departure from Darlington.

To examine this issue, one must look at constructions of power in the data. The RMT are seen as a powerful union because of their willingness to use industrial action, whereas ASLEF’s rather less antagonistic approach results in a construction of the union as powerful (they are still able to raise support for highly disruptive strikes) but more businesslike and more willing to debate issues. This has obvious links to the section on linguistic constructions of power (discussed in section 6.3.1.3.).

6.2.4.2. *Competition for Members*

Accounts clearly indicate conflict between ASLEF and RMT, linked to competition for members:

“ ... when the strike was called over the wages, ASLEF crossed the picket line. And took great delight in doing so, ‘cause they they’d get more members by not going on strike.” [10.2:60]

Competition for members, as the above quote suggests, is cited as the factor underpinning the inter-union conflict:

“... there is a real issue there, it all boils down to the fact that RMT are competing for members everywhere, all over the place, and RMT are kind of like the white shark. In that they will go round actually in a very unprincipled way and will pick up you know dead and dying pockets of other representation and swallow them up, without so much as a second thought ... ASLEF actually probably do the same although ... they kind of try and do it in a more upright way.” [9.2:182-200]

“ ... something that we also deal with which is the problem of competition for members when you’ve got a multi-union environment. And that is always with them, they’re always concerned as to how ASLEF can poach members from RMT and vice versa, and then TSSA how they can get more stations staff, operational staff. So it’s really quite messy and you always know you’re in for trouble when elections are coming up.” [10.1:18]

However, employee relations staff differ in their views of whether the conflict between the unions is advantageous to the organisation: [10.1] contradicts Darlington in the following quote:

“ ... dealing with 3 trade unions as we do ... can be both a blessing and a curse. The power clearly vies and swings between RMT and ASLEF and despite ASLEF being the smaller union but with a lot of power with the train drivers, the RMT are aggressive, confrontational, adversarial, typical hostage bargaining situations, proud of the fact that they can call the as they call it “the lads” out any time they want and have proved that they can time and time again ... the curse and the benefit of having a multi-union environment, I suppose that’s then because we don’t necessarily end up with facing industrial action or difficulties across the piece, with one union, as we have at the moment, for example industrial action by RMT members, but with ASLEF staff in the main trying to get into work, so we are running some services.” [10.1:12-18]

The “blessing and curse” theme is picked up by another manager:

“RMT and TSSA so they would never agree, they would never meet beforehand, so they’d never force a management view, they were actually giving us opportunities to divide and rule again. Which was actually very frustrating. If you wanted to divide and rule. But it’s frustrating, ‘cause we never actually knew what we were dealing with.” [9.4:27]

Another senior employee relations manager, however, unequivocally sees the conflict as problematic for the organisation:

“ ... it’s this tit for tat, this if one (union) gets something, the other has to get something more, and it’s this escalation ‘cause one of us any one of these unions can hurt us.” [10.2: 60]

“ ... it seems to me that every time I sit round that table, every union has its own agenda. In other words, although it was a joint body, you were negotiating separately within a joint body. You had to be conscious of well I'll need to give ASLEF something, I need to give RMT something, and this is the way we get caught, because what happens is you negotiate something for Stations and then ... there's a feeling on the Railway side that they want these benefits and they want these conditions of service, and then it's just ping pong.

And that's what happens. 'Cause the RMT's now got a foot in both (Stations and Trains) so the RMT you get in Stations isn't necessarily the same union the same RMT that you're facing when it comes to Trains. They play it against each other. The animosity between ASLEF and RMT at shop steward level isn't as bad as you'd expect. There's a fair amount of co-operation down there. But actually at national level, and I'm not talking about the Bob Crow's, I'm talking more about the national officials ..., there's real aggro. And I'm talking real aggro. To the extent that we were ready to conclude a 35 hour week, whereas ASLEF said 'we want to see the figures, we paid for this in 1997. We want to see the figures to make sure they pay every penny of it. And if they don't, you're in dispute with us'. There's a lot of tit for tat.” [10.2:14-17]

Although, perhaps reflecting the difference between national and local officials articulated above, one of the more junior managers (who deals primarily with local officials) sees greater collaboration between the unions when expedient:

“ ... they were sort of not quite at opposite ends of the table but it was marked last time ... there was remarks about, 'well that may be the RMT view but that's not our view'. Although they will quite often join up, when they see management are wounded they'll go for the kill ... They will work together to achieve their aim, when it when it suits them both to do so.”
[9.3: 204-208]

Major inter-union divisions in the organisation are also identified between the RMT and the TSSA:

“TSSA I think RMT don't respect them because they think they're a bit too weak. There there's no natural allegiance between RMT and TSSA or ASLEF and TSSA.” [4.1:158]

“ ... it’s actually appalling with the way RMT and ASLEF behave with TSSA. You know for the second largest trade union to be treated that way by the other trade unions is really just appalling ... how that ever gets resolved I don’t know.” [9.2:186]

Interestingly, the antipathy towards the moderate trade union reported by 9.2 is also articulated by the managers:

“TSSA is a strange one I mean they are regarded as pariahs or as ... scabs. ... (senior TSSA official) most upset to be called a scab by (RMT representative), which was, I’m sorry to say, quite amusing really.” [10.1:5]

“(The MD of LUL) probably just sees the TSSA as a bit of a joke.” [4.1:550]

“ .. the difficulty with the TSSA in this organisation is the local representatives have always laid themselves open to be a laughing stock in this organisation. Set themselves up to be a laughing stock and therefore it’s just a self-fulfilling prophesy, namely that management hasn’t had the time for the TSSA which is kind of ironic because TSSA should be a big ally.” [9.2:186]

This discourse, one may surmise, is unhelpful in LUL’s industrial relations. The TSSA, widely regarded as a ‘moderate’ trade union, is ideologically the most obvious ally to management. However, as these quotes show, they are dismissed and marginalized.

6.3. Socially Shared Discourses

Having determined that Darlington's study seems to represent only a partial view of the dynamics operating in LUL, and that his choice of research subjects has perhaps created a bias in his conclusions, the next consideration was to build a more robust model. The next stage of the analysis was to free code the interview transcripts, to identify the socially shared discourses utilised by managers and trade union representatives.

As the methodology section indicates, socially shared discourses (and their categorization into interpretative repertoires) are fundamental to the study of the social construction of reality, as they indicate the major constructs by which individuals are characterising their world.

This coding divided logically into three sections:

- Views of trade unions (section 6.3.1).
- View of management (section 6.3.2).
- Interactions between the industrial relations actors (section 6.3.3).

This section will describe the repertoires and sub-themes used by the respondents under these headings.

6.3.1. Views of Trade Unions

The NVivo coding for this section is shown in figure 50 below.

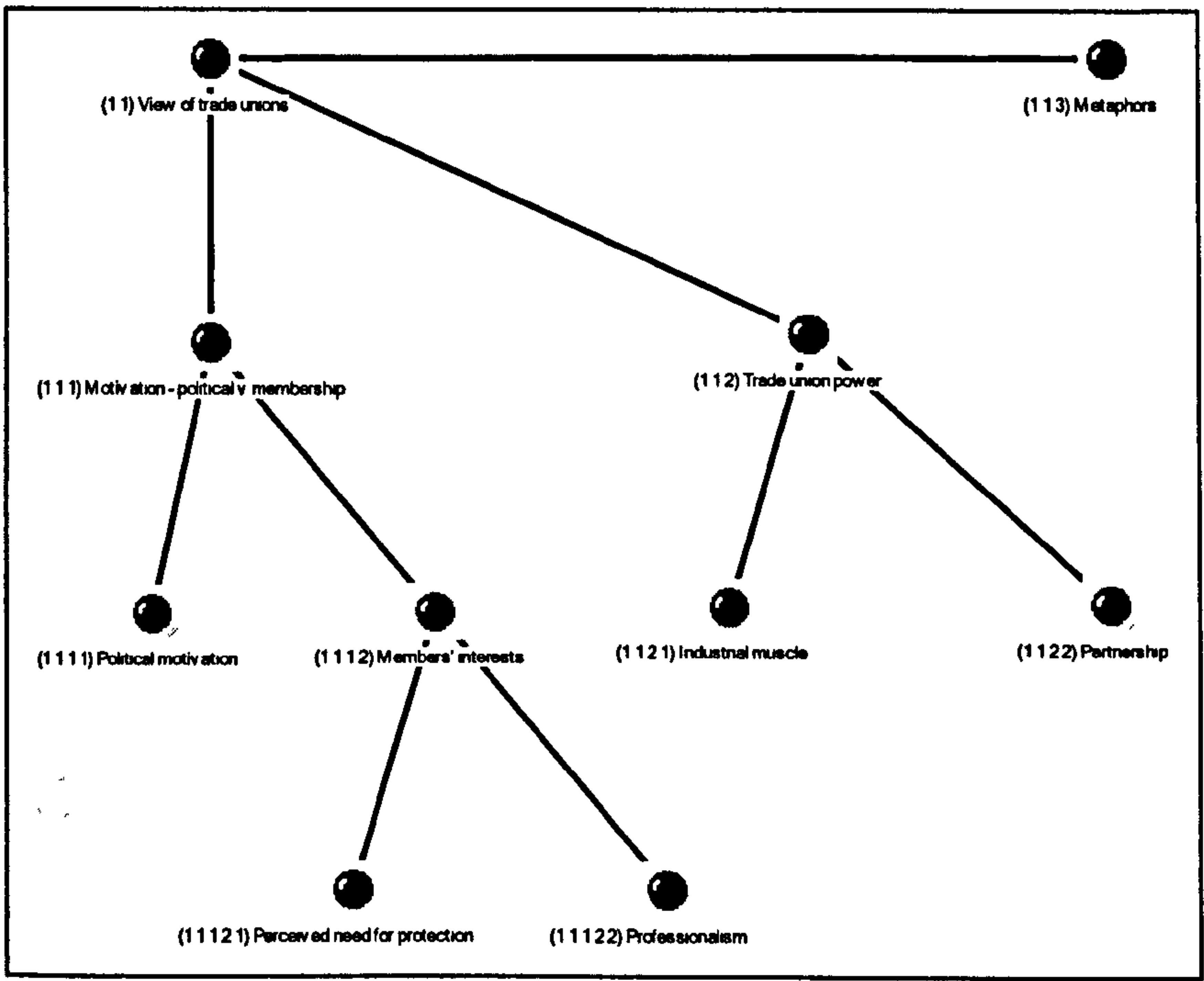


Figure 50: NVivo Coding for 'Views of Trade Unions' Category

6.3.1.1. **Metaphors**

One of the early indications of relations between the managers and the trade unions are the range of metaphors used by the managers to describe the unionists. The unionists are variously assigned a number of unflattering metaphors: weeds, recalcitrant children, crocodiles, sharks.

The most organic of metaphors was provided by an LUL manager, who likens trade unionists to weeds, allowed to gain a foothold in the organisation through poor maintenance:

“One of the sort of the analogies I have that the trade unions are a bit sort of like weeds growing in the soil in the cracks in the pavings ... and if there wasn't any soil there, you wouldn't have any weeds. So if there wasn't a need for them, they wouldn't be in the ground, they wouldn't grow ... If you don't do any maintenance, you know kind of they'll spread. And that I think has happened, and now of course they have their tentacles – with this analogy that should be their roots – right throughout the organisation.” [9:4:12]

Linked to a strong discourse (discussed in the next section) which defines union maturity in terms of willingness to act in partnership and a focus on members' interests (rather than politically motivated), the metaphor of recalcitrant children features in managerial discourse:

"It's like childlike behaviour it's almost like in terms of how they actually behave is how you would sometimes see em I don't know a rebellious teenager, or worse still a youngster sort of like kicking over the traces pushing back on things ... It seems quite childlike in the behaviour. It seems like the parent and child sort of relationship and how to actually trying to even when we talk about 'rewarding good behaviour' or 'doing something about bad behaviour, correcting bad behaviour'. All that seems to be somehow psychologically in the context of something that suggests a lack of maturity." [10.1:95-98]

However, a senior manager uses a much more adversarial metaphor, likening the unions to crocodiles and sharks:

"It's kinda like having two aggressive male crocodiles living in the same swamp ... when they kind of tolerate one another, but they'll never accept each other's existence. I think it has been a bit like that." [9.2:14-18]

"RMT are competing for members everywhere, all over the place, and RMT are kind of like the white shark. In that they will go round actually in a very unprincipled way and will pick up er you know dead and dying pockets of other representation and swallow them up, without so much as a second thought." [9.2:182]

These metaphors suggest an at best ambivalent relationship between managers and unions. However, these unflattering metaphors are juxtaposed against discourses which articulate a legitimate role for trade unions; these are linked again to the dichotomy between unions which act in the interests of their members versus politically motivated trade unions. This will be elaborated in the next section.

6.3.1.2. Motivation

One of the most interesting areas of the interview analysis is the complex interpretative repertoire around militant and moderate trade unions.

Moderate trade unions and managers developed a clear dichotomy between moderate and militant trade unions, with clear clustering of characteristics

around each pole. Figure 51 illustrates these terms and attributions, and places the trade unions on the continuum (as indicated by the discourse of the respondents).

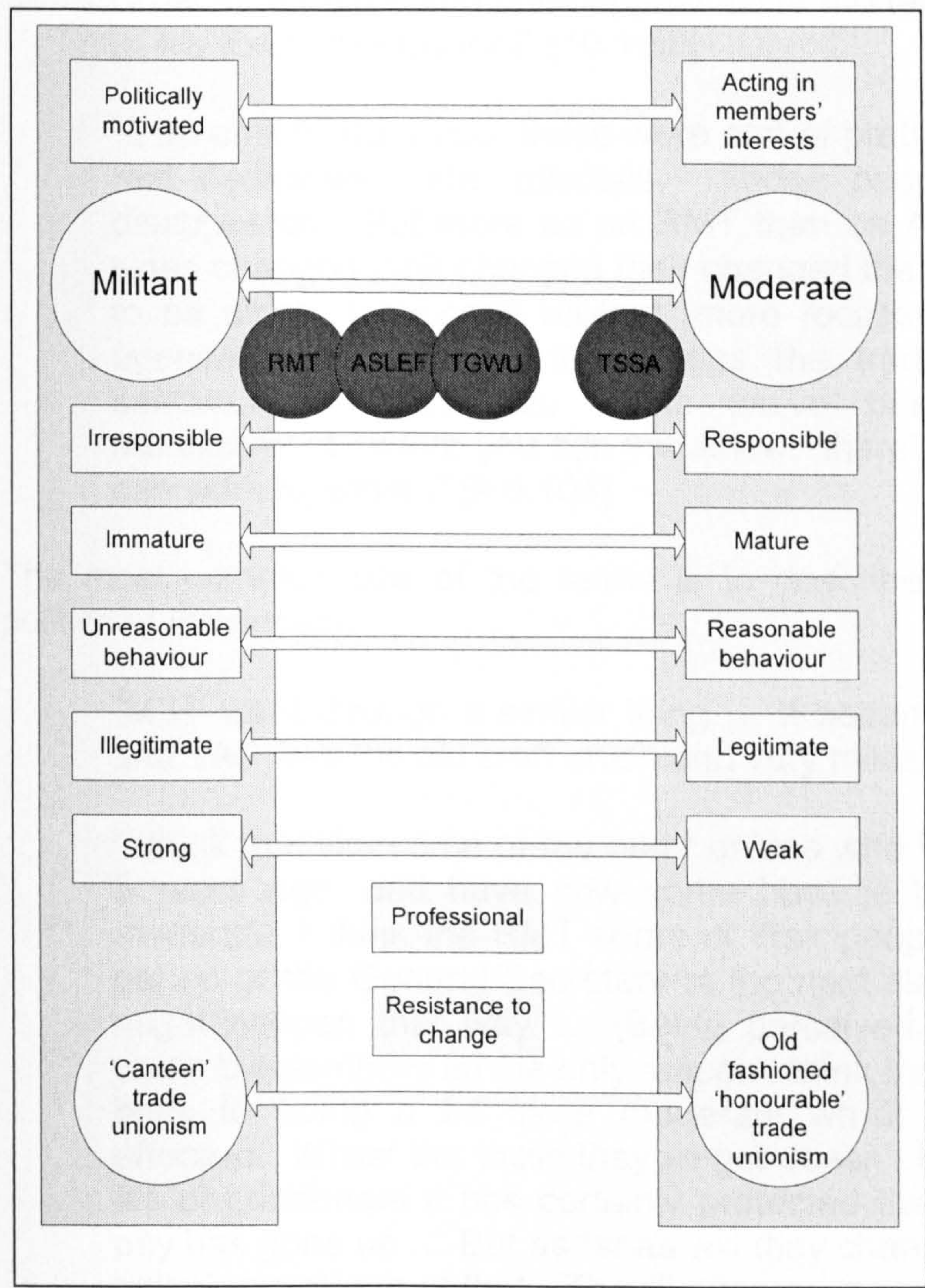


Figure 51: Discourses of Militancy and Moderation

i) Definition of Terms

The surprising thing is that the terms 'moderate' (9 instances) and 'militant' (13 instances) rarely appear in the interviews (3 participants never use either term). Where they do appear, they are adopted unquestioningly, as an organisational 'truth', with no attempt to deconstruct the terms; they appear to be used as a kind of shorthand to describe a particular approach or mindset.

Moderation is clearly set up discursively as a contrast to militancy:

“... there is a political influence within RMT, and it makes Bob Crow as an old communist appear quite moderate compared to ... his Executive Council” [10.1:50]

“.. up until 5 years ago, these were sort of pretty solid, moderate real dedicated trade unionists. Those people have all but disappeared. But more so on RMT than on ASLEF. But both sides changed their changed their changed their role in that area to be more I suppose militant, more focused on the political agenda, not interested in perhaps the traditional beer and sandwiches discussions, which we’ve been used to as management, where you can you know, ‘there’s a deal here, we can work together’.” [9.6:104]

The most common use of the terms is to describe inter- and intra- union politics (7 instances):

“MSF went through a similar thing ... It became MSF and TAS and TAS was the old craft union and very militant.” [4.1:356]

“I think that like some of the other unions who lurched to the left 5 years ago, and have now come back to being a bit more moderate, I think the RMT some of their people may wake up, get rid of the General Secretary at the next election, something might happen that way ... (Being perceived as a successful union by members is) the only reason I think they might not lurch back to being a bit more moderate whilst they’re seen as effective. Whilst the tactic they’ve got doesn’t help the rank and file of Londoners it has certainly protected their members their pay has gone up ... But as far as will they change I think I’ve just talked myself out of that. They’ll become more moderate I don’t think so.”
[4.1:91-103]

“(ASLEF) have their own militants, don’t they.” [10.1:56]

“John Leach of the RMT, who is a decent enough guy, and obviously beat a couple of the militants in the recent elections for their Executive Committee, had just done an agreement on the Stations.” [32.1:142]

"I also have a lot of pressure on my back from militants within my own organisation." [32.1:164]

3 interviewees make an explicit link between militancy and a left wing political orientation:

"... the Labour Party, the Labour Government is not run by left wing militants probably ex-left wing militants, they don't practice it anymore. So they're not politically aligned with the RMT's ideologies." [4.1:214]

"I mean used to have it years ago when Unison was Nalgo or part Nalgo, PCS all these predominately clerical, where the vast majority of the membership are conservative with a small 'c' because of the apathy, lack of interest, opened themselves up to take-overs by more militant, left wing dominated people." [32.1:252]

"The ballot was swung by ...one person ...who was a Scottish Labour Party member ... the equivalent of the ... militant sort of Socialist Labour Party in Scotland." [10.1:50]

The remainder of the instances of the terms are linked to value associations: non-militancy is linked to collaboration, making a clear link between Kelly's "incorporation" and repertoires stressing collaboration and partnership:

"I've been over to Germany, France and Holland and Sweden, to talk to them about this. Yeah, the unions are less militant but they're more they're up to their eyes in being collaborative." [4.1:395]

Responsible behaviour:

"(TSSA) do behave very responsibly, because of the fact they're a staff association, typically non militant and traditionally disappointed that what they see as good behaviour isn't rewarded in some way." [10.1:18]

Looking after members' interests rather than pursuing a political agenda:

"... in the late 80s ASLEF had some very moderate leaders, whom actually were after the betterment of their members, interested in the welfare of their members' lives, and it was probably right some of the things they did. But the modern generation of unions they would say there were soft. They

negotiate quite hard with us, they gotta lot out of us, but we got a lot out as well. So it's actually getting enough ... of a moderation so you can actually sit down and talk. There's too much extreme for when I listen to try to talk to the trade unions." [9.4:170-171]

"I know that some of the RMT people, there is the political agenda and actually you're paying these people to be full time political activists, for the RMT. They're not doing what my people are doing, which is trying to sort out industrial problems, but maybe in one case certain people have appeared on TV on picket lines for companies unrelated to LUL." [26.1:495]

And generally 'being the good guys':

"Certainly the RMT seem to have gone a lot quieter. No bad column inches, which is good for them. They're seen as being much more moderate, they're seen as being almost the good guys now, I think." [9.4:209]

Comparing these constructions of the terms to Kelly's model of militancy, one can see the correlation between Kelly's 'incorporation' and the repertoires stressing collaboration and partnership. However, it is illuminating to look at the value judgments associated with these constructions. Whilst 'quiescence' (infrequent threat/use of industrial action) and 'accommodation' (moderate demands) are linked to themes of mature, responsible behaviour and looking after member's interests, there is a strong contrary theme which associates power in industrial relations with the ability to marshal and deploy industrial muscle (Kelly's "mobilization").

This tension is clearly shown in the discourse of the LUL managers. Whilst they talk about maturity and responsible behaviour, as indicated at the end of section 6.2.4.2., their discourse conveys marked antipathy to moderate trade unions and respect for 'industrial muscle', as this section will discuss.

This link between militancy and power echoes the value judgment embedded in Kelly's left wing stance and his claim that union independence relies upon the union's ability to mobilise. One would expect managers and moderate trade unions to advocate moderation (as the extracts above serve to do); also, however, the correlation between strength-militancy and weakness-moderation which they make is very strong:

"(ASLEF) immediately serve me w' 4 ballots, on really issues that are very minor, on the basis that 'Well we'll show you we're a militant union'." [10.2:60]

“ ... moderates don't tend to stick around very long because the moderates tend to be much more participative and wanna work with people and by the very definition aren't banging the table and demanding more and being more proactive in being less aggressive and critical and therefore don't see that as a sign of weakness. Whereas actually that strategy may well be benefiting to them in the long term.”
[4.1:107]

Several of the managerial respondents saw more moderate trade unions as unclear of purpose and, in consequence, difficult with which to deal.

“ASLEF, yeah. Out of the two RMT are probably easier to deal with, you always know where you stand with RMT, you may not like what you're standing in, but you know where you stand.”
[10.1:1]

There is also a suggestion of antipathy to moderate trade unionism which links to the reviling of the 'tolerance' strategy discussed in the Everest report:

“ ... there's one style (within TSSA) which is very much someone who one style is very much to try and *ingratiate* themselves with management, seen to be trying to take the moral high ground, seem to ... almost enjoy bringing things to management to management's attention first. So that's one kind of style. So that style is a very *ingratiating* type style.” [4.1:51, my emphasis]

“(The MD, LUL) probably just sees the TSSA as a bit of a joke.”
[4.1:550]

Militant trade unionism was also seen as highly effective in both furthering the interests of union members:

“...by and large the trade unions have often got things out of strikes that made it worthwhile. And that was why the membership were kind of happy to go to the barricades without really understanding why.” [9.1:56]

“ ... if you're a train driver, you'd think that they've (the RMT) done a good job because their pay has gone up so much and that the Underground management seem to give into them ... And from a driver – as far as someone who pays a membership subscription is concerned are you really going to have too much

of a problem with what they've got, 'cause they'd be quite pleased." [4.1:91]

and in gaining wider influence in the transport industry (as earlier discussions on the impact of privatisation indicate).

One can argue that this repertoire linking militancy and power, whilst dysfunctional in its implicit endorsement of militancy, derives from an unquestioned organisational 'truth' which has significant implications for industrial relations in LUL. Whilst one manager articulates a preference for working with the moderate trade unions, this individual is probably the most removed of all the respondents from day to day industrial relations:

"... we have is an opportunity with the more moderate trade unions to go forward." [2.1:172]

However, as indicated above, the dominant organisational shared discourse does not support this view; managers actually express an antipathy towards working with moderate trade unions. This, one may surmise, creates a conceptual constraint on the organisation's ability to manage and moderate the militant influence.

ii) *Positioning of the Unions*

The interviewees uniformly and unquestioningly define the poles in figure 5 by placing TSSA in the moderate and RMT in the militant category.

Participants have little difficulty in defining the agenda of the RMT:

"(The political agenda of the RMT is) anti-capitalist straight down the line of 'Socialist Worker', straight down the line of believing that everything to do with management is bad because the management is the old upper class and the workers are the working class and the balance is wrong." [4.1:67]

"I sort of pick up an there is there are extremists there within the RMT at fairly high levels, who are little short of being ... anarchists. Little short of actually advocating sort of a break down of the social order, in order to bring about political change. In terms of how and these are people who quite frankly have moved into the trade union movement and where they actually are to actually bring about such political change." [10.1:140]

Nor the TSSA, who are regarded with a benevolent distain:

“ ... the TSSA bless them, proud of the fact they’ve not had – on London Underground anyway – industrial action since 1926 ... they do behave very responsibly, because of the fact they’re a staff association, typically non militant.” [10.1:18]

Interestingly, ASLEF are clearly viewed in the literature (e.g. Darlington, 2001, p 6) and by the respondents as a less militant trade union than RMT, but are seen as one prepared to undertake militant activities when deemed necessary) were not assigned to either category:

“ ... reputationally in the organisation they (ASLEF) have they sit alongside the RMT being seen as militant, but not who we deal with.” [4.1:119]

and the ASLEF representative interviewed was careful to construct his actions and the actions of his union within a frame which, whilst not labeled as such, clearly fulfilled all of the characteristics of a partnership (this is discussed in section 6.3.1.3., part iii).

There was a clear differentiation between RMT and ASLEF, the latter perceived as less militant and more erring towards ‘professionalism’:

“ ... management, I think traditionally would favour ASLEF because they’re the professionals, they’re the people who have, apart from 1 or 2 disputes, been perhaps less politically motivated when it comes to issues. Yes, they go hell for leather in getting the most for their members, financially or time off, but they haven’t used it to use as a political agenda, because Tony Blair ... decides to declare war in Iraq, so we’ll stop operating a Railway, which often came up with the new RMT member, saying this is what we should be doing, there’s a bigger social context.” [9.6:60]

However, as indicated in figure 5, ‘professionalism’ is not directly linked to the terms ‘militant’ and ‘moderate’: it is used in relation to ASLEF’s history as a professional guild, established in reference to unions such as BALPA (British Airlines Pilots’ Association), rather than any of the other Underground unions.

“ASLEF, although powerful in their own way, do behave in a different way. Very procedurally driven, not usually with political agendas – RMT is, of course, quite strongly politically driven, ASLEF seems to be primarily concerned about the wellbeing of their train drivers, and are rather proud of the train driver

tradition. I know that they have always vied with or would see themselves as a bit like BALPA, the airline pilots, as a professional union with professional people, and that is something that has guided the way they behave.” [10.1:1]

The last of the major unions, TGWU, are discussed in similar terms to ASLEF (oriented towards working with an organisation, but prepared to use militant tactics if necessary), but are perceived as more fragmented and ambiguous:

“ ... the T&G is a different organisation depending on where you go. There are still pockets of the T&G that I think would still make the RMT look like a picnic. And to a certain extent I would say politically the T&G’s a very ambiguous union at the moment. Woodley gives out mixed messages.” [26.1:48]

iii) *Attribution of Characteristics*

The interpretative repertoire of ‘militancy’ was linked to a variety of negative characteristics: political motivation (at the expense of members’ interests), illegitimate aims, irresponsibility and immaturity. A contrast is set up between ‘old fashioned’ trade unionism (linked to ‘honourable’ behaviour) and ‘canteen trade unionism’.

Both managers and moderate trade unionists linked militancy to politically motivation:

“The RMT will not use the machinery, they will not they will ballot, ballot, ballot, because some of their senior officials have a political bent and motive for it.” [32.1:120]

This political motivation was established as in opposition to acting in the interests of the members:

“ ... some of the RMT members lost out ... if they’d been clever and said, accepted it for ... one group of their staff, surely then that strengthens your argument to get it for the other group of staff ... So why do they then do that? I mean I can’t understand that as a negotiator. Right? You know you get your foot in the door. Instead they’re happy to be waving the red flag outside the manager’s door. When I see as a win-win then to get something for them then to improve on and build on in future years.” [32.1:144-148]

“You see, I can I feel passionate about what I do. And the industry. And I’d rather have a win-win than a lose-lose. Right? That’s what they (the members) pay me for.” [32.1:154]

“At a local level we’ve got some reps who work very closely with managers because they see that’s the best way to get the the outputs and the best outputs for the people they represent. Others are just completely politically motivated and will quite often recommend things that are patently not in the best that are patently not in the best for the individual concerned.” [9.3:74]

“The other thing that I have real difficulty in getting my head around is the complete split between the local level reps and the politically activated reps, the head office reps, just do not meet at any point. So for example a lot of the things that at a head office level they’re aspiring for through the pay deal or whatever, when we sort out how we’re going to make it work, it will actually not be what the rank and file wanted in terms of the way they want something delivered.” [9.3:76]

This political motivation, to the exclusion of members’ interests, was constructed as an illegitimate aim:

“I think again, it’s worth differentiating between the kind of ... political purpose of the trade union leaders, or at least some of them, which in some cases is quite unashamedly about class revolution, as opposed to the legitimate, the more legitimate, I would argue, employee relations aspiration to improve the lot of their members. I think those 2 things are quite different.” [9.2:24-26]

“ ... what I find unhealthy sometimes ... I think there are agendas being pushed for individual purposes and I sometimes feel like the staff get squeezed out. And I think that’s what goes on, quite a lot, in London Underground. I’m not sure that a lot of the battles are about staff; I think they’re about political positioning and in some ways an excuse for a fight, as it were. It’s because the train drivers in London Underground actually are paid pretty well, pretty well. There’s no an issue there. So one has to wonder why we’re here in August of 2004, with a deal the unions are happy with, apart from the RMT. Personal agendas going on there.” [2.1:22-24]

Some trade unionists also articulate the dichotomy between the political and members' interests, with this moderate trade unionist seeing the former as a necessary evil:

"... my job's an industrial one, but by the nature of where I've come from and the nature of the contacts I've got, I sometimes have got dragged in on the political side." [26.1:56]

Discourses emphasising the irresponsibility and immaturity of militant trade unionists supported this view.

"It's like childlike behaviour it's almost like in terms of how they actually behave is how you would sometimes see ... a rebellious teenager, or worse still a youngster sort of like kicking over the traces pushing back on things and ... It seems quite childlike in the behaviour. It seems like the parent and child sort of relationship and how to actually trying to even when we talk about 'rewarding good behaviour' or 'doing something about bad behaviour, correcting bad behaviour'. All that seems to be somehow psychologically in the context of something that suggests a lack of maturity. But I think the lack of maturity as well comes in terms of some of the representatives with whom we deal now. Now maybe I'm in danger of being around too long, it's sort of like the old bobby on the beat used to have more cred than shall we say some of the people now, but I seem to think back and seem to remember the people with credibility, gravitas people with strength, principles, etc. of some of the older representatives we've dealt with.

Now there seems to be there seems to be an almost like a gleeful irresponsibility in terms of how the representatives behave without much in terms of considering the longer term consequences ... there are consequences for these behaviours but they don't believe that they will be that way in terms of London Underground, London Transport, they don't see that they will do anything different there. For them it's never a case of well, if we don't do this the factory will close. It will always be there, someone will always come along and give them something to keep them happy. It's that lack of maturity that's with us now." [10.1:7]

The theme embedded in this paragraph of a contrast between militancy and 'old fashioned' trade unionism, seen as honourable and legitimate in its aim to support its members, is picked up by a number of other respondents.

“Certainly in the time I’ve been in the Underground ... when we had Sectional Councils, which were sort of full time release people, I don’t recall it being nearly as political. These were guys who did medical terminations, discipline, all this kind of thing and they took a pride in their job, but they were sensible.” [9.3:70]

“... up until 5 years ago, these (the Functional representatives) were sort of pretty solid, moderate, real dedicated trade unionists. Those people have all but disappeared. But more so on RMT than on ASLEF. But both sides changed their changed their changed their role in that area to be more I suppose militant, more focused on the political agenda, not interested in perhaps the traditional beer and sandwiches discussions, which we’ve been used to as management, where you can you know, ‘there’s a deal here, we can work together’.” [9.6:102-106]

“(RMT’s) no longer ... like a proud railway trade union when it was NUR and I was asking Bob Crow fairly recently in terms of what happened to their mural. In terms of a mural stained glass when you went to their headquarters there was this big stained glass thing it was a whole wall, and there was a whole history of NUR for more than 100 years as a trade union I mean it probably went back to the Tolpuddle Martyrs and the rest of it on that mural. Tremendous pride and ... tremendous socialist principles, with that trade union.

But, of late, one doesn’t see quite that that honest railway mans’ union, there are different factions within the trade union ... So it’s a very difficult trade union to understand as a trade union, what it is and I think some of the pride and some of the good things about trade unions that NUR represented have probably been lost.” [10.1:48-52]

This is set up in contrast to ‘canteen trade unionism’, where the most outspoken individuals are the ones who get elected rather than those with the most ability:

“(A TSSA member)’s got this expression, which I think is quite good, which is called, ‘canteen trade unionism’, and what he’s saying ... is that the guy down the canteen who gives it the most mouth, now seems to be the person who’s becoming not just depot rep not just Company Councillor, but is potentially standing for General Secretary and winning. The trouble is, he doesn’t necessarily understand the real politik of that ... And

what (he) is saying is that there's a certain populism that's developing." [26.1:15-16]

6.3.1.3 *Constructions of Trade Union Power*

There is a further interesting feature which appears very relevant to the London Underground industrial relations environment, and has potential implications for industrial relations practice in the future: discourses of trade union power.

i) Sources of Power

Batstone's (1978) four sources of trade union power are substitutability, occupancy of a critical position, immediacy and the impact on uncertainty.

Using this model, one can see that the train driver population place ASLEF and RMT in a very powerful position: they ensure that skills are not substitutable (train drivers are a scarce resource, due to the long training cycle, and picketing deters - but does not always prevent - members of the other union from substituting). Picketing also serves to ensure that industrial action has an impact on the other (more substitutable) employee group: station staff. TSSA, with membership largely in the (very substitutable) managerial and administrative grades, do not have the leverage of ASLEF and the RMT.

In terms of criticality Batstone's second source of power, ASLEF again has the upper hand, as their core membership of train drivers occupies the most critical role in the organization. The RMT, the other union which represents train drivers, also represents the signallers (whom, with relatively small numbers, can bring the network to an almost immediate halt). Both train drivers and signallers occupy critical roles in the organisation, hence give their trade unions tremendous leverage. TSSA again represent staff in non-critical positions, hence lack leverage.

Immediacy, Batstone's third source of power, is guaranteed by the nature of the business: a train journey is a "perishable product" [10.2:p 2] and management can make no forward provision for industrial action.

Indeed, the only one of Batstone's sources of power which are not held by the RMT and ASLEF is creating or management of uncertainty; although maintenance staff potentially could yield this power, they are now part of an outsourced organisation, which makes coordinated industrial action more

difficult (employees are unwilling to lose pay to support members in another organisation), although not impossible.

In summary, the RMT and ASLEF both have very powerful positions within the organisation, using Batstone's model.

One may surmise that, whilst Batstone provides a good analysis of the sources of industrial relations power, he omits the willingness to use that power and the union's ability to mobilise its members (which suggests that a model which combines elements of Batstone and Kelly may be more comprehensive).

ii) Control of and Willingness to Use Power

Using Batstone's model, the homogeneous nature of ASLEF's membership makes them a more powerful trade union than the RMT, as they substantially control the train driver resource. This corresponds to Darlington's view of the RMT as weakened by its more diverse membership base. However, this is not borne out by the accounts in this study:

"The future is really having a joint trade union body ... I'll never get it 'cause ASLEF as a dying union would form a minority in all of these, they'd be overruled." [10.2:18]

Respondents cite the influence of new technology (driverless trains) as the future source of ASLEF's destruction, whilst implying that the RMT's more diverse membership will allow it to survive. Some of the negativity used to describe ASLEF's future prospects may be influenced by the leadership difficulties in which ASLEF found itself at the time of the study, but it may also be about the ability and willingness of the respective trade unions to use the power the constitution of their membership gives them. Respondents indicate the intense loyalty of ASLEF's members and their ability to mobilise members to take industrial action:

"For ASLEF their strength comes from the fact that their membership will follow their advice, leadership's advice come what may, there is absolutely no question of an ASLEF member being asked to go on strike and not going on strike. It's just not heard of, unlike other trade unions in the country."
[9.2:4]

However, this is a capability which is used circumspectly. Industrial action is clearly unpopular with members (due to the loss of wages) and the ASLEF

representative indicates the strategy most appropriate to his members is negotiation without recourse to industrial action.

“I knew, if the offer was good enough, above inflation, right? Twice the rate of inflation, in fact, no strings, no strike, right? That they would vote for it.” [29.1:330]

“... if you learn your history and I’ve seen it at the Post Office, Fords, British Leyland, people like the (senior RMT official) ‘I’ll have you out on strike for 6 weeks, you’ve lost your mortgage, your wife’s probably left, the kids are crying ‘cause they’re hungry, and they’re saying it’s a political victory, they see this is us against the employers, brothers, and you go trudging back to work, y’know.” [29.1: 126]

However, there is obviously another dynamic operating with the RMT, where political positioning over-rides members’ interests, as this manager bemoans:

“I think again, it’s worth differentiating between the kind of political purpose of the trade union leaders, or at least some of them, which in some cases is quite unashamedly about class revolution, as opposed to the legitimate, the more legitimate I would argue employee relations aspiration to improve the lot of their members. I think those 2 things are quite different.” [9.2:26]

The continued support of members for the RMT, despite this perception that they do not always operate in the interests of members, is a topic of some debate between the respondents. A variety of explanations are posited for this: peer pressure, bullying/coercion and resource dependency (the ‘mafia’). These are described under the ‘coercion’ theme in section 6.2.1.2. None of these assertions are particularly flattering to the RMT and serve to strengthen the militancy-illegitimacy link.

iii) Discourses of Power

Given this analysis of the power dynamics in LUL, how do respondents in this study linguistically construct trade union power? The data shows a relatively simple duality in linguistic construction, as figure 52 shows.

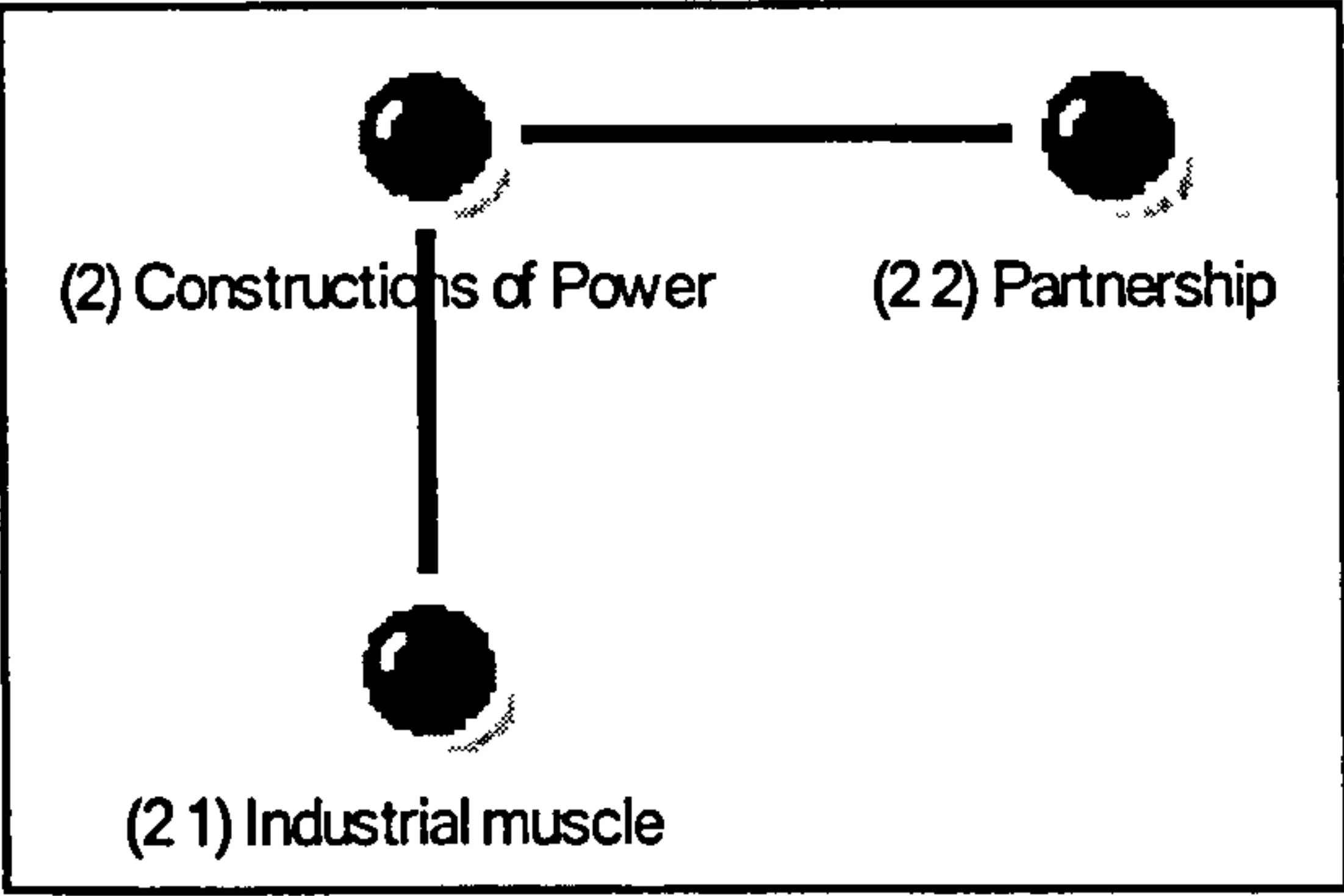


Figure 52: NVivo Coding for Linguistic Constructions of Trade Union Power

Trade union power in TfL was universally linked by the speakers to industrial muscle; every participant used the phrase “industrial muscle” in the course of their interview:

“ ... the RMT are aggressive, confrontational, adversarial, typical hostage bargaining situations, proud of the fact that they can call the as they call it “the lads” out any time they want and have proved that they can time and time again.” [10.1:12]

“If I use the term (industrial) ‘might’, the only ‘might’ to make a difference really around here is seen to sit in the RMT. Because the RMT have controlled this agenda of constant industrial unrest. And I put it akin to Arthur Scargill, it seems to be strike strike strike I’m afraid and similar things in the 70s, and I think that’s the card the RMT play.” [2.1:162]

This was a construction used to describe industrial relations both inside and outside the organisation:

“I know someone who’s a train driver for the Illinois State Railway, who merged they merged ‘cause it’s privately run, and ... their union’s just merged with the Teamsters, that do the construction, and they’re hopeful that’s going to give them some more industrial muscle because their management, it’s the Santa Fe Railway, management they don’t pay allowances and all that sort of stuff, all these contractual arrangements they’re to go to arbitration, and the unions as they currently are don’t tend to support them, ‘cause they the management says it doesn’t make any difference to us. So he’s quite hopeful that he’s going to get some more industrial muscle so it makes them actually get paid properly.” [4.1:431]

The alternative of partnership was largely dismissed by the participants as unacceptable to the unions:

“I think the partnership model is much more around working collaboratively ... I think they've tried to think much more progressively, in these terms, as if they don't change with it, they'll become obsolete ... they just don't wanna accept that. They'll hang on to the old industrial muscle. And again if I'm a driver I might think that's quite a good thing.” [4.1:278-282]

Or by managers:

“ ... for me partnership is also being you want to talk and you want to involve them. And at a very local level I can never understand why a manager would not see his or her 2 staff representatives that they may be dealing with as a fundamental part of their management team ... So why wouldn't they why wouldn't we consider them to be part of that team, therefore communicate with them directly, in the same way we communicate with the management. There's something about working if you can't work together locally, you know in partnership, then you're probably lost anyway ... So for me there's something around those very local behaviours.” [10.1:286-292]

Partnership as an alternative source of power was indicated by only one respondent, who formed the discourse as a way of describing a desired, but unattainable, future state:

“If I were to respond top of head and think about less about what their role is but what I would like their role to be, I would like them to play the voice of reason and I would like them to demonstrate to our people how working with the business can be a win win all around and it isn't just through strife and strike that the unions can achieve better terms and conditions for employees ... I guess an influencing role. But I'm not sure how credible, realistic that is but wouldn't it be nice if we could do that.” [2.1:48-150]

However, ironically perhaps, the most coherent definition of partnership working is offered by the trade unionists:

“I can understand that partnership as a term is uncomfortable for some people, because in some ways, it's not an equal relationship. The power dynamics always are, management has

got the power, to some extent the trade unions do not, but the way to look at it, is – for me, it's putting myself in your shoes, you putting yourself in my shoes, and to a certain extent understanding that there are different perspectives. And to a certain extent Pareto's law, 80 20, I've always said that 80 percent of the time, you and I will be giving the same advice to an individual who comes to you as an HR manager, as I would as a trade union official. Do they have a good case, do they not have a good case?

80 percent of the time I would see the interests of us as completely the same, i.e. y'know I've always taken the view that my job would be all about creating a sustainable job, for my member in 5 years time, 10 years time, as it would be getting an extra point 5, 1 percent on the pay deal this year. But what I guess it is, how do we sort of construct joint objectives and together look at our roles in terms of social responsibility.

The other thing is that at the end of the day, this is one of the great institutions of London. And it is one of the things that keeps London going. And there's probably not anybody in Greater London who doesn't have some sort of em stake in the Tube actually running quite well. And what I certainly see is part of my role as is trying to sustain that and trying to help with that rather than let's say the constant confrontational thing. The problem is that by the very nature of our relationship there will be times when we fall out." [26.1:639-643]

Although the phrase itself is avoided, an ASLEF official provides the best definition of partnership (one may, however, surmise on the level of impression management driving the articulation of this discourse).

"I do believe today ... it's no use just going in demanding something, or asking for it, you've got to give a business case or a good reason why, and y'know things like morale and that are not really quantifiable. But if you can put a business case together, it gives the management a better argument, especially if there's a cost saving on it, and the thing is some managers do utilise their representatives and their staff because they have y'know when you've got a lot of influx of managers last few years, who maybe have an armful of degrees but they've got no Railway background, you know, and to actually utilise that knowledge and skills. So there is a balance there." [32.1:48]

iii) Summary

To summarise, this discussion of constructions of trade union power raises a number of points.

It appears that Batstone's power through control of resources (non-substitutable and critical resources which can create an immediate impact and/or management or uncertainty) is only part of the story: dilution and willingness to use power are also influential.

The 'competition for members' theme alludes to the impact of dilution: whilst the unions are in competition with one another for members, this allows substitutability. Perhaps more influentially, strikes are unpopular with members, as the ASLEF representative indicates. Whilst members follow strike calls (be that because of the coercive forces mentioned earlier in connection with the RMT or dependency on trade unions through their control of resources such as rostering, or through loyalty, as cited for ASLEF), there is a limit to the ability of a trade union to call out its members.

The description of ASLEF's strategy offered by the ASLEF representative describes the circumspect use of power only in the interests of its members, and defines success as winning a good deal without recourse to industrial action. The RMT, in contrast, are presented as using power indiscriminately, to achieve political goals which are not always in the members' interests. Success is defined as being seen to be powerful, as 10.1's comments on "bringing the lads out" suggests.

In this study, the RMT's greater willingness to use industrial muscle than ASLEF is equated with perceived power – the RMT is represented as the more powerful union. This has significant implications for industrial relations practice: because the organization responds to politically motivated and strike oriented action, it reinforces its use (the "rewarding bad behaviour" discourse).

6.3.2. Views of Management

The NVivo coding for this category is shown in figure 53.

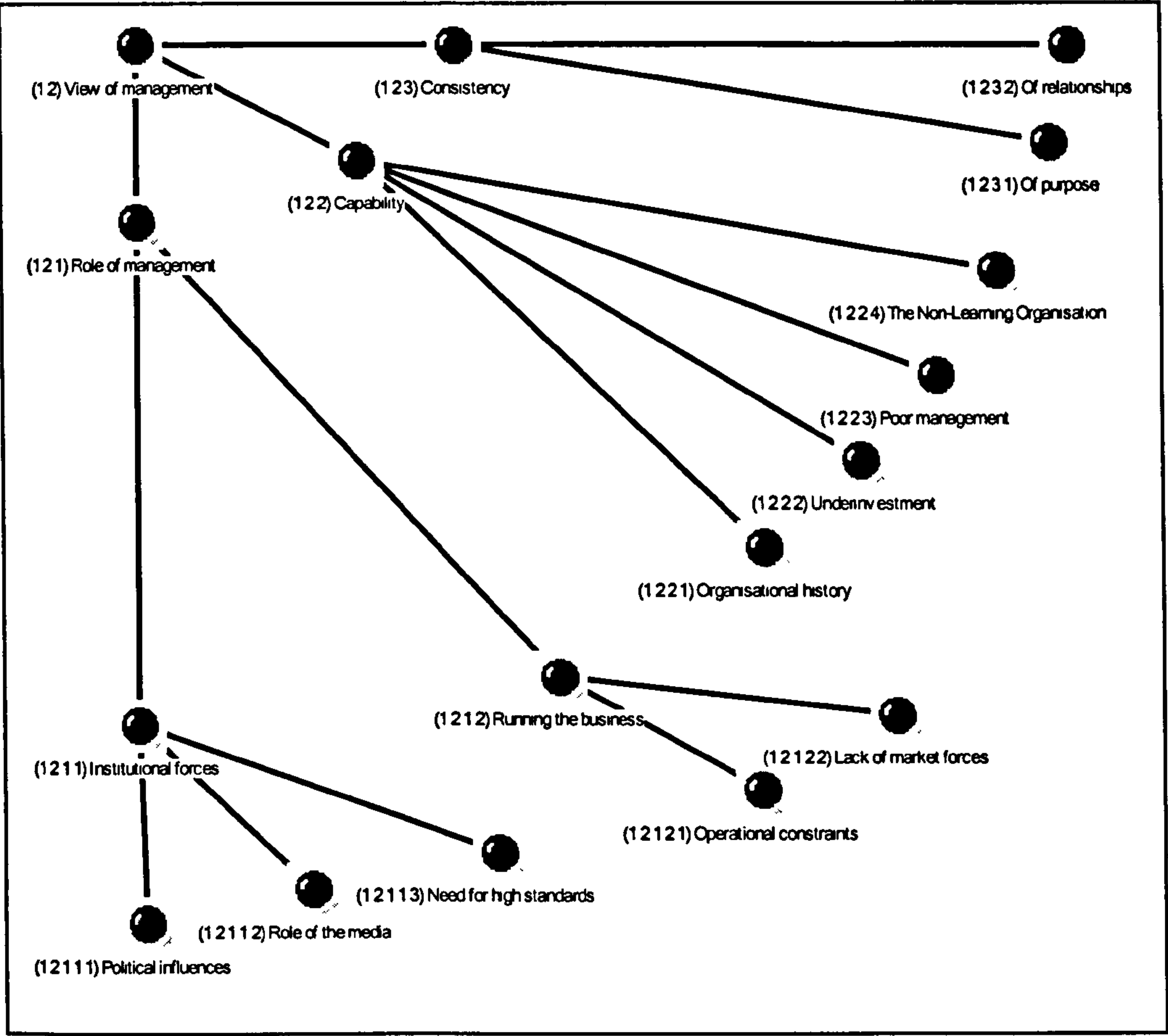


Figure 53: NVivo Coding for 'View of Management' Category

Managers create a dualistic view of their role, representing their main focus (running the business) as subject to a variety of institutional forces (political influence and the media are widely cited) which interfere with their operational tasks. This is a functional discourse for managers, in that it can attribute any failure in the operation role to the influence of external forces.

6.3.2.1. *Role of Management*

6.3.2.1.1. *Operational Considerations ('Running the Business')*

The scale of the business is cited as a difficulty which has a direct bearing on managers' ability to develop positive employee relations:

“I suspect if we were a small private school, for instance, when I was governor of that, they didn't have need policies and procedures for everything really, but you didn't really need things

like attendance policies or working time things, because you know there's sort of 8 people, you sorta get on with it ... there was a common objective and you don't need to nail all these things down. I don't think you can even have that happy state of affairs when you've got 3000 train crew, 23, 24 depots and people are looking over their shoulder and what they're doing over here, what they're doing over there. Basically you need some kind of consistency, and I dare say you will always have some tension around it. It's not always gonna be the happy family of everyone on the same side and happy train drivers doing 2 or 3 hours extra every day, to get the customer across the railways. You are gonna have to lay the rules down. But you kinda have to do it with clarity and firmness and honesty, on both sides." [9.1:158]

"We've found it very difficult to find mechanisms to well, a private sector company would say, 'right, we'll close the doors and we'll do a training day or something like that'. You would actually close the operation down for a day or something like that or half a day, you would have a conference or something. Engineering, you can take people off work, you lose your production line, but yeah if you have you forecast on what you produce for a day, then you've actually just lost your sales. You can't stop the Underground for a day." [9.4:113]

This clearly links to Batstone's 'substitutability'.

6.3.2.1.2. Institutional Forces

However, the main explanations for lack of progress cite institutional forces, specifically political influences and the role of the media.

i) Political Influence

Political influence is commonly articulated as a reason for lack of progress. Political influence is exerted both by the Government:

" ... governments have all always given us huge support for management's position and have said there is no prospect of any more money, that's the final position and they will back us to the hilt, even if there is industrial action and ... of course they have *never, never, once* stuck to their position ... And that

actually just simply blows management's credibility out of the water." [9.2:10, his emphasis]

And by the Mayor of London:

"... this time round is the first time I've been involved at a more senior level and you always think somebody knows what they're doing, somebody's got the game plan here and understands where it's all coming from ... I mean you and I have been party to the discussions where it's clear that there's sort of 2 sets of instructions coming up that are completely, will never come together, which makes life interesting if not downright impossible. So it can be very very difficult and it's clearly got far more difficult with the Mayor and Bob Crow dimension. You know, we've never had that before." [9.3:272-276]

"...sort of the pressure of circumstance and history and precedent and all of the pressure to not change from Londoners kind of make that a very difficult line to follow if you're not master of your own destiny. At the end of the day, you're not a private company and ... it's your call as managing director of a small private company it's your call whether you wanna take the aggro or not. You don't you're not really in that situation where you've got Ken jumping up and down and telling you how to run your business." [9.1:114]

This discourse is socially shared, used by trade unionists as well as managers:

"I think that politicians sometimes make short term decisions, which is the long term create bigger problems ... I suspect if Ken Livingstone had his time again, he may not have intervened in the way he did 2 years ago ... Because the way he did 2 years ago, I think was the catalyst for these problems a week before election day ... what he was after was the good headline 2 years ago, and I think he got that because generally Joe Public out there saw the Mayor sorting out the trade union problem, and indeed Joe Public out there has now seen the Mayor taking a tough stance against the trade union problem. But there again the actual 'sorting' of the trade union problems have probably been put back 2 years because of him." [26.1:12-20]

The organisation is seen as at the mercy of an inconsistency in political influence, a change of allegiance from the Mayor transitioning this influence from constraining to helpful:

“Ken is in quite a different place these days. Now nobody would have predicted that. But it just goes to show that ... events conspire as well, sometimes they work for you.” [2:217]

“... the one thing that’s been different for me out of this pay round, is that a lot of it’s been the same, the ducking and diving, but the one thing that has been different is that after the election Ken came out very clearly and said – ‘Bollocks: you’re not having it’ ... Now ... Ken’s a powerful person in terms of his mandate, and what have you. And plainly there was differences of opinion of the political and the executive wing of the enterprise, if I put it like that, which didn’t align until very shortly after the election. But when they did align, and it kind of felt like we had that session where we came from out of the meeting and came down here to wait for instructions and we were waiting for ... the hand of God. I don’t know you’re probably closer to it than me but it sort of felt like the politics and the executive were finally sorting themselves out and the next day we did have a consistent message. And that has changed the dynamics, because we went through the industrial action, what we talked about and the way we were talking at the JWP, at Company Council last week, you know it’s as if it didn’t happen. And I think that has wrong footed the RMT. They don’t quite know what to do next.” [9:34-42]

This repertoire supports the use of institutional theory as one of the key academic bases for this study: the respondent is clearly aware of the institutional pressures on the organisation (in this case, political pressure exerted by the Mayor of London). His distinction between the “political and the executive wing of the enterprise” reflects the tension between these elements and the potential constraint this places on the organisation’s ability to be business like.

The impact of this scenario on the respondents ranges from bitterness to frustration. Managers articulate considerable bitterness:

“ ... it was a very difficult period ... (it was) very difficult to be continually pounded, but what was the adversary then ... TfL and the Mayor and the Evening Standard and the MPs, we knew we were fighting a battle that we could never actually convince people we were gonna do. We thought we were doing the right thing, but we knew we didn’t have the backing. You knew you were a victim. ... it was very noticeable when (we were) publicly criticised in the (Evening) Standard ... There was a whole

organisation, from the front line up to the board, who felt they were being victimised.”
[9.4:103-105]

And this is a source of frustration for trade unionists:

“I got frustrated with ... having meeting after meeting where the people I’m meeting – and I can make the decision, I have authority in that meeting – haven’t.” [32.1:122]

An interesting corollary to the repertoire of political influence is a theme articulated by a number of managers which intimates that it is incumbent upon the organisation to take the “high moral ground”:

“ (The unions) they’ve got grapevines and they can also tell lies. There’s no retribution for the yellow peril which is just blatant lies ... And we have to take the high moral ground and tell the truth.”
[9.4:121-125]

This is linked by respondents to a number of factors. Political influence is cited as a further constraint on the organisation’s ability to confront the trade unions, due to the fact that the organisation’s actions reflect on the politicians (specifically Ken Livingstone), creating the requirement for high organisational standards of behaviour. The Mayor’s Office, consequently, actively police the Underground’s internal and external statements and actions.

Managers also link this ‘high moral ground’ discourse to the fact that LUL is a public sector company and, in consequence, is required to demonstrate higher standards of behaviour than would otherwise be the case (“corporate image”) and to demonstrate these high standards to staff:

“ ... we always try and behave professionally, whereas tactically you wouldn’t. So we all try and retain the moral high ground because (a) to maintain our corporate image and (b) so our staff can see us behaving professionally.” [9.4:71]

The suggestion of disadvantage and constraint extends to the constraint on the organisation’s ability to respond to union propaganda:

“ ... the other thing that really frustrates a lot of our local managers, the fact that there are ... formally endorsed publications by both RMT and ASLEF, at a local level that are pretty close to ... libellous.” [9.3:26]

ii) *Role of the Media*

A second significant influence is noted by the majority of respondents: the media, particularly the Evening Standard newspaper, is portrayed as a negative influence both by managers:

“ ... many of these people who come of course and join us have been have been fed through the ‘Evening Standard’, read the news, the Press, the Media. Some of them you know they are very well informed when they come in, they’ve read about it, they’ve seen it on the telly, it’s interesting that they still come and join the RMT.” [10.1:202]

“It’s the rhetoric which is actually is as damaging as anything else. You can be in negotiations with a left wing trade union and that doesn’t damage relationships ‘cause it’s not public. But when it’s public, it damages everything. It damages the company, the staff get laughed at, we get laughed at, the Evening Standard go for everybody, the trade unions get blasted as well actually it’s a no-win, when it gets overtly aggressive.” [9.4:253]

And trade unionists:

“Dick Murray of the Evening Standard, he’s been around a long time, picked up straight away. But he’s they’re gonna write the headline they wanna write, ‘LUL cave in again to the unions’, y’know? ...It’s an incestuous relationship with the Evening Standard and the Underground, because London Underground depend on them for a lot of publicity, and being commuters, the majority of their readership, if the Underground was running correctly and right every day, they’d have nothing to report (laughs), so everything they do is negative with the Underground, it doesn’t give the right perception of what the vast majority of staff and mangers provide 96 percent of the year, to millions of people. [32.1:166-170]

“ ... the press, Dick Murray or the TV, do not want me to hear, or say, ‘we’re having constructive discussions, and hope to resolve the issue’. What they want is the headline of when the strikes’s gonna be.” [32.1:188]

Although one of the unionists does see LUL as partly to blame due to its non-management of the media:

“ ... you used to have press officers that could actually literally sit on Dick Murray. And Dick’s admitted this to me ... But there were certain people that could actually say to Dick, look don’t give me that story, don’t get that story, y’know there’s maybe something else. And yet what Dick was saying to me was now, he doesn’t have that sort of relationship with people.”
[26.1:443]

A distinct sub-theme in this area is ‘cult of celebrity’, which creates a discourse of culpability of the media:

“(Bob Crow) revels, doesn’t he, in his militancy, revels in the bad the bad boy. He loves his Millwall supporter jerkin and baseball cap, he portrays, because he’s almost become a hero, a cult figure, to all sorts of people, articles in ‘The Guardian’, ‘Independent on Sunday’. I mean how else if you’ve got a complete ruffian, a complete rascal, do you actually spend have ‘The Independent on Sunday’ talking ‘A Week in the Life of Bob Crow’. ‘The Guardian’ is I mean as one would expect it, but y’know where is this media offensive against RMT, where is all this anti-RMT feeling. It doesn’t manifest in all of those ways. Perhaps there’s also something around people actually admire all what’s the word admire these rebels etc. I dunno.”
[10.1:130-132]

“I’ve often made the joke of if Bob (Crow) did get ditched at an election, he could probably do pantomime ... King Rat, like Derek Hatton did. I mean you can quite imagine Bob doing that in 10 years time ... I think this is interesting about celebrity culture; Bob’s become a celebrity, Bob’s become part of the London scene, Bob’s become, ‘oh it’s Bob Crow’ ... he takes all the stereotypes, I mean he’s a Millwall supporter for God’s sake! ... and in fact he’s actually used this when they’ve asked him, “oh I’m a Millwall supporter, no one likes us we don’t care”, and it’s that sort of belligerence ... yet it he clearly has a following on the Underground.”
[26.1:116-120]

6.3.2.2. *Capability*

This discourse is clearly used by respondents to attribute blame to previous management regimes:

“ ... back in 20 years ago 30 years ago the organisation wasn’t well managed and the management had kind of abdicated really

and it wasn't particularly focused on employees and I think allowed the trade unions to gather and to gather strength." [9.1:4]

It contains a strong theme of systemic under-investment:

"... if I go back to square 1, as much as we've under-invested in the Underground itself, the bricks and mortar, the trains and the rest of it, we've always under-invested in the people. Be it in the Underground or both you and I know a lot of the skills sets, which are required to do what we're doing now to deal with things like change in TfL. They weren't in place. Much of the talent we've had to bring in over the last couple of years." [2.1:62]

Specifically, respondents refer to under-investment in employee relations:

"And we've under-invested in my view, in the sort of the support and resource we give to the employee relations. Both in employee relations professionalism, professionals, but also the resources given to managers to deal with these issues." [9.4:20]

and under-investment in staff:

"... intuitively one has to suspect, that there's been a lack of capability ...I think in short it's under-investment in staff and I think the unions have played that off ... So there's a lack of capability but it goes back again, you know, to me this is surely about capability. It's about the business having strong management, strong leadership, strong capability to do the things that are right for the business and right for the people and I don't think this organisation has had that." [2.1:64]

Like the 'conditioned behaviour' discourse, this discourse is strongly articulated in company documentation; 'managerial skills and behaviours' is one of the 8 main themes in the Everest report (, 1996, p 6):

"There is evidence of deficiencies in managerial skills and behaviours at all levels. In particular, these appear to be around leadership skills: performance and behavioural management, cause and effect analysis and communication skills appear to be major areas for improvement. These issues seem to form a common thread to all the issues examined. The key to success is considered to lie in addressing these issues as a priority."
(London Underground Limited, 1996, p8)

And this argument is also made by one of the managers;

“ ... you have to do something that London Underground ... (is) pretty bloody awful at, is you have to develop and train your managers ...Systematically. You have to select them much more carefully than has happened in the past and you have to make sure they have the skills, competencies, whatever word you wanna use, to do the job, and if they don't and they can't perform, you have to get rid of 'em ... selection's weak, training and development's weak, and measurement of performance, and attitude, and behaviour is weak. But apart from that!” [9.5:109-117]

“Management quality is the key. Because we constantly get sort of little local outbursts, through managers, and often trade union reps, poor behaviour, poor relationships, then those sprout up ... into something rather more serious ... an intelligent, analytical, calm approach, calm and decisive approach by managers ... it would never have got anywhere near this situation, they dig their heels in and they are guided by a variety of myths, misconceptions, misunderstandings, lack of clear leadership from above, who sort of panic and do, 'this is all very difficult', and then do the wrong things in reaction rather than the right things, calming down and managing it in a mature and civilised way. And so it all bubbles up and you get all these little bubbles after a while and then they boil up into a big dispute, over god know what, often pay but they're quite often related factors like conditions and so forth. Yeah if you can keep relationships er civilised and constructive, constructive at all levels, then you won't have this. But it's got to be a consistent, managed thrust, led by from the top.” [9.5:86-88]

Respondents have an explanation around day to day pressures (mirroring the operational pressures discourse) which is articulated in support of this argument:

“ ... you spend it fire fighting. You lament 'oh we should have done that, we should have put more effort into doing that, we should have put more effort into doing so-and-so' (proactively supporting managers to improve the industrial relations climate), and I suppose yeah, I can be critical of myself for not having perhaps done so.” [10:382]

“ ... that was a classic of not managing not managing something. Not being entirely clear why we did it, setting it all up and not seeing the need to manage it, and so and of course we had a reorganisation in the middle which didn't help ... You know we shoot ourselves in the foot by not putting in the proper resources into keeping on top of these things.

Whereas the unions are fantastic, they have their referendums and they line up all their ducks in a row and have all their arguments and positions and what have you. And we're busy doing so many other things that we don't we don't follow it through closely enough, so you don't find a lot of the ground has already been occupied by the time you come down to start planning.” [9:221-223]

The main inference, which this series of extracts create, is perpetuation of industrial unrest through inadequate management, be that inadequacy due to poor management or operational priorities. This is subtly different from Darlington's “belligerence” – in the managers' view, it is not antagonism which drives the organisation's industrial relations approach, but lack of capability, itself a consequence of under-investment. As such, this is a functional discourse which externalises causality, and resists an internal attribution of causation.

A final variant on the management capability theme is articulated by one of the trade unionists, who relates the management capability issue to the churn of staff, using this to support his argument for the centrality of personal relationships to industrial relations (and his presentation of himself and his union as reasonable and fair):

“All these managerial changes I do I don't think add up to any building of relationships ... they never seem to leave them in a position, and I do believe the biggest problem on London Underground is this relationship, between managers and staff representatives. One, either you get a very qualified representative, with an ill informed uneducated I meant in the sense of having machinery and agreements etc., or vice versa ... the number of times I've heard staff representatives, when a new manager's come in and said, “well why are you so negative, why are you so anti-me?” Oh well, “you've promised everything, you've come in, well the last manager who was only here for 3 months, promised the same”. And as I say I do believe that people need time to build trust and relationship and that doesn't seem to be happening at the moment because of constant reorganisation and with the TfL one we've just gone through

another one, and it's just that whole structure is wrong."
[32.1:20-28]

6.3.2.3. *Consistency*

The consistency of relationships referred to in the extract above has another similar theme: consistency of purpose.

" ... what we tend to forget is the length of time that it takes for people to really believe there is a change, as opposed to being told there's a change ... it's not that you say nothing can happen for then 3 or 5 years, but you say you need to choose a direction and believe in it over the 3 and 5 years, so that it really becomes part of the culture." [9.1:70]

"It's that kinda breaking out of that, breaking out of habits, I think is hugely difficult. And it kinda takes strength of purpose, and commitment for the long term." [9.1:162]

"I certainly do hold up my hands from a management perspective and say ... we haven't laid down a strategy for where we're trying to take the organisation, you know we've been stuck in the PPP debate for 7 years, which actually was always an excuse, for not laying down a strategy. It almost became a running joke that every year you'd try and have an industrial relations strategy someone would say well we're about to restructure the company, why don't we wait until we've finished. And it was always going to be another year, it was always going to be sorted, we'll have a strategy and it'll all be finished. We never got there. So I think there's a kind of I think from my perspective it's kind of just perpetuating the unhelpful relationship that exists." [9.2:64]

One may surmise that this discursive repertoire also functions to externally attribute causality, deflecting blame from the current management regime. However, one manager does accept responsibility:

" ... we've always backed down, every time we've said, 'no'. For years and years we've said, "if you go on strike and it goes against your attendance record, then if you happen to trigger a trigger, then you'll be into that poor attendance record mechanism. And of course we've always backed down again ... there are middle managers ... keeping a record of Fred Bloggs' internal strike day, making sure he signs this and this, we say,

‘sorry for this, we can’t back you up on it’. So we’ve given way each time. Somebody’s picked the thing up and dropped it every time.” [9.4:197]

6.3.3. Interactions Between the Industrial Relations Actors

This section will look at two aspects of the interaction between the industrial relations actors: conditioned response (predictable patterns of behaviour and routines of interaction built up over many years) and conflict (between and within the various groups).

6.3.3.1. Conditioned Response

The NVivo coding for the ‘conditioned response’ repertoire is shown in figure 54.

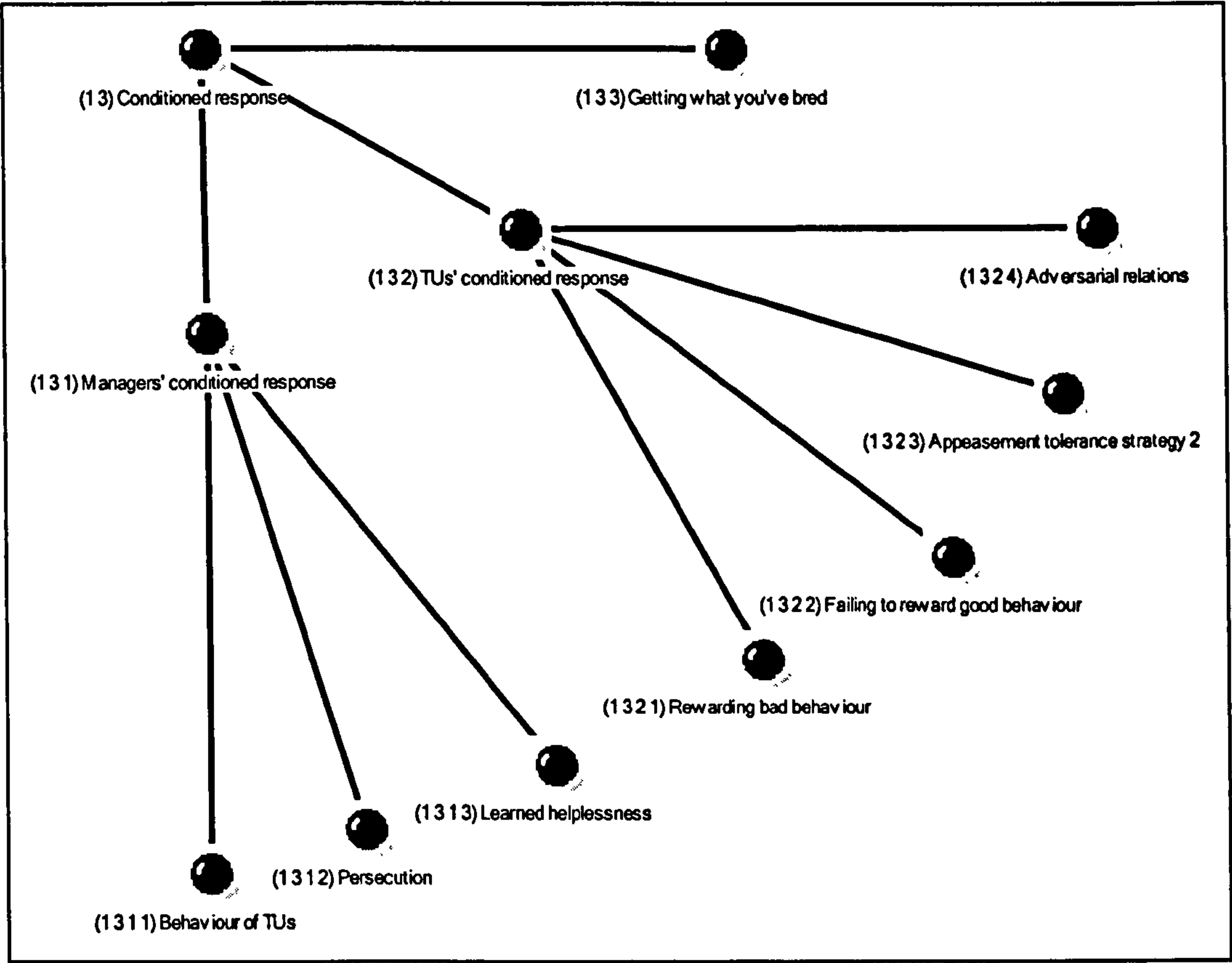


Figure 54: NVivo Coding for 'Conditioned Response' Category

Perhaps the most dominant discourse in the entire study concerns conditioned behaviour. It uses a Pavlovian metaphor to explain how rewarding bad and failing to reward good behaviour has contributed to the current industrial relations climate:

“...by and large the trade unions have often got things out of strikes that made it worthwhile. And that was why the membership were kind of happy to go to the barricades without really understanding why.” [9.1:56]

“But I think that the environment is a difficult one, the environment is a difficult one, because the trade unions have seen how militancy, how confrontation, how adversarial behaviour has actually produced results for their members: good pay, good conditions ... if you challenge people in terms of saying how well they're paid then the trade unions and particularly the RMT will say that's because we've pursued the policy that we have, that's because we've used the strike weapon ... but then management has traditionally em bowed to the pressures on them.” [10.1:106]

“ ... if you're a train driver, you'd think that they've done a good job because their pay has gone up so much and that the Underground management seem to give into (the RMT) ... And from a driver – as far as someone who pays a membership subscription is concerned are you really going to have too much of a problem with what they've got, 'cause they'd be quite pleased.” [4.1:91]

“... you'll get the kind of person you've actually bred. They'll learn from all of that and the more they will cement those behaviours in.” [10.1:106]

This is linked with organisational history by a number of speakers:

“So here we have a tradition, a history, you know it is rooted, certainly in the 80s, maybe even in the 70s in terms of trade union behaviours. They've grown up, they've developed, they've learnt that these behaviours are well rewarded and over the last 12 months the game changes, the situation changes, but can they? And is it going to have to be pain for that to happen?” [10.1:26]

This conditioned behaviour discourse is socially shared discourse, also appearing in the interviews of senior managers who have little contact with

trade unions and in the discourse of trade unionists themselves. The discourse of 'rewarding bad behaviour' is used throughout the organisation, by all groups: TfL managers [2.1], employee relations managers [10.1], LUL operations managers [9.5] and trade unionists [32.1]. Managers use the phrase:

"... the RMT still seen to be rewarded for bad behaviours."
[2.1:144]

"It's like childlike behaviour it's almost like in terms of how they actually behave is how you would sometimes see I don't know a rebellious teenager, or worse still a youngster sort of like kicking over the traces pushing back on things ... It seems quite childlike in the behaviour. It seems like the parent and child sort of relationship and how to actually trying to even when we talk about "rewarding good behaviour" or "doing something about bad behaviour, correcting bad behaviour". All that seems to be somehow psychologically in the context of something that suggests a lack of maturity." [10.1:96-98]

10.1 is particularly interesting in that he explicitly acknowledges the existence of a shared repertoire around 'rewarding bad behaviour'.

"... where we are in terms of industrial relations, rewarding bad behaviour, dodgy deals, undermining your front line management by taking decisions outwith agreed procedures."
[10.2:74]

This 'conditioned response' is set up as an enduring reason for lack of progress:

"From the trade union perspective, 'cause why would you (change)? Why would you, if you always got more than inflation for pay, if you always get preservation of job numbers, if you always get the potential for the increase of your membership, because of staff increases all over the place, if you always get basically everything you ever ask for, then why would you change your philosophy? Why would you suddenly wake up and see the light or whatever? Well no you wouldn't. So there's no need there's no imperative to change." [9.2:72]

And the aspect of industrial relations with the greatest potential for change:

"It's just the one over there (the RMT) but it's that one who will make everybody else as we've seen with the TSSA start knee

jerk reacting, say “hang on a minute, if that’s what get’s rewarded, that’s what I’ll do”, and it can unpick the whole thing. Whereas we want the RMT, and more particularly the RMT’s members to see that the greatest rewards from people who are willing to sit round the table and discuss reasonably. It’s not to say we won’t have rows, but discuss reasonably, how we drive this forward.” [2.1:317]

“ ... the basic essence of our strategy needs to be that they are rewarded, not the unions per se, but the staff, and the unions that represent some of them, should be rewarded for good performance and good behaviour and should not be rewarded for bad behaviour. Now ... threatening to ballot, balloting and striking at the drop of a hat, is bad behaviour.” [9.5: 32]

The trade unionists also use the same vernacular:

“If this misbehaviour, childish behaviour is rewarded, like I do believe the RMT are sometimes, they’ll carry on misbehaving, y’know.” [32.1:2]

“One ... of my frustrations ... is you’ve not always used us for the good news stories ... you’ve always wanted to use Bob Crow rather than Richard Rosser⁴⁴. Because almost, “well we’ve got Bob on our side with this, so it shows it must be right”, whereas Richard is, “well, yeah, okay”. But that gives us a double bind, because what you’re again doing is you’re rewarding the militant behaviour.” [26.1:164]

The converse, failure to reward good behaviour, is also used:

⁴⁴ Ex-General Secretary of TSSA.

“[TSSA] do behave very responsibly, because of the fact they’re a staff association, typically non militant and traditionally disappointed that what they see as good behaviour isn’t rewarded in some way. And a concern that that union from that trade union and some of its representatives is perhaps they need to behave in a way that is more aggressive, more confrontational, because it’s done more for RMT than it’s done for TSSA.” [10:18]

“... as I said earlier about mischievous children being rewarded, I never feel that the management give me and some of my colleagues the credit for those industrial relations, in trying to develop that win-win and (those) compromises, rather than this permanent confrontation they all seem to want to be in.” [32.1:164]

This ‘rewarding bad behaviour’ theme is construed as having a direct impact on behaviour, creating a conditioned response:

“ ... you see that kind of model of (ASLEF) being taken very seriously, (RMT) being taken very seriously by acting in a certain way, but I’m sure some of that must’ve rubbed off on me ... our value proposition is to provide representation to people. And try to do it in a certain style which is not militant. The problem is the noise in this organisation is so extreme, that you can’t help but be forced into certain situations where let’s say, the behaviours need to be in a slightly different way.” [26.1:152-154]

“TSSA do, most times (behave in a sensible way). I think they occasionally get carried away or influenced by their colleagues.” [9.6:80]

“I have a hunch ... that a lot of the other unions are sort of half way there, the door’s open, we can have that dialogue. It’s just the one over there (RMT) but it’s that one who will make everybody else as we’ve seen with the TSSA start knee jerk reacting, say ‘hang on a minute, if that’s what get’s rewarded, that’s what I’ll do’, and it can unpick the whole thing.” [2.1:315-317]

Explicit reference to ‘rewarding bad behaviour’ and its converse are also found in company documentation:

“They (other staff groups, managers and other trade unions) also expressed considerable apprehension about: the perceived

‘special treatment’ of train staff ... (and) ‘reward for poor behaviour’ (striking) whereas other staff and trade unions had behaved responsibly.” (London Underground Limited, 1996, section 4.3.7)

This discourse has considerable functionality for the managers: it diverts responsibility away from the individuals themselves and explains that the situation will take time (and consistency of approach) to address: respondents make links to organisational history and the repertoire contains an inference that conditioned behaviour has taken some time to build up and, consequently, will not be disassembled overnight. Its use by the trade unionists is more ambiguous: one may surmise that the metaphor has become a Foucauldian ‘truth’ for the actors within the organisation and is being reproduced without great thought. It seems more likely, however, that it is used by the other unions to differentiate and criticise the RMT, and an element of impression management may also be in operation (which fits with the general tone of 32.1’s interview).

As this discourse appeared in every interview, it is interesting to surmise about the implications of this socially constructed ‘truth’ for industrial relations practice in LUL.

6.3.3.2. *Conflict*

A Marxist view of industrial relations conflict would see conflict as the natural expression of class struggle to challenge enduring inequities, and the unitarian perspective would see conflict as dysfunctional and to be eradicated. Only the pluralist view could begin to explain the multiplicities of conflict described by respondents in this study: inter- and intra-union conflict are more readily cited than the predicted conflict between unions and management.

This section will look at inter- and intra-union conflict before reviewing the limited evidence for enduring conflict between unions and managers, Darlington’s “belligerence”.

i) Inter-Union Conflict

Accounts of inter-union conflict are commonplace in the discourse of both managers and moderate trade unionists.

The majority of the references to conflict relate to the antipathy with which the militant trade unions (as the term is defined by Kelly) regard their moderate colleagues:

“TSSA I think RMT don’t respect them because they think they’re a bit too weak. There there’s no natural allegiance between RMT and TSSA or ASLEF and TSSA.” [4.1:158]

“ ... it’s actually appalling with the way RMT and ASLEF behave with TSSA. You know for the second largest trade union to be treated that way by the other trade unions is really just appalling.” [9.2:195]

This is widely attributed to competition for members:

“I wonder how much of that’s (conflict) down to the realisation that they’ve got to be a bit more pragmatic in order to stay where they are, let alone grow.” [4.1:182]

Quotes do, however, suggest a degree of real bitterness between the unions:

“ ... when the strike was called over the wages, ASLEF crossed the picket line. And took great delight in doing so, ‘cause they they’d get more members by not going on strike.” [10.2:175]

“ ... there is a real issue there, it all boils down to the fact that RMT are competing for members everywhere, all over the place, and RMT are kind of like the white shark. In that they will go round actually in a very unprincipled way and will pick up you know dead and dying pockets of other representation and swallow them up, without so much as a second thought ... ASLEF actually probably do the same although they’re they kind of try and do it in a more upright way.” [9.2:182]

Accounts of the impact of this conflict differ. Employee relations staff tend to see this as creating difficulties for the staff trying to manage industrial relations:

“Industrial relations it seems to me that every time I sit round that table every union has its own agenda. In other words, although it was a joint body, you were negotiating separately within a joint body. You had to be conscious of well I’ll need to give ASLEF something, I need to give RMT something, and this is the way we get caught, because what happens is you

negotiate something for Stations and then ... there's a feeling on the railway side that they want these benefits and they want these conditions of service, and then it's just ping pong." [10.2:14]

"And that's what happens. 'Cause the RMT's now got a foot in both (Stations and Trains) so the RMT you get in Stations isn't necessarily the same union the same RMT that you're facing when it comes to Trains. They play it against each other. The animosity between ASLEF and RMT at shop steward level isn't as bad as you'd expect. There's a fair amount of co-operation down there. But actually at national level, and I'm not talking about the Bob Crow's, I'm talking more about the national officials, the likes of the Bobby Laws and the Grants of the world, there's real aggro. And I'm talking real aggro. To the extent that we were ready to conclude a 35 hour week, whereas ASLEF said we want to see the figures, we paid for this in 1997. We want to see the figures to make sure they pay every penny of it. And if they don't, you're in dispute with us. There's a lot of tit for tat." [10.2:16]

" ... it's this tit for tat, this if one gets something, the other has to get something more, and it's this escalation 'cause one of us any one of these unions can hurt us." [10.2:166]

Managers, conversely, see inter-union conflict is seen as having the potential to make management of industrial relations issues easier:

"Inspectors inspect, and say whether it's quality work or not, the supervisors manage the gangs; they hate each other. And therefore they're represented by 2 different groups who will also fight against each other to the detriment of other people. So they were divided. So I could actually separate out one the supervisors from the actual blue collar representation quite easily. Which made it easier to win a long battle." [9.4:21]

"RMT and TSSA so they would never agree, they would never meet beforehand, so they'd never force a management view, they were actually giving us opportunities to divide and rule again. Which was actually very frustrating. If you wanted to divide and rule. But it's frustrating, 'cause we never actually knew what we were dealing with." [9.4:27]

Only one of the respondents clearly references collaboration – albeit expedient collaboration - between the unions:

“ ... they will quite often join up, when they see management are wounded they'll go for the kill ... They will work together to achieve their aim, when it when it suits them both to do so.”
[9.3:204-208]

ii) Intra-Union Conflict

Accounts of intra-union conflict are rarer, but occur in the interviews of both of the trade unionists. These are unexpected in the light of writers such as Kelly, who tend to view unions as relatively heterogeneous units, and Batstone, who discusses intra-union conflict only in terms of the difference between local and head office officials.

“... it's very hard to see bad behaviour going on over there (RMT and ASLEF), you try to behave quite well, and to a certain extent I mean over this pay stuff. I mean I had to fight very hard at my reps meeting to get through, what I got through.”
[26.1:154]

“I also have a lot of pressure on my back from militants within my own organisation.” [32.1:164]

However, one may also surmise again that these extracts are being used functionally, as both correspond to a general tendency in these interviews for both of the trade union officials to represent themselves as reasonable and partnership oriented. It seems reasonable to conclude that the positive working relationship between the interviewer and the respondent is influencing the trade unionist's presentation of themselves and their role in this respect.

iii) Conflict Between Trade Unions and Managers

There is very limited evidence for Darlington's belligerence, although this does appear in accounts of retrospective events provided by respondents:

“I think one of the mistakes we've made in the past, frankly, in this organisation is we've had the wrong personalities heading up employee relations ... I mean someone who would throw a newspaper across the table at a General Secretary of the trade unions you think you're kinda on a hiding to nothing.” [9.2:162]

“ ... more fundamental than that though was that the adversarial relationships that had built up by the union guys and the management, in this place was because the managers and particularly I’m criticising the top, the directors, didn’t understand that if you don’t treat people with respect, they won’t treat you with respect.” [9.5:80]

And some managers do view their lack of co-operation as a conditioned response:

“I’ve had some experiences, as, as a kind of a local manager you lose faith in human nature because all you see is people messing you about. You see the 20 percent of people who’re taking the – taking the mickey, and not coming in and blah-di-blah-di-blah and you become very suspicious, of everybody’s motives and it does become a sort of powerplay where you don’t want them to have one over on you ... and it’s not just local managers I mean it’s symptomatic of the whole organisation.” [9.1: 14]

“ ... certainly the past HR directors have made half-baked decisions that you kind of think were amazing when you looked at them in the cold light of day. .. Of course it ends up the operators are the ones with egg on their faces, with their management team and ... with the staff generally ... Also on that theme I think in some ways, understandably but – it’s not the right way to do it – managers at lower levels in the organisation have actually reacted, to that type of agreement and that type of settlement by kind of digging their feet in on small issues that ... should never have feet dug in over ... The company has created the seed bed for managers to do that ... So you get all these local Hitlers, I mean they’re I’m generalising ‘cause they’re not all like this, you get these local managers who decided they’re not going to let something through, almost in terms of revenge for what, corporately, has happened to them ... And of course that just breeds a seed bed of discontent, those are the places that tend to get perhaps the more extreme trade union representatives elected, and then that of course begins to filter up through the company and that kind of attitude, that kind of relationship between the local manager and the local rep, can actually permeate all levels and just kind of bubble up from time to time.” [9.2:80]

And retaliation as a normal human reaction which managers have to work hard to resist:

“I think it very much depends on your upbringing because we’re all products of our upbringing. In some ways I’d like to go and fight dirty and win some battles. Everybody is fed up with being dragged down by not being able to retaliate. Human nature is to retaliate. I mean personally I’ve done it, as much as I possible can, not to retaliate, but I would love to. But then I know I’d ruin customer service so I’d lose at the end of the day.” [9.4:83]

However, there is more evidence to support managers trying to be collaborative:

“ ... we put new framework agreements in place ... that just proved that, if you talked to them (the unions) as grown ups, and listened to them as grown ups, and negotiated in a fair and honest way, you could get what you need.” [9.5:20-24]

And articulating a commitment to trade unionism (although this may be used to similar purpose as the ‘affinity’ disclaimer):

“I perhaps have a sort of more socialist view, I feel there’s a very important role for trade unions, in any organisation, em but I think it’s an important role where you’ve got to actually make sure it’s representing the workforce, collective bargaining or even dealing with some independence – the human behaviour of managers isn’t sometimes has to have a way of dealing with it. Y’know and okay you can have all sorts of grievance policies and processes, but the actual behaviour of managers is to club together. You probably need some independent redress on that.” [9.6:160]

“I guess if you start with the fundamental “should we have unions, the answer absolutely has to be yes. This is a very strong union organisation with a strength in the Underground and a strength on the Surface side vis-à-vis Buses. If you start with the fundamental “should we have them?”, my absolute response has to be yes, because I think they are a very good and a very necessary thing for all staff to be able to rely on and to represent their views. And I think I think given the size of this organisation in particular, I see it as quite healthy that that be the case.” [2.1:20]

However, this, in the manner of the appeasement/tolerance strategy reviled in the Everest report, is interpreted by some respondents as weakness:

“ ... sometimes the way senior managers fawn around (ASLEF representative) and (RMT representative), and even to a lesser extent me, is not really necessary how it should be.” [26.1:305]

“ ... the LU management their attitude to the unions is that they're a bit scared of them, and tend to give in and therefore make rods for their own backs.” [4.1:125]

7. CONCLUSIONS

This study has taken as its basis Darlington's contention that four factors drive the continued militancy in London Underground's environment. This study has examined whether these factors are referenced in the discourse of a group of influential actors (senior managers and trade unionists) in Transport for London three years after the Darlington study.

Discourse analysis, the methodology used in this study, takes as its fundamental assumption that actors are constructing their social reality through their language, so this has considerable implications for industrial relations practice in the organisation. It also suggests that the constructions available to individuals will constrain the realities they are able to construct, which further emphasises the importance of this area,

The study has indicated that the actors' discourse in 2004 does utilise Darlington's factors, but that their discourse contains as much divergent as convergent discourse. Actors' representations are more complex and ambiguous than suggested by Darlington's paper, as managers use language functionality to justify, explain and socially construct the situation.

The criticism of over-simplification leveled at Darlington's study is supplemented by an analysis of two elements of considerable significance in the discourse: socially shared discourses (these discourses are constructive of social reality, thus are an important area of study) and linguistic constructions of trade union power. Insights into both of these topics were provided, and implications for practice indicated.

7.1. Implications for Academics

There are a number of implications which can be drawn for industrial relations research from this study. Firstly, it can be used to critique some of the previous work on industrial relations. Darlington, as the only researcher to have previously studied LUL, represents the perspective of two groups (trade unionists and employee relations staff) as universal, and this study has argued that omission of the influential managerial group was detrimental.

Conversely, Batstone and Kelly's models provide more comprehensive explanations of the topics of power and militancy/moderation, which have resonance in the discourse of the managers and trade unionists interviewed.

The most significant implications for research, however, come potentially from the application of a methodology from social psychology to industrial relations research, as Edwards (2003b) proposed. This study suggests that discourse analysis seems a particularly suitable methodology for researching the complex socially constructed phenomena underpinning industrial relations.

The implications for research outside the area of industrial relations will be discussed in the next section.

This study does, itself, have significant limitations, most notably researcher bias, observer effects and the omission of a viewpoint which could, potentially, have contradicted many of the conclusions: that of the RMT union officials. Further research may also wish to include middle managers and employees.

7.2. Implications for Practitioners

The study has built a diagnosis of the LUL environment, which could form the basis of an analysis of the forces sustaining the conflictual industrial relations environment which exists in LUL, and ultimately be used to start to change the organisation. The concept of 'rewarding bad behaviour', specifically, may be an interesting concept to address, although the organisation's ability to challenge this may ultimately be limited by institutional forces.

The Ford and Ford concept of 'shifting conversations' may be particularly useful in such a change management exercise. However, the most obvious 'shift of conversation', from adversarial industrial relations to partnership is unlikely to be effective without addressing the wider issue of the negative perception of 'moderate' trade unions. A possible starting point for this is the deconstruction of the terms 'moderate' and 'militant'.

Irrespective of the methodology used, the concept of the social construction of reality through discourse has potential as a change management methodology in organizations such as London Underground.

8. DISCUSSION

8.1. Introduction

This section discusses the linkages of this project to the wider study, and is structured around three of the five elements of the contribution to knowledge set out in the academic rationale at the beginning of this document: the examination of an HR model in a non-SHRM context, neo-institutional theory, and the constructivist view of language. This is shown in figure 55.

Academic Rationale	Examination of an HR model in a non SHRM environment	<p>SHRM has been dominated by quantitative, positivist research. It has tended to take a unitarian view of employees, and, in the few cases where trade union environments have been studied, has cast trade unions as the 'losers' if SHRM is implemented, or has demonised them as a barrier to SHRM implementation.</p> <p>This project will provide a study of the operation of HR as pluralistic employee relations, as a potential alternative to the SHRM model which dominates most research.</p>
	Neo-institutional theory	<p>Neo-institutional theory will provide a theoretical framework which will support the analysis of forces cited by participants as inhibitors to change in LUL.</p>
	Constructivist view of language	<p>This project will examine how industrial relations actors use discourses around trade unionism functionally, to explain, for instance, a failure to modernise.</p> <p>It will also suggest possible alternative discourses around partnership which could be provided to the organisation and its trade unions.</p>

Figure 55: Academic Rationale for Project One

8.2. HR Models

The SHRM literature has come to be dominated by the unitarian positivist model epitomized in the large scale, questionnaire based surveys conducted by Huselid and Ulrich. This paper argues that this model has limited applicability beyond the particular organisational type which hosted the majority of SHRM research. The limitations of the SHRM approach include the exclusion or marginalization of industrial relations, and this paper has

endeavoured to explore the application of HR in a different context: a heavily unionized, traditional public sector organisation.

This paper concluded that, whilst the SHRM approach can be used to describe elements of the HR environment which operates in the traditional public sector organisation under review, it fails to characterise the HR model, and is particularly restricted by its failure to address the challenges of a militant trade union environment and a non-compliant employee population.

The HR model operating in LUL has more in common with the tradition of British pluralistic employee relations. Fox defined this model as follows:

“...the pluralistic British employee relations model which, whilst recognising the legitimacy of trade unions, may find that relationship conflictual.” (Fox, 1973, p 196)

Whilst a number of commentators have seen the pluralistic employee relations model as precursor of and having been superseded by SHRM (Keenoy, 1999; Harley & Hardy, 2004), this study suggests both that adoption of SHRM may not have been universal, but also that, in some organisations, it may be inappropriate.

As Guest commented:

“Given the significant constraints, many UK companies would not want to practice human resource management. The ‘professional’ personnel management found in many successful organizations is one alternative. In many of the more stable bureaucratic organizations, policies based on administrative efficiency and cost-minimization make sense, while in production-driven companies cost-effective support policies may be most applicable.” (Guest, 1987, p 518)

Further projects will explore the concept of different HR models in other organisational contexts. Whereas the typical SHRM research project was based in an American, non-unionised, professional environment, this study will look at HR in a number of different contexts: public sector industrial relations in project one, and the American, European and Asian operations of a ‘modern’ financial services company in projects 2 and 3. In this way, the different forms HR takes may be related to internal influences (notably the organisation’s history, or at least the way in which history is constructed by the employees) and the external influences upon the organisation. Neo-institutional theory will be used to frame up the later, and this will be contrasted to the HR strategy suggested by the organisation’s business context (competition, labour markets, market place etc.).

8.3. Neo-Institutional Theory

As described in section 3, institutional theory presumes the existence of external forces which promote conformity in organizations (“institutional isomorphism”). Neo-institutionalism overlays social constructivism on this concept, and examines the way in which belief systems about these forces are socially constructed. It looks at the impact of these belief systems on the operation of an organisation, rather than assuming external forces have a direct and inevitable impact on the organisation.

As such, neo-institutionalism depends upon the adoption of a social constructivist view, and is sympathetic to the functional view of language espoused by the discourse analysis methodology.

Neo-institutional theory can be posited as providing a possible explanation for the form of HR which operates in LUL. The participants in the study present the organisation as subject to a number of institutional forces (i.e. they have belief systems around external influences on the organisation), most notably the Mayor of London and the media. Whilst these do not fit neatly into Powell & DiMaggio’s (1991) categorization system, their link to quasi-government organisations (the Mayor’s office) and public accountability (the media) probably have the greatest similarity with Powell & DiMaggio’s coercive forces.

One may go further and suggest that the form of HR which is adopted by an organisation may be similarly impacted by the belief systems held by staff, and their perception of external constraints and enablers. This model goes some way to explaining the sustained use of the industrial relations focused model of HR in LUL, whilst the trend in other organizations has been to move away from this model towards SHRM. If staff believe that they are disempowered by institutional forces, they are unlikely to believe they can change or evolve the HR model.

Whilst this study makes no claim to have implications for agency or for action (it simply looks at the way in which people construct their social realities), it is not unreasonable to suggest that individual’s actions are influenced by these belief systems, and that the industrial relations impasse in which the organisation finds itself is in part sustained by (or at least is justified by) belief systems which emphasise the constraining influence of the Mayor and the media.

A further influence may be the lack of mimetic forces in LUL, for two reasons: large scale use of consultants (a major source of mimetic institutional

pressure) was not a feature of the pre-TfL environment. This is further compounded by the stability of the employee base, and the lack of new entrants to the organisation (at anything other than the most junior level), the consequence of which is likely to be a lack of exposure of staff to other organisational models, hence a dearth of mimetic institutional pressures. The influence of normative institutional pressures is also an interesting topic for discussion: whilst levels of CIPD membership are high in LUL, one may surmise that the influence of a professional institution for HR which is widely held to lack dynamism means that its normative influence on staff in both HR and the business supports change resistance rather than towards organisational evolution.

Furthermore, it is interesting to surmise on the impact of the imbalance of institutional forces following the TfL merger and the pervasive McKinsey project which accompanied it, and the large scale hiring of (primarily private sector) senior managers. The study took place at an inflexion point for the organisation, when social constructions were being challenged by the new regime. This major and concentrated influx of mimetic institutional pressure (a 10 million pound consultancy project and the hiring of some 200 senior managers) cannot be underestimated, given that the organisation had, up until this point, been largely protected from such pressure.

It is unsurprising that the organisation was consequently afflicted by a schism between the public sector and the business model (as referred to in chapter one), given that they operated with different belief systems which referenced a very different set of institutional forces. This is likely to have been further exacerbated by the lack of cross-over between these two belief systems: staff who had made public sector careers (and had typically been within the LUL environment for most of their working lives) were unlikely to have been exposed to mimetic forces of the large consultancies and incoming private sector managers would have no knowledge (and no comprehension) of the coercive forces operating within the British public sector.

8.4. Constructivist View of Language

As described above, a neo-institutional perspective implies a social constructivist and a functional view of language.

The approach to language used in this study appears to be particularly relevant to the highly politicized environment under review in this study. By its implicit assumption that reality is a social construction, a social constructivist approach allows a researcher to go beyond the search for a 'true' version of events, instead providing a methodology which allows the researcher to

deconstruct the articulation of events, constructs and attitudes, and begin to expose the belief systems underpinning the statements.

8.5. Link to Projects 2 and 3

The above discussion has set the context for the next two projects. Each study will conduct an exploration of models of HR in different contexts, informed by an analysis of belief systems, as articulated in language, around internal forces and external forces. The thesis will attempt to determine whether there is a link between the neo-institutional forces which are perceived as exerting an influence on an organisation and the form of HR which an organisation adopts, whether there is a greater link between HR strategy and factors such as labour markets, market place and competition, or whether elements of HR strategy are, in fact, contextually neutral.

Projects two and three will continue to explore contextual models of HR in different organisations, and will move towards the development of a contextual descriptive research model of HR.

APPENDIX 1: PROJECT ONE GUIDE INTERVIEW SCHEDULE

1. Introduction (for managerial personnel)

Which unions do you typically deal with?

Can you describe in broad terms the industrial relations environment of TfL/mode?

2. Profiles of Individual Trade Unions

(For managerial personnel, for each major trade union with which they deal – RMT, ASLEF, TSSA, T&G)

2.1 Trade Union Membership

What do you see as your (their) target membership?

How do you (they) recruit for members?

What is it about you (them) which appeals to them?

Has your (their) membership changed over time?

2.2. Trade Union Ideology

How would you describe the aims of the trade union?

How do you (they) go about achieving these aims?

What were the aims of the union when it was set up/why was it set up?

Have the aims changed over time?

How does this philosophy show itself? Does it influence the way in which the union operates in its dealings with the organisation?

Can you describe an industrial relations event which characterises your (their) union and how you (they) do business?

How do you feel about this yourself? Is this a philosophy you have some sympathy with?

How do you (they) position yourself (themselves) politically?

What is your (their) relationship with the TUC?

What is your (their) relationship with the Government?

2.3 Relationship with Employers

How would you describe your (their) relationship with employers?

Has this relationship changed over time?

How is this demonstrated in the organisation?

Power balance/base in the organisation

Conflict and propensity to create and use conflict

3. General Questions: Challenges for TU Movement

What are the major challenges facing the trade union movement today?

Are employees looking for something different from your (their) trade union now?

What action are trade unions taking?

4. General Questions: Influence of other trade union models

In the last few years, the EU has brought in new employment protection, increased legislation, increased support for trade unions. How has this impacted on you (them)?

Has there been any influence on you of partnership/co-determination models?

There are a number of different definitions of partnership – how would you define it?

American models of industrial relations are very different – why do you think that's the case?

Do American models have any influence here?

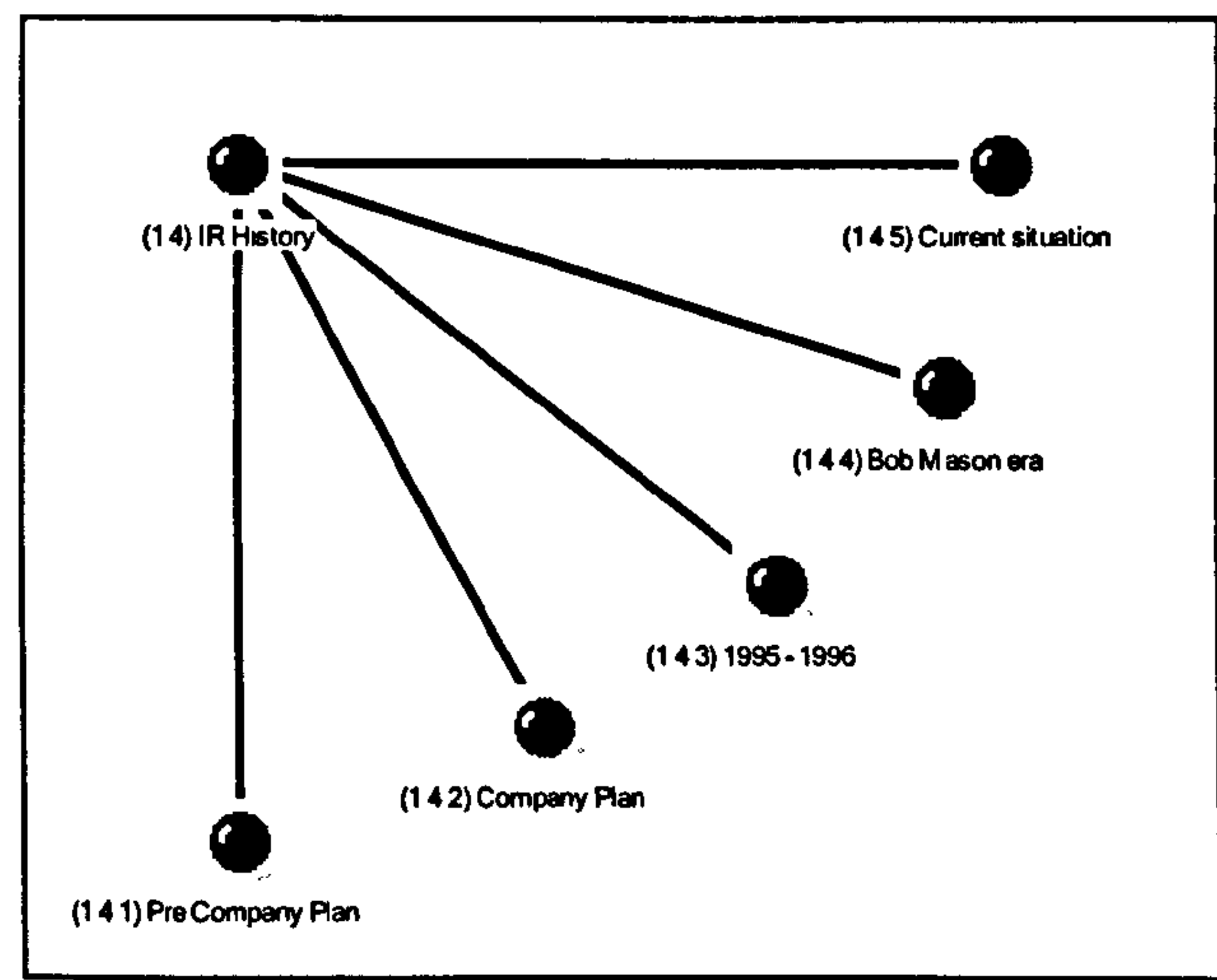
5. Closing question

Do you think I've got a good view of your (their) union and what it's about?

Anything you want to add/anything I haven't covered?

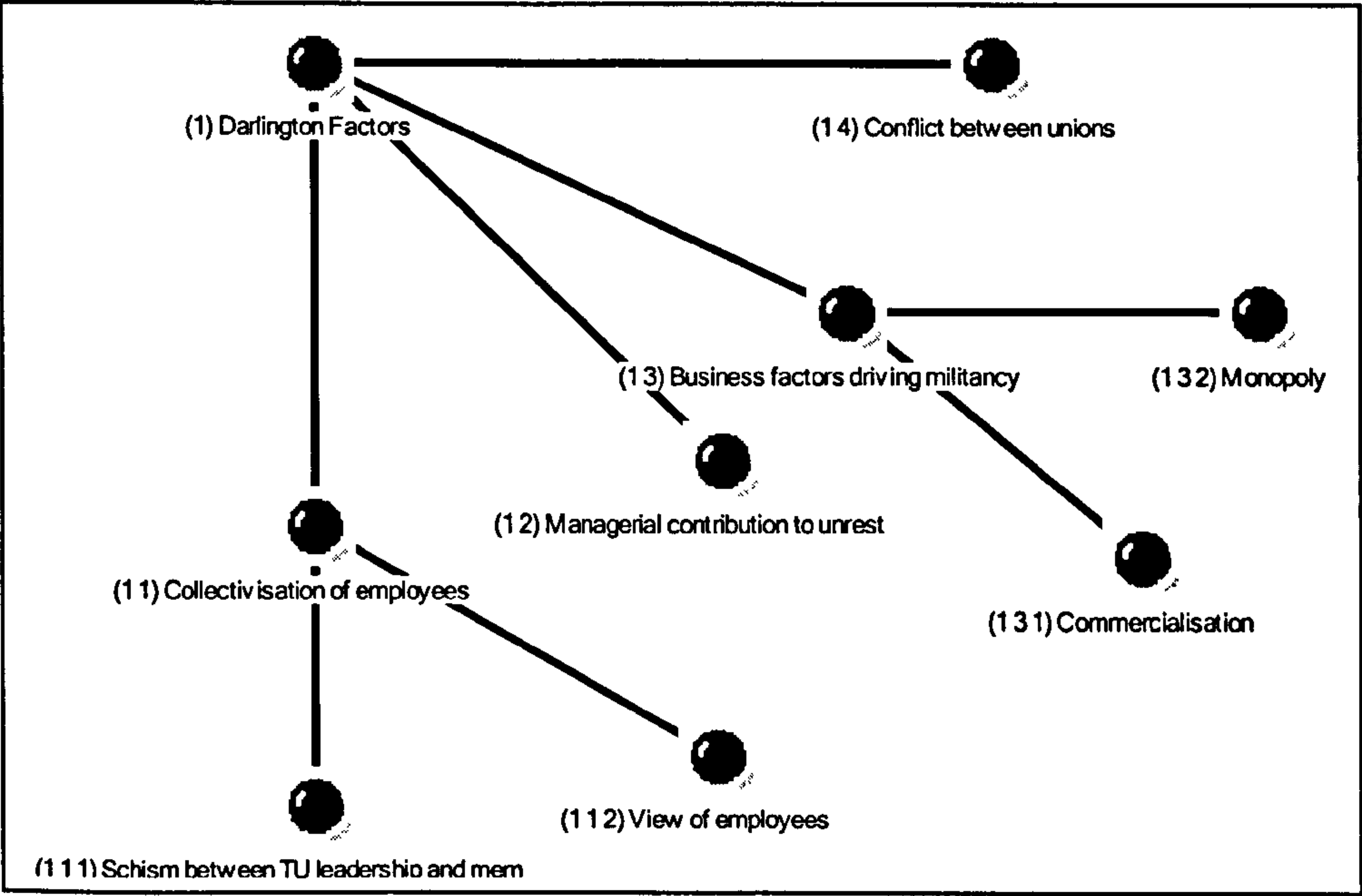
APPENDIX 2: PROJECT ONE CODING

1. Historical background



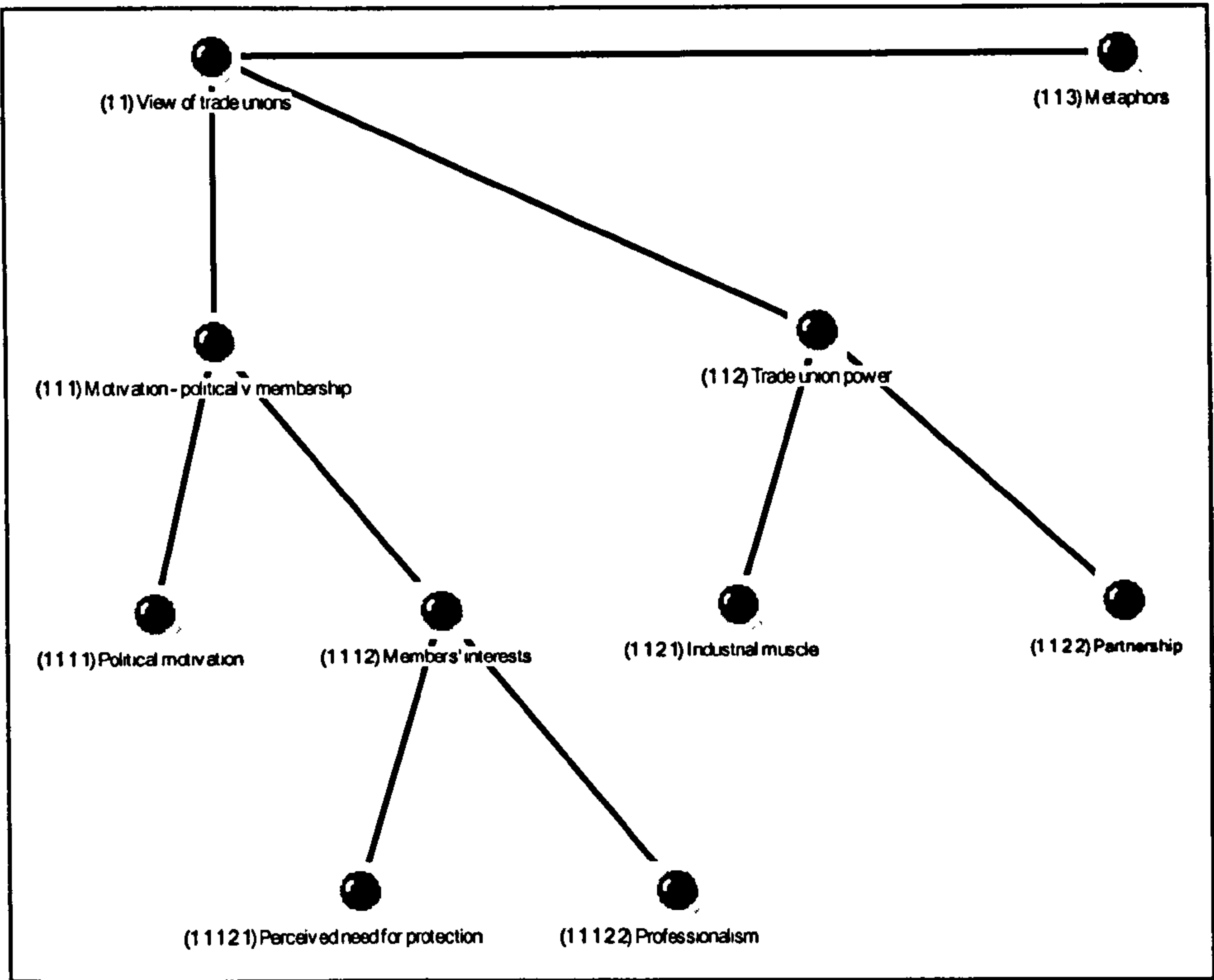
- 1.1. Pre-Company Plan
- 1.2. Company Plan
- 1.3. 1995-1996
- 1.4. From tolerance to belligerence
- 1.5. Recent events

2. Darlington factors



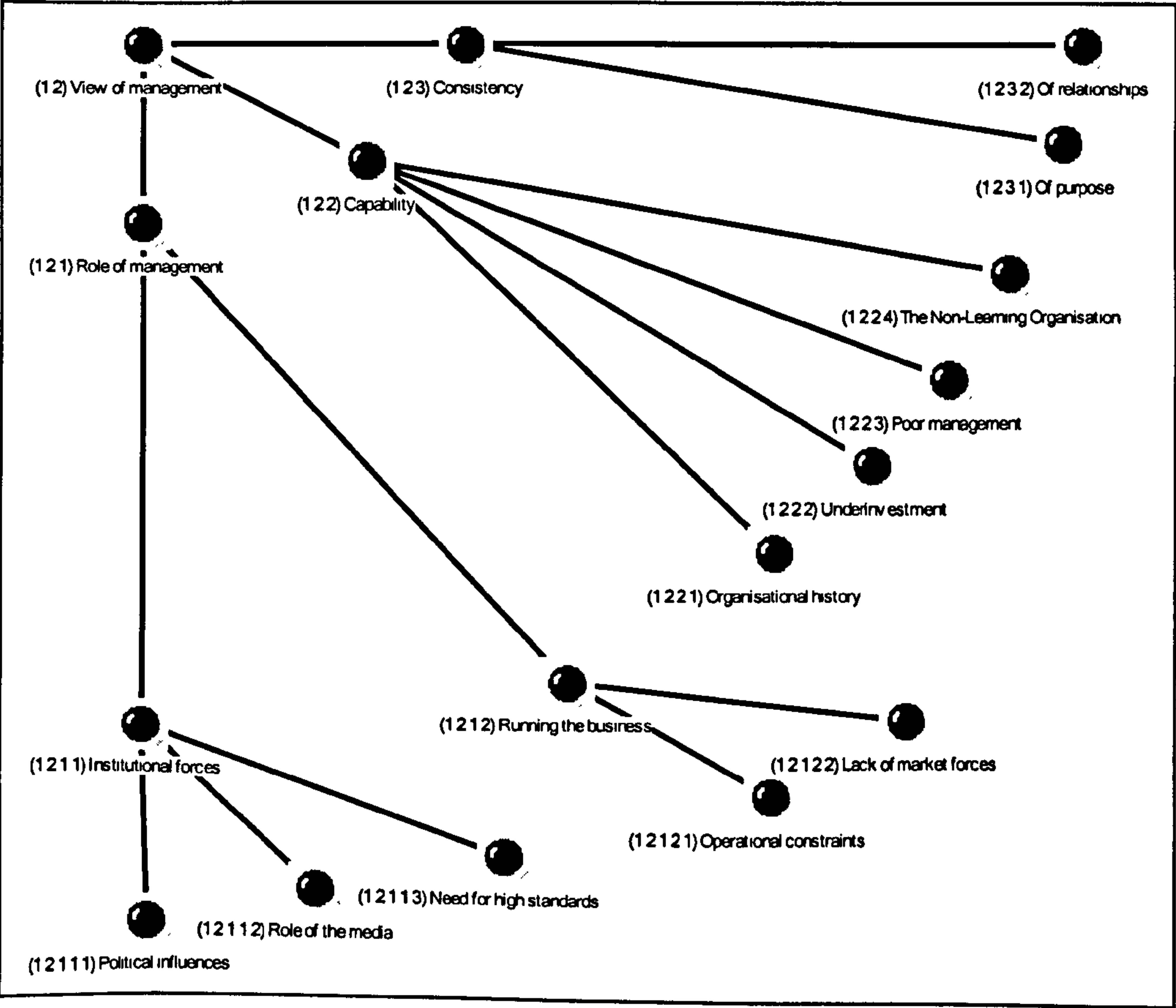
- 2.1. Collectivisation of employees
 - 2.1.1. Schism between trade union leadership and members
 - 2.1.2. View of employees
- 2.2. Managerial contribution to unrest
- 2.3. Business factors driving militancy
 - 2.3.1. Commercialisation
 - 2.3.2. Monopoly position
- 2.4. Conflict between unions

3. Socially shared discourses



- 3.1. Views of trade unions
 - 3.1.1. Motivation – political versus membership
 - 3.1.1.1. Political motivation
 - 3.1.1.2. Members’ interests
 - 3.1.1.2.1. Perceived need for protection
 - 3.1.1.2.2. Professionalism
 - 3.1.2. Trade union power
 - 3.1.2.1. Industrial muscle
 - 3.1.2.2. Partnership
 - 3.1.3. Metaphors

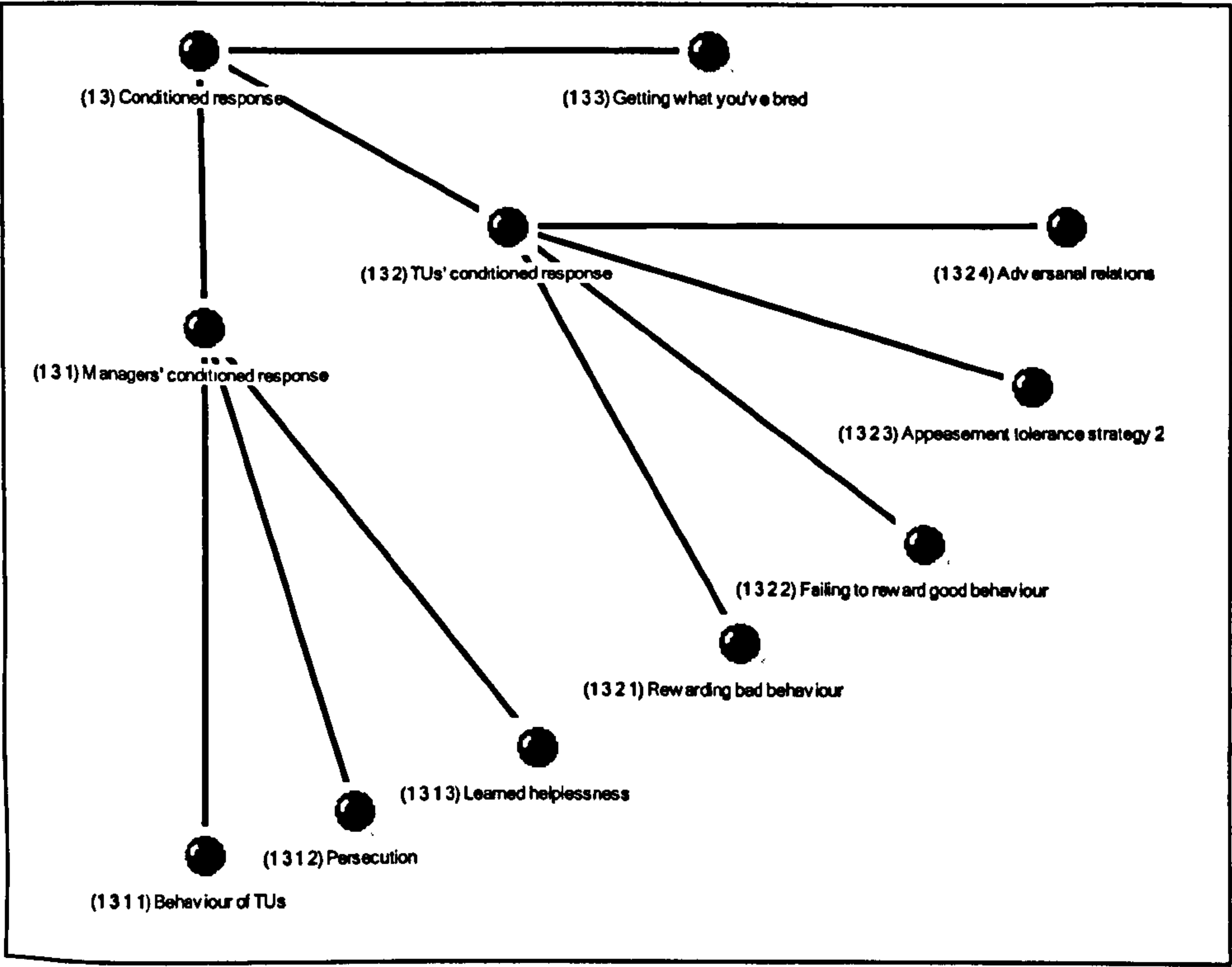
4. Views of management



- 4.1. Role of management
 - 4.1.1. Institutional forces
 - 4.1.2. Political influences
 - 4.1.3. Role of the media
 - 4.1.4. Need for high standards
 - 4.1.5. Running the business
 - 4.1.6. Operational constraints
 - 4.1.7. Lack of market forces
- 4.2. Capability
 - 4.2.1. Organisational history
 - 4.2.2. Underinvestment
 - 4.2.3. Poor management
 - 4.2.4. The non-learning organisation

- 4.3. Consistency
 - 4.3.1. Of purpose
 - 4.3.2. Of relationships

5. Conditioned response



- 5.1. Managers' conditioned response
 - 5.1.1. Behaviour of trade unions
 - 5.1.2. Persecution
 - 5.1.3. Learned helplessness
- 5.2. Trade unions' conditioned response
 - 5.2.1. Rewarding bad behaviour
 - 5.2.2. Failing to reward good behaviour
- 5.3. Appeasement tolerance strategy
 - 5.3.1. Adversarial relations
 - 5.3.2. 'Getting what you've bred'

PROJECT TWO

“A CONTEXTUALLY BASED THEORY OF HR? A STUDY OF DISCOURSES AROUND HR IN A PRIVATE SECTOR COMPANY”

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ABSTRACT

This paper looks at theories of HR, accessing them through the discourse of business and HR respondents in a private sector organization. The paper explores models of HR in discourse, using a discourse analysis methodology and a social constructivist epistemology to create a deeper qualitative analysis than would have been possible using more positivist methodologies.

It explores the concept of HR as 'best fit' and uses Paauwe's (2004) contextually based theory of HR as a putative interpretative framework. It also looks at the differentiation between espoused and enacted HR.

The paper concludes that contextually based HR, whilst an interesting descriptive framework, appears less deterministic and universalistic than writers such as Paauwe suggest. Instead, the contextual factors appear to be less important than the influence of the actors in the formulation and deployment of HR strategy. Whilst Paauwe's model does accommodate this to a certain extent (through the concept of the "dominant coalition"), this paper suggests that the actors in this organisation are much less constrained by contextual factors than 'best fit' models of HR suggest, and that a model of HR which accords greater significance to the role of the actors may be more useful.

1. BACKGROUND AND RATIONALE FOR PROJECT

1.1. Introduction

1.1.1. Towards a Model of Contextually Based HR

Project two continues and expands the examination of the influence of context on the SHRM model adopted by an organisation.

Project one suggested that ‘best practice’ models of HR had limited capability to explain the model of HRM developed in a British public sector organisation, and looked instead to the ‘best fit’ model of HR. Project one determined that four aspects of context (national culture, ownership model, historical context and workforce characteristics) appeared to influence the type of ‘best fit’ HR strategy deployed in London Underground. It also explored RBV and neo-institutional theories of SHRM and found that the latter seemed to offer more insights into the operation of HR in this type of organisation.

Project two moves from a British public sector company to its opposite: Thomson Financial, a global private sector organization with a radically different origins and culture to that of London Underground. Figure 56 compares the four influential aspects of context in London Underground and Thomson Financial.

	London Underground	Thomson Financial
National Culture	British national culture (specifically white, working class, male culture of trade unions), American management	European national cultures (middle class professionals, largely sales oriented), American/British/Canadian management
Ownership Model	Public sector entity (specifically influenced by political drivers, with an absence of business pressures)	Private sector entity (responsive to business and market pressures rather than normative or other political forces, demanding and discerning customer base with high switching cost, competitive marketplace with two major players – Reuters and Bloomberg – and one agile newcomer currently gaining market share – FactSet)
Historical Context	Important features include success of trade unions in negotiation at the expense of management, failure of government to support, relationship between Ken Livingstone and RMT and LU	Important features include paternalistic culture of Thomson Corporation, organization created from 70 plus acquisitions, no strong organizational culture/strong move to culturally integrate
Workforce Characteristics	Stable workforce and pattern of long service (new staff bringing new ideas segregated from ‘old guard’), average age of white collar workers mid 40s onwards, professional qualifications from some years ago (e.g. CIPD),	Contrast between stable workforce and pattern of long service in acquired employees to new management, typical age mid 30s to early 40s, from largely entrepreneurial backgrounds.

	degree backgrounds less common. Limited use of consultants until large scale McKinsey project (again, divisive, as new staff brought in to implement McKinsey recommendations, existing staff resistant).	
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Figure 56: Comparison of Contextual Influences on Tfl and TF

Project two takes as its working hypothesis that context will influence HR strategy in TF, and that ‘best fit’ will provide a better explanation for HR strategy in TF than ‘best practice’. However, it is predicted that the different array of operant contextual factors in the private sector would result in a business and an HR strategy driven primarily by RBV factors rather than the neo-institutional forces which were the primary determinants of strategy in project one’s public sector organisation. Competitive pressures, and the concomitant need to extract the maximum value from employees, make it more likely that the organization will draw upon modern HR technology, embracing best practice, and with a focus on organizational capability rather than employee/industrial relations. However, the organisation’s paternalistic heritage and disparate organizational cultures may mean that there is still some reliance on neo-institutional or rule-based forces to direct and control employee behaviour, rather than modern approaches such as corporate values and leadership competencies.

Project one identified four categories of context which were potentially influences on HR strategy. Project two will systematize this by relating the discussion of context to Paauwe’s model of contextually based HR as a putative model.

1.1.2. Methodological and Philosophical Approach

There are a number of methodological and philosophical commonalities between the projects: the discourse analysis methodology, the social constructivist lens, the use of institutional, neo-institutional and RBV theories of SHRM, and the consistent role and relationship of the researcher to the organization and the participants.

The frameworks of social constructivism and discourse analysis will be carried over into project two. Project one suggested that discourse analysis could be an illuminating way of accessing people’s espoused views about their organization, organizational culture and the forces operating upon it, could present multiple and (often) contradictory world views whilst avoiding the pressure upon the researcher to create a ‘true’ version of events. Maintenance of a social constructivist epistemology throughout seems most appropriate to the study of topics such as context and culture, both of which have a second order reality, access to which is problematic through more positivist research techniques.

This will allow the project to examine HR as a social and political process, rather than an objectively observable phenomenon. This will allow for a second level of analysis to be conducted, which looks at the role of the actors in directing, developing and implementing HR strategy. The reasons for the divergence between espoused and enacted HR strategy can also be considered using this social constructivist lens.

This will allow the examination of perceived constraints on the implementation of the 'best fit' HR strategy. Although an organization may be perfectly aware of exactly what it needs to do in order to design and implement a "best fit" HR strategy, human and environmental factors may intervene. Relating this to Truss & Gratton's (2003) work on "enactment" (quoted in Paauwe, 2004, p 64), project two will examine the factors which are perceived as constraints and examine the influence are they seen as exerting.

A final commonality between the projects is the role of the researcher. A unique feature of this study is that her relationship to the participants in each study is exactly the same. As HR Director of the organization under study, she has the same formal relationship with the three groups of participants: service provider and senior management colleague to the business managers; colleague or manager of the HR participants; subordinate to the senior HR representative.

In both project one and project two, the researcher is a member of the organization under study and brings insights to the research which an 'outsider' would be unable so to do. However, she also acts in and is acted upon by the organization, hence is subject to cultural and contextual biases of which she may be unaware or only partly aware. This 'associated and dissociated' role of the researcher is common to all of the projects and the implications of this will be considered in the linking document.

1.1.3. Project Participants

Interview for project two were conducted in late 2006, and involved both HR and business people. All of the participants were working for the European or American Thomson Financial businesses.

1.1.4. Research Questions

The research questions for this project were as follows:

- What can RBV and neo-institutional theories of SHRM, a social constructivist approach and a discourse analysis methodology tell us about how HR strategy is created and how HR is enacted?

- What influence do different contexts have on the creation of HR strategy and the enactment of HR?
- How do actors' perceptions influence the creation of HR strategy and the enactment of HR?

1.2. Rationale

The business and academic rationales for this project are shown in figure 57 below.

Business Rationale	Thomson Financial is an organisation which is critically dependent upon the quality and the output of its employees – it has no significant asset base and its competitive advantage depends upon the intellectual property produced by its employees. Despite this, it has an HR function which is only beginning to explore SHRM models and which is routed in transactional processing. Exploring how HR can increase its contribution to the organisation is the primary business rationale for this project.	
Academic Rationale	Examination of an HR model in an organisation transitioning to SHRM	As suggested by the literature review, SHRM has been dominated by quantitative, positivist research. Host organisations for its research have tended to be modern, sophisticated organisations where the criticality of well motivated, highly skilled employees is recognised and systematically developed through a strategic, embedded approach to HRM. This project provides an opportunity to examine HR in a transitioning organisation, where the principles of SHRM are only beginning to be deployed.
	RBV and institutional theory	This study will look at the discourse of participants in the context of two theoretical frameworks of HRM: resource based view and neo-institutional theory.
	Applicability of social psychological methodologies	This project will continue the theme, established in project one, of using social psychological methodologies to explore HR issues.
	Constructivist view of language	This project will examine concepts such as 'strategy' from a constructivist perspective.

Figure 57: Business and Academic Rationales for Project Two

The anticipated output of this project is likely to be recommendations for the direction of the HR function in Thomson Financial and suggested approaches to communication with and dissemination to key stakeholders.

1.3. Background

1.3.1. Organisational Context

This study will take the premise of contextually based HR (and in particular, Paauwe’s model) and will examine it against an actual organisation. Thomson Financial (TF) is one of four market groups of The Thomson Corporation (TTC), and bridges the technology and the financial services industries. It is a \$2 billion business, employing around 9000 employees worldwide.

Whilst TTC is listed on the Canadian stock exchange and is, to all intents and purposes, a PLC, the Thomson Family holds some 70% of the shares, through their wholly owned Woodbridge company. This creates a unique configuration, where the organisation is influenced both by the Thomson Family and the financial markets.

Thomson Financial's core business is the selling of information into Investment Management and Investment Banking companies (e.g. Merrill Lynch, HSBC, Goldman Sachs) through a sophisticated portal solution. It has a subscription business model, with a demanding and discerning customer base with high switching costs. Its competitive landscape consists of two major players – Reuters and Bloomberg – and a number of agile newcomers (notably FactSet, Royal Blue and CapIQ) and niche players who are currently gaining market share.

TF both generates its own proprietary content and sells through feeds from third parties such as Dow Jones. This study focuses on the European operation, which employs some 1500 people and generates around \$200 million per year, around 17% of the organisation's total revenues. The organisation has consistent steady year on year growth of around 6%, but this fails to match the 11-12% growth of the Financial Services industry. Given that TF provides subscription based desktop products, sales of which are largely determined by the headcount of its customers, the current boom in the Financial Services market should have facilitated a similar level of growth in TF.

Culturally, TF is somewhat fragmented. The organisation was put together in the mid-90s from around 70 separate acquisitions and, as such, has a number of sub-cultures. The company continues to make acquisitions, although the focus has switched towards driving organic growth over the last year. The company remains highly entrepreneurial and expansion into new products and new geographical areas is a high priority. This sits in contrast to the more paternalistic culture of the main Thomson Corporation (where the influence of the family is stronger), and also with the more stolid culture of the acquisitions, notably the Primark and Datastream organizations, from which a large percentage of the employees came. There is a contrast between the stable workforce and pattern of long service in acquired employees to the new management, who have short service, and are aged from mid 30s to early 40s. They typically come from largely entrepreneurial backgrounds.

This fragmentation has been exacerbated by the portfolio approach taken by The Thomson Family, who have entered and exited industries on a regular basis and have bought and sold companies in accordance with these changes of direction for many years. This precluded the development of a strong singular organizational culture or a strong emphasis on culturally integration of the Thomson companies. This approach has changed slightly in recent years, as the

appointment of Dick Harrington as CEO of the Thomson Corporation led to more commonality of key processes (e.g. talent management), a focus on setting up shared back office operations and the establishment of a limited sense of cultural identity, but this has been limited in its impact on the cultural fragmentation and independent operation of the component businesses (this is suggested by a number of the respondents, including NB).

However, one can gain an impression of the culture from some of the terms used by the respondents: 'immature', 'short termist', 'entrepreneurial', 'laddish', 'informal', 'unstructured'. The following quotes give an idea of the way in which participants view the organization.

"...we have quite an immature employee base from the point of view that ... they're quite short termist." [BB:7]

"I've been a little bit shocked by the kind of prevailing laddishness in this organisation." [GT:9]

"I think this company has a rather kind of immature attitude" [GT:16]

"I think Jim Toffey put it really well, in the management presentation that he gave last year ... he said, 'Thomson Financial's like a two billion dollar start up'." [LJ:13]

There are, however, also positive attributes to the culture cited by the respondents, around work-life balance, lack of hierarchy and intellectual challenge.

"... the guaranteed aspect of their salary will be much higher than it was (in Banking), on top of which ... they will be getting a better work life balance, on top of which I think ... you could very easily sell a kind of senior management job in a company like this as being intellectually more challenging, certainly more diverse, em there will be a bigger kind of management context, you know there's not much kind of management in Financial Services ... there's probably more of the diversity of kind of job, different types of jobs within the organisation. So you could come in you know in the sense that I did, doing one thing and within a relatively short amount of time do a very different job, and you know some years after that do yet another one." [GT:6]

"I think that there is much less kind of hierarchy (than in Banking) and rightly so." [GT:8]

“... there are not that many people in this organisation who wield much power. I think it's more about influence really.” [GT:9]

“(the CEO values people who can have a very super intellectual conversation.” [EH:10]

The senior managers tend to have a start up experience (all of the European management team in 2006 had either set up a business or worked in a start up company). The impression created is that of an organization which eschews structure in favour of flexibility and an opportunistic approach to business, but one which lacks maturity and could benefit from more structure and a more prescriptive approach to acceptable and unacceptable behaviour.

In terms of national origin, TF is equally diverse, but in the European business, the American/British management provide a largely European national culture. The organization comprises mainly middle class professionals and is largely sales rather than product oriented

Thomson Financial's HR strategy, at first glance, appears to be based on the need to recruit and develop high quality, high performing employees who can bring the intellectual capital required by the organization to be and remain competitive in a challenging marketplace. Compliance and conformity within the employee base is seen as less important than the ability to contribute, and although an element of the former is driven through the HR policies and practices, the HR strategy is moving visibly to a talent management and organization capability agenda. This project will conduct a deeper exploration of these issues, examining the contextual factors described in the introduction through the discourse of senior members of the organization (within and outside the HR function) and their purported impact on the emergent HR strategy. The project will explore articulations of “best fit”, and will look at the reasons respondents proffer in explanation of imperfect fit.

HR in Thomson Financial Europe is equally something of a schism. In terms of HR approach, where it subscribes to TTC level programmes, TF deploys highly evolved tools. These cover the areas of performance management, talent management and senior leadership development programmes. It also uses a number of global systems (e.g. Peoplesoft for HRIS and Taleo for recruitment) which are used effectively but are Americo-centric in the way in which they have been specified, and to varying degrees lack suitability for the regional offices which operate them. However, where HR activities are entirely locally determined (e.g. disciplinary process), these are carried out in numerous different ways and typically lack rigour.

In terms of staff, a significant amount of work has been conducted to transition the European HR team from a personnel and administrative function into a business

partnering orientation. Almost 50% of the staff have been changed within a 2 year period and an extensive programme of diagnostics and training programmes have been initiated to transition the remaining staff into the new model.

1.3.2. Specific Literature Review

As previous chapters have indicated, there are a number of limitations within existing research on SHRM, notably the general Americo-centricity of the work, and the focus on a particular kind of workplace and workforce, namely the high performance work team model (which presumes that highly motivated, highly compensated employees perform in organisations where the effort and aptitudes of the employee can make a considerable difference to organisational performance). This led to a unitary view of 'good' HR as the HPWT model, as espoused by authors such as Applebaum & Batt (1994). In these models, where organisational context is referenced, it is seen as secondary to a single 'best' way of doing HR.

Recognising these limitations in existing research, there have been attempts to develop a more contextually based approach to HRM, notably, Beer et al (1984), Schuler & Jackson (1987), Hendry & Pettigrew (1990) and Brewster (1993). However, Paauwe (2004) is unique in combining these essentially strategy and resource based models of the organisation with institutional theory. As he indicates:

“Linking the resource-based view to institutional theory can contribute to uniqueness by optimally blending environmental factors (which can be both an opportunity and a constraint) with internal resources and capabilities.” (Paauwe, 2004, p94)

This combination created Paauwe's Contextually Based Human Resource Theory, which is shown in figure 58.

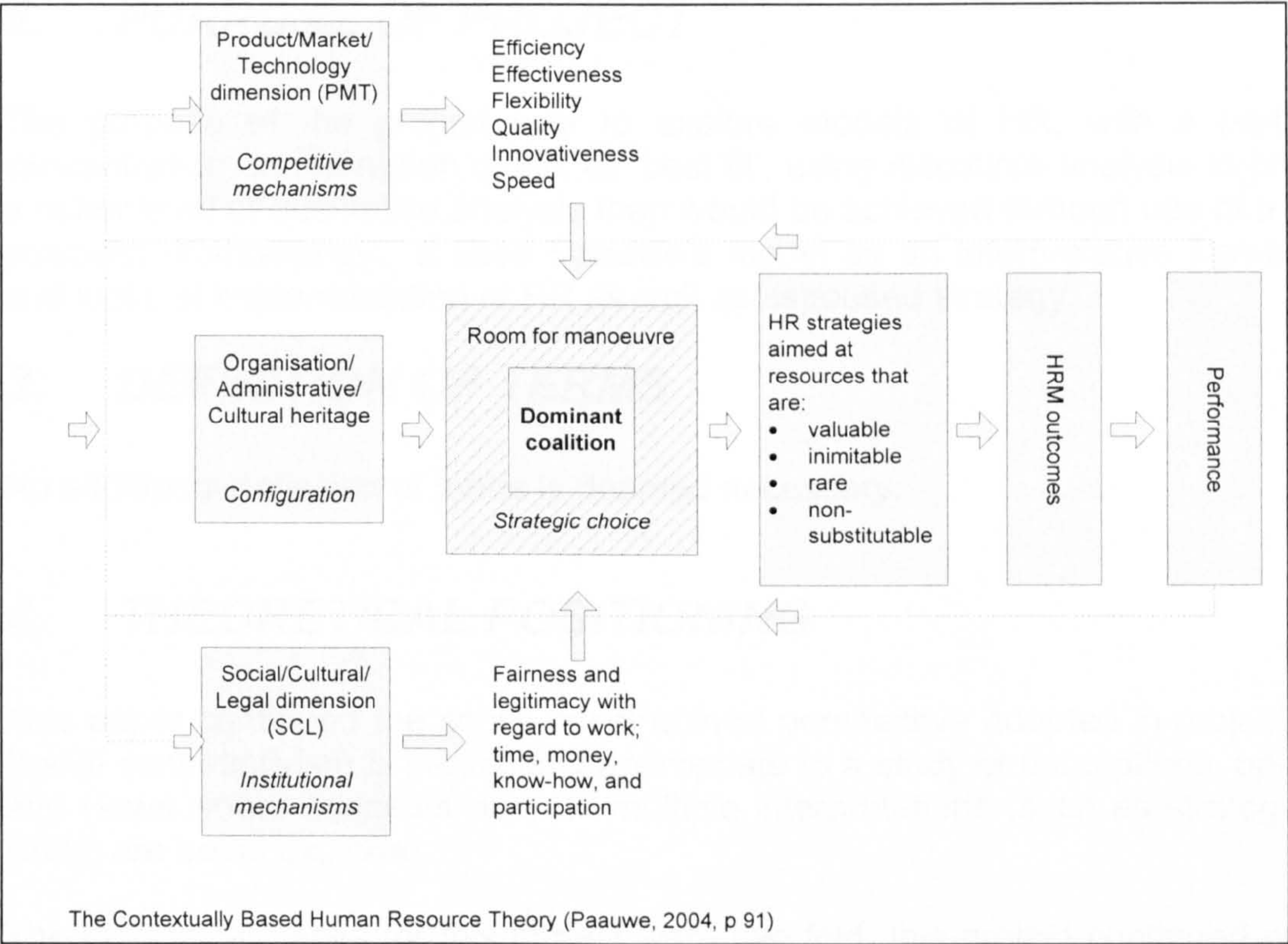


Figure 58: Paauwe’s Contextually Based HR Theory

As well as the contribution of combining resource-based and institutional theories of SHRM, Paauwe’s model avoids determinism via the inclusion of the concept of the “dominant coalition”. The dominant coalition refers to the influential actors within the organization (which may comprise, for example, senior managers, trade union representatives, middle and junior managers, employees and HR representatives) who have the ability to exercise strategic choice within the organization. Their interpretation of the contextual factors will define their perceived ‘freedom to operate’, which in turn will determine the strategic choices they feel able to make.

The project takes up Paauwe’s challenge to use his framework in empirical research, using qualitative methodologies as an appropriate route (Paauwe, 2004, p95). This project will also consider the nature of Paauwe’s model: is it analytical, descriptive or heuristic? It seems unlikely that it will be useful as an analytical model (it is difficult to see how one could isolate and manipulate parts of the model to examine outcomes), but it may be useful as a descriptive or a heuristic model (i.e. one which helps researchers formulate questions about the phenomenon). Both of these will be considered in project two.

2. *PURPOSE OF PROJECT*

The purpose of the project was to explore models of HR, with a particular concentration on the notion of HR as 'best fit', using discourse analysis to provide a richer level of qualitative analysis than would be achieved through use of a more positivist methodology. It uses Paauwe's model as an interpretative framework, and looks at implementation of HR as well as espoused strategy.

3. *DEFINITION OF TERMS*

No additional definition of terms is deemed necessary.

4. *THEORETICAL POSITIONING*

This paper continued the social constructivist perspective adopted in project one. Social constructivism is particularly appropriate to a study of perceptions, opinions and views where concepts open to multiple interpretations (such as strategy and HRM) are being explored.

The theoretical bases for this project were two fold: this project continued project one's use of neo-institutional theory, but will add to this the concept of resource based view. It was envisaged that this combination, taking up Paauwe's Contextually Based HR Model, would provide the widest interpretative framework for discourses on strategy and HRM.

5. *METHODOLOGY*

5.1. Overview

Project two took the four contextual features which emerged as key during project one (national culture, ownership model, historical context and workforce characteristics), and tested their applicability in a very different organisational context. It used Paauwe's model as a framework with which to categorise these contextual factors.

It again used discourse analysis as a methodology for accessing the complex, often highly politicized constructs which people use to explain issues of organization and behaviour. The interview schedule is attached at appendix one, which was piloted and refined before roll out. Discourse analysis is particularly pertinent in this context, given Paauwe's critique of existing HRM research, and his call for an approach which is less prescriptive:

“The use of cross-sectional data collected through pre-formatted questionnaires leads to an imposed reality upon the research subjects. This ignores the existence of an emergent reality. Once we accept the existence of such a reality, the difficulties of the previous approaches become apparent and a whole range of new issues and conceptual refinements arise.” (Paauwe, 2004, p65)

Project one took as its interviewees the group of employees most closely associated with and impacted by the industrial relations-centric form of HR practiced in London Underground. Project two followed this model and interviewed the people closest to the form of HR practiced by Thomson Financial: senior HR staff in both Europe and the USA, senior European managers and two groups of employees (one group long serving, one recently hired). As Thomson Financial does not have trade unions, the inclusion of the employees is the closest match to the trade unionists interviewed in project one.

As the national culture element was also deemed to be important, a group of non-UK based employees was also interviewed. It is anticipated that the subject group will be of a similar size to that of project one (15). A list of the interviewees with brief biographical profiles is included in appendix two.

5.2. Key Steps

Following on from the previous study, discourse analysis was used to examine HRM in action in an actual organisation, to see how closely Paauwe's model reflects his aspiration of creating:

“...a universally applicable model, a way of theorizing that can be applied, to every country; a theory that can accommodate the enormous variety in HRM policies and practices as well as the various contextual factors involved”. (Paauwe, 2004, p37)

This study used Paauwe's framework as a broad taxonomy for the analysis of the discourse of two groups of Thomson employees:

- TF Europe senior management
- Global Thomson HR staff.

Interviews were conducted in August and September 2006 in London and New York, although one key subject was not interviewed until January 2007. The interviews were transcribed and coded into interpretative repertoires using NVivo.

The NVivo coding for this project is shown in figure 59 below.

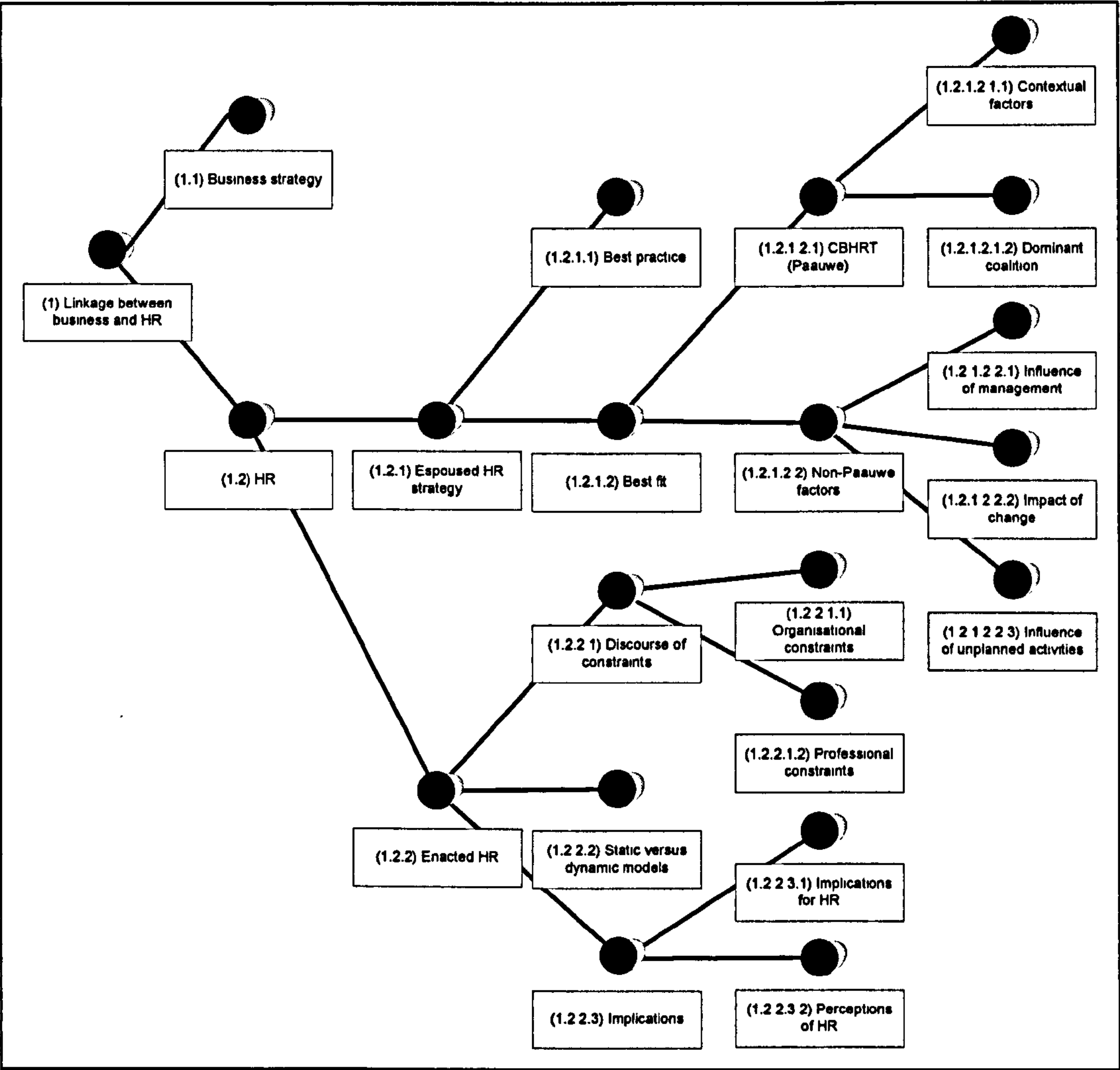


Figure 59: NVivo Coding for Project Two

5.3. Basis for Establishing Rigour

5.3.1. Validation

As indicated for project one, validation of a discourse analysis study is handled in a very different way to validation of more positivistic methodologies (where a range of statistical tools may be used for validation purposes). The transparent presentation of the data and the analytic process acknowledges that the researcher is producing one of a number of possible competing interpretations,

and the reader is invited to critique the researcher's coding and proffer their own. There is no attempt to produce one "true" representation of events, attitudes or internal states from the discourse data. Validation, consequently, in discourse analysis, is embedded in the transparency of the process and in the critique of the reader.

5.3.2. Researcher Bias and the Role of the Observer

It is relevant to discuss both researcher bias and the role of the observer. As this is a discourse analysis based study, the biases of the researcher and the perceptions of the participants in respect of the researcher will influence both the data and the analysis.

These comments are made to allow the reader to judge the validity of the data collected and the analysis produced.

5.3.2.1. *Researcher Bias*

To firstly discuss researcher bias, the researcher was a senior HR professional who has worked in both SHRM and traditional environments, and in Europe, the USA and the Far East as well as the UK.

Her knowledge of SHRM models and her previous role in a 'pure' SHRM environment may have created a source of bias, as may her responsibility for driving SHRM into Thomson Financial.

The researcher has a critical view on the contribution of professional HR institutions (SHRM and CIPD), which may also have influenced her questioning and her interpretation.

A further source of bias may arise from her academic background in social psychology, social constructivism and discourse analysis, which is likely to have predisposed her to a critique of positivist approaches in the area of management research.

5.3.2.2. *The Role of the Researcher*

The role of the researcher was likely to have influenced the data produced in a number of ways. At the time of the study, the researcher was a senior manager of the organisation under study, which has the potential to create socially desirable responses and impression management in participants.

The responsibility held by the researcher for HR in the organisation at the time of the project may also have limited the criticism offered by the participants of HR and HR strategy.

5.3.3. Other Limitations

This study may also have been limited by its small number of interviewees, which places restrictions on the generalisability of the conclusions drawn. This was, however, mitigated to a certain extent, as the key players in the European management team and in the global HR team were interviewed.

6. RESULTS

The interview schedule (shown in appendix one) was designed in order to explore the link between business and HR strategy, and to examine the factors which could potentially influence the form of HR adopted by the organization. The study also aimed to test Paauwe's universalistic model, which purports that a combination of resource based and institutional factors will explain the form an HR strategy will take in a real organization. Although it did not explicitly set out to explore espoused HR strategy and enacted HR, this theme emerged strongly through the discourse.

As well as looking at discourse around business strategy, HR strategy and the role of HR, this study examined accounts of contextual factors proffered by participants, using Paauwe's categories:

- Product/market/technology dimension (competitive mechanisms)
- Organisation/administration/cultural heritage
- Social/cultural/legal dimension (institutional mechanisms).

The assumption of a social constructivist approach and the use of discourse analysis as a methodology revealed a level of ambiguity and complexity which Paauwe's model does not accommodate.

This discussion of the results focuses on a number of questions (the number in brackets refers to the relevant section of this report).

- How do participants describe business strategy in TF? (6.1)
- How do participants describe HR in TF? (6.2)
- What is the perceived role of HR in Thomson Financial? (6.2.1)
- Do participants use 'best practice' or 'best fit' models of HR? (6.2.2)
- Is there an HR strategy? (6.2.3) Do they see the need to have a 'fit' between business strategy and HR strategy? What is the perceived 'fit' between HR and business strategy in TF?
- If 'best fit', what are the contextual factors which influence that 'best fit'. Do participants reference the factors in Paauwe's model and does Paauwe's CBHRT provide a useful framework for categorizing their responses? (6.3.1)
- The influence of the dominant coalition. Paauwe's model infers that, in the absence of strong contextual drivers, the dominant coalition becomes fundamentally important in determining the HR strategy (6.3.3).
- Is there agreement about the membership of the dominant coalition? (6.3.2.1)
- How does the dominant coalition influence HR? (6.2.3.2)

- How consistent is the dominant coalition in the direction it sets (6.3.2.3)
- In the absence of a strong contextual business drivers, or clear and consistent direction from the dominant coalition, Paauwe's model does not predict an outcome (6.3.3). What drives business and HR strategy in TF in this situation? Whims of CEO and most senior management? (6.3.2)
- What influence does implementation (or lack of) of strategy have? (6.4)
- What implications does the perceived lack of alignment between HR and business strategies have on how HR is perceived? (6.5)

To answer these questions, it is sensible to look firstly at constructions of business strategy and constructions of HR in Thomson Financial. Consistent with the approach taken in project one, the discourse analysis methodology involves selection and coding of extracts to inform a narrative developed by the researcher. As indicated in the methodology section of this thesis, this is one of a number of possible interpretations of the data, and is likely to be influenced by the researcher's conscious and sub-conscious biases.

6.1. Constructions of Business Strategy

Whereas emergent and logically incremental models of strategy suggest that a business will always have a strategy towards which it is working, even if that strategy changes over time or is less than clearly perceived by the players, a clear theme in the TF discourse was that of a lack of strategy.

"I still think ... we lack, I think to the point of being honest, we still lack a bit of strategic clarity." [NB:10]

"I'm Head of Strategy. If you sat me down and said "what is your strategy?", I'd really struggle to tell you, so yeah, god help anyone else ... And I see the same thing when someone asks (the CEO) what is our strategy, he talks about this is what we're doing. He never says this is why is, it's because our strategy is this. And in (the President)'s documents you don't see that either. I don't think we know that we haven't got a strategy ... we're confusing what we're doing with - why we're doing it and where we're hoping it's going to take us." [EH:22]

Going further, participants represent the strategy at a more micro level as actually contradictory.

"... as a company we haven't figured out exactly what we're trying to do ... taking desktop revenue of existing customers and converting it into Feeds revenue ... is in direct contradiction to trying to create

more desktops ... I think that's ... set up a kind of contradiction."
[JR:3]

Or, at best, riven by tensions.

"... what is our strategy? Our strategy is we want to be in ... businesses that have certain characteristics of very good cash flow, predictability, preferably subscription based, high margin, and reasonably good growth prospects. But the question is always what, can you get all of those, because very often those conflict. Em very often high margin good cash flow businesses are almost by definition not high growth." [NB:9]

Organisational immaturity is cited as a reason why business strategy is not clearly defined.

"I've been doing em some of the orientation presentations ... that's my opportunity to explain to people ... where we are! That we're in adolescence at best, em and one of the metaphors that I use is that you know if you look at our products right now there's this great gooey front end that looks slick ... and seems integrated ... then in the back end you kind of lift the cover and it's spaghetti on the back end's linking everything together." [MW:2]

The lack of clear strategy is seen as perpetrated by a lack of strong co-ordinating mechanisms. This respondent offers a number of potential co-ordinating mechanisms, including strong managers supporting a defined culture, and a values, process or results focus. However, she goes on to reject each of these in the context of Thomson Financial.

"...management culture ... works absolutely fine when you have a group of managers who are strong, who are consistent, and who are ... reflecting a ... strong culture that the Corporation has ... You can always make different decisions in a specific situation from the ones that you make you know in France than you make in other places, but you let the same underlying set of values guide these decisions.

Now because we don't have an underlying set of values as a company, we have a set of processes that don't actually instruct you very much, so we use the stick approach much much more than we use the carrot approach, which is you know we will set the boundaries, how much discretion you've got to be this small, because we don't really trust you to go outside them so we're gonna be very process led. So we are so we are very we restrict people's

behaviour by trying to look at the processes and trying to you know make decisions keep within a small guidelines.

Em whereas other organisations can be very much values led and they decide you know we tell you what's important and every individual makes their own decisions but you know if you fall out of line with those values we'll come down hard on you. Em we don't do that ... we don't have a shared set of values ... that are meaningful ... we have very different sets of values in different parts of the organisation, and I think also we've got the other way that companies sometimes run themselves is they can be very results led, very incentives let, so they say don't really care how you get anything done, but you are completely responsibility for the profitability of your business unit or your product line or whatever, and if you hit profitability you do whatever you like. Which we also don't do that because we don't trust ourselves to be able to actually determine profitability etcetera so we don't cascade decision making down so we actually try and restrict them through process.

So HR sets processes but ... there are a lot of times when we have to move outside of those processes ... and that first decision's totally made by business unit heads whether that's the geographic head or whether it's the functional unit head.

... because of the kind of ... cost infrastructure that we've got, as an organisation, you have to be somewhat of a results led organisation ... someone like McKinsey, as my former employer, who is 100 percent values led organisation ... But that's because it relies upon its profitability relies on many many individuals all making consistent decisions in very individual situations with clients. So we do that to some degree, we rely on a lot of individuals making the right decisions. But we also rely on em we also have a huge fixed cost base, that we need to have the best use of our resources because we've got we're such a ... scaleable kind of business, that em I think we should be more results oriented." [JR:8/9]

The result of the lack of strategic clarity is that TF is perceived as an organization which is driven by the peccadilloes of its senior managers.

"I think there's a lot of dynamism but I think it's around interesting things, it's not necessarily systematic. I don't know if I do see commercialism so much, I mean I've just seen .. (the) sign off (of) a business case ... when everyone's telling him (the CEO) it's not going to make any difference. He just decided he wants it ... we

gaily ignore commercial sort of realities because we want to ... play with new toys, it's fun, it's cool." [EH:12]

"Back to 'we're going to be a leading provider' ... But what on earth does that mean? ... There's nothing about what we're doing, says to me we're doing that to become a leading provider, or that will take us to be any kind of leading provider, so - ... it's kind of the Balkans. In the absence of a big guiding principle or unifying force, it's kind of survival of the fittest and the strongest atmosphere and the strongest culture comes from the strongest person in that particular area." [EH:22]

Although one respondent sees this as changing.

"... it's been left to largely to em senior executives in the past, and I think this has changed, em running businesses to go out and find companies to buy and justify the acquisition of those companies ... I guess you could say there are more checks and balances now. And less susceptibility for a very powerful business manager to sort of push through a pet project which maybe looked looked okay financially, but actually em qualitatively, never really stacked up." [NB:11]

6.2. Constructions of HR

6.2.1. Views of the Role of HR

6.2.1.1. *Transactional Versus Strategic*

Two strong interpretative repertoires are used to describe HR throughout the interviews: HR as transactional service and HR as strategic. A hierarchy is set up between the two: strategy is presented as superior to tactical, as the following quotes imply.

"If I want to carry on in this job just doing tactical stuff and you know get my 4 percent pay rise each year and my 8 percent bonus or whatever it is, I could do that but actually that doesn't help me in the long term it doesn't help me from my development point of view and actually you know if I want to be getting the bigger pay rises and the bigger bonuses, I can do that if I deliver really value adding pieces of work. But that's a challenge for me." [BB:16]

"If we demonstrate our strategic worth then that's worth far more than you know the industrial roadsweeping as I refer to it." [BB:3/4]

The transactional and strategic repertoires construct these concepts in two distinctive ways: two uniquely different states, or as two poles on a continuum. Business participants tend to use the former, and HR the latter. One can surmise that the 'continuum' construction is a more functional repertoire for HR people, as it suggests a developmental path along which HR as a function can move.

Many management participants referenced HR's transactional role.

"I'd reach out to HR when I needed a specific role filling. I haven't EVER I have to say really involved HR in any of the strategic projects I've been doing ... I guess it's a two way thing: I've never reached out and nobody's ever reached back to me. It hasn't been a factor really and maybe that in itself is a sort of conclusion." [EH:2]

"... my personal experience in my job of the HR function at the moment really is the stuff that comes down ... and it's just like all the reminders you haven't done the PMAT, you haven't done the development plan, but I feel very little em incentivised to do any of these things because they're never used ... I don't see kind of the very high level strategic HR function as really adding any value to me personally in my job at all. It's this burden on my time, unfortunately." [EH:14]

This is seen as dictatorial and non-value add.

"The number of emails that will come out of the HR department with ... 'managers must do x, y, z by this date', is incredible. I mean they're actually now dictating more what happens in the organisation than almost anybody else. You know, 'managers must'. Almost every HR thing will have something like that in." [DHT:2]

And one participant goes further, suggesting that HR is being prevented from taking a business partner role by its adherence to its transactional (this participant refers to it as "policing") role.

"... the biggest disappointment for me that HR really hasn't kind of stepped up to the mark in terms of dealing with our particular corporate strategy, which is to create a global business ... in the States I think that that would be seen as compromising their policing role ... having a dotted line into the business. I think there's an issue

really which resides almost entirely in the States, in their attitude towards the HR function and the staff that they deal with.” [DHT:1]

“ ... that sort of attitude informs the whole relationship between HR and the businesses in the States, where they’re actually disintermediating the management, and going directly to the staff to deal with things ... the HR function has a believes it has ... a policing role” [DHT:2]

Transactional HR, hence, is equated to non-value added “box ticking”, in this participant’s parlance. Transactional HR, hence, is differentiated from strategic, but the former is seen as detrimentally affecting HR’s reputation with managers.

“... the States is a huge, huge operation, and em its basically a bunch of managers getting through the HR, crap, as fast as possible, ticking the boxes, and then getting on with their proper jobs. How stupid is that?” [DHT:4]

The following respondent describes an inherent tension between the need to create HR process in an organization which reviles bureaucracy.

“TF was so desperate to fight to not become a large organisation, em there was a lot of resistance around anything that might look a bit like bureaucracy, or anything that might stem flexibility ... I think we still have a lot of that culture ... there is still em resistant to becoming what is seen as ... the traits of a slow moving organisation.

... and if you try to put something in that just does not sit with the culture, it’s not going to succeed.” [AB:12/13]

The inference is that, in an organization where bureaucracy is disdained, transactional HR is consequently devalued.

Where the transactional and strategic are presented as mutually exclusive, rather than poles on a continuum, this leads logically to discussion around the difficulty in operating in both the transactional and the strategic spaces. This constrains HR, in the language of the business participants being interviewed, to an essentially transactional role.

“I think it’s difficult for one person to span all of those different parts. You’ve got people who are happy filling in boxes and ticking all the doing some of the more basic stuff, they may not be happy at the other end, coming up with some of the bigger picture ideas.” [LJ:3]

The corollary of this is that success in the transactional space makes it difficult for HR staff to be perceived as strategists, as this business respondent indicates.

“I think it’s very hard for people to shift roles from administrative to strategic without people identifying them one way or another. The tendency is to identify them with the lesser role. Because that’s probably what they have to do more often.” [DH:10]

This is also echoed by this HR respondent.

“... my clients have you know they have certain expectations of me in that regard. My reputation within Thomson Financial is built upon successes at a tactical level.” [BB:16]

The alternative construction of transactional and strategic as points on a continuum is primarily used by HR participants. Senior HR staff indicate that the function is transitioning from transactional to strategic, suggesting that they see a continuum between the two poles. For this respondent, the key to strategic HR is the outsourcing of the transactional elements.

“Well of course there’s a clear HR strategy ... clearly there is there are aspirational aspects to what we are doing and there are some real roadblocks in terms of just the day to day realities of delivering on HR in this company at the moment ... but ... our overall HR strategy is very much aligned in terms of you know outsourcing em a lot of the transactional elements of HR in order for our HR team to become more strategic in nature, more focused on performance of our workforce to support the overall business objectives.” [SD:2]

“... I think the aspiration of the strategy is there. I that we’ve got more work to do to get complete understanding and buy in of our strategy and the importance of the various strands of that, across the entire business leadership ... I think part of that comes through communication, part of it comes through execution. At the same time as we em really get better at operationalising the outsourced pieces so that the TF team can really focus on these more strategic objectives.” [SD:2]

More junior HR participants, however, see the constraints as more enduring. They see the ability to move to the strategic as limited by need to focus on the transactional, and managing outsourced transactional services neither frees up resources nor enhances HR’s reputation with the business.

“ ... there’s things in HR that have to get done, like the must dos, that might not be ... where you add strategic value, but they have to get done, and they take up time and they take up resources ... There’s the things that we should be focusing on, so the business value add, you know and I think it’s really sort of a time and resource issue too. So we spend a lot of time, primarily because of HRT, doing things that we either haven’t done in the past or haven’t had to do in a long time, making sure someone’s payroll got paid right, you know, which takes away from us playing this other role. So I think it’s probably time and resource.” [DH:9]

“ ... it is contradictory ... from an HR perspective, you’re asking for the same people to improve the operational efficiency and I think to the detriment of where we’re going from a business strategy.” [MW:3]

This is referenced in a slightly different context by another of the HR practitioners, who sees HR as constrained by the management expectation that HR will handle ‘difficult’ issues.

“ ... are we operating at 100 percent in support of the business strategy? I think we’re trying to. Em I think a lot a lot of progress is being made. I think we still get we still get caught up in that the business wants us to do one thing ... whereas if you really want to focus on being that support to business strategy ... you need to get the business to understand that you’ve got to pull away from that role and operate in a different space. And I think we’re making that transition.

... it’s kind of the time that gets taken up sorting out what would what should be ... straightforward issues ... the business appears to want to have an HR referee, that distracts our current function from being able to focus on the things that would aligned better to meeting the business strategy. So an example of that is ... you get an employee who is ... unhappy with ratings, rather than talking to their manager about that, they’re using HR to channel those conversations and the expectation is the manager comes to HR to say, ‘can you sort this for us’. Whereas actually there’s a responsibility on the managers to support to sort that stuff out.

... historically that’s what HR have done. Now whether that’s historically in TF or that’s historically in the marketplace HR have been seen to be the department that will help, and that help is around ‘I don’t want to handle a difficult situation, I’ll get HR to do it. I don’t want to do this, I’ll get HR to do it’. Em and I’m guessing kind

of it's what was built in, what was the expectation, is the piece we need to re-educate around." [AB:3]

This view of the constraints of tactical work on the ability to be strategic is echoed by a business participant, who interestingly prioritises the transactional over the strategic support, as the italicized section indicates.

"I think there are lots of different elements that you need your HR to address ... I think it works on various different levels. First of all there's your basic admin stuff, so people coming on board, have all the right paperwork when they arrive, have all the right numbers for the right systems ... you know so all that basic stuff. That's the first part. I think the second part is more on your day to day areas of er – day to day recruitment, how effectively are we recruiting so that we can fill matching the role with the best person. Which I think is crucial for any organisation. I also find it interesting for day to day man management issues. So if we're having I don't know a wobbly between ... two people in the organisation or we have a performance problems with this individual, it would be good to have HR as a really effective sounding board, because it could be that you're just not managing them correctly ...

And then also I think that where HR can also be effective but I think it's ... *the nice to have rather than the must have*, is just as a general sounding board about how you're managing in our business. Now that's more a kind of a coach stroke business strategy type of role...

... if HR can fill the roles of being an effective business manager sounding board ... and looking at how the basic processes and systems fit together, and how the people are in general, that's really effective. But ... there's a lot of day to day stuff. That you have to do. We have to have support from that point of view. In an ideal world I'd love to have more of a high level strategic input as well."
[LJ:2/3, my emphasis]

A clear hierarchy emerges between transactional and strategic: the transactional foundation must be carried out successfully before strategic space can be entered. However, the tools for making that transition are seen as being under the control of HR.

"I think there's a need for both roles [strategic and transactional], still, because ... in order for them to be good managers, in order for them to make sure that their employees are benefiting from the security, the knowledge that they're gonna be paid on the right day, and ...

they're gonna have the tools to do their job, there are certain amounts of transactional stuff that has to take place.

...we need to build credibility. But equally I think em what we do is we build ways of making those managers more self sufficient. So the transactional piece is to find other ways of solving those pieces, and then can see that HR can then start to help them focus in on the motivation, the engagement of their employees, as opposed to some of the more admin focused.” [AB:7]

6.2.1.2. *HR as Business Partner*

This repertoire was used by participants, but largely to frame a contrast to the tactical role. Few participants articulated a role for HR which linked directly to the business, but the following quote is an exception.

“I think one of the benefits HR could potentially bring to the table is helping people think of what the ramifications are from a people perspective, from a business perspective, about some of the decisions that are made.” [MW:6]

This echoes LJ's desire for an HR 'sounding board' referenced in the previous section. However, this participant goes on to qualify the nature of the support, referencing enforcing legal boundaries and being a 'conscience'.

“I think we have a certain obligation to remind people what the legal boundaries are, because they look to us for that perspective.” [MW:6]

“I do think HR has a conscience from that perspective, in understanding alright if we're continuing to invest in growth without em laying a foundation, it's kinda like an architect building a building. 'I just want you to know that in 20 years it might crack'.” [MW:6]

Even when talking about business partnering, hence, the HR representatives appear to be self-limiting, restricting themselves to conventional HR areas of input, rather than operating as the 'sounding board' requested by the business.

6.2.1.3. *Contradictions in the HR Role*

A variant on the continuum repertoire is an awareness of the contradiction between the various roles HR staff are expected to play, from employee advocate to business partner.

“... my experience in France is that the HR people in the offices, the business partners in the office, act quite differently ... And I think the people in the offices tend to be, and I don't know if this is history or whatever, but they tend to be real office advocates as opposed to being ... corporate advocates. Whereas the business partners are much more a centralised are much more looking for a set of sort of consistent outcomes across the organisation ... almost all have gone native, I think. Which in some sense ... there's benefits to that ... But then again, it's you know, they are still in contradiction to the rest of the team.” [JR:10]

This echoes LJ's quote reproduced earlier [LJ:3], which infers that HR staff need to choose the role they play; this implies that it is not possible for HR to be concurrently both strategic and tactical.

A stronger version of this is articulated by one of the business interviewees, who sees the two roles of HR as inimical.

“I think it goes back to the notion that HR in the States has a sees itself as a dual function. It can't really work out what its primary function is. It is both a policing operation, it polices the managers to make sure that they do things, so it's always viewed with a certain amount of tolerant hostility by the managers, em and its other side is business support, because they're presumably dealing with quite a lot of people individually, they have no knowledge of the businesses they're supporting. The one thing they're actually quite valuable they're supposed to be quite valuable in doing, which is supporting, they can't do properly because they don't know the businesses well enough.” [DHT:7]

This has significant implications for the function's desire for a strategic role. If business participants see transactional HR and strategic HR as inimical, and that to fulfil the transactional role is seen as the primary requirement, it will not be possible for HR to be truly seen as a strategic player by the business. This linguistic construction of the role and function of HR, hence, limits HR to the tactical space.

Whereas HR may use its influence within the dominant coalition to enact a strategic role, this suggests that a transition to strategy which is endorsed by the business is still a long way away.

6.2.2. 'Best Practice' versus 'Best Fit' Models of HR Strategy

Only one participant provided any support for a conceptual 'best practice' model of HR.

"I'm sure that there is an HR strategy, em I'm not sure how kind of closely correlated it is to our particular strategy versus a more kind of generic HR strategy from a company of this size or in this sector."
[GT:1]

But this is quickly qualified, and the 'best practice' argument is linked with an organizational maturity repertoire, suggesting that there is a level of 'basic' HR practice which every organization should have.

"I see those (HR activities) as more in a sense more generic things, but I don't mean to kind of diminish them in any sense, because I think that they are all kind of critical things which any successful organisation ought to be thinking of doing on a daily basis ... focus on the sales force is very correlated to em to our strategy. I think for the others they are you know they are more generic. But as I said ... they should lend themselves to any corporate strategy, I'm not sure that ... their raison d'être is to serve ours exclusively." [GT:1]

His later discourse provided stronger support for a 'best fit' model, where the need for different types of HR for different businesses is clearly articulated.

"I think a lot of what ... HR is doing is ... the right thing, but I think like many aspects of this company, it is done in a more kind of process driven manner than it probably could do ... When I compare that to Banking, HR in a sense had a much more kind of limited kind of remit, but I think I felt – that they – but I think I felt that they ... played a bigger role... I think the HR function in this organisation probably suffers slightly from being given a wider remit than it that it ought to have ... the HR function in Banking ... was more limited, but in being more limited, it probably achieved its objectives more completely. And may have been given more credit for achieving them." [GT:14/15]

The 'best fit' model is clearly articulated by an HR respondent (who herself references organizational design concepts in support of her argument).

"... [the type of HR strategy an organisation adopts] it's really driven by organisational lifecycle ... there isn't a one size fits all, that that idealistic sort of state or that one perfect model.... It's aspirational but that also assumes that your company or your organisation is at prime and operating you know in em in a perfect state as well. Right? That you already are high performing, you're hitting targets all the time, the structure is right, em processes are right, whatnot, em where there's not that many companies that are in that exact position, right? (slight laugh) Yeah so if you think yes, if we were aspiring to be that company, then you'd say my HR organisation aspires to be that as well, but in the interim while we're trying to move there, the HR organisation needs to reflect what actually goes on in the business.

So for example in ... start up companies, right, it's gonna require the HR organisation to focus on certain things. Recruiting is gonna be key, right, training and development, maybe not so important. ... Not necessary. So ... I think the organisational lifecycle is important as companies grow and you know you're needing to have more defined roles and responsibilities ... and you're trying to put in process ... Maybe as it gets older, and you start on the bureaucratic side, when you're trying to move an organisation back and breathe some life into it, and innovation, then maybe there is some there are training and development needs, right, or an emphasis on the HR organisation driving some of the cultural values through the business. So I can to me, where the company is in its organisational lifecycle is probably one of the key drivers." [DDV:1]

This is supported by reference to HR in other organizations.

" ... it was a different phase in Reuters ... Reuters was then was a hundred years old and doing business for a hundred years and was pretty much doing the same business, and was actually going into into decline ... to summarise I think it probably worked reasonably okay in terms of the basics, but I don't think they [HR] added a huge amount of value." [LJ:12/13]

" ... in RAW ... we were a small start up, and ... at the beginning our main aim was to grow ... so the HR person at that time, her main aim was just to get people on board ... There was alignment certainly in the role and the aims of the company." [LJ:8/9]

The data includes clear commentary that the form of HR is dictated by the business.

“I suppose the business owns HR, I think that we can influence what’s em what their expectations are of us, in terms of you know demonstrating to them ... what we can provide and how we can add value ... but you know ultimately we are a service organisation so we are the business’s HR department.” [BB:3/4]

“ ... the HR organisation needs to reflect what actually goes on in the business.” [DDV:1]

“... the business has made a decision as to where, what role and where it wants HR to be, and ... it’s convinced HR to play in that space, and we need to convince the management group that we play in that space.” [AB:4/5]

Two of the senior HR representatives indicated that it is a responsibility in an HR role to adapt to whatever business environment they find themselves in.

“I think the style of leadership determines what credible HR is. And so you have to adapt to some degree to what that style is to be successful and survive in the organisation.” [MW:9]

“ ... maybe it’s really we’re understanding what the organisation needs, during where they are in their evolution, and then coming in and playing that role. Being able to sort of be a chameleon and changing your roles as the organisation sort of gets more sophisticated or changes, right?” [DH:2/3]

The other participants clearly saw that there was a need for an HR strategy which complimented the business strategy.

“I do think that HR does need to blend to the culture in order to be successful. Em – I think we came with our entire strategy towards fix fix fix fix fix and they were grow grow grow grow grow, we would be in trouble.” [MW:5]

6.2.3. Is There An HR Strategy?

Although the ‘best fit’ model dominated the discourse, the business and the HR participants differed in their view as to the existence of an HR strategy.

Business participants were less likely to articulate that there was an HR strategy.

“...(if I was in HR) the single biggest thing I would do ... (is to) match the HR strategy with you know with the strategy of the company.” [GT:5]

One of the management participants did attempt to define the strategy.

“ ... we seem to be adopting a fairly kind of low cost HR strategy, and be quite focused on getting good value people not necessarily the best people for any role, but a perfectly fine person at a good price. And then overlaying on top of that, then developing those people with kind of objectives, performance, coaching, stuff like that, courses. Em – I don't know to what extent - that - works. Would I say anything about that what our people strategy is?” [EH:1]

However, her next comment, about individual managers having their own 'people' strategies, suggests that any HR strategy is less than consistently deployed.

“ ... different ... parts of the organisation seem to take quite individualistic approaches to how they want to manage their people strategy rather than their HR strategy specifically, so ... (the CEO) from my point of view seems to be trying to move the kind of median up in the roles that report directly to him, and get some sort of real stars in. I'd tell you now that we seem to be doing slightly the opposite in GSMS, for example, where we're still very focused on the value end of the scale, and getting people in relatively cheaply and there not being such a willingness to sort of pay up for superior people.” [EH:1]

The implication drawn by the participants is that a clear business strategy is a necessary pre-condition for the development of a clear HR strategy.

“... here, in the UK, you know, where it it's it looks and feels much more like an integrated business, and an integrated HR strategy therefore.” [NB:2]

And the corollary of this is that, given an environment with an unclear or absent business strategy (the view of TF articulated by the majority of the participants), it is not possible for HR to be closely aligned with the business.

“ ... we always say we want to be the strategic partner for our clients ... I think ... we have really no idea what we mean when we say that

... if it's not happening in Sales that would be the first place you'd expect to see it. I mean HR sort of no denigration intended would probably be sort of after Sales in that cascading of the message ... Sort of on the receiving end but it hasn't got anywhere has it. It's not that it hasn't got to HR it's that it hasn't got anywhere, either." [EH:3/4]

"I don't think there's any organisational alignment and I don't think there's any HR strategy (laughs), really. I mean I think HR is doing its best to do the business as usual, around what's going on in the organisation which is probably because the organisation is dysfunctional takes up 100 percent of the time. If the organisation were a bit more functional there would be a bit more space for you to do the other stuff." [EH: 22]

As the researcher was also the HR Director, this may have been an attempt to avoid criticism of the researcher and her department, hence may be coloured by observer bias.

Conversely, however, the HR teams, particularly in Europe, were clear about the existence of a strategy and its key elements.

"I think that ... the work that we have done in reorganising our department is very much geared towards supporting those strategic (business) priorities ... particularly some of the stuff around you know redefining our international remit ... that will help certainly in terms of driving international growth and introduction of the new technologies that can all be built in around that." [BB:1]

Even if that strategy was in development, rather than fully realized:

"I think this organisation should be thankful that we have an HR strategy, I don't know if we had one in the past in Europe but at least we've got something to go by, and I think we'll start to develop this over the next couple of years and it's gonna look better." [CD:8]

"... we're still very tactically minded and we were back then but at least you know now there is a recognition em that that we're swamped with tactical stuff and you know we are looking at ways in which we can address that. You know if at the moment we're not the strategic business partners that we would like to be at least there is a recognition of that and I think that's quite important ... I think for the first time I've had people explaining to me exactly what they see my

role doing ... So it's actually ... a complete mindset shift from where we were before." [BB:2]

One of the HR participants was very clear about the strategic direction of HR and the link to the business.

"... we are a kind of high end knowledge worker type organisation ... espousing a high performance, high commitment, high engagement kind of philosophy ... clearly our strategy as an organisation is to move increasingly towards what you might call high end information solutions. For our products to be an integrated part of our customers' workflow. That in turn implies an ever increasing knowledge worker employee engaged kind of philosophy." [NB:1/2]

"... the high performance, high engagement model ... from that flows the strategy ... that we have, of trying to engage people as much as we can, reward high performance, penalise poor performance, we're non-unionised, essentially, certainly in the US. And we fit therefore that sort of hi-tech model" [NB:1/2]

But he sees its implementation as constrained by organizational considerations.

"... but I think the reality on the ground and this comes back to our structure is that we are still very much in the process of absorbing lots of different companies. And this decentralisation through acquisition in a sense keeps coming back to haunt us." [NB:1]

This view of the limiting factor of the portfolio approach on HR evolution is also echoed by this participant.

".. when I really think back to some of the times, the resistance of even getting these 13 different businesses as they were then, into a vertical customer segments ... all of these things were the ongoing battles of trying to bring what was a highly entrepreneurial run set of mini businesses into one organisation ... just all around the different things that we got involved in, in trying to make that transition. But I think while we were focusing on all of those things, maybe ... some of the progress that HR was making outside in the marketplace was lost." [AB:12]

Although the business rationale for doing this is clear, the inference is that HR's ability to respond to this situation is limited.

“... we’re not doing anything’ ... For perfectly good reasons. Because we’ve inherited all these companies, they do different things, em if we harmonise we’d almost certainly be harmonising up. ...The market that we’re in doesn’t require us to do any more, why should we take the extra cost? ... Plus the fact that it has to be said, as an organisation, em we’re still in the process of really trying to decide what we want to keep in the portfolio. We’re now going through this phase of weeding out things that we think don’t fit, even though in some cases we only bought them a relatively short time ago.” [NB:4/5]

“Where I think we fit (the HPWT model) less well is because we are a federation of mainly small and medium sized organisations that we’ve acquired over the last ten to fifteen years ... if you look at the companies that comprise the group at the company level, they actually operate much more like small and medium sized organisations, even in the US, than they do a fully integrated, IBM, Dell, you know HP type model.” [NB:2]

HR’s ability to be strategic is seen as determined (or at least influenced) by the need to respond to specific organizational events. Again, this positions the business as the prime determinant of HR rather than HR being able to define its own destiny.

“So if you if you take the example of ... two big businesses ...coming in, trying to build one business out of that, we from an HR point of view were putting structures and strategies together, that dealt with the fact that these two businesses had come together ... I think maybe the ... main difference in style was that we were in situations that we were working out strategies to get out of or to deal with or cope with(with the Primark acquisition) we had suddenly grown in size, that we were in a downturn in the economy, we were for the first time ever, facing ... some pretty flat looking figures.

... it took a long time to really settle down, to become the optimal number in headcount, to actually integrate these two businesses in a way that we were gonna be successful, and a lot of our energies and efforts were tied up in doing that. We went through three major RFT programmes when we were getting rid of two hundred plus employees each year. The issues that go around with that, the security, the just y’know the lack of engagement, the morale, everything that goes around with that was being dealt with as well. So I think now, or certainly two years ago we were in a good place that we had established ourselves as one business, em the market

was starting to pick up, we were in a good position to actually start doing some proactive ... stuff, as opposed to dealing with the aftermath of the acquisition.

If you go pre-Primark, I think we were just in the wrong ... HR was still in that vein of trying to be a very excellent ... transactional service ... So at that point we were doing very well, at our transactional piece and that's what we were meant to be doing and that's where the HR place in the organisation was. We went through the transition over three or four years when the outside world was moving HR into a strategic place, us as an organisation were struggling to come to terms with the size and the complexity of the business.

We've come through that, and I think now are looking at ways of becoming that better, stronger organisation, and we've got time for functions such as ourselves to be more proactive around how we ensure the business is gonna make the most of the place it's in."
[AB:8/9]

The disparity noted in this section between the business and the HR view of HR strategy may be due to the transitioning nature of the business and the stage of evolution (the HR strategy is in the process of implementation rather than fully realized), as this HR respondent indicates:

" ... at least you know we now have a leadership team in place that is saying that ... our priorities need to be more strategic in nature ... whilst you can talk about something being strategic, when you actually have somebody showing you what that is, then that's very different ... Whereas you know now having seen the (new HR strategy) ... even if I'm not doing the strategic stuff at the moment, I know what it is and I know what you would like me to be doing."
[BB:3]

A second reason may be the different levels of visibility inside HR and to customers, but irrespective of the reason this poses an interesting communication challenge for HR going forward.

However, it must be said that the view of HR as transitioning is a more functional representation for HR people who are seeking a more central and strategic role for HR, hence its wider usage in the HR population is to be expected.

6.3. Factors Influencing HR Strategy

Despite differing views on the existence of an HR strategy, the previous section indicated that a 'best fit' view of HR dominated participants' discourse. Taking this model of HR, the next area to explore is the contextual factors which might be influential in determining the 'best fit' HR strategy.

Given the multiple views of both business and HR strategy, the applicability of any 'universal' theory is likely to be limited, but it is still useful to examine the factors which participants reference as influential in the formatting of HR strategy.

This analysis will be structured around two aspects of Paauwe's work, the contextually based human resource theory model shown in figure 58, and the concept of the dominant coalition.

6.3.1. The Contextually Based Human Resource Theory Model

This section will look at the three dimensions of Paauwe's model in turn: competitive mechanisms, configuration factors and institutional mechanisms.

6.3.1.1. *Product/market/technology dimension (competitive mechanisms)*

Competitive mechanisms comprise Paauwe's first dimension, which covers contextual factors under the headings of product, market and technology. It would be reasonable to surmise that, in a highly commercial business, these factors would be major drivers of the business and HR strategies. However, surprisingly, these factors are not seen by participants in this project as significant drivers of the HR approach adopted. The interview schedule explicitly asked participants whether factors within this dimension influenced HR, but the answer was routinely negative.

"I don't see that there's really anything in the market that could ... constrain a strategy in any way." [GT:10]

Only one participant suggested an alternative view.

"I actually think that to a large extent HR strategy is a function of the organisation structure. And, which in turn relates to how we view our corporate strategy and the market place that we're in ... the market that we're in is a predominant factor." [NB:1/2]

However, immediately, he presents this as a difficulty for the HR function.

“So if you start off with the fundamental ... which is that we're trying to address a number of different information markets, and we're organised into these vertical groupings, with the four market groups. And, we have as most organisations do therefore a significant tension between the market facing structure, the line of business, and - which is vertical, and geography, which is which is em horizontal.” [NB:1]

6.3.1.2. Organisation/Administration/Cultural Heritage (Configuration)

Paauwe also saw HR as influenced by configuration factors: the organisational, administrative and cultural heritage of the host organisation. This includes (but is not limited to) the heritage of the HR function itself.

Thomson Financial is characterised by participants as entrepreneurial and immature.

“I think Jim Toffey put it really well, in the management presentation that he gave last year ... he said, ‘Thomson Financial's like a two billion dollar start up’ ... And I think that's a lot of that ... in that you have an organisation which is basically lots of little organisations put together ... You do seem to have this sense of okay, we've been stuck together, we've got all this stuff to do in the background, but we are still carrying on, we can see where we want to get to. We want to be the Toyota of the financial services industry. But I still think that we have this kind of start up mentality at the back end, that you've gotta get over.” [LJ:13/14]

This is seen as having a significant impact on HR's ability to ‘get its act together’, as a quote reproduced earlier suggests.

“... a lot of organisations that had been that size or for a longer time had already got all of the processes and the procedures, and y'know they'd got job evaluation, they had structure, they had salary bands, they had all the kind of bits and pieces that come with the way that you run a large organisation. And TF was so desperate to fight to not become a large organisation, em there was a lot of resistance around anything that might look a bit like bureaucracy, or em anything that might stem flexibility.” [AB:12]

The heritage of the organisation, its origins in multiple acquisitions, is however seen as a significant influence and constraint on HR's ability to be truly strategic.

"... we've got this sort of overarching HR strategy of of trying to look and feel like a high performance, high engagement organisation, and you know to a large extent I think that is an appropriate model. But we've also got all this organisational internal complexity as a result of our structure and our history, which ... makes it quite difficult for us to achieve, that aim." [NB:5]

Although one of the participants represents this as a factor now diminishing in importance.

"Certainly our culture has been very disparate. You know we've come together from I guess it's well over fifty acquisitions now, and em it's a culture that is moving and developing very fast ... I think in terms of the way in which HR runs, actually my predecessor more or less shook that out. Em, so did create common HR practice, common approach and a single HR team ... I think the pockets still exist in the business but they are diminishing, but I think the HR culture had actually already been shaken up quite considerably before I took over, and I've never felt that I'm operating in an HR team that is still em fractional or not operating as a single, one TF approach." [SD:7]

Experience, however, in terms of prior critical events, is seen as still influential, as this quote (part of which was reproduced earlier) suggests.

"... we seem to be adopting a fairly kind of low cost HR strategy, and be quite focused on getting good value people not necessarily the best people for any role ... And I wonder if that goes back to sort of the legacy issues we had with some very long tenured expensive people, and em managers being concerned about building up another rump of people like that." [EH:1]

These factors are referenced by participants, but expressed as constraints on the HR function's ability to strategically support the business.

6.3.1.3. Social/Cultural/Legal Dimension (*Institutional Mechanisms*)

Paauwe's third dimension considers how institutional mechanisms may drive the HR strategy. He sees normative factors as potentially influential contextual factors, which includes professional institutions, consultants and hiring employees from the industry.

i) *Social*

The project provides little evidence to support the influence of institutional mechanisms. The influence of normative is viewed as limited, and if anything serving to perpetuate transactional form of HR rather than strategic, as the following comments on the role of the professional institutions (the CIPD in the UK and SHRM in the USA) indicate.

"I don't know SHRM well, obviously I'm at a disadvantage because you know I'm still relatively new into this field, but I haven't been impressed by SHRM in particular." [SD:6]

"I don't see (the CIPD's) influence at all. Em, I think there is some research materials out there but ... it's a very low played, low key role ... certainly I've never seen the IPD as being a strong influence on the way that ... I do things or the way I've seen things being done. It's kind of there in the background supporting what people want to do but it's more of a reflection to me I find it quite ... reactive. It reflects and tells other people what other people are doing, it doesn't lead the way." [AB:13/14]

"I am so not into them (HR institutions). I am not a networker ... SHRM and NIRA and all those I take with a grain of salt. I think that they can come and you know they have some good ideas and some of that but it's like that consultant you don't know until you live it. So ... I don't pay a lot of attention to it." [DH:7]

Influence of consultants is also seen as minimal.

"I think that we will use consultants to generate ideas or understanding about an approach or a discipline, em so Parthenon did a huge amount of our early work on customer segmentation and needs analysis. We've now learnt to do that ourselves ... we will spend the next year learning how to take a more rigorous approach to innovation. And I'm quite convinced we will then go off and do it ourselves ... We do it ourselves, and ... we're not going to learn anything new from Parthenon now, we've sucked them dry." [SD:7]

Although mimicking moves by competitors and hiring from competitors is a conscious strategy.

"I think a smart move that (the President) made early on was 'okay, I've got these ... thirty plus assets, all operating as independent entities, if I want to be one of the big three, what have I got to start

behaving like?’ And she made some key hires from people who had worked in others of the big three. Em, now an interesting I think that worked very well at the time, but now we need people coming in from, different types of organisation.” [SD:10]

One way in which normative influences are brought into an organisation is through new recruits, who bring in best practice and other organisations’ models into the company. Whereas hiring from other companies is referenced for the business, this respondent attributes a lack of HR progress to the lack of “new blood” in HR.

“We had a very stable HR department through that period of time ... we had very little natural wastage and we had we had ... practically ... no recruitment, so we went through a period of being very stable ... in headcount or just people and styles. Em, I think what is interesting what has been interesting for me in the last 18 months ... is that the influx of new blood into HR has brought an awareness that maybe TF has taken longer too long to get through that get used to the idea that this is a big organisation and therefore it needs processes and policies and ... some of the stuff that comes with being a big company.

I think while we were focusing on all of those (business integration) things, em, maybe some of the em some of the progress that HR was making outside in the marketplace was was lost ... Because a lot of organisations that had been that size or for a longer time had already got all of the processes and the procedures, and y’know they’d got job evaluation, they had structure, they had salary bands, they had all the kind of bits and pieces that come with the way that you run a large organisation.” [AB:12]

ii) *Cultural*

Culture is seen as an influential factor in terms of HR strategy, particularly in terms of the organisation’s entrepreneurial, non-process centric approach.

“I think that’s indicative of how our business is run, but there always needs to be something new, better, em and there’s not a whole lot of satisfaction derived from operationalising and fixing some of the things that are problems for us.” [MW:3]

“Em, I think it’s a really delicate balance to be had, in growing TF, developing TF, em between implementing the right level of process and discipline to allow consistency, that we need on the scale of the organisation we’re now running, eight and a half well nine thousand

people, em two billion dollars, and not wanting to kill that very important entrepreneurial em performance driven organisation that em you know has made so much of our success, reality. Em, so I think we will just have to be very light touch, to get that kind of em to keep that kind of balance, You know what level of process is good process. There are those in the organisation that would say any process is bad. Well that's just patently not true. Em and people need to mature a little bit to understand that great process can actually cut costs, improve quality, time to market, and is not a em killer of entrepreneurial spirit or innovation ... I certainly don't think I see always the level of flexibility in HR that I would like to see, em and hence I think there are too many times when the business experiences HR as heavy handed, when in fact we're not intending to be." [SD:7/8]

Participants were explicitly asked whether national heritage was an influential factor on the nature of HR strategy in the organisation. However, there was no strongly articulated view of the organisation as having characteristics determined by its national background:

"... in Europe ... I see this as quite an English way of doing things. And I think that the culture here is sufficiently different from the US because I do think the New York office is a very em a very standard US kind of company it takes a very standard US approach to the way that they think about the company. Em quite production line kind of focused, it's very you know – em – very much a US manufacturing company mentality. Em and I think ... we see ourselves as being something different from that, em but I think probably the whole European organisation's pretty UK centric." [JR:14]

iii) *Legal*

Very little reference is made to legal influences on HR. This is only referenced by two of the HR participants, the first of whom is the employee relations manager (who would obviously have the greatest interaction with legal principles).

"(Legal considerations are) probably the single biggest external factor on what I do day to day. Em you know it really goes without saying but I have to be completely up to date about you know what is the the timetable, what's coming out of statute, what's happening in the tribunal, you know you just have to have your finger on the pulse." [BB:12]

“I think we have a certain obligation to remind people what the legal boundaries are, because they look to us for that perspective.” [MW:6]

One would perhaps have also expected reference to legislation impacting the business (e.g. anti-trust legislation), but none of the other participants referenced legal influences or considerations.

6.3.2. The Impact of the ‘Dominant Coalition’

The analysis in the above section suggests that participants do not see contextual factors as a significant influence on HR strategy. Paauwe’s model suggests that, given an absence of strong contextual drivers, the “dominant coalition” (Paauwe, 2004, p92) will have considerable leeway to shape the HR strategy in the way that they deem most appropriate.

Paauwe’s “dominant coalition” is a group of actors, including senior management, middle and junior management teams, employee representatives and HR management. The dominant coalition, according to Paauwe, “is involved in shaping and selecting HRM policies and practices” (Paauwe, 2004, p92) and “is challenged to enable HRM to make a genuine contribution to sustainable competitive advantage.” (Paauwe, 2004, p92)

The next question which this project addressed was that of whom do the participants in the TF study see as the dominant coalition, and what influence do they see those actors having on HR?

6.3.2.1. *Membership of the Dominant Coalition*

Participants had a fairly consistent view of the membership of the dominant coalition. The HR director and senior business management team were seen as the key drivers, with the parent company (the Thomson Corporation) referenced as a secondary influence. Perhaps surprisingly, the Thomson Family were not seen as part of nor significantly influencing the dominant coalition.

“... the very low key approach which our main family shareholder takes.” [GT:3/4]

All of the participants saw the HR director as the leading determinant of HR strategy (although again there could be an element of researcher bias here, given that the participants were aware that they were talking to the HR director). The HR director is seen as the major driver of HR, either alone:

“I’d say you design HR.” [JR:7]

“... the people that I’m aware of (who do HR strategy) are you, most directly ...I mean I think you are you personally are present at all ... the senior business fora ... you are expected and required and inclined to do your job in such a way as it is kind of ... matching the strategy of the company.” [GT:6/7]

Or in conjunction with the President:

“Some of the decision maker is the ...HR director. The other piece in that ... (the President) is making some decisions as to where he wants to see the direction of HR going, advised by the HR director.” [AB:5]

With the senior business management team as important stakeholders.

“... the management team are important stakeholders.” [JR:7]

A third group – the employees – is added by one of the HR respondents, although the inference is that their influence is via their constraining behaviours rather than by their positional power.

“I think at the moment we have a fairly strong voice in ... our employees, who are ... controlling the direction of HR by the way the way they’re interacting with HR. And that’s quite powerful. Em they’re quite a powerful influence.” [AB:5]

Finally, it would be reasonable to suggest that participants may reference the influence of the Thomson family, who own 78% of the company. This creates a unique semi-private structure, where shareholder pressures still exist, but the family majority shareholding allows for market rationalities to be mitigated. This is a limitation of the Paauwe model: the latter is oriented towards more traditionally market driven publicly listed companies, and the expectation is that one would expect the model to be less applicable to private/semi-private companies.

However, where it is mentioned in the discourse, the Thomson family ownership structure is seen as having little influence.

“Does the fact that we’re owned by the family make any difference to the way we do things? ... I don’t feel any em strength of presence of or power of the family influencing in the way things are done within Thomson Corporation ... and certainly don’t see any of that filtering directly filtering down to Thomson Financial ... the fact that they own

78 percent or whatever the percentage is at the moment ... I don't feel that power it's been exerted at all.

I think it's such a huge organisation and there are only you know there are only sort of three probably at best family members actually involved in anything to do with running the running the organisation, so it doesn't feel like a family organisation any more." [AB:14/15]

6.3.2.2. *How Does the Dominant Coalition Influence HR*

The style, credibility and focus of the HR director is represented by influential by respondents.

" ... the leadership style that I'm seeing now (in HR) is about building credibility ... within the business. It's about building relationships with the peers and the senior leaders in the organisation. Em – it's about being creative, it's about being innovative, it's about having vision and ... being proactive in in the approach to HR. What I think I saw before (with the previous HR director) was more focused on the department em than necessarily building his credibility in that in that peer group. Em his leadership style I think was probably more reactive, so em we had situations that we had to deal with ...I think the difference between what I saw what I see now and what I saw then was reactivity and proactivity." [AB:8/9]

Although respondents see the significant, if not a deterministic, influence on HR is the style of the management team.

"It (the alignment between HR and the corporate strategy) largely has to do with leadership, that's, stating the obvious ... I've seen three different views on how HR is valued and where they belong and they tie to the strategy, and that probably even has more to do with the head of the organisation and who they bring in, so ... (An ex-President) probably wasn't the strongest leader and didn't know how to not how to use HR and how to bring them into an organisation, hired someone who had the breadth and depth of HR em that was really impressive but lacked interpersonal skills, and so he was not able to align that ExCom team to HR. So I think a lot of HR strategy and its value in the organisation has to do with leadership at the top, for both ExCom level and the HR person and then it goes down." [DH:1]

“The thing with the management team is that ... they tend to be very reactionary and often moved by individual situations ... it’s quite a demanding and a not very understanding audience ...one of the ... things with HR, it’s like any anything’s that’s primarily a kind of process related, which is it takes a while to see the results and it takes a while to build up a series of good results that kind of negates any previous bad results.” [JR:7/8]

Even when the management team is viewed as supportive, a further element of the dominant coalition, the parent organization, is cited as a strong influence.

“I think we are extremely fortunate to have a leader who is very people focused. Very people focused. And therefore ... understands the role and importance of a good HR support team. Em, however, em, there is you know quite a number of challenges in being pulled between TF ExCom and TOC ... There are the potentials for derailers there ... I think that at a TTC level ... there is a philosophical and em strategic ... belief and understanding of the importance of HR and the focus on people across TTC, but I think they’ve put most of that emphasis into systems and processes ... And are not yet seeing ... a total picture.” [SD:3/4]

“When you have more freedom to create an HR organisation and strategy as an independent, you know organisation or market group, versus under a corporate umbrella, where you lose some of your flexibility.” [DH:1]

“I think that’s where the Corporation, versus being an independent, really becomes a conflict, right? Corporate says this, you lose a lot of your flexibility, to do what you think is right for the organisation, and I think that that’s where HR can really get tripped up.” [DH:3]

Of the elements of the dominant coalition, the parent company is clearly seen as a constraining influence which prevents HR from achieving the business fit which it could otherwise attain.

There is a sentiment expressed that the parent company will continue to impose its view, even when it has been proven wrong.

“I think if we were honest, we’re not going to receive half the benefits that we thought we would get out of HRT (HR outsourcing programme) in general. We’re not the cost savings ... we don’t have the headcount reduction, we’ve lost a lot of institutional knowledge, em I think that the Corporation needs to save face, there’s no way

we're going to pull out of a Hewitt arrangement, and there are probably some things that make sense, is to you know invest in Hewitt with outsourcing our service where we can't add value, but they need to get it right. How I think it's gonna pan out? I think it depends on how honest people will be, in terms of what's been successful and what have been failures, and not be afraid to go back and undo things that we thought might have been directionally right." [DH:3/4]

And the responsibility of HR in this context is to act as an advocate for its business.

"I think you just have to sort of fight for what you think is right, not be afraid of what the ramifications will be and then just modify what you end up having to live with." [DH:5]

Whilst it is not unusual for individuals to rail against the parent company's influence, what is perhaps more surprising is that no reference is made to other governance structures (e.g. compensation committees, corporate social responsibility functions, diversity groups). Whilst all of these exist at the Thomson Corporation level, they are not deemed worthy of mention by the participants in this study as influences on Thomson Financial. This adds to the impression that this is a hyper-flexible, potentially ill-disciplined organization.

6.3.2.3. *Inconsistency Within the Dominant Coalition*

The elements of the dominant coalition (the HR director, the CEO, the management team and the employees) are seen as inconsistent in their direction. This is used functionally to justify HR's failure to maintain a consistent 'best fit' with business strategy.

"... that to me is the battle. We need to get to the point ... where one group decides. And that's that's either [the CEO's] or it's the HR Director, whoever's ... actually making the decisions out of that combination of people. And we need to get to the point where the management of our organisation agree that that is the direction that HR should be going in, and that's the role HR are playing." [AB:4]

The management team, furthermore, is seen as inconsistent in its approach and driven by individual agendas. This is represented as a further constraint on HR's ability to be strategic.

"... we just don't have consistency among our management team. And we probably do in some ways and in some places, but there's ...

a number of levels of inconsistency within our kind of core sort of decision makers in the business that means that even if you had you know whatever HR processes you've got, your primary decision makers are not all in line with each another anyway, so maybe there's an HR sort of strategy around the support of that management team as a management team, but that's a very tricky thing, because if the support of the management team is yourself, you know, working with all the individuals in that management team, and yet becomes you know individual strategies for individual people and there's not really a guiding force across you know working across that sort of management level." [JR: 16]

In the absence of a coherent direction from the dominant coalition, the personalities in the business and their receptivity to HR are represented as influences on the level of sophistication an HR function can attain (this ties to the earlier 'best fit, HR led by the business' theme).

"... it's still quite a personal organisation ... people and personalities are big drivers of how things get done." [JR:17]

"... if for example (a senior client) came back to me one day or (the CEO) went to you and said, 'Look, you know that deck that you presented to me on employee engagement or diversity or whatever it may have been, that's lovely you know and I appreciate the work you did, but actually I'd just kind of like you to be an employee welfare officer', then that is what we'd end up doing, I believe. You know, I mean I think that we can demonstrate our value in what we're doing but ultimately we need to deliver what the business wants us to deliver, not what we think the business wants us to deliver.

... I think that we all have quite a good sense for who are the clients that we can influence. You there's no doubt that there are ... certain business heads within this organisation that are very receptive to new ideas from HR and you know whatever input we can give them, there are other business heads who ... don't appear interested in the input that HR can provide. And there are some other senior managers again who ... for whatever reason ... I don't know whether they're not interested or they're not capable of seeing the value, or whatever it is. But they have a completely different idea of what we're there for.

Em I think that we have a bit of a challenge in this environment because ... I view TF Europe as a sales organisation, and everything is geared towards that. And some of the personalities we have

within Sales are, you know in my mind, they appear to be quite short term in their views and that's not conducive to strategic input from HR ... that's not true of everybody and I think actually that at the very top of this organisation we think very very long term ... but I think that you know lower down that some of the personalities can be quite em it can be quite challenging to get them to think on a strategic level.

... I spent 2 years working with (a senior client) and within the first 6 months it became quite apparent to me that you know he didn't really see HR as being a function that can add strategic value, he wanted me to do the roadsweeping. And that's fine ... However, you look at some of the other business areas and (a second client) has been very much more receptive and he's actually tried to encourage me to get involved in even more stuff that I haven't had the bandwidth to be involved in. ... (he's) been very very accommodating in terms of trying to get HR involved and bring out new stuff for him. So ... it really depends on what the individual client is looking for. So em you know with (a senior client) for example it's manifested itself in terms of doing very particular tactical work, whereas with (a second client) ... I feel as if my work with him has been on more of a sort of a business partner footing and it's much more of ... a progressive relationship than perhaps has been the case with other HR people.”
[BB:4/5]

To summarise this section, this raises the question of, in the absence of strong contextual factors, and driven by an inconsistent and internally contradictory dominant coalition, what remains to drive business and HR strategy in TF? The participants in this project view the whims as senior management as a major driver of business strategy.

This is represented by HR staff as a constraint. Where the business strategy is subject to the peccadilloes of senior managers, rather than based in sound analysis of the competitive opportunity, participants use this to support the defence that there is little prospect of an appropriate HR strategy being deployed. Again, taking a functional view of language, this is a very useful stance for HR to take, as it explains the lack of fit between business and HR strategy through reference to an unclear business strategy and inconsistent management direction, deflecting any potential blame attribution towards HR.

6.3.3. An Evaluation of Paauwe's Model

Prima facie, this study appears to offer little direct support for Paauwe's model, in that it appears to suggest that neither contextual factors nor the dominant coalition are strong influences on the HR strategy adopted by Thomson Financial. Whereas all of Paauwe's factors are referenced, none of the participants indicated that they viewed them as a strong influence: contextual factors were seen as diverse, inconsistent or merely unimportant. The dominant coalition, however, was seen as internally contradictory, but, conversely, the dominant coalition was also perceived as powerful, suggesting that their influence served to factionalise and fragment the strategy, creating inconsistency in direction

However, one could also interpret this in another way, which offers more support to Paauwe. In the absence of strong contextual factors and with a lack of consistent direction from the dominant coalition in Thomson Financial, the enacted business operation (rather than the espoused strategy) is unclear. If one presumes a 'best fit' model, a logical corollary of unclear business strategy becomes unclear HR strategy.

The determining factor on both business and HR strategy, in the absence of strong contextual or dominant coalition drivers, becomes the peccadilloes of the most senior managers. A strong theme, hence, is the overriding (and sometimes irrational) influence of the CEO. This is consistent with respondent's discourse.

However, this still leaves us with three problems with Paauwe: the difference between espoused strategy and enacted HR (a theory which can more adequately explain the reasons for the difference between the two is advanced in the next section, the 'discourse of constraints'), an emergent model of strategy and the idea of change.

The first difficulty for Paauwe's model is the difference between the definition of a 'best fit' HR strategy ('espoused' strategy) and the reality of implementation ('enacted' HR in use). This is a clear theme in the discourse, and cannot be explained by Paauwe's model.

"... our internal structure and our history, is also a very important factor. Which to an extent I think runs counter to what we what we would ideally like to be. So I think we're to an extent still a bit of a em a sort of schizophrenic organisation, in that we have this vision of ourselves, certainly in the States, that doesn't necessarily correspond to the reality on the ground." [NB:2]

Secondly, there are also inferences that HR strategy may be more emergent than Paauwe's model suggests.

"I think there's also quite a strong case for saying that *perhaps almost unwittingly*, em, Symphony (the outsourcing project) has taken us quite a long way down the path that we wanted to go, but perhaps wouldn't have done, if we'd not actually thought of the outsourcing route." [NB:6, my emphasis]

"Total, total serendipity. Totally unplanned. And I have to say an awful lot of what you know happens in Thomson, is pretty much like that." [NB:8]

Change is probably the most difficult element for Paauwe's model to explain. Like the difference between RBV type core competency approaches and the recent dynamic capability work, it infers that HR's role is to develop and deploy strategy in a static environment. As this participant indicates, changes in business direction have a clear impact on HR.

"...going back into the Nineties, before Dick Harrington took over as CEO ... there was a really strong view, coming from the top, that we didn't want to harmonise, and integrate. We had bought these assets, and that a large proportion of the value of the assets resided in them staying relatively independent and decentralised. And you know there was this feeling that if you if you tampered too much, the value that we'd bought that we'd paid usually a lot of money for, would evaporate. So we went through this significant shift, when Dick took over, of moving away from that philosophy, of saying ... the name of the game is to preserve that value, but at the same time get much more in terms of leverage and cost saving, from greater integration. So that was a significant shift and obviously we're going much further down that route now (in HR) ...and all these areas we've hitherto resisted bringing together. So again you know that's gonna significantly change that in the character – of the organisation." [NB:6/7]

6.4. Implementation – the Discourse of Constraints

The extracts selected thus far have concentrated on conceptual views of the HR strategy and 'fit'. This section will look at representations of the enacted HR strategy. This elaborates further the discussion on Paauwe's framework, by looking at factors influencing enacted HR in use, rather than a conceptual discussion of the espoused strategy.

Paauwe's conceptual model does not consider the implementation of HR strategy, and this project provided an opportunity to consider some of the constraints and limitations on the enactment of HR within an organisation.

Although no question in the interview specifically addressed implementation issues, unexpectedly, a strong theme around constraints on the achievement of best fit emerges from the data.

In the absence of seeing a strong link from business strategy to HR strategy, participants couched their discuss of HR with an elaborate set of constraints which were posited as preventing HR from creating a better fit with business strategy. This is interesting, as it contains the implicit assumption that there actually is a 'best fit' HR strategy for a particular business, but that situational factors prevent it from being implemented.

As a caveat, it is interesting to speculate how far this could be an effect of researcher bias, as one can surmise that participants were unwilling to criticize the researcher, given her position as the organisation's HR Director. However, the fact that constraints are referenced by every participant suggests that this is generated by a widely held perception of the organization as sub-optimal, rather than an attempt at impression management.

These constraints can be divided broadly into 'organisational' factors and what may loosely be termed 'professional' factors. Organisational factors include lack of investment in employees, management capability and style, and perceptions and expectations of HR. 'Professional' factors include the transactional/administrative heritage of HR (and the necessity to complete transactional processes) and issues of resource availability and quality.

Although it may be able to categorise some of these factors within the 'configuration' element of Paauwe's model, his model is couched in positive terms and does not acknowledge the existence of factors which potentially limit the ability to achieve best fit. Consequently, it has been decided to analyse constraints as a separate category.

6.4.1. Organisational Constraints

Organizational factors include lack of investment in employees, management capability and style, and perceptions and expectations of HR.

6.4.1.1. *Lack of Investment in Employees*

Lack of investment in people is posited as an organizational constraint as the following two quotes suggest (EH:1 was reproduced earlier).

“ ... we seem to be adopting a fairly kind of low cost HR strategy, and be quite focused on getting good value people not necessarily the best people for any role, but a perfectly fine person at a good price. ... in GSMS, for example, where we're still very focused on the value end of the scale, and getting people in relatively cheaply and there not being such a willingness to sort of pay up for superior people” [EH:1]

“One of the challenges that I take a look at is that em from a business strategy perspective I feel like we're aimed towards we say we're aimed towards growth ... we want to retain the best talent, we want to develop peoples' careers, but we're begging for money in order in which to do it ... So, when I look at our business strategy I look at ... improving sales, organic growth, opportunities outside the market, and then there's this other component of improving efficiencies, retaining employees that in some ways the two are really struggling for priorities.” [MW:1/2]

These quotes give an interesting insight into organizational values and organizational culture: they suggest that a general management philosophy in Thomson Financial may be average people at an average price, which is far removed from the organisation's espoused 'best talent' philosophy. Lack of investment in employees leads to a theme expressing a lack of investment in HR.

“I think we ought to be investing at a senior level we ought to be investing in HR as much ... as we can really. Probably more than more than we do.

If you look at how you know how polished the HR function is in certain other institutions ... a higher level investment, let alone I mean you know the large kind of corporates, you know at these kind of management programmes and graduate programmes stuff. I'm frankly quite surprised that we don't do any of that.

... And just as I think this company has a rather kind of immature attitude towards kind of elements of corporate identity, I think that feeds into the into the HR strategy, so we don't really have a graduate kind of recruitment programme, we don't really have a

profile on campus, we don't have any of that. You know, Bloomberg does, Reuters does. Why why ever are we not doing that?

... But that also seems to kind of inform a certain kind of reluctance to really invest in ... a more blue chip recruitment strategy. So I think you're being hamstrung in your ability to do that. While I think probably while I think you're probably being encouraged ... to do some of these kind of consulting type projects, which I think which ... will never be a substitute for – for the other things ... which you're not being encouraged or not being given the funding to pursue.” [GT:16]

“ ... it will be quite difficult to realise a truly strategic function within an organisation like Thomson Financial just because you know we have budgetary constraints.” [BB:5]

6.4.1.2. *Management Capability/Style*

Following on from the 'lack of investment in employees' theme, management capability is articulated as an HR constraint.

“ ... line management is not happening particularly well, em that creates more tactical work for us to do ... We end up doing a lot of work that in an ideal world em line managers would do ... And again we would have so much more bandwidth ... Although that's not unique to this organisation at all.” [BB:7/8]

“... it's not easy because you've got very – very - steady state people at the top of the organisation. Although I'm aware they don't necessarily act as barriers it's through absence. They're not stopping anything happening but they're certainly not helping anything happening either ... Questions of the leader in that function.” [EH:5]

AB's comment takes this in a slightly different direction, and indicates that there is an expectation in managers that HR will deal with difficult issues, which constrains HR's ability to move out of transactional work.

“ ... the profile of our company is that we allow young, inexperienced managers to manage, and I think that brings ... has an impact on the way HR happens. If you were within an organisation where you had experienced managers who were happy about managing and took the responsibility of managing seriously, then I think ... the role that

HR would play would be very different ... it makes HR a lot more involved in the day to day running of those managerial employee relationships. Em so again it gives that tug on HR playing a part in the transactional place, the inexperience of the lower level managers and the inexperience of some of the senior level managers (laughs) ... means that there is a lot of there is still too much ... sweeping up the mess as opposed to the proactivity of focusing on where the business is trying to go." [AB:15]

However, she goes on to indicate that this re-education is under the control of HR.

"Em and I'm guessing ... it's what was built in, what was the expectation, is the piece we need to re-educate around ... It's also about giving them (managers) the tools, education and options so that they know where else to go. So it's not just saying 'we're not doing that anymore ... we're doing something else, we don't do it'. It's ... part of that transition and overcoming the barriers to that transition, for me is about teaching them where they go instead ... teaching them how they can be self-sufficient. Providing them with the tools that enable them to be better managers, and therefore enable them to have and deal with some of the conversations. And some of it is about looking at what can be done, in different ways ... Going to HR systems, using those, using the intranet, em the self-service kind of stuff, having going to having an outsourced provider, possibly for some of the bits and pieces." [AB:3/4]

Management style is also presented as a determinant of the type of HR an organization has.

"I think the style of leadership determines what credible HR is. And so you have to adapt to some degree to what that style is to be successful and survive in the organisation." [MW:9]

"... the business has made a decision as to where, what role and where it wants HR to be, and it needs to it it's convinced HR to play in that space, and we need to convince the management group that we play in that space." [AB:5]

6.4.1.3. *Perceptions and Expectations of HR*

Low expectations are seen as another constraint on HR.

“That’s a really interesting point that I hadn’t thought about, which is you can be marginal on strategy because my expectation is you’re below that, so if you even deliver at that level, it’s fine.” [DH:11]

This is compounded by a difficulty in demonstrating causality in HR.

“ ... it would stand to reason that if you have a support function that enables us to you know retain our best sales people, reward them properly, you know develop them properly, keep them happy and motivated, that that would feed into the business success ... but it’s kind of it’s ... one of those investments that you know it’s not easy to link sales success to a support function ... If he (the CEO) sat down and he saw that our sales people have not left the company and in fact our sales figures had gone up significantly as a result, could he draw an explicit link between that and HR strategy? I don’t know. Em you know there could be any number of different factors that might have precipitated that, I don’t know.” [BB:6/7]

There is also an issue in terms of the long time period required to demonstrate credibility in HR, as referenced by both business and HR respondents.

“... with HR, it’s like any anything’s that’s primarily a kind of process related, which is it takes a while to see the results and it takes a while to build up a series of good results that kind of negates any previous bad results.” [JR:7/8]

“I think the pace of things is probably slower, because it’s over time that they (the management) see the added value. And it’s over time that they realise that this is actually better for them than what they were previously getting or they were previously asking and expecting. Em so the impact of that is that it takes longer to get to where – we’re trying to get to.” [AB:4/5]

6.3.1.4. Organisational Maturity

The stage of evolution which the business has attained is seen as determining and limiting HR.

“... (HR’s) trying to do the end bit of the game, it’s trying to do talent management, developmental things, really huge PMAT processes and ...we’re not ready for them ... they don’t add value to an

organisation that hasn't done the first step and we haven't done the first step yet." [EH:20]

"I think it would be difficult to have a really superlative HR organisation in a kind of a non-superlative non-superlative organisation, frankly. I think that there has to be there has to be a commitment at the level above you ... to really invest in people, in the environment, and if that isn't there, I think you know you will always be more constrained than you would like in your ability to kind of execute a really kind of first rate HR strategy." [GT:7]

" ... that one perfect model [of HR].... It's aspirational but that also assumes that your company or your organisation is at prime and operating you know in em in a perfect state as well. Right? That you already are high performing, you're hitting targets all the time, the structure is right, processes are right, whatnot, where there's not that many companies that are in that exact position, right? (slight laugh) ... If we were aspiring to be that company, then you'd say my HR organisation aspires to be that as well, but in the interim while we're trying to move there, the HR organisation needs to reflect what actually goes on in the business." [DDV:1]

" ... because there is so much that you can do with HR but it also depends on ... where you are in the organisational evolution and in this organisation it is still restructuring at the back end, we have so many processes that are all in the process of being fixed. It's quite a tough one I think to have your ideal HR partnership when there is so much else that still needs done elsewhere in the organisation. But in an ideal world yep, fantastic to have a more proactive involvement, certainly." [LJ:11]

The 'best practice' model is echoed here, to support a commentary that the service provided by the TF HR team is generic, but that that is appropriate and necessary, given the organisation's state of evolution.

"I think a lot of what you do ... may be generic but is very relevant to this organisation ... I don't think you necessarily have to ... do things which are ... utterly aligned to Thomson ... in order to play your role in kind of driving the company, I think every company ought to have you know a strong level of employee engagement and I think that is especially true for us, so the right thing to focus on. And indeed because I think we're starting from a lower ... benchmark I would say that that is in line with the corporate strategy ... I think that again is something every organisation should be doing and something I see

us doing. I see you know the level of the sales force being raised, so again, right generically and right for us.” [GT:13]

6.4.1.5. *Best Fit in the Heterogeneous Organisation*

Rather than finding a strong contextual driver for HR strategy in culture, the influence of national heritage is articulated in a rather different way. The pragmatic need for an HR strategy to serve the largest part of the organization, and the subsequent lack of customization of elements for smaller regions or smaller business units is clearly articulated by this participant.

“... because we’re so heavily focused on the US, clearly our HR strategy has been and probably will continue to be, focused very much on North America, and how they perceive the HR strategy should flow from what we’re trying to do in terms of the business objectives, the market groups, and transformation of that structure er into a more co-ordinated and ... centralised ... approach. So everything that we’ve been doing ... has really been, I would say conditioned by that sort of very US centric approach. And I think we have to recognise that that’s inevitable, given that eighty percent of our market is in the US and something like seventy percent of the employees are in the US as well.” [NB:1]

“... once you get outside the US, then that’s that really sharp distinction between as I say the fully harmonised, fully integrated hi-tech high performance type strategy, and what we actually have in reality, which is ... a very large number of small groups of employees dotted around the world, spread over forty or more countries, em is em much more the reality that we have to deal with. And all of the complexities of trying to make those employees, feel part of, that high performance em high engagement culture.” [NB:2]

“With Thomson you’ve always got this thing that there’s quite a big core, em and then you’ve got things around the edge, and it’s the things around the edge that come and go. And where maybe your HR strategy is less appropriate.

Em, but I think the kind of central thrust of what we’re doing is entirely appropriate to the market that we’re in. In the US. As I say where I think you start to perhaps raise some awkward questions is, how you implement that strategy internationally, where you have no critical mass.” [NB:13]

The implications of this are interesting: centrally driven practices, which fit the largest segments of the organization, are articulated as a constraint on the implementation of an ideal 'best fit' HR strategy in smaller areas of the business. This was also referenced by DH in her comment about the constraints placed by HR outsourcing on the HR business partners' ability to deliver solutions matched to their business's strategies.

This suggests an issue with Paauwe's model – the difference between analyzing the context to determine the best fit strategy ('espoused' strategy) may be very different from what it is feasible to put into place ('enacted' HR), as this participant goes on to say.

"I think you have some natural constraints, on what you can do, and that's where in a sense the sort of pragmatism comes into play of saying well we can use some elements of what we're doing in the States, but not others." [NB:13]

"So I think you very much have to try and use what you can, and em you know make the best of the resources that are available ... in other areas it's very much what you can do realistically, as opposed to what you'd ideally like to do ... So I think you're always gonna get that combination of ... the big picture strategy, what we the kind of organisation we'd like to be, as opposed to what realistically we can be. Because I there's always been this quite high level of pragmatism that's marked the whole management approach traditionally. At Thomson." [NB:14]

6.4.2. Professional Constraints

'Professional' factors include the transactional/administrative heritage of HR (and the necessity to complete transactional processes) and issues of resource availability and quality.

6.4.2.1. Transactional/Administrative Heritage

The need to build credibility in transactional HR is referenced by a number of participants.

"... on balance I think ... we've got the support, and we will just need to deliver business benefit in an incremental ongoing way over that, you know it's not going to be nothing, nothing, nothing, fantastic, it's going to be small projects delivered right the way through that time phase which will create pockets of business benefit ... there are

other aspects of em business benefit delivery which you know I hope will begin to show up in different parts, whether that's fixing the recruiting models, or some of the system delivery that we're going to get over the next year or so. So ... it's not gonna feel like holistic success, for twelve to twenty four months, but em it will feel like some individual improvements, which eventually will add up to holistic success." [SD:3]

HR appears to be caught on the horns of a dilemma in TF. Whilst the organization does not value transactional process, seamless delivery of transactional process is seen as an essential part of the role by HR.

"... in theory and concept, the idea of outsourcing the HR function has worked. The challenge is ... that embedded in the nuts and bolts and food and shelter piece are significant parts of our brand and our strategy. So you take recruiting ... It's really important though, to have someone who's presentable, who represents the organisation, and when you outsource some of those things, you lose that." [MW:10]

Despite the fact that the workload involved in transactional process precludes a focus on the strategic.

"I'm executing, executing, executing, executing ... I am arguably not acting as a leader in the specialty areas that I'm leading right now because I'm an executer ... because there's no one else (laughs) ... Because if I let that drop, then my credibility goes out of the window, because I'm not taking care of peoples' basic needs." [MW:8/9]

Expertise in transactional HR is perceived as giving 'permission' for HR to play in the strategic space.

"(Until) you've proven your value, and we talk about this with my team all the time, which is you're not going to put the word 'Strategic' HR Business Partner in front of your title, because you can't demand strategy, you know being perceived as strategic. You've gotta earn that. Right? And so I think I might go back to a Bob Bogart who was able who had the breadth and depth but who was also able to build the relationships. And so he would come up with HR strategy and HR direction that he would sell to ExCom, but they were much more receptive to it because they valued Bob. And that what he was delivering made sense, and he was proven right. If you get one success under you, the organisation sees the value, and then they start to really go to you for what your level of expertise is." [DH:2]

The difficulties of rebranding are clearly articulated by the HR respondents, who again see the business as critical to the 'permissioning' of the HR function to become strategic.

"... the transactional stuff you know if you do it 100 percent right you've only broken even ... So you know we've gotta get that done ... If I had to predict whether we're gonna successfully relaunch ourselves as a strategic function, I think it's gonna require a lot of hard work. I don't think it's a shoo in at all. And ... we may fall on our faces. But hopefully that won't be for want of trying. I think it's gonna need some early successes and I think it's gonna need some key business leaders to buy into what we're trying to do as well ... So – I'm optimistic." [BB:14]

Given this perspective, a lack of interest/buy in from executive management could derail HR.

"... lack of buy in from ExCom to the strategic work and support that HR should and could be, could be a derailer. They could suddenly say, 'You know what, this sucks ... Let's go back and you know really rethink this'." [SD:3]

Although one senior HR representative sees the HR function as the driver of a more strategic approach.

"I hate to think that businesses wouldn't let them in ... if they prove they added value. So I think it's the small successes, in any organisation ... If you can get the right people, who're willing to take the risk, and shake up the organisation by doing things that maybe haven't been done there before, from an HR perspective. They don't let you in, I don't wanna be there. So ... I think it's more the onus is on the HR organisation to get the keys, than it is to have someone to open the door." [DH:8]

6.4.2.2. *Resource Availability/Quality*

Resource availability is seen as a constraint on HR's ability to be strategic.

"I'd be interested in hearing ... whether you think in HR with the resources you've got whether you can get to a state where you have got kind of the backlog out of the way and you are able to be kind of more proactive." [EH:4]

“... our management development programme is not the best in the world and again that comes back to the fact that we have one L&D specialist, we have very limited resources you know in terms of what we can sandwich together to do externally.” [BB:7]

“I don’t think enough people if they feel unhappy in their roles necessarily feel they can go to HR and talk ... that’s also a potentially effective role. But that comes down to resources, I mean how much can you do for the business at the end of the day?” [LJ:5]

“... a lot of the functional areas ... whether it’s be HR, IT, Marketing, Lchase, ninety five percent of the time, rather than being chased. It’s always that you have to go and ask because I think there are a lot of areas that don’t have often don’t have the sufficient resources.” [LJ:7]

Finally, quality of HR resource is cited as a major constraint on the function’s ability to play a strategic role (this links to the repertoire of antipathy towards HR discussed below).

“I think our major issue is that not enough of our HRBPs and yes, and senior HRBPs are actually business focused enough ... And while we’ve had some issues with standards of delivery, because of the transactional issues, I think the major issue is that our HRBPs are not yet capable of operating as true business partners. And I see too many instances of not thinking things through, sort of executing on a process without thinking, ‘well how does this really impact the business?’ Or helping to really diagnose the business issue..” [SD:4]

This leads into a theme about the dearth of talent in the HR profession in general.

“... even if we look at our organisation to see how ... successful we’ll be from an HR perspective over the course of the next couple of years, I think we’ll be somewhat limited by the resources that we have.” [DH:6]

“I did my CIPD four or five years ago now at a so called Centre of Excellence, I don’t know what quite marked it out as that, but anyway ... when I looked around the room at the people that were taking the qualification with me ... they weren’t the type of people that you think are really going to drive the profession forward and ... have a seat at the top table.” [BB:11]

The dearth of talent leads existing HR staff to feel that they are overworked and have to work on too many different projects.

“There’s also a thing about what do you want me to concentrate on. I’ve got talent management, I’ve got career development, I’ve got management training, I’ve got – what else have I got? – I’ve got performance management. Tell me what you want and I’ll deliver on it. I can’t do it all. You can have chocolate or vanilla. You can’t have both. I don’t do swirls!” [MW:12]

These constraints are used to explain inconsistency in HR support.

“ ... a lot of the HR work tends to be quite a top down led ... I’m not sure that I see so much that the HR team are brought into thing by individuals ... who feel that they want to think about career development, or they want to think about performance management of one of their direct reports ... I think people are quite passive, actually. A lot of people are quite passive about HR issues ... And they tend to deal with issues when we deal with them from a management point of view ... They don’t seem to feel that they have the reason to do anything about it. Em so I don’t think that I just don’t think we have ... an active HR vent in our organisation, actually ... All individuals are very active on some things like recruitment and replacement, everybody will get very exercised about, but when it comes to the more proactive side, it tends to be, ‘right, PMAT has to be done’, therefore we’ll all do our reviews, and I do think there’s lots and lots of exceptions to that, of individuals who’re very actively managing their teams and getting HR support to achieve their objectives in their you know little parts of the organisation, but overall ... that culture’s not from the top down.” [JR:11]

6.5. Implications for HR

This leads to an important question for the HR profession: what implications does the articulated lack of strategic alignment have on how HR perceived?

Discourse analysis allows a researcher to look at linguistic constructions in terms of the value which participants associate with a particular topic. In the context of an organization which sees no strong link between HR and business strategy, it is interesting to look at the value attributed to HR.

In this project, antipathy towards HR emerges as a strong theme, articulated by both business and HR communities. This is shown as antipathy towards the

profession (perhaps linked to the earlier lack of value attributed to the HR professional institutions).

"I do feel a little bit as if the business partnering thing is the latest fad. Em you know we've we underwent a significant rebranding exercise in the 90s to call ourselves Human Resources from Personnel and now we're rebranding ourselves as business partnering and ... I feel a little bit as if as if HR needs as a function to get over itself a bit ... I think we are a particularly precious function in terms of our own perception of our self worth" [BB:9]

This is also expressed as an antipathy towards other HR staff.

"I'd rather (my son) come to me and say "Mom I want to be a ballerina" than an HR professional (laughs). I'd buy him a tutu like that! (laughs). I think that there are very few really really really good HR professionals. Which is so disappointing, I think that there are – more good transactional HR people, I think there are people who can do process and things like that, but you know." [DH:5]

This repertoire also appears linked to the tactical-strategic repertoires.

" ... transactional stuff should be done seamlessly if you're really gonna get you know any sort of invitation to do the strategy stuff.

But I think that's a really interesting point that I hadn't thought about, which is you can be marginal on strategy because my expectation is you're below that, so if you even deliver at that level, it's fine." [DH:11]

And is seen as a consequence of the inability of the function to deal in absolutes.

" the other thing that's a difficulty is that it's incredibly subjective. You've got three different HR people, you can get three different views of the same person." [LJ:5]

In a mirror of the debates about the relative value of qualitative and quantitative research, HR's inability to demonstrate causality between its activities and value add to the business is seen as problematic.

"... it's not easy to link sales success to a support function so you know could [the CEO] sit down at the end of the year and say "wow, we haven't lost any sales people this year except the ones that were either you know 'did not meet' or 'met minimum' in their appraisal". If

he sat down and he saw that, that our sales people have not left the company and in fact our sales figures had gone up significantly as a result, could he draw an explicit link between that and and HR strategy? I don't know. Em you know there could be any number of different factors that might have precipitated that, I don't know. [BB:7]

However, the tactical repertoire is linked to a much more pejorative discourse by one of the business participants, who makes repeated references to the policing role of HR and the fixation with non-value added bureaucracy.

"HR in the States has a sees itself as ... a policing operation, it polices the managers to make sure that they do things, so it's always viewed with a certain amount of tolerant hostility by the managers." [DHT:7]

"... your HR generalist, or whatever they they don't call them that, HR policeman or traffic warden or whatever." [DHT:15]

"... if you did a survey on the relevance of HR in the States, it would just be seen as completely and utterly irrelevant." [DHT:26]

The language throughout the interview used to describe HR policies and activities is pejorative.

"... there's this whole *imposition* of a sort of a banding and kind of fitting people into bands" [DT:12, my emphasis]

This individual describes his relationship with HR as highly adversarial rather than merely antipathetic.

"Em I was actually fighting against HR, I wasn't telling them things, because I knew it was some god awful process that I hadn't gone through that was gonna ... hold the whole thing up for six months ... you find yourself hiding things from ... HR in the States, and it's very sad ... You don't see them as business partners and they certainly do not see you as the business they're partnering with. They actually see the management as the enemy." [DHT:18/19]

It is interesting to note that this participant draws a strong distinction between the European and the US HR functions, perhaps as a result of researcher bias.

7. CONCLUSIONS

Project two built upon the exploration of 'best practice' and 'best fit' models of SHRM commenced in project one. It used an identical methodological and theoretical basis to project one (discourse analysis and social constructivism), and considered the same neo-institutional and RBV theories of SHRM, although project two differed from project one in that it hypothesized that the latter would be more descriptive in a private sector company.

There were three research questions for this project:

- What can RBV and neo-institutional theories of SHRM, a social constructivist approach and a discourse analysis methodology tell us about how HR strategy is created and how HR is enacted?
- What influence do different contexts have on the creation of HR strategy and the enactment of HR?
- How do actors' perceptions influence on the creation of HR strategy and the enactment of HR?

This concluding section will look at each of these questions in turn.

7.1. Theoretical and Methodological Approach

The first research question was 'What can RBV and neo-institutional theories of SHRM, a social constructivist approach and a discourse analysis methodology tell us about how HR strategy is created and how HR is enacted?'

The starting premise of project two was that, whilst neo-institutional forces had appeared to exert a more profound influence on HR strategy and HR in use in project one's public sector organisation, RBV would prove more descriptive in a private sector company.

However, the use of a social constructivist approach and a discourse analysis methodology provided a deeper level of analysis than would have been possible using more positivistic methodologies, and indicated that the situation was much more ambiguous than this simple assumption about RBV would suppose.

Contrary to expectations, RBV appeared to offer little explanation for the picture of the business emerging in participants' discourse. The market was not seen as a significant driver of strategy⁴⁵, and no reference to competitive forces was made. There was no discussion around core capabilities, customers or competitors, as strategy was seen as non-existent⁴⁶ or internally contradictory⁴⁷. Whilst participants use the language of RBV (resources, constraints, competitive forces), particularly in the 'theory of constraints' elements used to explain why HR is sub-optimal in matching business requirements, this does not appear to carry through into their conceptualizations of the forces driving the organisation.

This perceived lack of strong contextual drivers is consistent with a dominant discourse around the absence of a coherent business strategy, for which a variety of reasons are posited. Although one participant proposed a lack of overarching guiding principles (e.g. a focus on results, values or processes), organizational immaturity was a more commonly cited reason for lack of strategy. This is compounded by a view that the senior management team (the 'dominant coalition') are perceived as inconsistent in approach⁴⁸.

In the absence of strong contextual drivers of strategy and with an unaligned dominant coalition, the organisation is seen as subject to the whims and peccadilloes of its senior management, specifically the CEO.

In summary, the main business drivers cited appear to be politically generated rather than business driven, suggesting a far higher alignment with project one's public sector organisation than anticipated. This provides interesting support to the basic contention of social constructivism and its inference that business and HR strategy are socially constructed second order realities, rather than existing as an externally verifiable first order reality.

⁴⁵ c.f. GT:10, page 29.

⁴⁶ c.f. EH:22, page 15.

⁴⁷ c.f. NB:9, page 15; JR:3, page 15.

⁴⁸ c.f. section 6.3.2.3.

This implies, therefore, that a social constructivist approach to SHRM may be as, if not more, useful than more positivist approaches in explaining the way in which TF develops and deploys HR strategy and HR in use.

7.2. Influence of Different Contexts

This leads to the second research question: 'What influence do different contexts have on the creation of HR strategy and the enactment of HR?' The project used Paauwe's Contextually Based HR Theory (CBHRT) as a descriptive framework to look at potential categories of contextual drivers of HR strategy.

Using Paauwe's model as a descriptive framework provides a partial explanation for the lack of articulated business strategy, although the study identified that participants' representations of contextual factors was much more complex and ambiguous than Paauwe's model would suggest. Participants' responses indicate that the organization does not appear to face strong competitive pressures, but neither is it the product of strong institutional forces. The organisation's configuration is also not seen as a major driving force, given the genesis of the organisation in multiple acquisitions.

From an academic point of view, this study suggests that Paauwe's model does provides a more thorough explanation of the data than using RBV or institutional theory/neo-institutional theory alone, but it is still far from providing the universalistic theory Paauwe is proposing. The concept of 'dominant coalition' is, however, extremely useful in interpreting the data.

In the absence of strong competitive, configuration or institutional forces, the influence of dominant coalition becomes very important. This is highly consistent with the views of the participants in this study. However, although membership of the dominant coalition was largely agreed between the participants, the dominant coalition was seen as fragmented and internally contradictory. This left a single articulated driver of business strategy: the individual personalities, preferences and interests of the members of the dominant coalition, particularly the whims of the CEO. This creates an image of an organization driven not by RBV factors, as expected, but one directed by political interests. This consequently has more in common with London Underground's politicised decision making processes than expected, although LU's influencers were institutional in nature (the Government, institutions and politicians were seen as major shapers of HR) and TF's are bound in internal politics rather than external institutional forces.

7.3. Actors' Perceptions

The final research question was 'How do actors' perceptions influence on the creation of HR strategy and the enactment of HR?' The discourse analysis methodology and social constructivist approach allow for a different level of analysis to more positivist techniques, in that they allow access (albeit in a qualified sense, given the role of the researcher in both influencing and creating a narrative around the data produced).

This section will consider two elements: firstly, how do actors' perceptions influence HR strategy and, secondly, how do they influence HR in use.

7.3.1. HR Strategy

HR, as well as business, participants represented the HR role as internally contradictory.

The transactional to strategic continuum was widely used by both business and HR to differentiate different approaches to HR; whilst participants attributed differential value to the two, there was a recognition that HR was required to do both, well. HR in TF was seen as preoccupied with the transactional. The function's ability to contribute strategically was seen as limited by the need to manage the transactional, although HR participants expressed optimism that the transition to strategic was underway.

The theme of the necessity of adjustment to leadership style was posited as a source of another contradiction, where particular units or geographies had unique cultures. The emergence of HR representatives who operated as employee advocates for their individual areas, rather than driving a strategic agenda, was also articulated as a contradiction within the HR role.

So what implications does this have for HR?

Specifically, it appears that HR participants view the ability of the HR strategy to respond to the contextual factors as filtered by two elements: the unclear business strategy and the presence of constraints (organizational, environmental and personal).

To look at the impact of the unclear business strategy first, the lack of a clear business strategy poses an immediate problem for a 'best fit' model of HR. How can one 'best fit' one's HR strategy when the business strategy to which one is aligning HR is unclear.

Participants (particularly but not exclusively those from HR) saw that there was a need for alignment between the HR strategy and the business strategy. HR was generally seen as dependent on the business, and that the business dictates the type and style of HR and HR's ability to influence this is limited.

The business participants' experience of HR varied, ranging from a perception that there was no HR strategy, to a view that the strategy focused on introducing generic good practice (an interesting reference to the 'one best fit' model), to a perspective that there was an HR strategy, but that it was inconsistently applied.

Participants drew the conclusion that, given a view of an HR function which is dependent upon and led by the business, an unclear business strategy will mean that the HR strategy will be unfocused or will concentrate on the transactional. Furthermore, given that it was seen as necessary that HR was aligned to the style and preferences of the leadership, inconsistency in the dominant coalition or an organizational direction determined by the peccadilloes of an individual was presented as a further limiting factor on HR's ability to align with business strategy.

There was a marked difference between the view of HR strategy held by the HR team (who saw that there was a clear strategy, albeit one which was in implementation, rather than fully realized) and the business participants, which suggests a different level of visibility and the need for a deeper business communications approach.

7.3.2. HR in Use

The implications of this for HR in use are potentially very significant. A review of actors' perceptions indicate that there is a discrepancy between the role of HR as seen by the business and the role to which HR aspires. Business respondents discuss HR in largely tactical terms, whereas practitioners articulate a strategic role for HR. A further nuance is that business people are inclined to use a discourse which presents strategy and tactics as inimical, whereas HR practitioners see the two as poles on a continuum, along which HR can move.

This disconnect is more than semantics: it has significant implications for the role HR is allowed to play in the business (given the "business leads HR" repertoire). Extrapolating this outwards, controversially this suggests that HR may be better served by delivering on the business's expectations (an excellent tactical service) and concentrating on implementing best practice in high value add HR processes (e.g. talent management, performance management), rather than aiming for best fit. The latter may be, at best, a matter of interpretation (of business, contextual and political drivers) and, at worst, a constantly moving target in a business undergoing rapid change.

Secondly, much of the interview time was spent discussing detailed rationalizations of why best fit was not possible in the organization under study, due to the presence of constraints (organizational, environmental and personal).

This suggests that the 'best fit' model may be valid, but that environmental, organizational and personal factors intervene to constrain the level of fit possible.

These constraints can be divided broadly into organizational factors (which could conceivably be fitted into the 'configuration' element of Paauwe's model) and what may loosely be termed 'professional' factors. Organizational factors include perceptions and expectations of HR and the necessary completion of transactional processes, whereas 'professional' factors include issues of resource availability and quality.

A clear conclusion of this study is the need to address implementation concerns. Whilst the academic community debate the conditions of strategy formulation, this study suggests that the practitioner community may need more consideration of implementation issues and the type of constraints which create barriers to the enactment of HR.

It is interesting to surmise on how self-limiting this discourse is for HR practitioners. Whilst it is clearly a functional discourse for HR practitioners to attribute the reason for the perceived failure of HR to deliver to its business, it may also serve to excuse a failure to address fundamental issues such as HR knowledge of the business and the failure to adopt a business partnering approach.

8. *IMPLICATIONS*

This study has interesting implications from both a business and an academic perspective.

8.1. Business Implications

The inference of the data is that the more clearly a business strategy is articulated, the more likely it is that an HR strategy will be developed which complements it and adds business value. Conversely, poorly articulated or contradictory business strategies can result in confused and unfocused HR practices and, perhaps, a reversion to the comfort of a tactical role.

Given that there is validity to the best fit model, Paauwe's model implies that there is potential benefit to an analysis of contextual factors as well as business strategy when determining HR strategy. Theoretically, an analysis of context could produce a valid HR strategy which is 'best fitted', even when the business has not clearly articulated its strategy.

However, that does not seem to be the case in this study. Although some contextual drivers are cited, their influence is seen as limited, in comparison to the influence of the organizational actors.

This creates a conundrum for HR. Do they follow the behests of the organizational actors, or do they attempt to use a Paauwe type model to diagnose the context and develop their own conceptualization of what the business 'needs'? Is there a super-ordinate role which HR could play which challenges the actors' perceptions and creates a strategy more objectively linked to the business's context (although this linkage, crucially, will also be influenced by the perceptions of the HR actors), or is their job to transact the strategy as articulated by the actors, whether or not that is distorted by political influences?

8.2. Academic Implications

From an academic point of view, there are four possible implications of this study.

Firstly, contrasting the data in project one and project two in the light of Paauwe's model suggests that a model which incorporates both resource based and institutional mechanisms is superior to one which uses only one or the other. However, this project suggests that Paauwe's model is less deterministic and less universalistic than he proposes. Although it has limited use as an analytical framework, Paauwe's model may have value as a descriptive framework.

Secondly, Paauwe gives equal weight to each of the elements in his model, which fails to recognize that the relative strength of these mechanisms may vary dramatically, given the organizational type, structure, history and priorities. When determining 'best fit', it may be as – if not more – important to look at the political environment and influences as well as contextual factors. This project infers that an extension of the concept of 'best fit' is required: to achieve 'best fit', it seems apparent that HR strategy may have to 'fit' the political as well as business environment.

Thirdly, Paauwe's theoretical model fails to acknowledge the issue of HR in use. Operationalisation of HR strategy (even where the business strategy and contextual analysis has allowed it to have a high degree of best fit) is subject to a series of constraints (notably perceptions and expectations of HR, issues of

resource availability and quality and the necessary completion of transactional processes). These can considerably impact the ability to build and (perhaps more pertinently) implement an HR strategy which achieves best fit. This data suggests an expansion of Paauwe's model is necessary, which provides for analysis of constraints and an articulation of the HR strategy which analyses, recognizes and addresses these constraints.

Finally, the 'best fit' model of HR assumes a relatively stable environment: HR activities tend to be relatively long term in nature, and project results (e.g. the introduction of a new performance management system) may not be seen in months, if not years. In environments of rapid change and emergent strategy, there is a suggestion in the discourse of several participants in project two that it may not be possible to 'strategically fit' an HR strategy where business strategy is changing rapidly.

In this case, where the need is for organizational agility, how is HR to respond? Does this signal the death knell for 'best fit' (is it impossible to develop HR strategy when the environment is unclear or constantly changing) or is this another kind of 'best fit', where HR activities, policies and practices are aimed at increasing the organisation's dynamic capability (i.e. an HR strategy the aim of which is to bring in, develop, motivate and reward employees with flexible skill sets and high tolerance of ambiguity)? Or, looking at some of the general management philosophies articulated by participants in this study, does HR have a more pivotal role, which is around managing symbolic meaning for the organization?

These ideas will be carried over into project three, which will explore SHRM in an environment of dynamic change.

8.3. Further Research

This project has suggested that further research in this area would be beneficial, with a view to developing a model of 'best fit' HR which addresses the areas noted in the section above.

Firstly, as 'best fit' HR assumes an essentially static environment, there is a need to look at the concept of SHRM in an environment of dynamic change. This will be a primary consideration of project 3.

Secondly, project 2 has indicated that it is necessary to develop a model of HR which incorporates an analysis of political as well as business drivers and addresses the implementation as well as development of strategy. Strategy formulation is not as contextually driven as 'best fit' and contextually based theories of HR would suppose. Instead, the influence of the 'dominant coalition' –

the influential organisational actors – seemed profoundly more impactful than contextual drivers. Project 3 will provide a further review of the strategy formulation process, looking specifically at strategy as an iterative, negotiated process.

Furthermore, drawing conclusions about the universality of the pre-eminence of the actors over contextual factors on the basis of project two's single study is not possible. Further research should look at different types of organization to see whether this is a manifestation of a wider phenomenon, or whether it is a situation unique to the Thomson organisation. This will be explored in the Linking Document, applying the model developed in project two (and refined in project three) to the data generated in project one. As London Underground, the host for project one, was an organisation at the opposite end of the spectrum from Thomson Financial (public sector, long history, large non-professional workforce, unionised etc.) it was considered that this would be a reasonable test of the generalisability of the model, although further research would still be required.

Finally, further research should consider the issue of HR in user. Project three will look at strategy implementation as well as strategy formulation, building on the 'theory of constraints' developed in project two.

APPENDIX ONE: INTERVIEW SCHEDULE

Would you say that there is an HR strategy for TF?

- If yes, can you describe it?
- If no, what are the main features of HR in TF?

Does/how does the HR strategy relate to the organisation's strategy?

I'd like your views on the stakeholders who you think have an input into HR in TF. Who do you think determines the approach to HR in TF? (Board, management team, HR itself, line management, employees?)

Are there any constraints on the stakeholders to put in place what they want? (legislation, employee resistance, resource constraints)

Do you think there's anything about the context in which TF operates that influences HR?

I'd like you to think about internal factors first:

- Culture/values
- Structure
- Leadership
- Type of employees (middle class professionals, largely sales oriented, compliant/non-compliant, long/short service)
- Type of products/technology
- Company background (ownership structure, Canadian company, New York head office, lots of British senior management, age of company).
- Company history, including critical events (mergers, acquisitions, takeovers).

Do you think that there are external factors which influence the type of HR which TF has in place?

- Market/competitive environment
- Nature of the client base
- PESTLE or SWOT factors
- Institutional factors
- What other organizations in the industry are doing
- Consultants
- Professional institutes (e.g. CIPD, CIMA)
- Political and regulatory forces
- Legislation
- Rules
- Procedures.

How do you see HR changing in the future (best practice, external hires bringing different views, use of consultants).

Do you think HR has changed over time in TF?

- If yes, why do you think it has changed? (responding to the business, HR as a profession changing, peccadilloes of different HR people and different managing directors?)
- If no, why do you think it has not changed?

What happened to HR and the HR approach in major acquisitions like DataStream, Primark and RAW?

- Did it change when Thomson took over?
- The organization doesn't seem to have gone for a strong cultural integration in the way many companies do – do you think this was deliberate?

Do you think TTC has a big influence on HR in TF Europe?

APPENDIX TWO: INTERVIEWEE LIST

Name	Title	HR/ Business	Business Unit	Length of Service	Nationality	Interview Date
Sarah Dunn	EVP, HR	HR	TF Global	Short	British	06/09/06
Nigel Brockmann	VP, International HR	HR	TTC	Long	British	16/08/06
Elly Hardwick	Head of Strategy	Business	TF Europe	Short	British	03/08/06
Conrad D'Mello	Senior Business Partner, HR	HR	TF Europe	Short	Indian	01/08/06
Hywel Thomas	CFO	Business	TF Europe and Asia	Medium	British	08/08/06
Bob Boot	Employee Relations Manager, HR	HR	TF Europe	Medium	British	04/08/06
Jessica Randall	COO, GSMS	Business	TF Europe	Short	Australian	04/08/06
Deb DeVerna	VP, Organisational Development, HR	HR	TTC	Medium	American	09/08/06
David Hurst	MD, Print Publishing	Business	TF Global	Medium	British	08/08/06
Gus Tugendhat	Head of Business Development	Business	TF Europe	Short	Belgian	07/08/06
Dawn Hirsch	VP, HR	HR	TF North America	Medium	American	10/08/06
Megan Wozniak	Director, Talent Management, HR	HR	TF North America	Short	American	06/09/06
Simonne LeBlanc	VP, HR	HR	TF Asia	Medium	Canadian	06/09/06
Linda Jackson	MD, Corporate	Business	TF Europe	Short	British	11/09/06
Anna Billings	Head of HR Operations	HR	TF Europe	Long	British	30/01/07

PROJECT THREE

“TOWARDS A NEGOTIATED, EMERGENT MODEL OF HR STRATEGY FORMULATION AND IMPLEMENTATION”

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ABSTRACT

Project three continued the exploration of HR strategy formulation and deployment from a social constructivist perspective. It developed a new model of HR which was consistent with an emergent and negotiated view of strategy, arguing that this is more appropriate than a view of strategy formulation as a singular, linear event, given i) the environment of dynamic change in which modern businesses typically operate and ii) the accounts of strategy formulation and implementation offered by respondents. The project also drew upon work on organisational agility and dynamic capabilities to characterise the challenge faced by modern organisations.

Moving from models of HR and HR strategy which assumed a definitive and relatively enduring first order reality, this study advanced the idea of HR as a social construction, the product of organisational negotiations and re-negotiations. The project used discourse analysis to access the second order reality of respondents' perceptions of the factors influencing HR and HR strategy, taking the view that strategy was a negotiated and iterative process.

The project advanced a new descriptive research model for HR strategy formulation and deployment which comprised three phases: broad strategy formulation, the 'intended' HR strategy and the 'realised' HR approach. However, instead of viewing these as objective first order realities, this project examined these as social processes, the product of perceptions and negotiation, and looked at the 'second order' reality of these elements and the linkages between them.

The project concluded that this model provided a deeper description of the functioning of HR in Thomson Financial, and proposed a new model of HR which has greater ability to create and support inherently agile organisations. This project begins to redefine the HR role in the light of this model and to identify the new skills required by HR practitioners in this model.

1. INTRODUCTION

Under the general tenet of examining HR strategy formulation and deployment from a social constructivist perspective, project three extends the work which commenced in project two. Whilst project two, taking Paauwe's (2004) theory of contextually based HR as a starting point, indicated that an analysis of the contextual factors underlying HR strategy was interesting and the concept of the "dominant coalition" (Paauwe. 2004, p92) was potentially useful, it suggested that these are merely the starting point for HR strategy development. Strategy development, it appears from project two, is a much more complex and iterative process than the linear and predictive process presented in 'best fit' models of HR such as that presented by Paauwe.

1.1. Limitations of Contextually Based Theories of HR

Project two looked at the potential influence of contextual factors on the HR strategy selected by an organisation, using discourse analysis to access the views and perceptions (the 'second order reality') of HR practitioners and business representatives. It identified four issues with the general concepts of 'best fit' and contextually based HR:

- The assumption of a direct and clear link between the business and HR strategies, and the related emphasis on business drivers fails to recognise the complex interplay of business, contextual and political drivers which respondents see as influencing HR strategy
- The concept of "strategy" itself appears to be problematic and open to a variety of interpretations.
- The presumption of a relatively static environment
- The concentration on the development of strategy and the failure to recognise the challenges of implementation

To examine these point by point, firstly, in the discourse of the HR and business respondents who were interviewed, there was little evidence to support clearly articulated business and HR strategies and clear linkage between the two. Instead, respondents articulated a view of HR strategy which was more fragmentary and less coherent than 'best fit' models of HR would suggest, and which was less driven by contextual factors than such deterministic models would imply.

The impact of contextual factors was seen by project two's respondents as limited. Project two indicated that analyses of context were drawn upon by respondents functionally, to support their arguments, viewpoints and negotiations. Although it

could potentially be useful as a diagnostic in the initial stages of strategy formulation, project two suggested that a contextually based approach to HR should not be seen as deterministic.

The whims of management (Paauwe's "dominant coalition") were seen as a more significant influence on the final shape of the HR strategy than contextual factors. In this, there was a resonance with project one, where management of stakeholders (politicians, trade unions) and institutional forces emerged as stronger influences than contextual factors shaping a 'best fit'. Whilst Paauwe's model usefully accommodated the concept of the influence of the organisational actors, he did not go on to consider the impact of a dominant coalition which is fragmentary and internally contradictory. Respondents represented an HR strategy as the product of a complex and often contradictory mix of business, contextual and political influences, where HR strategy is an obfuscated, multi-faceted construct which has no 'first order reality', but is a matter of interpretation and negotiation within the organisation.

Secondly, this project will also look at the use of the term 'strategy' and the definitions of the term offered. Project two suggested that the term strategy was, itself, problematic: individuals had difficulty articulating the business strategy, seeing it as politically driven, obfuscated or incoherent. This suggested that a deeper deconstruction of the term and the way in which it was used in the discourse of the participants may also be useful.

Turning to the third point, project two also hinted at another problem with contextually based theories of HR: they depict a static view of the organisation, HR and the linkages between the two. This creates a further problem for contextually based theories of HR; as the closing sections of project two indicate, respondents see change as a significant factor with which HR has to deal in the target organisation.

Finally, 'best fit' models of HR fail to consider implementation issues. The view of HR strategy articulated by project two's respondents was described as a theory of constraints: the respondents' dominant view is that, although an ideal (or certainly closer to ideal) HR approach for the business could exist (in Johnson & Scholes' terminology, "intended strategy": Johnson & Scholes, 1993, p28), the operationalisation of that strategy ("realised" HR: Johnson & Scholes, 1993, p28) was limited by the resources of and constraints placed upon the HR function (e.g. lack of HR capability, desire of the business to accept HR as a business partner). This was described by the 'theory of constraints' repertoire in the participants' discourse in project two.

It became apparent in project two that any model of strategic HR would have to address the gap between intended strategy and realised HR, and would have to include a consideration of constraints.

1.2. Theoretical and Methodological Perspective

It will utilise the same theoretical perspective (social constructivism) and research methodology (discourse analysis) as projects one and two. In the earlier projects, this approach allowed a deeper insight into the influence of the actors in strategy formulation and implementation, presenting a view of organisational activities as an interplay between first order reality (objectively verifiable features of the environment) and second order reality (the actors' perceptions and interpretations of the first order reality).

1.3. Requirements for a New Model of HR

In summary, project three will endeavour to address the limitations of best fit and contextually based theories of HR, specifically around the four points raised in section 1.1. These were the assumption of a deterministic model of strategy, definitional problems with the term 'strategy', the presumption of a relatively static environment and a lack of attention to implementation issues

A specific literature review will be created to provide an additional academic framework around definitions of strategy (section 3.1.) and the building of inherent change resilience in organisations (section 3.2.).

The project will utilise Tyson's (1997) distinction between 'strategy as an objective' and 'strategy as a process' (reviewed in section 3.1.) as a way of addressing points one and two: a deterministic model of strategy and problems of definition around the term itself. The project will take a view of strategy which is processual, seeing strategy as an iterative and emergent product of the perceptions and negotiations of the organisational actors. This will address the issue (raised with best fit and contextually based HR theories) of the assumed deterministic link between the business and HR strategies, as well as offer a resolution to the problematic and conflicting definitions of strategy offered in the literature. This will also allow strategy to be seen as an interplay between business, contextual and political drivers, and so build a theory of strategy formulation which seems more reflective of the accounts of strategy formulation offered by respondents in discourse.

Secondly, reviews of contextually based approaches to HR indicate that the presumption of a relatively static environment is also problematic, given the rate,

pace and discontinuous nature of change in modern business environments. This project will reference recent work on organisational agility and dynamic capabilities as a potential framework, and will use these to inform how an organisation which regards itself as having a core expertise in change builds change capability and resilience in its organisation.

The final issue raised with contextually based theories of HR is that they have concentrated on strategy formulation, and have not considered the challenges of implementation. This project will look at the difference between intended HR strategy and the realised HR approach, and will examine accounts of the mediating factors which are used to explain this gap. As such, this project will be divided into two sections: strategy formulation and strategy implementation.

1.4. Towards a New Model of HR

The outcome of project three will be the creation of a new model of HR strategy formulation and implementation, incorporating the following elements.

1. A new model of HR strategy formulation
 - Sees strategy as an iterative, emergent and negotiated process
 - Incorporates the influence of political forces
 - Accommodates the impact of change
2. A new model of HR strategy implementation
 - Draws a distinction between the intended HR strategy (formulation) and the realised HR approach (implementation)
 - Considers factors which mediate between the intended HR strategy and the realised HR approach.

The project will attempt to develop an overall model of HR strategy development and implementation which incorporates all of these elements and will test out whether this is supported by the discourse. It will also discuss the impact of change as a multi-faceted influence on HR strategy and formulation.

2. RESEARCH QUESTIONS

The research questions for project three, hence, are as follows.

- What can a social constructivist approach and a discourse methodology tell us about the formulation of HR strategy?
- What can a social constructivist approach and a discourse methodology tell us about the implementation of HR strategy?
- Can a new model of HR strategy formulation and implementation be developed which can provide a better explanation for the operation of HR in an organisation than 'best fit' or contextually based theories of HR?
- How can change best be reflected in a model of HR strategy formulation and implementation?

3. SPECIFIC LITERATURE REVIEW

Two specific bodies of literature were additionally reviewed for project three: discussions around the meaning of the term 'strategy' in the context of HRM (section 3.1.), and a specific sub-segment of the change literature, the work on dynamic capabilities and organisational agility (sections 3.2.1 and 3.2.2. respectively). Section 3.3. will conclude by drawing the two bodies of literature together and creating a theoretical basis for project three.

3.1. A Deconstruction of the Term 'Strategy' in the Context of HRM

There is no intention in this project to produce a detailed review of the strategy literature, as this has been covered in numerous HR and business texts (the interested reader is referred to the work of Gerry Johnson (e.g. Johnson & Scholes, 1993), as well as the individual authors referenced below). However, it is perhaps worthwhile to outline some of the key concepts which are of relevance to this study.

To provide a definition of strategy seems a deceptively simple exercise, as the following, provided by Johnson & Scholes, suggests.

“Strategy is the direction and scope of an organisation over the long term: ideally, which matches its resources to its changing environment, and in particular its market, customers or clients so as to meet stakeholder expectations.” (Johnson & Scholes, 1993, p10)

However, the concept is not as easily captured as this attractively simple definition suggests, as there are fundamental divisions in the strategy literature as to what, exactly, strategy is or could be.

This section will look at three dichotomies in the way in which the concept of ‘strategy’ is defined:

- Strategy as objective versus strategy as process
- Intended strategy versus realised
- Levels of strategy.

It will conclude by looking at the implications of these dichotomies on the ‘meaning’ of the term strategy and will then look at the implications for HR.

3.1.1. Strategy as Objective Versus Strategy as Process

There have been a number of attempts to categorise the various schools of thought on strategy, for instance Whittington (1993, quoted in Armstrong & Baron, 2002, p37) developed a typology running from ‘classical’ (strategy as an explicit objective) via evolutionary (natural selection, driven by market forces, determines which strategies will be successful) to ‘processual’ (Mintzberg’s view of strategy as an incremental, negotiated process) to systemic (strategy shaped by the social system in which it operates).

Tyson (1997) takes two of these categories as the basis of his discussion of the definition of the term ‘strategy’: strategy as an objective (Whittington’s ‘classical’ approach) and strategy as a process (Whittington’s ‘processual’ approach):

“The concept of ‘strategy’ as applied to managerial intentions may be interpreted either in terms of organisational objectives or aims, which seek to gain a competitive advantage for an organisation, or as a process by which managerial actions can be combined to pursue important organisational aims.” (Tyson, 1997, p277)

Taking ‘strategy as objective’ first, the key writings in this category can be further sub-divided, according to whether the focus is external or internal. ‘Positioning models’ are externally focused and tend to focus on matching the firm’s strategies to the threats and opportunities in the external environment, and include Miles &

Snow's (1984) work on organisational strategies. 'Resource based view' (RBV) models of strategy are internally focused and concentrate on the differentiation of the firm through the internal resources it possesses and the effective deployment of these resources. Key research in this area includes core competency approaches, such as that by Prahalad & Hamel (1980) and Barney (1991). A number of authors have attempted to pull these 'internal' and 'external' views of influences on strategy together, notably Porter's (1980, 1985) work on competitive analysis, who is arguably the most seminal of the 'strategy as objective' practitioners.

These analytical models represent strategy as an objective. Organisational strategy is viewed as formulaic and deterministic, where the correct diagnosis of the external environment and internal capabilities, the selection of the appropriate strategy and the rigorous implementation of that strategy are the key determinants of organisational success. Strategy as objective, in summary, sees strategy as quantifiable, logical and rational.

There are, however, a set of problems associated with this "classical" approach. They tend to be overly deterministic, preclude responsiveness to change and have little concern for the 'people element' or, indeed, for implementation considerations (resource constraints, for instance, have a fundamental impact on a company's ability to realise its strategy). There is also an argument, made by Boxall & Purcell (1993, p28), that whilst long term planning was applicable to monolithic companies (such as Philips, GE and Ford) in the 1960s, and may still be necessary where formal planning is a requirement (e.g. public sector environments, highly regulated environments such as construction), the escalating pace of change from the 1990s onwards suggests that long term planning may be both a wasted endeavour, and actually may constrain the organisation to a course of action which becomes inappropriate.

This leads us to Tyson's second definition of strategy – 'strategy as process' – which is much less deterministic. Mintzberg has been one of the main opponents to the efficacy of long term formal strategic planning, his longitudinal studies (e.g. Mintzberg, 1978) indicating that incremental change was far more common than transformational change. He advanced the idea of 'quantum leaps' (Armstrong & Baron, 2003, p35) to describe the intermittent nature of strategy reorientation within organisations, as Johnson & Scholes note in their review of Mintzberg.

"... typically, organisations changed incrementally, during which times strategies formed gradually; or through piecemeal change, during which times some strategies changed and others remained constant." (Johnson & Scholes, 1993, p35)

Mintzberg's work defines strategy as a process rather than an objective, and conveys the idea that strategy emerges over a period of time, the result of many small changes and directional moves over time, some of which may result from formal planning exercises and articulated senior management decisions, but some of which may be the result of tactical actions and moves which were seemingly insignificant at the time. This view also sees strategy formation as an iterative process, where actions provide feedback which can then be used to redirect or reorient the strategy. As Armstrong and Baron neatly put it:

"First we think, then we act; we formulate, then we implement. But we also 'act in order to think'." (Armstrong & Baron, 2002, p35)

Extrapolating from this, it may only be possible to determine organisational strategy retrospectively; what Mintzberg (1978) called "emergent" strategy.

The term 'emergent' implies that strategy will be a matter of interpretation and negotiation, which immediately makes the construct amenable to a social constructivist analysis. Likewise, the activities which lead towards or retrospectively define the 'emergent' strategy are likely to be driven by political as well as business forces, allowing for an analysis of, for instance, neo-institutional influences to be made, as well as a consideration of issues of power and influence. These views, of the retrospective nature of strategy and the influence of the actors, are both endorsed by Goold & Campbell (1986) in the following quote.

"Informed understandings work alongside more formal processes and analyses. The headquarters agenda becomes entwined with the business unit agenda, and both are interpreted in the light of personal interests. The sequence of events from decision to action can often be reversed, so that 'decisions' get made retrospectively to justify actions that have already taken place." (Goold & Campbell, 1986, quoted in Armstrong & Baron, 2002, p36-7)

The concept of strategy as process perhaps reaches its most adaptive form in the concept of logical incrementalism. This was advanced by Quinn (1980), and is described by Johnson & Scholes as follows:

... managers have a view of where they want the organisation to be in years to come, but try to move towards this position in an evolutionary way. They do this not only by attempting to ensure the success and development of a strong, secure but flexible core business, but also by continually experimenting with 'side bet' ventures." (Johnson & Scholes, 1993, p44)

The logical incrementalist perspective, hence, sees strategy development as an iterative process of environmental scanning, testing and adaptation:

“... strategy is seen to be worked through in action.” (Johnson & Scholes, 1993, p44)

In an environment of uncertainty, or continual or unpredictable change, the idea of a logically incremental approach appears to have intrinsic merit.

The concept of logical incrementalism links to Simon's classic 1947 work on 'bounded rationality'. Simon theorised that the efficiency of human cognition was subject to 'bounded rationality', i.e. people can only make judgements and decisions on the basis of the information that they know, and can only consider a finite number of variables in any one scenario. Logical incrementalism allows managers to make satisfactory decisions in the light of the information available and their cognitive processing capability and move forward, knowing that they are not committing irredeemably to a course of action and that their decisions can be reviewed and tweaked as new information becomes available, or the importance of previously overlooked information becomes clear.

It is important to note that planned and emergent approaches to strategy are not inimical. As Johnson & Scholes suggest:

“... despite the existence of a stated, intended strategy which appears to have come about through a planning mechanism, strategy development may still be of an emergent nature. ... the planning process may perform the role of monitoring the progress or efficiency of an emergent strategy.” (Johnson & Scholes, 1993, p39)

This interplay is likely to mean that strategy formulation is a political as well as an analytical exercise, moving towards the research agenda articulated by Tyson.

“... strategy formation as an interpersonal process with outcomes which are not only consensual about the organisation's formal intentions but also are an expression of the way the intentions will be carried out.” (Tyson, 1997, p280)

If one assumes that strategy formulation is a political process, it becomes important to look at the perceptual filters which operate to mediate between first and second order reality. This project will consider this only obliquely, but suggests that a useful starting off point for this could be two papers published in McKinsey Quarterly (Lovallo & Sibony, 2006 and Roxburgh, 2003), which look at sources of perceptual bias (“distortions”:Lovallo & Sibony, 2006; Roxburgh, 2003) and the influence of political factors on business decision making (“deceptions”: Lovallo & Sibony, 2006).

The McKinsey papers indicated a number of potential perceptual biases which may influence decision making which they call “distortions” (Lovallo & Sibony, 2006, p19). As Lovallo & Sibony (2006, p20) comment, “errors in strategic decision making can arise from the cognitive biases we all have as human beings”. Their “distortions” are listed in figure 60.

Perpetual Filter	Description	Reference
Over confidence	Overconfidence, in one's own abilities and/or in the brain's ability to accurately estimate	Lovallo & Sibony, 2006; Roxburgh, 2003
Over optimism	High expectations of the unknown not or only minimally supported by evidence	Lovallo & Sibony, 2006, Roxburgh, 2003
Loss aversion	Inaction despite the acceptability of risks faced	Lovallo & Sibony, 2006
Mental accounting	"The inclination to categorise and treat money differently depending on where it comes from, where it is kept, and how it is spent"(Thaler, quoted in Roxburgh, 2003, p30), i.e. the differential treatment of cash or spending according to how it is classified	Roxburgh, 2003
Status quo bias	Reluctance to make changes and the tendency to leave things as they are	Roxburgh, 2003
Anchoring	The tendency to 'anchor' decisions on a particular piece of information, showing bias towards or relying too heavily upon that piece of information when making decisions	Roxburgh, 2003
The sunk cost effect	"Throwing good money after bad", i.e. continuing with over-spent projects even when the original cost-benefit analysis no longer holds true	Roxburgh, 2003
The herding instinct	The tendency to adopt behaviour and opinions which are consistent with those of others	Roxburgh, 2003
Misestimating future hedonic states	People tend to over-estimate the amount of pleasure or pain a change in circumstances will create for them, which tends towards inertia where negative consequences are anticipated or over-optimism where positive consequences are anticipated	Roxburgh, 2003
False consensus	False consensus can be demonstrated in three ways: confirmation bias ("the tendency to seek out opinions and facts that support our own beliefs and hypotheses", Roxburgh, 2003, p37), selective recall ("the habit of remembering only facts and experiences that reinforce our assumptions"; Roxburgh, 2003, p37) and biased evaluation ("the quick acceptance of evidence that supports our hypotheses, whereas contradictory evidence is subjected to rigorous evaluation and almost certain rejection" (Roxburgh, 2003, p37)	Roxburgh, 2003

Figure 60: McKinsey's Perceptual Filters

The McKinsey papers also allude to a negotiated model of decision making, by making reference to a number of “deceptions” (Roxburgh, 2003, p37) perpetrated by the actors in an organisation. Lovallo & Sibony point out that “the strategic

decisions that companies make result from interactions amongst their executives” (Lovallo & Sibony, 2006, p22), which leaves them open to conflicts of interest between the interests of the “agents” (i.e. the employees) and the “principle” (i.e. the organisation). These are shown in figure 61.

Deceptions	Description	Reference
Principal-agent Problem	When the incentives of employees are misaligned with the interests of the organisation, the employee is motivated to act in his/her own interests, rather than in the interests of the organisation. This can take the form of intentional deceptions – misrepresenting, omitting or making up information – which can magnify unintentional distortions created by perceptual biases.	Lovallo & Sibony, 2006
Misalignment of Time Horizons	A significant potential misalignment of interests between employees and the organisation arises due to different timelines. Managers are often incentivised by compensation and promotion structures to take decisions which have a short term pay off, and which may not be in the longer term interests of the organisation. Whether deceptions are intentional or not, managers may be incentivised to prioritise only projects which have a short term payback, i.e. a payback the timescale of which corresponds to the manager’s timeline.	Lovallo & Sibony, 2006
Omission Bias	Organisations and individuals may have different risk profiles. Managers may be risk averse, even in the face of risks which are wholly acceptable, because they worry about the impact of a failure on their reputation and career prospects: it is a magnification of the ‘loss aversion’ distortion. This ‘omission bias’ creates an inertia which may disproportionately favour results created by inaction rather than action.	Lovallo & Sibony, 2006
Champion Bias	In most organisational situations, subordinate employees are likely to know more about an issue than their manager. Management decision making, thus, is based as much on the perception of the employee putting forward the case as the merits of the business case: ‘champion bias’. This increases the potential opportunity for deception or distortions to enter the decision making process.	Lovallo & Sibony, 2006
Sunflower Management	‘Sunflower management’ refers to the tendency of people within organisations to align themselves with the leader’s viewpoint, be that real or assumed viewpoint. This can mean that employees do not articulate their true views and opinions, and can be biased in their contribution to the decision making process.	Lovallo & Sibony, 2006

Figure 61: McKinsey’s “Deceptions”

This project will reference the McKinsey work, but in a rather different way from that which was intended by the authors. Instead of assuming that these perceptual filters and distortions have an objectively verifiable first order reality, this paper will, instead, look at how perceptual filters, biases and distortions are referenced by respondents to debunk positions held by other actors and, by so doing, how they attempt to privilege their own positions.

3.1.2. Intended Strategy and Realised Approach

The second distinctions to be drawn in terms of the concept of 'strategy' is between intended strategy and realised approach.

Johnson & Scholes (1993, p38) also provide another useful distinction in their work on strategy: that between the intended strategy and the realised approach. Even where a strategy is planned, partly or wholly, it may not be put into practice: capability, culture, politics and strategic drift are all reasons why the articulated, 'intended' strategy may not be realised in practice.

Although some influential authors have written on this topic (e.g. Purcell, 2001; Ghoshal & Bartlett, 1999), implementation of strategy has not been a major focus of the strategy literature, although it is obviously a critical determinant of organisational success.

3.1.3. Levels of Strategy

A final element of the strategy literature which it is relevant to reference here is the debate concerning levels of strategy in the organisation. Johnson & Scholes distinguish three levels of strategy within an organisation:

- corporate strategy (involving decisions about the organisation as a whole)
- competitive/business strategy (in which markets should the organisation compete, and how)
- operational strategies (how do the different functions – e.g. HR, Finance, IT, R&D – contribute to the corporate and business strategies).

Whereas this levelling approach has been seen as relegating HR to 'third order' strategy (Purcell & Ahlestrand, 1984; Purcell, 1995), as Tyson (1997) points out, the reality is likely to be much more complex and ambiguous than this dismissal of HR suggests.

“.., the complexities of organisational structures and the varying roles of head offices, divisional and regional offices prevent us from

generalising even about the distinction normally drawn between corporate and business strategies, and the part functional strategies play in the development of 'business strategies' as a whole." (Tyson, 1997, p279)

Perhaps more interestingly, both Johnson & Scholes' and Purcell's models of levels of strategy have an implied value system, in which HR (and indeed all other functional departments) is seen as subservient to a corporate and a business strategy, rather than interacting with and supporting the development of the same.

3.1.4. Implications for HR

The definition of 'strategy as objective' implies a clear and articulated business strategy to which an HR strategy can be dovetailed: a 'best fit' model of HR. Where a resource based approach is taken, HR's job logically becomes one of attracting, retaining, building and managing the core capabilities defined as strategically important to the business.

A number of writers have developed HRM models from business strategy models, creating the clear link between business and HR strategies. Ackermann (1986) attempted to draw correlations between Miles & Snow's framework and HR policies. Jackson, Schuler & Rivero (1989) examined the impact of organisational lifecycle on HR practices, and, probably most influentially, Schuler & Jackson (1987)'s work linked Porter's typology of competitive strategies to HRM. Schuler & Jackson's 1987 model started with the selected Porterian strategy (cost leadership, differentiation or focus) and moved to HR outcomes (alignment of employee behaviour with company goals) via a definition of required employee behaviours (e.g. cost leadership could imply a concern for quality, process and costs), reinforced by supportive HR practices (e.g. appropriate strategies for recruitment, performance management, development).

The contribution of HR to organisational success can be inferred by reference to business metrics, although the difficulties in demonstrating clear linkage between business results and HR initiatives mean that categoric attribution of causality is often questionable. Boxall & Purcell (2003, pp 242-245), for instance, make an interesting (if highly caveated) attempt to use a Kaplan & Norton balanced scorecard approach to link HR contribution to business metrics.

This definition of 'strategy as objective' offers a seductive simplicity and the possibility of attainment of the link to strategy so coveted by the HR profession.

However, if one looks at the definition of 'strategy as process', the linkage becomes much more opaque. HR struggles to align itself with a constantly shifting

or un-articulated strategy, exacerbated by the longer term nature of many of HR's activities (development, OD and employee engagement activities, for instance, tend to have long payback periods). Viewed through this lens, HR has a range of choices, including:

- To revert to purely tactical actions and eschew strategy.
- To revert to a 'best practice' model.
- To develop a logically incremental or emergent approach to HR strategy development
 - This has been proposed by authors such as Hendry & Pettigrew (1990), who proposed an interactive interplay rather than a linear relationship between business and HR strategy, and Purcell (2001), who sees HR strategy as emerging retrospectively through an interpretation of actions taken.
- To change the strategic 'playing field' on which HR operates
 - e.g. Boxall and Purcell make a case for HR's involvement in the process of strategy development itself. They suggest that "Improving the process of strategic management has a lot to do with HRM. It involves making some key HR decisions (about the appointment, development and promotion of key individuals) but it also involves astute team building activities, within the senior management team and throughout the organisation." (Boxall & Purcell, 2003, p46), e.g. Tyson, 1997, discusses a role for HR in the management of organisational meaning.

Tyson's view is that the definition of 'strategy as process', coupled with a view of strategy as emergent and negotiated as an interpersonal process, offers opportunities for HR.

"The notion that the management process itself conditions the strategies which emerge has profound implications for HR managers, since their influence on the emergent processes could accord them a strategic role. The process approach therefore implies that, as HR strategies emerge the role of HR and the policies and practices of the function are subject to continuous negotiation and review within the process." (Tyson, 1997, p280)

If one relates the distinction between 'strategy as an objective' and 'strategy as a process' to Paauwe, it is obvious that Paauwe's model is firmly sited within the former definition. Paauwe's deterministic, linear model infers causal linkages between contextual factors and the derivative HR strategy: 'strategy as an objective'. However, project two suggests that strategy development may be more processual, and the view of strategy represented by participants is iterative, negotiated and emergent: 'strategy as a process'.

However, Tyson goes a stage further. His model sees HRM as an interpreter – expressed in policies and actions – between three levels of analysis:

- Societal (“all those influences which have an impact on organisations through a series of influential trends”: Tyson, 1997, p281)
- Organisational (its “varying informal processes and systems”: Tyson, 1997, p281)
- Group/individual employee perceptions (of the organisation and society).

The implications of this, for Tyson, are that “those ‘doing’ HRM are engaged in the reinterpretation of social realities into organisational meanings” (Tyson, 1997, p285). However, he also goes a step further and says that this needs then to be conveyed (he uses the words “reinterpreted” and “negotiated”, emphasising the socially constructed nature of this process) to the employees:

“HRM engages in the management of meaning in the enterprise.”
(Tyson, 1997, p285)

To create the link back to Paauwe’s concept of the ‘dominant coalition’, their role in this model, too, becomes one of negotiation and interpretation.

“The emergent nature of strategy offers opportunities for the renegotiation of meanings and adjustments – strategy is changed by implementation. Those involved in the process, whether designated HR directors, personnel managers, chief executive officers, marketing directors, finance directors or whatever, are conscious that their strategic actions require a search for meaning, and that the strategy process is an interpersonal reinterpretation of what ‘works’ and is acceptable, within the perceptions of all those powerful enough to contribute to the debate in the organisation.” (Tyson, 1997, p285)

However, if HR’s role is managing meaning, in Thomson Financial it lacks many of the constructs upon which meaning can be hung. The British Airways case study quoted by Tyson is rich in a symbolism which was critical to the change being contemplated. Going back to the cultural web drawn up for TF, it seems impoverished in terms of symbols and stories, and its rituals and rites of passage say little about the organisation (as they are largely non-negotiable Thomson Corporation processes, rather than originating in TF itself). A further challenge of HR in Thomson Financial, perhaps?

3.1.5. HR’s Preoccupation with Strategy

HR’s preoccupation with a strategic role can be seen throughout the practitioner literature: as Grant and Oswick’s (1997, p180/181) use of a religious analogy intimates, involvement in strategy has been pursued by the HR community with a fervour little short of messianic.

To take some examples from both the practitioner and the academic literatures, Armstrong & Baron’s 2002 CIPD text “Strategic HRM: The Key To Improved Performance” devotes a number chapters to defining strategy and strategic HRM; used extensively in project 2, Paauwe’s 2004 book, “HRM and Performance: Achieving Long Term Viability” devotes much time to the concept of strategy and link to strategic HRM; Boxall & Purcell’s 2003 “Strategy and Human Resource Management”, as the title suggests, gives centrality to the linkage between business strategy and HR.

If anything, HR texts promote the strategic role of HR as one into which the function is or should be evolving. Jaap Paauwe quotes Schuler & Jackson (2001), who predict 6 key roles as the future of HR, including:

“Linking role: linking HRM issues and challenges to the business
Strategic role: implying involvement in the strategic direction of the company.” (Paauwe, 2004, p181)

Even Dave Ulrich, one of the most influential practitioner authors of recent years, emphasises the centrality of strategy, as figure 62 shows.

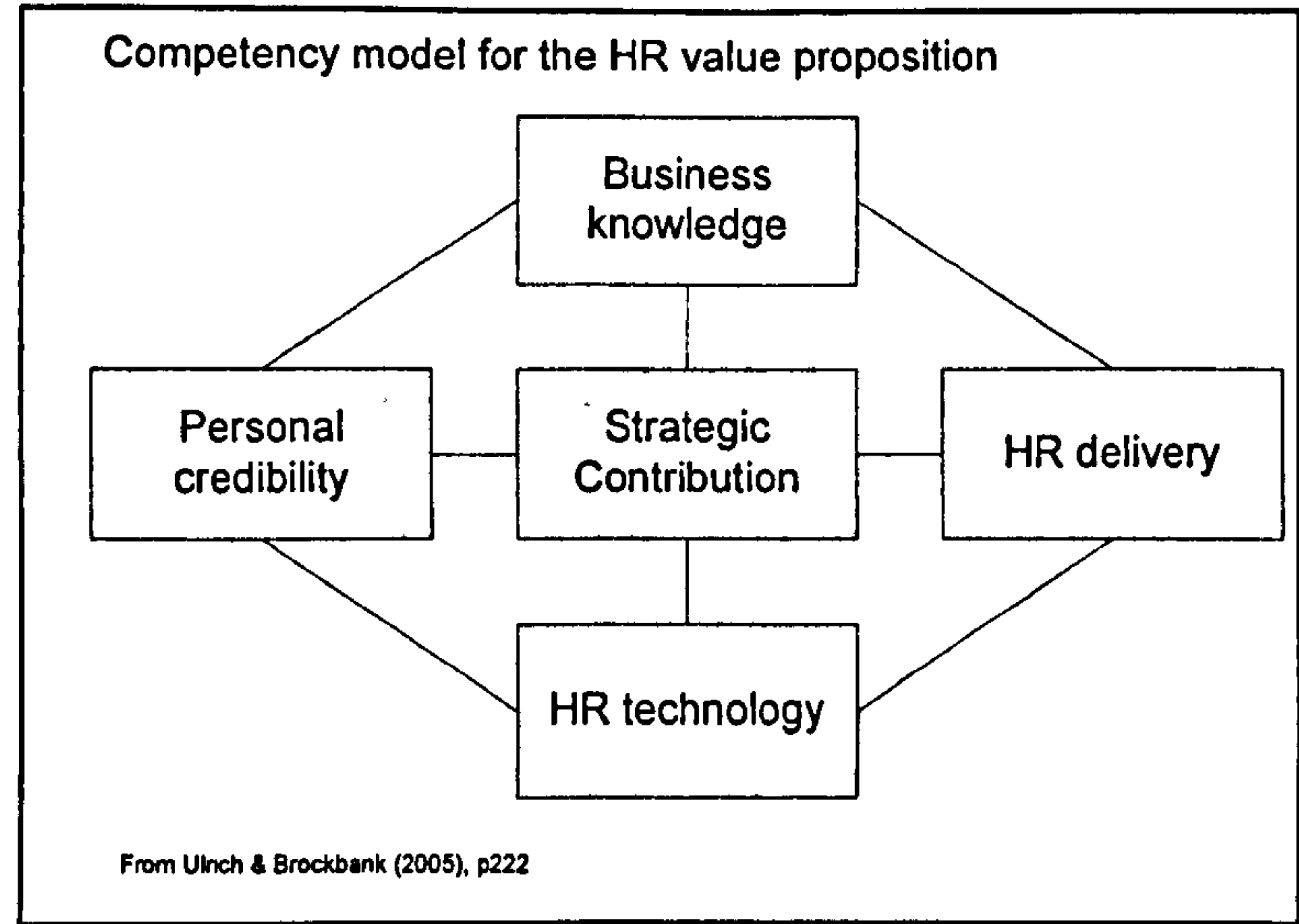


Figure 62: Centrality of ‘strategy’ in the work of Dave Ulrich

Ulrich's quote that "strategic contribution accounts for almost half of HR's total influence on business performance" (Ulrich & Brockbank, 2005, p223) shows how significant the concept of strategy is to writers in this field.

The proceeding work on levels of strategy may give an insight into why this is so. As Tyson indicates, the term strategy itself is problematic.

"The confusion between these aspects of organisational strategy compounds other problems of definition, which include the lack of a tangible activity to analyse or describe the sometimes blurred distinctions between corporate and business strategies and the problem of describing what a strategy is or could be." (Tyson, 1997, p278)

This definitional confusion also extends to the distinctions drawn between strategy and tactics. This may be, in some part, related to the level one is considering (e.g. actions which appear strategic to an HR function may be a matter of tactics to actors at the corporate level), and it may be that the distinction is actually misleading. As Boxall & Purcell state:

"... it is unhelpful to make a hard distinction between 'strategy' and 'tactics' or between 'strategy' and 'operations'. This is a problem that has crept into business ... from the military origins of strategy ... we still tend to associate strategy with the lofty, orchestrating overview of the military commander. There are lots of problems with this imagery ... it tends to imply that tactics or operations ... are things that we have to do but which are not really important." (Boxall & Purcell, 2003, p28)

This quote is particularly insightful, as it both presents the distinction between 'strategy' and 'tactics' as a spurious one, but it also alludes to the relative value placed upon each. This is echoed by Tyson.

"The phrase 'strategy' ... is loaded with the power concepts of senior management." (Tyson, 1997, p288)

Looking at the connotations and the value attributed to 'strategic' activities, the coveting of the strategic role by HR becomes more explicable.

Some authors, unsurprisingly, have surmised that this preoccupation with HR's strategic contribution may not be appropriate. David Guest has been an outspoken critic of HR's preoccupation with being 'strategic' and, as Boxall and Purcell state:

“One thing we must definitely avoid is the profligate application of strategy language simply to impress. This has become something of a disease in the HRM literature. Very often writers in HRM have slapped the word ‘strategic’ in from the other old sub-functional categories of selection, appraisal, pay and training to produce, as if by magic, a book on ‘strategic HRM’.” (Boxall & Purcell, 2003, p29)

It is interesting to surmise why the HR profession appears to be obsessed with making a strategic contribution. This may be linked to the strong sense of inferiority and antipathy to HR articulated within the interview with practitioners.

3.2. Dynamic Capabilities and Organisational Agility

This section moves from the discussion of the term ‘strategy’ to the second element of the literature review: recent research on dynamic capabilities and organisational agility was reviewed to contextualise a discussion of change in organisational contexts.

3.2.1. Dynamic Capabilities

Work on dynamic capabilities is in its infancy. Wang & Ahmed’s 2007 paper is the most systematic review of the concept to date, and will be referenced in project three. Synthesising the existing (and somewhat conflicting) research on dynamic capabilities, they produce a working definition:

“We define dynamic capabilities as a firm’s behavioural orientation constantly to integrate, reconfigure, renew and recreate its resources and capabilities and, most importantly, upgrade and reconstruct its core capabilities in response to the changing environment to attain and sustain competitive advantage.” (Wang & Ahmed, 2007, p35)

This moves RBV beyond a static concept into one which is more reflective of the dynamic post 1990 business environment. However, the dynamic capabilities concept can also be seen as a ‘call to arms’ for HR: how does HR support a business in its building and deploying of dynamic capabilities?

Work on dynamic capabilities addresses a fundamental concern with RBV: the focus on building up resources and core capabilities presumes a stable environment (the exception to this is when the core competency being developed is change, which can be a source of competitive advantage in an environment of dynamic change, as the paper by Dyer & Shafer (2003) suggests).

Without stability, investment in the type of resources typically considered under RBV would not bring competitive advantage, and would, in fact, inhibit an organisation's ability to compete in a changing environment; as Leonard-Barton (1992) points out, core capabilities can become "core rigidities" in a dynamic environment: Wang & Ahmed describe this in the following terms.

"In such conditions, firms create a 'competency trap' for themselves, becoming even better at an ever less relevant set of processes."
(Wang & Ahmed, 2007, p36)

Dynamic capabilities, for Wang & Ahmed, are more than processes, resources or capabilities. Wang & Ahmed propose a wider definition of capability.

"Capabilities refer to a firm's capacity to deploy resources, usually in combination, and encapsulate both explicit processes and those tacit elements (such as know-how and leadership) embedded in processes." (Wang & Ahmed, 2007, p35)

They view dynamic capabilities as a 'third order' organisational capabilities, which build upon 'first order' capabilities (those which are necessary to generate organisational performance) and 'second order' core capabilities (strategically important resources which contribute to competitive advantage). Wang & Ahmed define the contribution made by these 'third order' capabilities as follows:

"... the 'third order' dynamic capabilities emphasize a firm's constant pursuit of the renewal, reconfiguration and re-creation of resources, capabilities and core capabilities to address the environmental change." (Wang & Ahmed, 2007, p36)

They are careful to distinguish dynamic capabilities as higher order capabilities: for Wang & Ahmed, dynamic capabilities are not a subset of core capabilities, but are those capabilities which allow the first and second order capabilities to change, and potentially to adapt, more quickly than the competition.

Disputing Eisenhardt & Martin's contention that dynamic capabilities cannot in themselves be a source of sustained competitive advantage, Wang & Ahmed argue that the ability to anticipate and respond to market movements, and to change rapidly, is difficult to imitate, hence can form the basis of sustained competitive advantage. This creates an immediate link with the work of Dyer & Shaffer (2003), who purport that agility is a potential source of competitive advantage and can be systematically built in an organisation through its incorporation into HR processes.

Wang & Ahmed then go on to define the composite elements of dynamic capability. Their model (reproduced in figure 63) identifies three component factors: adaptive capability, absorptive capability and innovative capability.

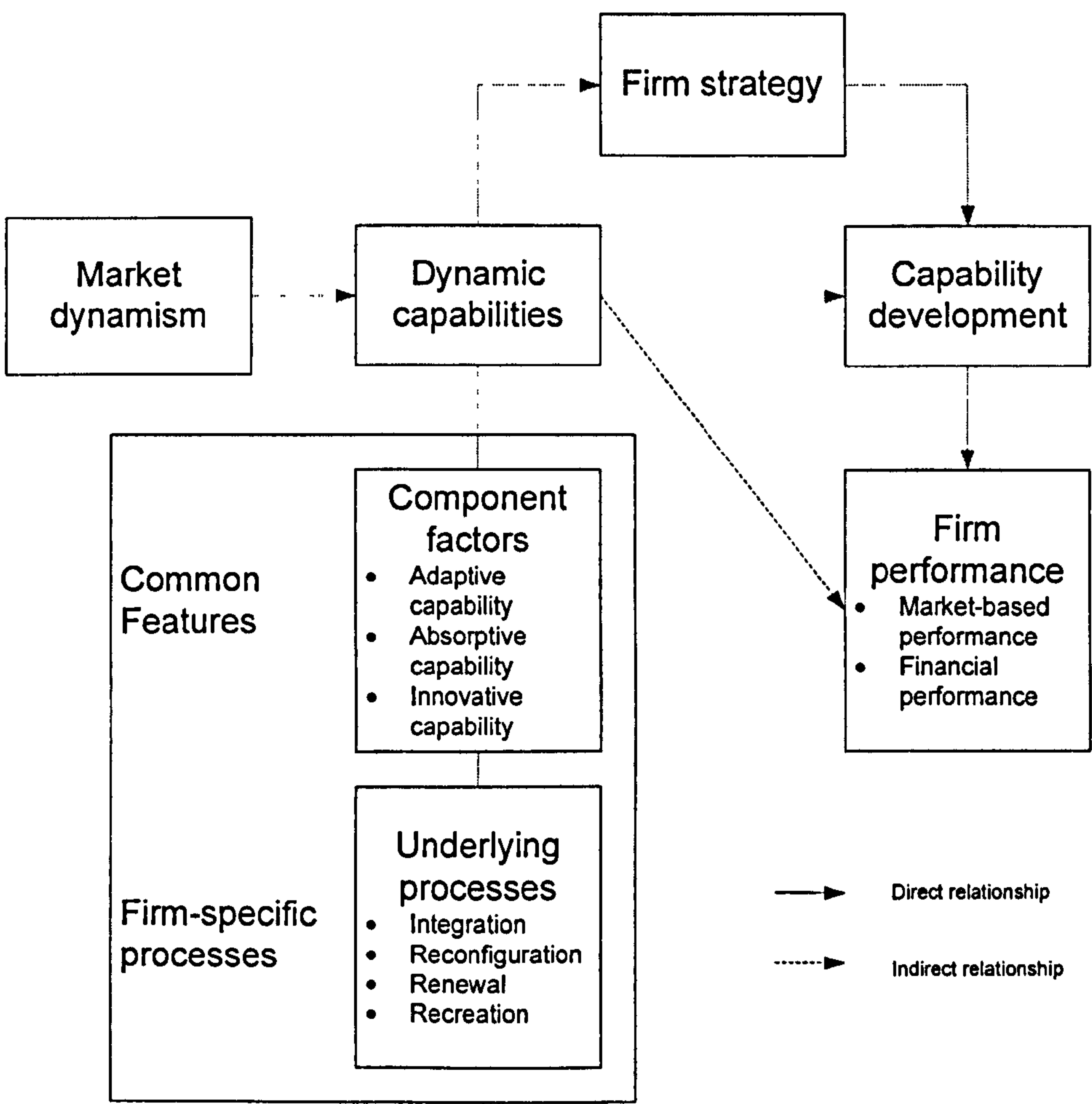


Figure 63: Wang & Ahmed's 2007 Research Model of Dynamic Capabilities

They are summarised in figure 64 below.

Component Factor	Definition	Manifested In	Key Researchers
Adaptive capability	The firm's ability to identify and capitalize on emerging market opportunities	Inherent flexibility of resources and resource deployment, alignment of internal organisational factors with external organisational factors	Chakravarthy, 1982; Hooley et al, 1992; Miles & Snow, 1992; Sanchez,1995; Gibson & Brikinshaw, 2004
Absorptive capability	The firm's ability to identify, assimilate and utilize information from external sources to its own	High level of learning from partners and external sources, combination of that external knowledge with	Cohen & Levinthal, 1990; Woiceshyn & Daellenbach, 2005; Zahra & George, 2002

	advantage; this has been described as comprising 4 elements (knowledge acquisition, assimilation, transformation and exploitation: Zahra & George, 2002).	internal knowledge and high level of utilization and embedding of that knowledge in the firm	
Innovative capability	The firm's ability to develop new products and/or new markets, through the linkage of a strategic approach to innovation with innovative behaviours and processes	Linkage of the firm's resources and capabilities to the external market, shown in a strategic innovative orientation and innovation in behaviours, processes, product and approach to market (Wang & Ahmed, 2004).	Wang & Ahmed, 2004; Capon et al, 1992.

Figure 64: The Component Factors of Dynamic Capability

Wang & Ahmed’s model infers three things:

- The more dynamic the market, the stronger the push a firm experiences towards enhancing dynamic capabilities;
- The firm’s strategy will direct the development of capabilities, dynamic as well as first and second order.
- Dynamic capabilities are expected to enhance a firm’s performance, but only if this capability development is appropriate to the organisation and its market position; the link between dynamic capabilities and performance is mediated by the firm’s strategy, as the following quote indicates:

“... the effects of dynamic capabilities on capability development and firm performance are relatively complex: a firm strengthens particular capabilities as directed by its own strategic goals; and when capability development and firm strategy are effectively aligned, a firm’s dynamic capabilities lead to better performance and hence sustained competitive advantage.” (Wang & Ahmed, 2007, p43)

However, Wang & Ahmed’s model is not without limitations; although these are acknowledged by the authors, they limit its usefulness when in consideration of Thomson Financial. Wang & Ahmed (2007, p42) consider only organic growth (problematic, given the highly acquisitive nature of Thomson Financial) and, by definition, capability building approaches consider only organisations with a long term orientation. In the light of a number of comments made by respondents, it is dubious to say that Thomson Financial adopts a long term orientation.

“... we’re so focused on chasing this year’s revenue, this year’s OI, that we don’t look beyond the 31st of December, each year. So it’s very difficult to be long term in the planning when that’s your that’s your horizon.” [RA:13]

Irrespective of some limitations as to the applicability of Wang & Ahmed's model to this particular organisation, it is obvious that their work is a 'call to arms' for HR. If, as the concepts of the knowledge economy and the knowledge worker infer, HR's role in the organisation of the future is to be the acquisition, creation, development, nurturing and management of organisational capability, it must be concerned with the fostering of dynamic capability.

3.2.2. Organisational Agility

Looking at Wang & Ahmed's model in figure 63, a key element to the achievement of dynamic capabilities is capability development: for an organisation to succeed in a dynamic environment, it is necessary to have HR systems which can acquire, build and manage organisational agility.

The linkage between dynamic capabilities and HR is made in the following quote from Dyer & Shafer.

"The logic is as follows: (a) dynamic organisations compete, and thus make money, in turbulent marketplaces through marketplace agility, (b) dynamic organisations achieve marketplace agility through organisational agility, one element of which is human resources strategy; and (c) the mindset and behaviors (sic) of employees are key mediators between marketplace agility on the one hand and organisational agility on the other. This brings us to the fundamental proposition ... For dynamic organisations, the basic task of human resources strategy is to foster, in the context of other features of organisational agility, the employee mindset and behaviors (sic) required to achieve marketplace agility." (Dyer & Shafer, 2003, p11)

This project intends to explore the role of HR in a high velocity market, and what it can (or should) be doing to support an organisation which operates in such a market.

This project will look to Wang & Ahmed's model to provide a definition of dynamic capability, and look for evidence to support the contentions in Dyer & Shafer's 2003 conceptual paper on organisational agility:

"... there is a human resources strategy that is particularly appropriate for dynamic organisations in general, whilst realizing that any particular dynamic organisation would find it necessary to tailor the specifics, or perhaps fine-tune the administration, of this human resources strategy to its own unique circumstances." (Dyer & Shafer, 2003, p8)

Dyer & Shafer’s paper calls for “exploratory research in the form of carefully selected, qualitatively oriented, intensive case studies to help identify and clarify the nature of the variables and relationships inherent in our general model” (Dyer & Shafer, 2003, p12). This project may form one such case study. In so doing, it will look at Dyer & Shafer’s two dimensions of agility: firstly, the “dynamics and imperatives” (Dyer & Shafer, 2003, p12) of marketplace agility and, secondly, the interaction of the elements of human resource strategy with each other and with the organisation: organisational agility.

Dyer & Shafer proposed that there were a number of areas which were required to foster agility in an organisation (although even they do note that this is speculative), and which need to operate synergistically (as they point out, flexible infrastructure, for example, is both a cause and an effect of employee behaviour and mindset). Their model is shown in figure 65.

Critical Area	Description
Agility oriented mindset	Where every employee perceives and values the organisation’s purpose in the same way and understands and facilitates marketplace agility
Agility oriented behaviours	Dyer & Shafer define these behaviours as leadership which can direct the organisation strategically towards marketplace agility, and employees who initiate and improvise, assume multiple roles and engage in continuous learning
Agility oriented organisational infrastructure <ul style="list-style-type: none">- stable inner core- reconfigurable outer ring	<p>The stable inner core is necessary to create the strategic direction to drive the organisation towards agility, and to keep it from descending into chaos. A clearly articulated vision, a common set of shared values (with an emphasis on trust) and a few key shared performance metrics are the ‘anchors’ for this stable inner core.</p> <p>This is complemented by a reconfigurable outer ring, comprising fluid organisational design, flexible core business processes, distributive information systems (real time, accessible information) and adaptable workplace design</p>
Agility oriented HR strategy	<p>Agility oriented HR strategy is reduced to 6 principles by Dyer & Shafer, organized into 3 dialectic pairings: drive and discipline, autonomy and accountability, growth and continuity.</p> <p>Drive and discipline refers to the need to build a common sense of purpose, whilst still promoting the contextual clarity required to keep employees on track.</p> <p>Autonomy and accountability refers to the need to provide employees with considerable freedom, whilst managing the resultant organisational fluidity through instilling consequences for actions and ownership of outcomes.</p> <p>Growth and continuity means the promoting of risk taking and the encouragement of employees to move out of their comfort zones, whilst providing the stability of continuous employment.</p>
Agility oriented HR policies, programs (sic) and practices	Drive (“forge a common sense of purpose”: Dyer & Shafer, 2003, p27) requires the organisational vision, core values and shared performance metrics to be communicated to employees, and employee commitment to be built. Key programmes include employee involvement in the development of the vision, values and metrics; “surround communication” (Dyer & Shafer, 2003, p27) to reinforce these elements; team building and setting of “breakthrough objectives” (Dyer & Shafer, 2003, p28) to reinforce and embed

	<p>core values.</p> <p>Discipline (“promote conceptual clarity”: Dyer & Shafer, 2003, p28) implies that employees must have the information they need to understand marketplace agility and the reconfigurable elements in the organisation. Key programmes include “surround communication” and “open book management”, where financial and operating information is freely shared with employees to increase their understanding of the organisation’s business dynamics and the way in which their work contributes.</p> <p>Autonomy (“foster fluid assignments”: Dyer & Shafer, 2003, p28) encourages an open market for talent, and sees employees as undertaking assignments on a fluid basis with accountability for outcomes. Discretionary-based work design and a genuinely open market for talent are two of the key HR programmes necessary to facilitate this.</p> <p>Accountability (“instill ownership of outcomes”: Dyer & Shafer, 2003, p28), for Dyer & Shafer, means that employees must be continually aware of what they are responsible for, to whom they are responsible, and what timelines to which they are working. The key programme in this area relates to “commitment management” (Dyer & Shafer, 2003, p29), a protocol which allows employees to effectively negotiate commitments with each other and to track the progress towards those commitments.</p> <p>Growth (“promote serial incompetence”: Dyer & Shafer, 2003, p30) relates to the concept of employees continually developing in new directions. Key programmes include careful selection, surround communication, an open talent market, a heavy investment in employee development (including a redefinition of mistakes as learning opportunities) and establishment of communities of practice.</p> <p>Continuity (“encourage continuous employment”: Dyer & Shafer, 2003, p31) is self explanatory, with HR programmes aimed at minimising voluntary turnover and layoffs/the impact of layoffs as critical. Careful selection, comprehensive orientation programmes, communication and carefully selected benefits underpin the former.</p>
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Figure 65: Dyer & Shafer's Critical Areas for Fostering Agility

Despite the promising nature of this concept, there is a significant lack of empirical research in this area. The exception to this is Shafer et al (2001), who conducted a case study on a US healthcare provider, AEHN. HR was a central tool in AEHN's transformation from a traditional, stable hospital specialising in acute care, into an agile healthcare network, providing a full range of services.

AEHN built their HR strategy around 3 strategic capabilities. These were translated into a number of behavioural and personal competencies which AEHN called “agile attributes” (Shafer et al, 2001, p200). This is shown in figure 66.

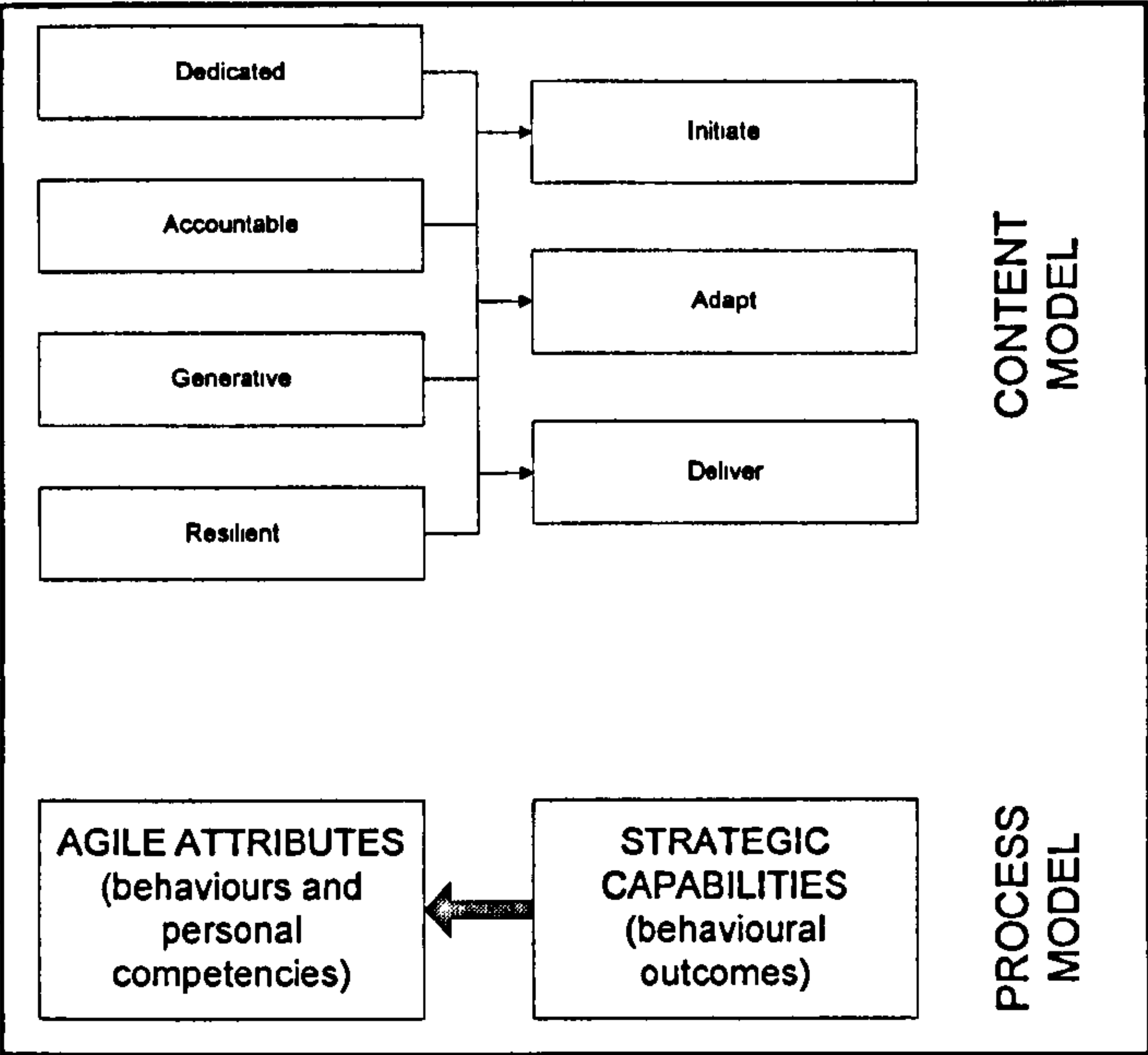


Figure 66: AEHN's Strategic Capabilities and 'Agile Attributes'

These “agile attributes” were driven through 5 key HR initiatives, which had a range of sample activities associated with them (this is shown in figure 67).

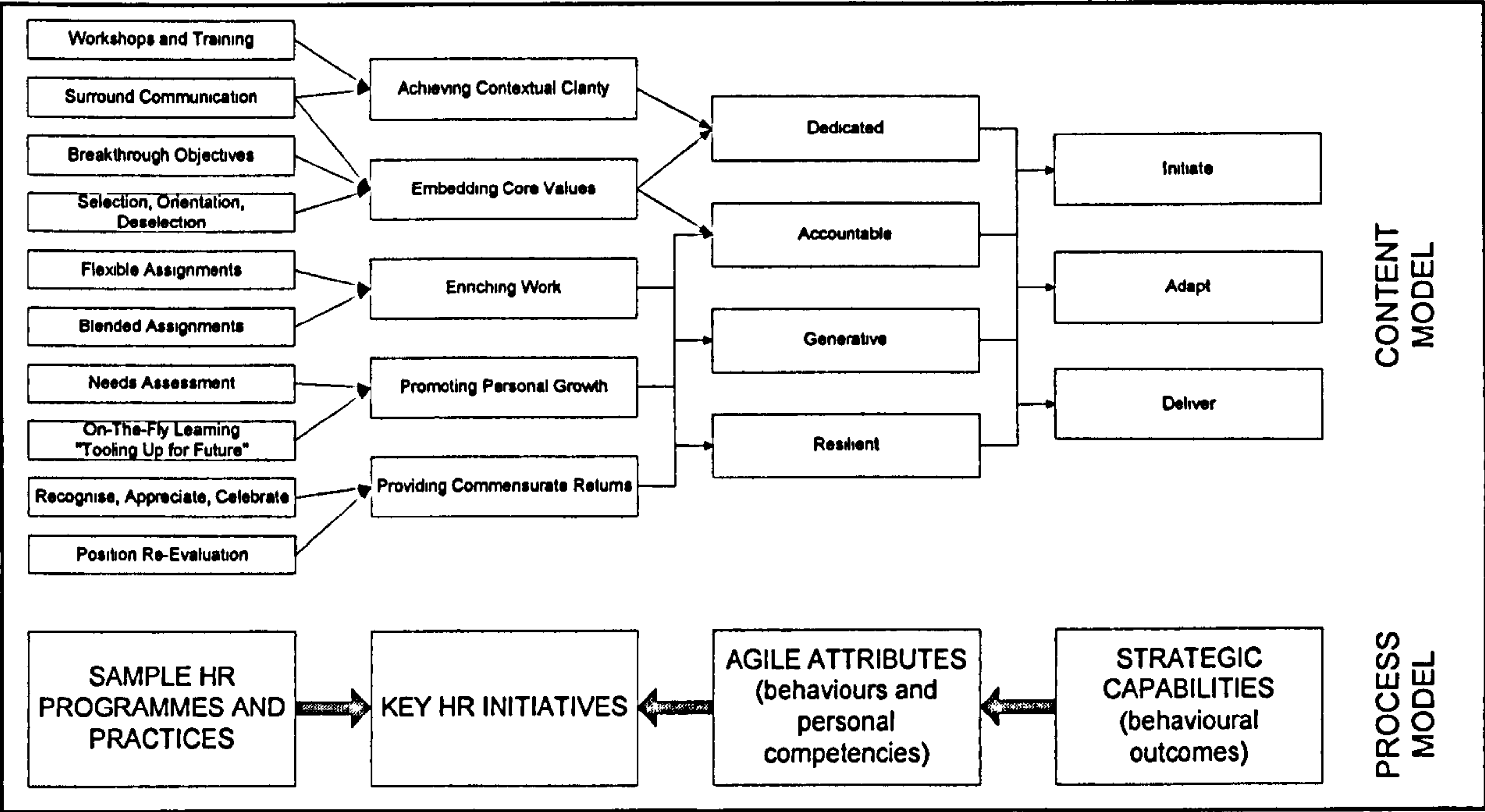


Figure 67: AEHN's Human Resource Strategy

This was the basis of the HR activity map shown in figure 68.

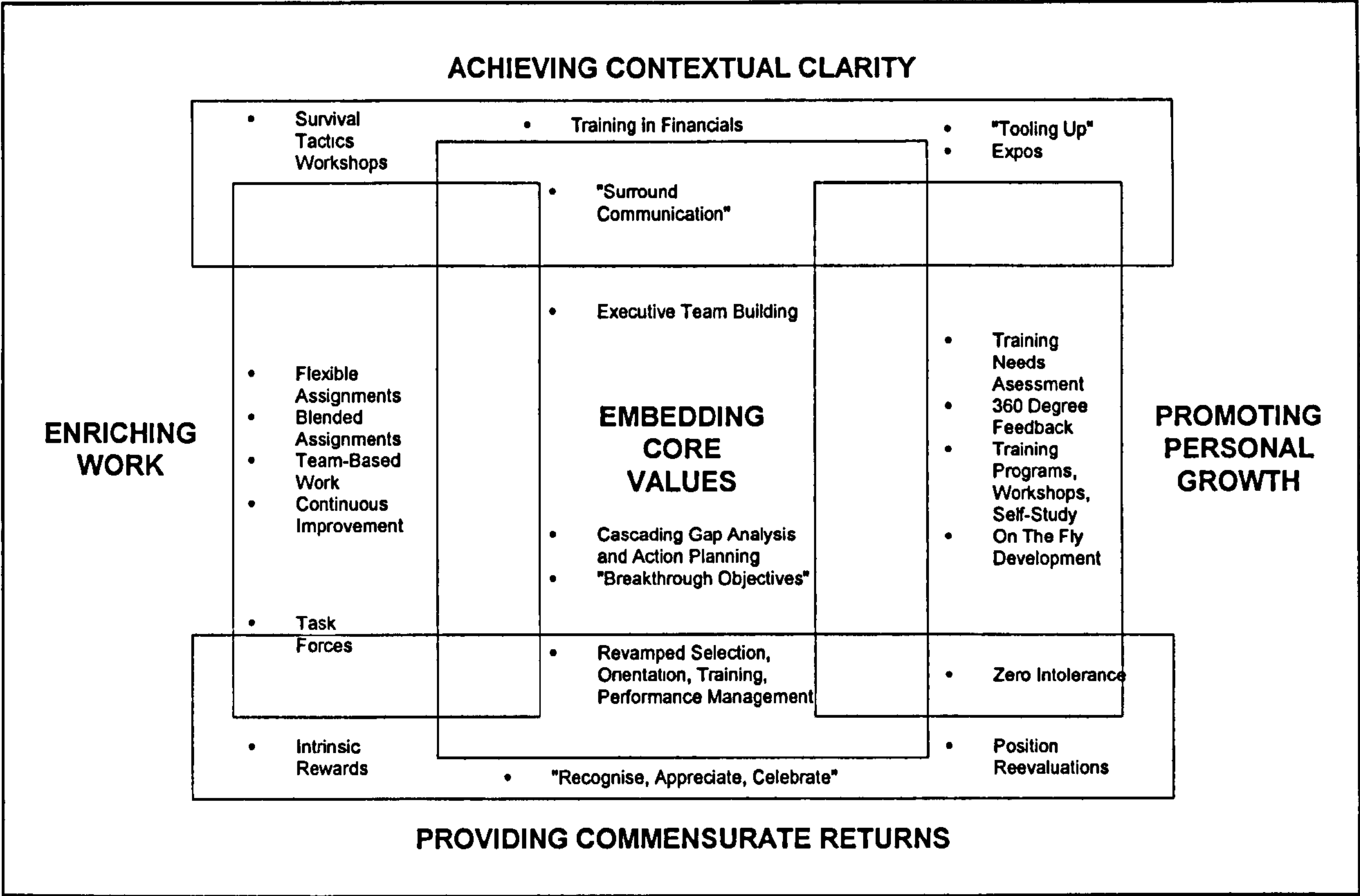


Figure 68: AEHN's Human Resource Initiatives and Related Activities

Shafer et al drew a number of useful conclusions from this case study:

- It is clear that organisational agility must be designed in: it will not simply happen.
- Models (such as the process model shown in the figures above) are useful in ensuring a clear line of sight between strategic capabilities and HR activities, and also emphasise the vertical fit between the business strategy and the HR components. Shafer et al offered their process as a potential model for agility for testing in other research.
- Horizontal fit is important between the components (this links to the concept of internal coherence discussed in the next section), and it appears that there are a small number of initiatives which are critical to the fostering of organisational agility.

Shafer's HR initiatives have much in common with high involvement work systems models such as that proposed by Lawler (1987):

“Enriching work and promoting personal growth, in turn, fostered focus and provided both the rationale and space required for employees to be generative and resilient.” (Shafer et al, 2001, p209)

Shafer et al also suggest that “commensurate returns” (2001, p 209), which they define as both financial and non-financial, are important in promoting an appropriate employee attitude towards organisational agility.

Shafer et al go beyond Lawler, however, and propose that HR initiatives which were linked to ‘achieving contextual clarity’ and ‘embedding core values’ were particularly important, and surmised that the higher requirement for employee trust in an agile (as opposed to a traditional) organisation underpinned this.

HR programmes and practices should be chosen for their relevance to the key human resource initiatives, rather than based on “fads, folderol, and putative best practices” (Shafer et al, 2001, p209).

It is clear that this is a promising research area and that there is an opportunity to significantly expand empirical and theoretical research on organisational agility.

3.2.3. Implications for HR

In the post-1990s economic environment, the failure of ‘best fit’ and contextually based theories of HR to consider change is a potentially fatal flaw. Wang and Ahmed's (2007) comments about RBV apply equally to these theories:

“Entering the 1990s, the highly dynamic business environment challenged the original propositions of the RBV as being static and neglecting the influence of market dynamism”.(Wang & Ahmed, 2007 p32)

This is particularly damaging, given the recent focus on the centrality of HR in change and change management. Dave Ulrich, for instance, sees “fast change” (Ulrich & Brockbank, 2005, p224) as one of his “HR competencies that make a difference” (Ulrich & Brockbank, 2005, p224), defining the HR role as follows.

“In high performing firms, HR professionals make change happen successfully and thoroughly. They are centrally involved in planning and implementing change processes. But their most critical contribution is making sure that change happens quickly. They focus

on implementing decisions quickly. They involve key leaders in fast change. They ensure that human, financial and information resources are aligned with the desired changes. They monitor the progress of key change initiatives, and they capture important lessons and apply them to improve future change efforts. They not only set the broad framework for effective change management but also exercise their facilitation skills to move change initiatives forward.” (Ulrich & Brockbank, 2005, p224)

The concepts of dynamic capabilities and organisational agility suggest the possibility of a different role for HR, where the recruiting, training and rewarding of change enabling competencies could provide a key role for HR in supporting organisational agility.

3.3. Linking a Processual View of Strategy with Dynamic Capabilities

Looking at the implications of the two bodies of literature, it is difficult to see how one could reconcile a definition of strategy as an objective with the work on dynamic capabilities and organisational agility. Strategy as an objective presupposes a business environment which is relatively stable and amenable to analysis, and on which medium to long term strategy can confidently be built.

Given an environment of dynamic change, it is unlikely that detailed contextual analysis and medium to long term planning will remain relevant, apart from perhaps broad strategic direction setting at the very highest level in the organisation, and/or as a starting point for an iterative formulation of strategy.

The processual definition of strategy is innately more appealing in an environment of dynamic change, as responsiveness to environmental change can be created through the ongoing and negotiated view of strategy. Indeed, in the more unpredictable of change situations, the processual definition of strategy merges into an emergent, perhaps even post rationalised, view of strategy.

In summary, work on dynamic capabilities and organisational agility is predicated on a processual definition of strategy. Whilst one can have a statement of strategic intent, a processual definition of strategy infers a fluid approach to both strategy formulation and re-formulation in the light of changing circumstances or the re-negotiation of the strategy.

3.4. Application to the Projects

This section will look at the implications for business strategy and the implications for HR.

3.4.1. Implications for Business Strategy

The proceeding literature review has suggested that there are competing definitions of the term 'strategy', and that the 'strategy as a process' school of thought may have greater relevance in a modern business context than 'strategy as an objective', particularly where the business environment is characterised by dynamic change. Whereas 'strategy as an objective' assumes a relatively stable environment in which strategic planning is a viable business tool, the dynamic environment depicted by Wang & Ahmed and Dyer & Shafer suggests that, whilst broad strategic planning may create a starting point for strategy formulation, effective strategy is likely to be responsive to environmental change, and as such, will be iterative and ongoing: 'strategy as a process'.

'Strategy as a process' implies that strategy formulation will be a matter of interpretation and re-interpretation, negotiation and re-negotiation. The influence of the actors, hence, becomes very important. Actors are likely to have different views, depending on their access to information (how bounded their rationality is), their perceptual filters and their ability and pre-disposition towards negotiation. The discussion of multiple levels of strategy further infers that individual actors will have different views of what comprises strategy, and in how far they are engaged in strategy formulation and strategic activities, as opposed to tactics and tactical execution. Given these different views, it is reasonable to suggest that, again, strategy formulation will be iterative and negotiated.

3.4.2. Implications for HR

Project three will take a processual view of strategy, and, apropos of the research questions, will look at the impact of this on HR strategy formulation and HR strategy implementation.

i) HR Strategy Formulation

Turning first to HR strategy formulation, existing work tends to take a 'strategy as an objective' definition. The 'best fit' and contextually based HR models (e.g. models by Pettigrew, Storey and Paauwe) discussed in project two regard strategy as an absolute, a visible element in an organisation which has a tangible

organisational reality and is amenable to description. If these models allow the actors to have a role, it is a very bounded one (Paauwe's "dominant coalition") and they suppose that there is a singular business or HR strategy, and that a common view of it will be held by all of the organisational actors: in other words, that strategy has a first order reality.

The social constructivist perspective suggests that this view of HR strategy is problematic. The majority of business respondents in project two saw no link between business and HR strategy, and did not see 'best fit' factors as deterministic. They did, however, comment on the influence of the actors and the politicised and negotiated process of strategy formulation.

When a processual view of strategy is taken, this presupposes that there is not a one to one correlation between analysis of the business and contextual environments and the generation of strategy, as this link is subject to mediation by the actors, and affected by their perceptual filters and negotiating stances. The process of strategy formulation becomes a second order reality, much more fluid and iterative, with no consensus on the existence of a strategy, and the co-existence of multiple, contradictory versions of articulated strategy. It also allows one to take the perspective that HR is not a strategy, but rather a series of negotiated decisions about processes, albeit very complex ones. Whilst a diagnosis of the first order reality 'best fit' factors may be a useful starting point for strategy formulation, the perceptions of the 'best fit' factors, their influence on the organisation and what response to them is appropriate are all second order realities and, as such, subject to the interpretations and negotiations of the actors.

ii) HR Strategy Implementation

Moving secondly to HR strategy implementation, the strategy as an objective model (and the 'best fit' and contextually based approaches to HR) do not consider the link between strategy formulation and the implementation of that strategy: there is an implicit assumption that what is strategically intended will be realised.

This, taking a social constructivist perspective, is again problematic. Project two's respondents create an elaborate set of interpretative repertoires around the constraints which prevent HR strategy being fully enacted. The function of this, given that the 'constraints' repertoire is used almost exclusively by HR respondents, appears to be to justify the lack of perceived fit between realised HR and the needs of the business.

The processual view of strategy, conversely, allows for the possibility of a gap between intended strategy and the realised approach, as that involves the translation of a second order reality (intended strategy) into a first order reality (the

realised approach), and is subject both to constraints and to further perceptual filters and negotiation.

iii) Towards a Processual View of HR Strategy

In conclusion, the processual view of HR strategy seems to better characterise the perspective and the expectations of the business respondents and better reflects the process of strategy in both the business and HR in TF articulated in project two. TF has no formal process of strategy development, but has an emergent and ongoing approach to strategy development, akin to logical incrementalism, which one can argue allows it to be more responsive to an environment of dynamic change. Strategy, in so far as it does exist in TF, has a significant element of post-hoc rationalisation.

Given this model, many of the factors which emerged in project two become comprehensible. Respondents differed in their view of both business and HR strategies (business respondents generally held that there was no HR strategy, as opposed to the generally held contrary view of the HR respondents; there was a similar divergence of views on the existence and coherence of a business strategy); this becomes explicable when one sees strategy not as a singular entity with a robust organisational reality, but rather a fluid concept, in a continual state of negotiation and emergence.

A view of strategy which is processual, emergent and negotiated has considerable implications for HR. It moves HR beyond a search for 'best fit' or a contextually determined approach to HR strategy formulation, allowing it to see HR as the emergent result of iterative negotiated processes. This allows HR to be more attuned to the politicised processes of organisational strategy negotiation, and to be more responsive to the changes in the external and internal environment. As such, it provides an opportunity to provide a more flexible and robust model of HR which is much more able to respond to the modern organisational challenges of dynamic change and politicised decision making.

4. THE PROJECT

4.1. Creating a Descriptive Research Model

Given this literature review, a descriptive research model of HR, thus, must work at the level of first and second order reality. As HR practitioners (and the organisational actors) attempt to interpret, understand and translate the first order realities of the business strategy, context and change in the organisation's environment, HR strategy assumes a second order reality, a matter of interpretation and negotiation. As intended strategy is implemented (the realised HR approach), it takes on a first order reality, discernable through policies, procedures, systems and projects.

Project three, hence, will advance a new descriptive model of HR, as shown in figure 69.

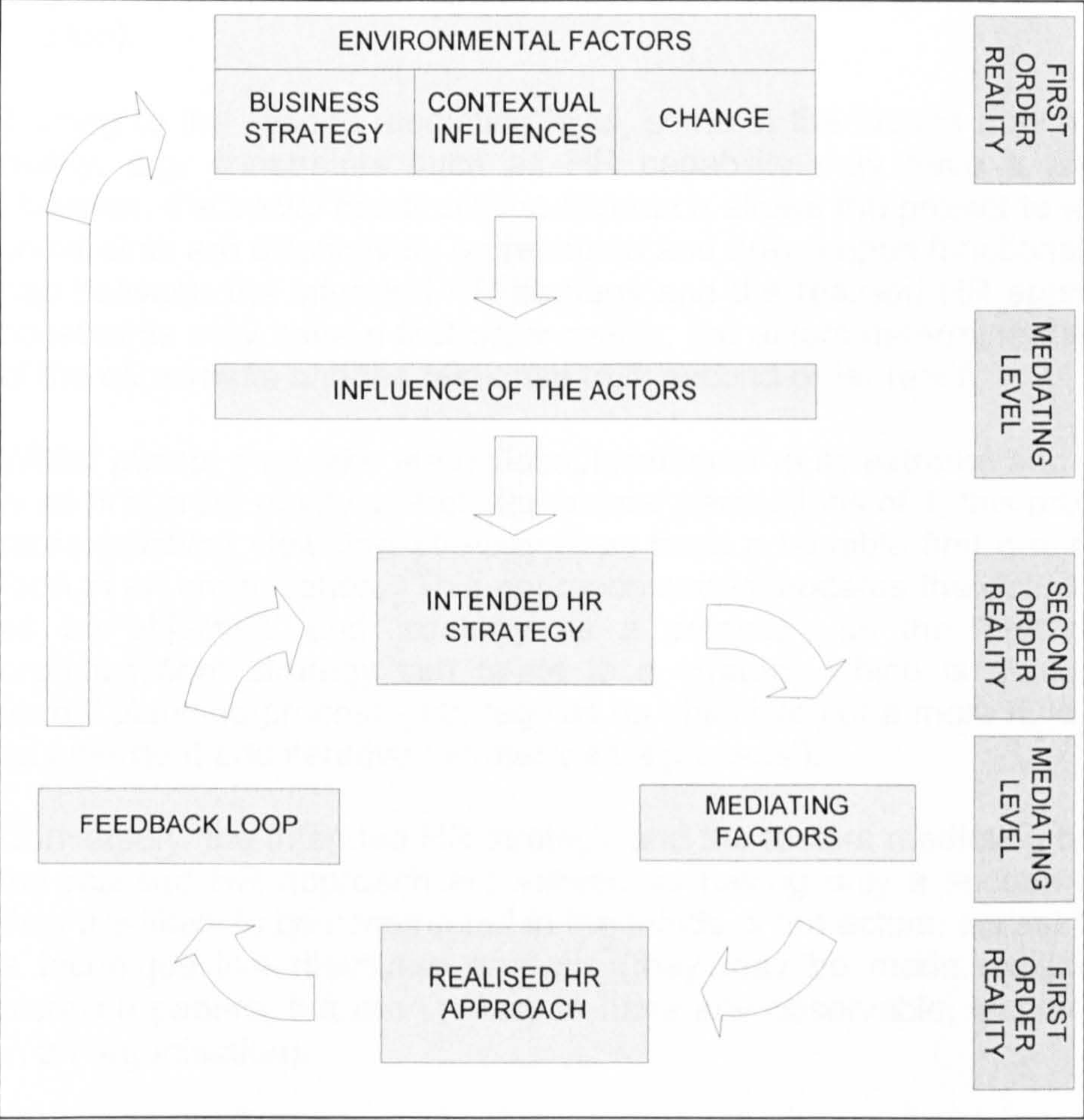


Figure 69: A Descriptive Model of HR

If one takes figure 69 as a working model, one begins to view the process of HR strategy development and implementation as an interaction between first and second order realities, with mediating levels in between the two. Two of the boxes on the chart (the environmental factors and the realised HR approach) have a first order reality, but they are mediated by the influence of the actors, who create the intended HR strategy as a second order reality.

It is assumed here that there is a first order reality around business strategy, context and change, which can be identified in organisational behaviour and in written reports, documents, presentations and analyses, but that a social constructivist approach will allow the project to look at the second order reality of these elements: how are the business strategy, context and change drawn upon flexibly in discourse to present views and support negotiations. Arguably, this influence of the actors is more influential than the first order realities themselves, as their impact is enhanced, mediated or negated, depending on the influence of the actors, unless those factors are so incontrovertible that they cannot be negotiated (these 'punch through' first order realities will be discussed in a later section).

Turning to the second mediating level, some of the factors may have a first order reality, e.g. constraints such as HR capability may have a first order reality. However, the social constructivist approach allows the project to look at how such constraints are discursively represented and drawn upon functionally to explain the gap between the intended HR strategy and the realised HR approach. Although constraints may have a first order reality, the actors determine the level of impact of the constraints and the response to it: second order reality.

Whilst purists may take the philosophical tenet to its extreme and argue that there is no first order reality, merely the actors' perceptions of it, this project will take the more practical view that strategy does have a tangible first order reality in some form in an organisation. This approach accommodates the definitions of 'strategy as an objective' and 'strategy as a process', as the 'first order' reality of organisational strategy can relate to a strategy which is articulated through a formal planning process ('strategy as an objective') or a more fluid view of strategy as emergent and iterative ('strategy as a process').

Conversely, the intended HR strategy and the factors mediating between that and the realised HR approach are viewed as having only a second order reality, as they are likely to be constructed in the minds of the actors, accessible only through a technique like discourse analysis (they may be made explicit in strategy or planning papers, but are unlikely to have any observable, incontrovertible, reality in an organisation).

The intended HR strategy/realised HR approach section of the model is described as a loop. A mediating level exists between the intended HR strategy and the realised HR approach (likely to be an articulation of the constraints which respondents see as preventing the complete implementation of the intended strategy). However, there is also a feedback loop between the realised HR approach and the intended HR strategy. ‘Strategy as a process’ suggests that strategy formulation will be ongoing and iterative, presupposing that there will be a link between what has worked (or not worked) in the realised HR approach and a re-formulation of the intended HR strategy. This, likewise, will occur at the level of second order reality, and the feedback loop will be based on perceptions of what has worked or not worked, and views as to what the appropriate adjustment to strategy will be.

Figure 70 sets out the research agenda for this project.

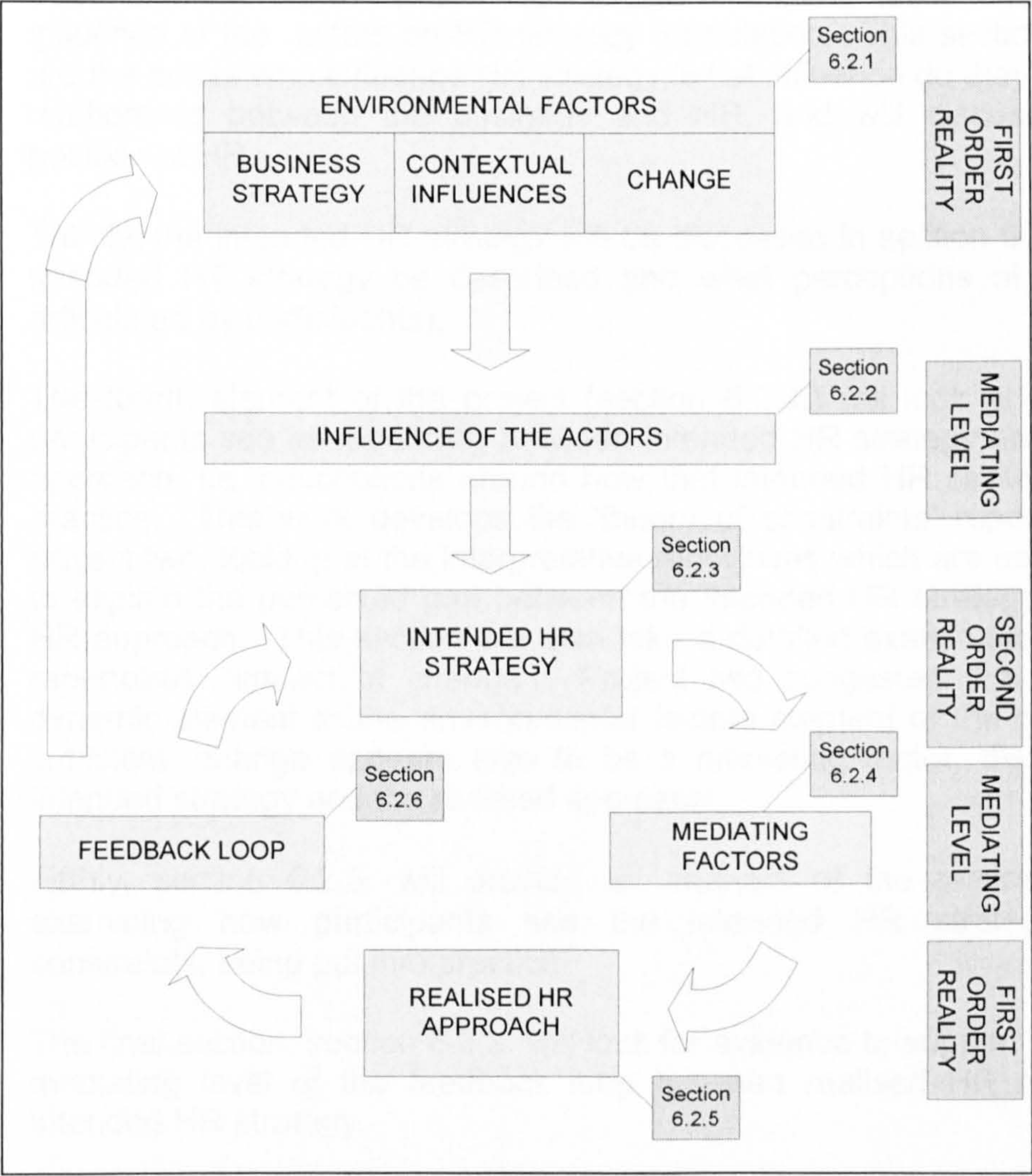


Figure 70: Descriptive Research Model of HR and Project Sections

To test this model, this project will take a social constructivist approach and will use discourse analysis to identify and categorise interview data into 'interpretative repertoires' (major recurrent themes) to provide evidence to support (or otherwise) the descriptive research model.

The first analysis this project will conduct is to look at the environmental factors which the actors see as influential on intended HR strategy (section 6.2.1.). These are first order reality factors, but this project will concentrate on the second order reality of how respondents construct these factors in their discourse. It was felt that this would be a reasonable indication for how respondents would draw variably on these factors to support their negotiations in the strategy formulation process. It will look at discourse around theories of business strategy formulation, the influence of context on strategy and the impact of change.

Secondly, section 6.2.2. will look at the mediating level, and will look at the influence of the actors on HR strategy formulation. This section will look at who are the actors who influence HR strategy, what influence do they exert, what is the relationship between the business and HR, and will discuss the negotiating position of HR.

Thirdly, the intended HR strategy will be discussed in section 6.2.3. (how can the intended HT strategy be described and what perceptions of HR strategy are articulated by participants).

The fourth element of the project (section 6.2.4.) will look at the factors which participants see as mediating between intended HR strategy and the realised HR approach, i.e. descriptions around how that intended HR strategy is deployed in practice. This work develops the 'theory of constraints' repertoire identified in project two, looking at the interpretative repertoires which are used by participants to explain the perceived gap between the intended HR strategy and the realised HR approach. This section will also take a detailed examination of one of those repertoires: 'impact of change'. Project two suggested that simply adding a dynamic element to the environmental factors element of the model may not be sufficient: change appears also to be a mediating factor, dissonance between intended strategy and the realised approach.

Fifthly, section 6.2.5. will provide an analysis of the realised HR approach, examining how participants see the intended HR strategy, mitigated by constraints, being put into practice.

The final section, section 6.3.3. will look for evidence to support the existence of a mediating level of the feedback loop between realised HR approach and the intended HR strategy.

4.2. The Organisation

4.2.1. The Organisational Culture

Competency frameworks are generally a useful indication of an organisation's culture, and the Thomson Corporation's competency framework is reproduced in figure 71.

Competency Title	Competency Description
Creating Strategic Direction	Targeting the right customers with the right offerings at the right value/price equation.
Thinking Like a Customer	Having a deep understanding of customers, their needs, future direction and application of our offerings.
Leveraging Business Acumen	Using knowledge of business dynamics to make good decisions and sustain the core business whilst driving profitable growth.
Driving Innovation	Champions new and innovative approaches, ideas, methods, processes, products or services.
Driving for Results	Setting high standards, taking ownership, and driving accountability for results.
Leading Change	Drives significant strategic and organizational change.
Managing Across Boundaries	Working collaboratively across boundaries and getting things done despite divergent goals, cultures and perspectives.
Developing Talent	Selecting the best people and helping them improve their capacity to make a contribution to the organization, through feedback, coaching, training, and developmental assignments.
Building Relationships	Establishing respect, trust and rapport quickly; understanding and anticipating the needs, interests and motivations of others; and getting things done through the informal organization.
Acting with Integrity	Operating with honesty, a respect for others, and conviction to high business ethics and standards, and never doing anything to compromise the reputation of the Thomson Corporation.

Figure 71: Thomson Corporation Competency Framework

However, there are a number of limitations with taking the competency framework as a determinant of organisational culture. Firstly, competency frameworks tend to be aspirational rather than reflective of the actual organisational culture (which can include unfavourable as well as favourable elements). Secondly, the Thomson framework is applied only to the talent management process, which covers around 200 of the 9000 people in the organisation, hence is limited to the senior management population and may not be reflective of the competencies or cultures applicable to middle management and below. Thirdly, the framework applies to Thomson Corporation, thus may have limited applicability to Thomson Financial. As such, it was decided to use this as a reference point, but to conduct a further discourse based analysis of the culture as perceived by the participants in this study.

Thomson Financial has a distinctive and influential culture; an analysis of the comments made by project three's respondents on the culture creates a very

similar depiction of the culture to that produced in project two. Figure 72 lists the dominant characteristics of the culture as articulated by the respondents, with associated quotes.

Characteristic	Quotes
'Can do'	"I'm pretty amazed at the ability of TF in Asia to go and make something happen. ... I think that we are a can-do organisation, in Asia Pacific, and I think that's driven by [the MD]. I mean this is part of the image, is that [the MD] is an approachable, you know can-do, fairly aggressive ... we're the one who goes around and takes no prisoners. You know, we're the SAS (laughs) of the company" [DR:10]
'Willing to take risks'	"... we're willing to take a risk. Willing to fail ... probably even more so ... It's okay to have a problem, but don't let it happen twice. And secondly, try and have an education out of everything that goes wrong. But if you're not willing to go wrong, or at least take responsibility for it, you're never gonna learn." [DR:10]
'Performance driven'	"Of all the places that I've worked ... we are the most clear on ... we <u>do</u> pay for performance. You know it is absolutely compelling when you show ... that we pay and we incent our far exceeds, exceeds and fully achieved performers, and we don't pay the rest of 'em." [KBM:2]
'Short attention span'	"...we don't really ... (think) does the customer want that? Does the market want that? Don't care, I think this is a great idea, so let's do it." [RA:13] "... that's probably one thing that I've seen in my couple of years at TF. There's a lot of momentum behind some new initiatives and new ideas and then they kind of fizzle out, and then there's a new one. Rather than following through." [HC:3]
'Short termist'	"... every year in Thomson, you have the beginning they think top line, past H1, everything's about bottom line and targets, and in Q3 and Q4, every year ... we have to do every slice of challenge we can do, to do the numbers at year end ... I think the culture in Thomson as a whole is a short term culture." [JD:4] "Thomson is a very quota driven company, under [the President] ... I don't think we are having the right, HR's never right, but having the long term perspective." [JD:8] "... there is a perception in New York that our business is run by Finance, not by the business. And you know a lot of the blocking and tackling that happens is because the budget has to be met, the numbers have to be met, and there is no derivation from that course ... Well it's very short term." [AD:5] "Thomson is a reactional kind of business. It's all about driving for results, there's no, there's not much that's consistent, in the business." [CP2:13]
'Immature'	"... there are a lot of things that I think TF as an organisation, as a culture, still does like a small business. There are a lot of things that we, I think you know it's still act not think ... supporting this two billion dollar business, we <u>are</u> of a scale that we should be a little bit more mature in some of our processes." [KG:3]
'US Centric'	"The reality is we are a very US organisation." [JD:8]

Figure 72: TF's Cultural Characteristics

These characteristics are consistent with those articulated by the European participants in project two, with the exception of the last, which was a much more firmly held view in Asia. As one can see, this has similarities to elements of the Thomson Corporation framework, but does not reflect the ‘people’ competencies of ‘Building Relationships’ and ‘Developing Talent’ and includes an unfavourable variant (‘Short Termist’) on the ‘Driving for Results’ competency. A number of competencies appear in a negative formulation, notably ‘Managing Across Boundaries’ (‘US Centric’) and ‘Leading Change’ (‘Short Attention Span’). ‘Driving Innovation’ and ‘Thinking Like a Customer’ are not referenced at all.

As shown in figure 73, the TF core values create a potentially closer match, although again the emphasis is heavily on the ‘Performance Driven’ and ‘Can Do’ cultural characteristics.

TF MISSION	
Thomson Financial's mission is to be the leading provider of integrated workflow solutions that drive customer performance and productivity for targeted segments of the financial services industry.	
CORE VALUES	
Accountability	TF employees strive to take ownership of their projects, set priorities, and achieve exceptional results.
Collaboration	Working together to create solutions that incorporate the input and perspective of all stakeholders, is essential to building a One TF culture.
Customer-Centric	Decision making involves continually challenging ourselves to meet and exceed client requirements and expectations.
Bias Towards Action and Execution	Taking the initiative to get things done, being comfortable making decisions without perfect or complete information, working with drive, perseverance and an unwavering commitment to getting the job done.
Entrepreneurial Spirit	Questioning the ‘old ways of doing things’, taking prudent risks to help grow our business, and view mistakes as learning experiences.
Performance-Driven	We strive to recognize, reward and reinforce quality work. We set high expectations and seek feedback from our colleagues to continually improve our performance.
Ethical	Communicate openly and honestly, and acting in accordance with the accepted principles of right and wrong business practices, are the only accepted methods of doing business at TF.

Figure 73: TF's Mission and Core Values

Drawing upon a tool developed by Johnson & Scholes (1993, p60-63) a cultural web was also produced for project three, which is shown in figure 74. Note that this cultural web relates to the senior managers' views of culture in TF, is derived from the project three interviews, and the cultural web produced by individuals at different levels in the organisation may be very different.

TEXT BOUND INTO THE SPINE

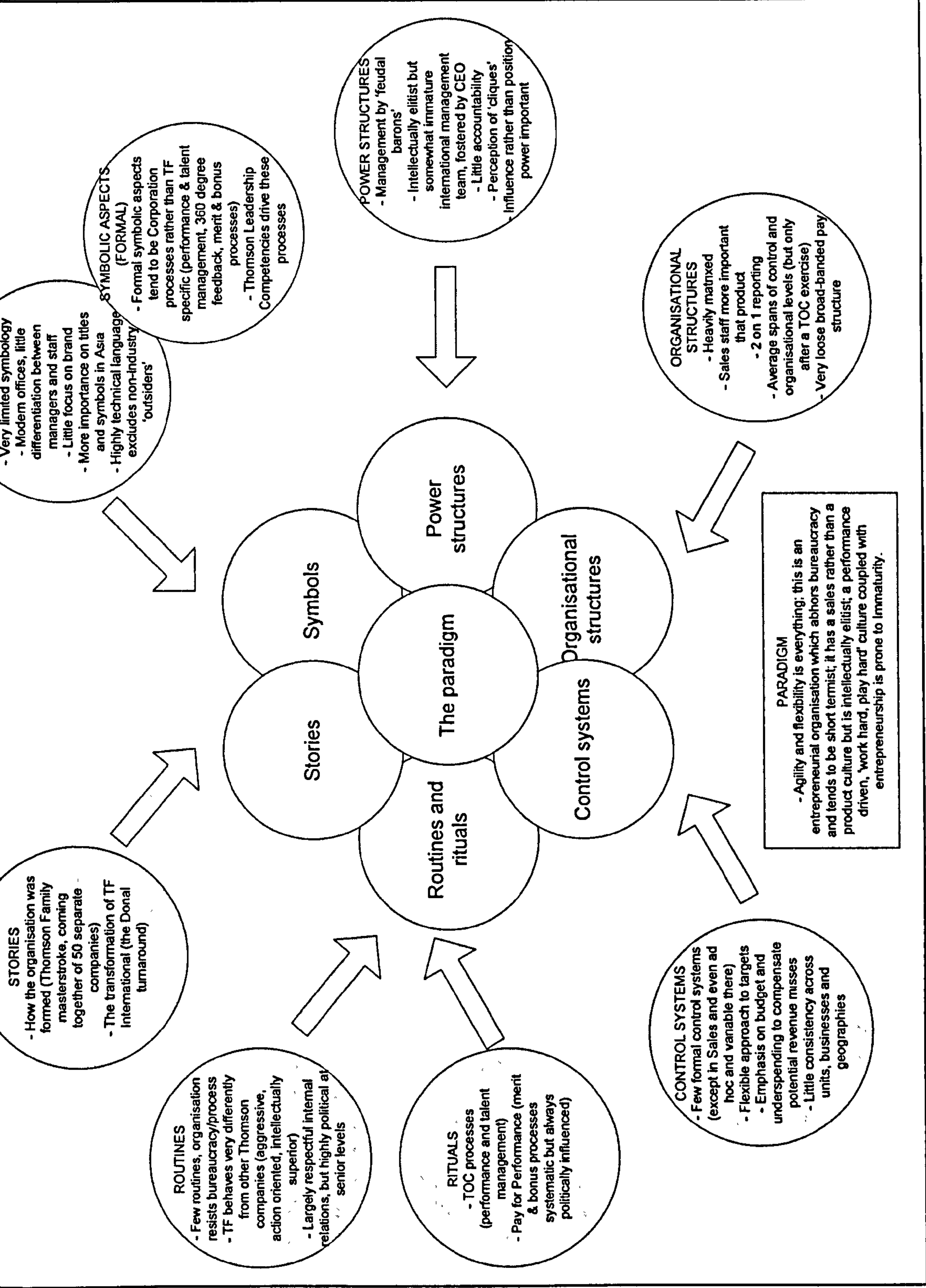


Figure 74: Cultural Web for Thomson Financial (Senior Management)

The combination of the analysis of the discourse around culture and the cultural web were used to produce a paradigm for the organisation, as follows:

“Agility and flexibility is everything; this is an entrepreneurial organisation which abhors bureaucracy and tends towards short termism; it has a sales rather than a product culture but is intellectually elitist; a performance driven, ‘work hard, play hard’ culture coupled with entrepreneurship is prone to immaturity.”

An interesting point to note in terms of the cultural web is the interplay between the Corporation and the Thomson Financial division. Whereas the power structures, informal symbols and flexibility around routines and control systems are under the direct influence of Thomson Financial, and represent the organisational paradigm, there are a number of factors which limit Thomson Financial's complete freedom to operate (rituals, formal symbols) which are Corporation controlled and driven. In areas such as organisational structure, the Corporation influence is beginning to be seen in recent organisational design exercises.

This has an interesting implication for HR. The organisation's formal symbology (performance and talent management, promotion, compensation etc.) are major ways in which HR communicates organisational values: what is valued and what is not, how success is rewarded and failure punished. However, these are controlled by the Thomson Corporation, not Thomson Financial, meaning that there is a potential disconnect between the Corporation's translation of values through HR and its deployment in Thomson Financial, a perception reinforced by the participants, who relate no strong articulation of organisational meaning through HR.

4.2.2. Dynamic Change

Project three explores the role of HR in an organisation which represents itself as an exemplar in dealing with and exploiting change, and sees its ability to change as a core competency. Thomson Financial operates in what Eisenhardt & Martin defined as a ‘high velocity market’ (Eisenhardt & Martin, 2000, p34), with its cross over between IT, media and Financial Services. Eisenhardt & Martin indicated that a dynamic market environment could be created by a combination of factors, including technological innovation, regulatory change, economic cyclicity and changes in the competitive landscape. Assessing Thomson Financial on these dimensions positions it in a high velocity market, typified by discontinuous transformational technological change (e.g. portal technology, thin versus thick client solutions), servicing a cyclical industry (Financial Services is notoriously cyclical and TF's buying patterns mirror upturns and downturns in the Financial Services market almost exactly) and with a rapidly changing competitive situation. Whilst barriers to entry in financial information are very high, niche players abound, providing data to one market or one geography, which in turn

leads to continual M&A activity and continual reconfiguration of the competitive landscape. Furthermore, Thomson's impending acquisition of Reuters will cause massive upheaval in the competitive environment for the foreseeable future. By any definition, Thomson Financial operates in a 'high velocity market'.

Thomson Financial also meets Dyer & Shafer's description of a dynamic organisation, which they characterise as companies which "deliberately seek to be infinitely innovative and adaptable in the workplace by adapting loosely coupled organisational forms" (Dyer & Shafer, 2003, p9). This is clearly shown in the following participant's comment from project two.

"...going back into the Nineties, before Dick Harrington took over as CEO ... there was a really strong view, coming from the top, that we didn't want to harmonise, and integrate. We had bought these these assets, and that a large proportion of the value of the assets resided in them staying relatively independent and decentralised. And you know there was this feeling that if you ... tampered too much, the value that we'd bought that we'd paid usually a lot of money for, would evaporate. So we went through this significant shift, when Dick took over, of moving away from that philosophy, of ... saying ... the name of the game is to preserve that value, but at the same time get much more in terms of leverage and cost saving, from greater integration. So that was a significant shift and obviously we're going much further down that route now (in HR) ...and all these areas we've hitherto resisted bringing together. So again you know that's gonna significantly change that in the character – of the organisation." [NB:6/7]

An interesting discussion topic here is how senior managers seek to create order in this chaotic environment, which links to the cultural web. In the absence of strong values (an established organisational strategy to build alignment and continuity in changing environments, as Dyer & Shafer indicate in their concept of the stable inner core and reconfigurable outer ring: Dyer & Shafer, 2003), it appears that this organisation has resorted to political means to create order: the cultural web depicts an organisation where feudal barons manage the organisation through their network of political associations.

The most extreme challenge for the demonstration of the 'linkage between business and HR strategy' is an environment of dynamic change. Project 3, hence, will continue its exploration of SHRM in TF, but will look at the geographical area of most intense transformation: Asia. Thomson Financial Asia was an ideal place to study the interaction of change and HR, given that it was dealing with both planned and reactive changes of significant magnitude.

It will allow the project to look at HR in an environment of transformation and planned growth. This project also provided the opportunity to examine HR's role in an organisation undergoing a radical, unanticipated change: the research was

conducted in the months before the Thomson-Reuters merger (this differentiates this project from project two, in that the merger was announced some months after the research in project two had been completed).

To look firstly at the 'planned' change, as the characteristics of the Asia business show, this was the area of the business undergoing the most significant transformation:

- year on year revenue growth of 22%
- expansion into new markets (2007 marked the opening of a commercial operation in India, as well as more tentative explorations into South East Asia developing markets such as Malaysia, Vietnam and Thailand)
- availability of localized product in Japan
- defined China entry strategy
- acquisition and integration of two sizeable organisations (ComputerShare, a Corporate acquisition, and XFN, a news organisation)
- major staff changes (replacement of Managing Director Sales, Sales Directors in Hong Kong, Singapore and Japan, new HR Director).

The magnitude of the transformation in the business is reported throughout the interview transcripts, and the following quote is typical.

"... in the business I'm running is we've gone through acquisitions and acquisitions and we've got a fifty percent growth rate, so we are a textbook growing pains business. And with that comes cultural challenges, timezone challenges, all those kind of things."
[AD:1]

As this quote suggests, the Asia context provides its own complexity, although this is not referenced to the same extent as the impact of the growth rate. Managers from 'western' backgrounds (the following quote is from an Australian) report the difference in management style required in Asia.

"... often I find, particularly in Asia, you almost have to spoon feed the whole thing into their lap. In order to say, so here are your instructions, and then you know when you've done that, come back to me and I'll give you the next bit.

Whereas what I tend to find what my preference is, natural working is, this is where we're trying to get to, this is what I need you to do, and you you're a smart person, you're a manager, you can work it out from there. I'm not gonna tell you what to do. But you know here are some ideas, let's discuss the way we're going, it's now your project. But I often find in dealing with Asia, even pre-acquisition, this was the case." [AD:1]

The multi-region nature of the Asia business is also reported as a source of complexity.

“... understanding the way that countries needs to recruit and identify talent. You know like in India the way you address it is radically different from how you might address it in Australia, because of turnover issues.” [DR:1]

However, this planned programme of change and expansion was relegated to secondary importance in April 2007, when the Thomson Corporation announced its intended \$8 billion acquisition of Reuters. The impact on the Thomson Financial business was expected to be dramatic, particularly in terms of synergy realizations via product, staff and real estate consolidations.

5. METHODOLOGY

The project continued the discourse analysis and social constructivist methodological and theoretical perspectives used in projects one and two. Continuity was provided for the ongoing consideration of contextually based HRM, as the same organisation hosted project 3 as was studied in project 2.

The methodology was defined in chapter 3, but it is useful at this point to reiterate the main components of discourse analysis. The following definition of discourse analysis is used:

“... the constructed and constructive use of language and on the functions and consequences of language use.” (Potter & Wetherell, 1987, p 206)

The main categorisation system used in discourse analysis is the “interpretative repertoire” (Gilbert & Mulkay, 1984; Potter & Mulkay, 1982, 1985; Wetherell, 1986). This is defined by Potter and Wetherell as follows:

“Interpretative repertoires are recurrently used systems of terms used for characterizing and evaluating actions, events and other phenomena. A repertoire ... is constituted through a limited range of terms used in particular stylistic and grammatical constructions.” (Potter & Wetherell, 1987, p 149)

This “interpretative repertoire” coding system will be used to analyse the data produced in project three, and are shown in figure 76.

Given that the topic of change had been introduced by the respondents in the previous project, and was identified as a further issue with ‘best fit’ models of HR, the group of interviewees were selected from the area of the business undergoing the most substantial change: Asia.

The number of interviewees was slightly smaller than for previous projects, as the availability of HR interviewees with the requisite English language fluency was limited (the Japanese HR director, for example, was excluded on that basis). Fluent English language was deemed essential for a project focused on linguistic analysis, and where interpretation of semantics and shades of meaning were critical.

This was not seen as a major limitation, as it provided an opportunity, from a business perspective, to interview an entire management team. This allowed for the examination of the differing views and lenses adopted by the members of the team, and raised the interesting question of the differing expectations of HR and

how HR can respond to the different, and often conflicting, requirements of the individuals across the management team.

6. RESULTS

6.1. Introduction

Project three used a similar coding system to that of project two, and the first sections covered similar ground to project two, providing a discourse analysis of the data aimed at the identification of any major differences in areas expected to be common (business strategy, model of HR strategy in terms of best practice and best fit; contextual influences versus the influence of the actors). It then analysed the data in the areas expected to show differences from project two's European based study, and placed emphasis on the areas of change. Finally, it developed and provided further analysis of the theories on intended strategy versus the realised approach and the influence of the actors which emerged in project two. The results are described below.

Retaining the same host organisation built consistency with project two, but moving the project into a context (Asia, the pending Reuters merger) where high levels of dynamism existed in the environment created change as a variable. This was a particularly opportune time to study the perceived impact of HR in a change scenario, as the Asia business was facing two types of change: a planned change over which the actors believed they had control (growth and expansion) and a reactive change (the pending merger) over which perceived control was negligible.

The initial categorizations are shown in the Nvivo coding diagram shown in figure 75 below.

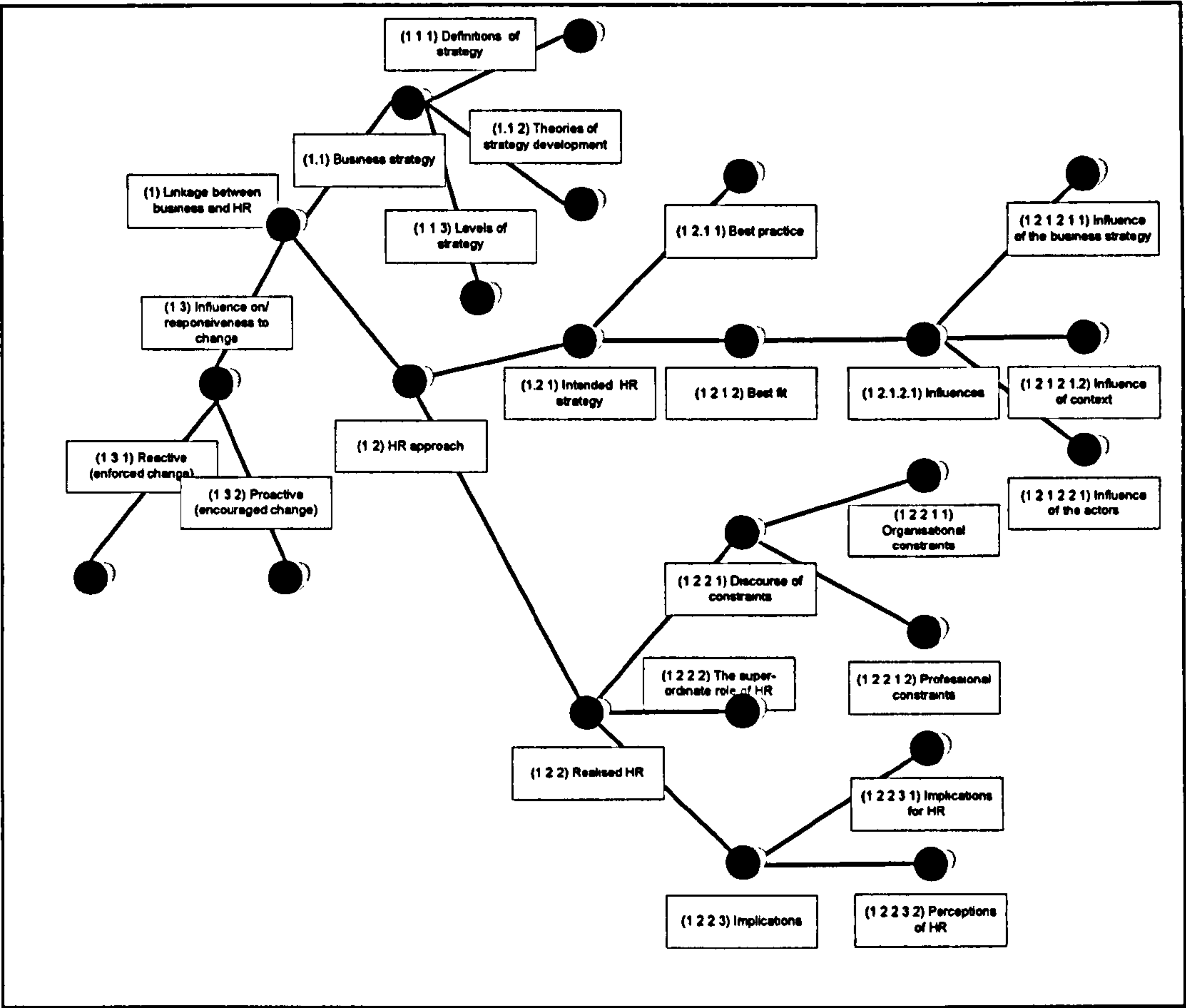


Figure 75: Nvivo Coding for Project Three

The NVivo coding provided the basic categorisation system and described the top level discourses used by the respondents. The second stage of the analytical process was to typify the interpretative repertoires (as defined in section 5) used by respondents, These are described in figure 76 below. Interestingly, the majority of the interpretative repertoires which emerged in this project (excepting the ‘constraints’) can be described in terms of a dichotomy, e.g. strategy is viewed as a process or strategy is viewed as an objective, HR is described as best fit or as best practice, HR is strategy or HR is tactical execution.

Repertoire	Example	Repertoire	Example
1		2	

Strategy as an objective	"...you're in an organisation like ... one of the big oil majors ...Shell and BP, what does the world look like in twenty years? ... Because they absolutely have to do that for their business. And that is, in my view, genuine strategic thinking, geo-politicals, macro-economics, that whole shebang, because they're making gazillion dollar investments, today, which will not pay back for twenty years." [MH:5/6]	Strategy as a process	"...every x number of years take a step back, what does it really look like, what does the ten year thing look like ... that's another step back, look at all the incrementalisms, where do all of those incrementalism pieces take you." [MH:6]
HR as strategy	So I would say that HR strategy is really the implementation of HR approaches that meets the overall strategy for the business, because if you're in one of the finite number and fairly easily defined set of circumstances, for any business, I think you can apply that as a generic case and therefore you know you've got to do certain things within the HR side of the business ... to meet whatever it is you're trying to achieve with the overall direction of the business." [MH:1]	HR as tactical execution (HR core responsibilities)	"... there's also some components which are always I think self-contained within the HR function, where you can define ... how best you want that function to achieve those pieces, which are the things which are as I'm saying, payroll, messaging, recruitment or recruitment activity, are I think can be self-contained ... they don't, I believe, need to refer back to the rest of the business, because ... that's your role to deliver those components, how you do that is entirely up to you." [MH:3]
Super-ordinate role of HR (HR as legitimate)	"HR is a representative organisation of how you do things." [CP:10]	HR as illegitimate	"... the way [a Thomson sister company] works, as an HR model is ... almost more manipulative in terms of the way it works with the senior leadership group ... the way I see it is the HR director will almost try to manipulate ... the business strategy." [CP:1/2]
Best fit	"I think there is definitely a fit between HR strategy and the business strategy." [KG:1]	Best practice	"... if you're in one of the finite number and fairly easily defined set of circumstances, for any business, I think you can apply that as a generic case and therefore you know you've got to do certain things within the HR side of the business ... to meet whatever it is you're trying to achieve with the overall direction of the business." [MH:1]
HR as tactical execution (HR core responsibilities)	"... there's also some components which are always I think self-contained within the HR function, where you can define ... how best you want that function to achieve those pieces, which are the things which are as I'm saying, payroll, messaging, recruitment or recruitment activity, are I think can be self-contained ... they don't, I believe, need to refer back to the rest of the business, because ... that's your role to deliver those components, how you do that is entirely up to you." [MH:3]	Bundled HR activities	"So I would say that HR strategy is really the implementation of HR approaches that meets the overall strategy for the business, because if you're in one of the finite number and fairly easily defined set of circumstances, for any business, I think you can apply that as a generic case and therefore you know you've got to do certain things within the HR side of the business ... to meet whatever it is you're trying to achieve with the overall direction of the business." [MH:1]
Business leads HR	"... you were in organisations in which the customer really drove the business strategy. And HR supported the business strategy. HR were partners at the table, but the business really drove the strategy." [KBM:1]		
Multiple roles	"I think I would have put (HR roles) in order business number one and the employee champion number three, out of those. At least from my perspective. But from the perspective of the ... average staff it should be the other way round." [DR:5]		

Context as culture	(e.g. short termism) "I think the HR, and top management as a whole, is thinking long term. I think they're thinking long term. Doing this, does show. But then everybody's crumbling because everyone's got quality, targets. And we get stuck into this environment ... How is this possible? This is ridiculous. That to me is very clear. This doesn't make sense." [JD:4]	Context as management philosophy	"... the business strategy is in isolation from the management philosophy ... I think it's totally separate. I mean the business strategy, this is what the business looks like, this is where we wanna get to. What style do we wanna run the business in? Almost a separate decision. We could do it either way. Mean Thomson, nice Thomson." [MH:16]
Limits of local customisation	"... the challenge we've got little outposts, right, like the Koreans and the Indians ... just sheer distance and geography. And the places that we are big enough to have HR on the ground it's very nice, like Singapore and Australia, but that's always the challenge in this region." [DR:5/6]		
Conflicting organisational priorities	"But you look at overall at the things that we're doing, and the messages that we're sending, and the day to day work that's going ... we're saying one thing and in our actions doing other things that make it pretty difficult." [KBM:2]		
HR capability	(e.g. resourcing level) "And we don't have the band width, even if we had the competence." [SV:10] (e.g. support) "I think I would have to be better equipped. To be honest." [RA:5/6]		
Causality and credibility	"... measuring success, and quality (deeply impacts the way I do my job) ... Feeding that back, to the leaders involved. Making sure there's there are structures in place to be able to talk to the success of programmes and initiatives. Keeping people updated on what's going on." [CP2:13]		
Impact of change	"I think there were just too many changes. And what we tried to accomplish is you know the, running behind, basically, and fixing all different things." [RA2:5/6]		
Proactive change	"... it seems like we do a lot of change, we should have a lot of experience on that." [WLC:7]	Reactive change	"... yes, we're good at change, but not change that we're not in control of." [DR:13] "As an organisation what struck me I think in the last couple of weeks was, we are very effective in BAU. Including the changing, you know steady state BAU, changes and everything else. But this kind of a thing is more of a disruptive upheaval, and for that you need a lot more." [SV:10]

Figure 76: Interpretative Repertoires for Project Three

The analysis of the results will provide evidence for the descriptive model shown in figure 69. It will be divided into two sections: strategy formulation (section 6.2.) and strategy implementation (section 6.3.).

6.2. The Analysis: Strategy Formulation

6.2.1. Discourse Around Environmental Factors

Respondents use three major discourses to describe the environmental factors which they see as influencing HR strategy formulation, with a number of sub-discourses:

- The influence of business strategy on HR strategy
- The influence of context on HR strategy
- The impact of change on HR strategy.

There are a number of interpretative repertoires associated with discourse around the environmental factors which are seen as influencing intended HR strategy, most evident of which are as follows:

- 'HR as legitimate (super-ordinate role of HR) versus 'HR as illegitimate'
- 'Best fit' versus 'best practice'
- 'HR as tactical execution' versus 'bundled HR activities'
- 'Context as culture' versus 'context as management philosophy'.

6.2.1.1. *The Influence of the Business Strategy on HR Strategy*

The first proposed element of the model was the environmental factor of business strategy. It was assumed that this had a first order reality at the highest corporate level. Moving down the organisation to the operating company level, it was presumed that the first order reality of business strategy would be weaker, and the second order reality (the influence of the actors) manifestation of business strategy would become more dominant. This section will consider business strategy as a first order reality, but, particularly in section 6.2.1.1.4. (the influence of business strategy on HR strategy), the manifestation of business strategy as a second order reality, as a negotiated and emergent process, formulated and re-formulated by the actors, will start to become apparent.

It was expected that the corporate level business strategy of any organisation was relatively easily discoverable through documentation, but there was little written information on the Thomson Corporation and Thomson Financial which was amenable to analysis. However, it was possible to ascertain key strategic themes, i.e. a long term group strategy of growth through acquisition and organic growth and a commitment to a single technology platform.

Given the paucity of written information, it was decided to look at the articulations of business strategy offered by the actors. There are obvious complications of

using actors' perceptions (second order reality) to access first order reality, but in the absence of other forms of information and given that this caveat was noted, this was deemed to be an acceptable strategy, even given the possible conflation of first and second order reality.

This analysis will concentrate disproportionately on the discourses on business strategy offered by the MD of the business, for two reasons. Firstly, there was no real discussion of strategy by the other respondents, and, secondly, it is reasonable to suggest that the MD would exert a significant influence on the organisational actors and that his view on strategy would prevail. It was, however, clear that the MD had a very different view on strategy to both his direct reports and to the HR team, indicating a potential area of disconnect between strategy at the top level and its translation to its implementers.

One clear difference emerged between the Asia and European respondents' discourse around strategy: whereas in Europe, business respondents typically reported an absence of strategy, there was some reference to a strategy for Asia. This may be related to the level of strategy perceived, and that it is easier to see/touch strategy (particularly emergent strategy) when one is at the SBU level, as a smaller organisation allows for more direct communication and a higher number of touch points.

The discourse used by respondents can be divided into three categories:

- Definitions of strategy
- Theories of strategy formulation
- Levels of strategy
- The influence of business strategy on HR strategy.

This section will go through each of these in turn. There are a number of associated interpretative repertoires which recur in discourse around business strategy, most notably 'strategy as an objective' versus 'strategy as a process' and 'HR as strategy' versus 'HR as tactical execution'.

6.2.1.1.1. Definitions of Strategy

The most senior interviewee – the MD of the business – provided a textbook set of definitions on strategy, starting off with a discourse of strategy as long term planning, clearly referencing the definition of 'strategy as an objective'.

“... a strategy role, unless you're in an organisation like ... one of the big oil majors ...Shell and BP, what does the world look like in twenty years? ... Because they absolutely have to do that for their business. And that is, in my view, genuine strategic thinking, geo-politicals, macro-economics, that whole shebang, because they're making gazillion dollar investments, today, which will not pay back

for twenty years ... So that to me, that's the kind of organisation and the kind of business that strategy is a genuine function which requires you know significant and serious level of commitment of resources and people (in strategy)." [MH:5/6]

He immediately limits this approach to a small number of organisations.

"The number of companies who are genuinely doing the long term strategic stuff is very very small, Especially in relation to the number of people who think they want a strategy job." [MH:5]

And, on the basis of time scale of operation, he differentiates TF from organisations for which long term planning is appropriate.

"Within a business with a much shorter time cycle, like ours, where our longest contract is three years ... Strategy is much more I think about divestment, acquisition, organic, build or buy kind of activity. This is what we want to get towards. Strategy I think specifically within the confines of Thomson ... is delivered at the Corporation level ... excellent example, Corporation mid nineties: our strategy is we're gonna get out of print. You know we're gonna go all electronic ... obviously there's a lot of thought and discussion and effort put into coming to that decision, but that is a two line definition of our strategy." [MH:5]

Everything else, consequently, is defined by the MD as 'tactical execution'.

"... we deliver that down to those operating business units, get out of print, get into electronic. Yours. Done. End of strategy definition, everything else is about execution ... it's an all execution, the strategy's been summed up in two minutes." [MH:5]

"... let's assume the decision is yes, we're gonna build an I-Bank, or at least maybe the operational part of an I-Bank, right so now what flows down from that in terms of execution, tactical executions to get to that picture in three to five years' time." [MH:6]

"I have so many conversations with potential people coming in, 'I wanna do strategy'. Yeah, but ... in my definition, strategy occupies twenty minutes. Everything else, is the really hard stuff, about how we're gonna do things." [MH:4]

6.2.1.1.2. Theories of Strategy Formulation

Whilst the MD rejects long term formal strategy planning as inappropriate for an organisation working to TF's timelines, he still references the techniques of long

term strategic planning. Strategy development in Thomson is presented as evidence based, but with a probabilistic consideration of outlying discontinuities.

“... there’s definitely a role of saying, it’s like Bank of England economic forecasts ... here’s our mid point, here’s our one standard deviation estimate, here’s our two standard deviation estimates, we know that the future of the world in three years looks something between here and here. Because six standard deviations out implies earthquake in Tokyo and total disaster. Might happen, but it’s unlikely in the timescale that we’re talking about, and the standard deviation probabilities that we are representing. And therefore, our world in three years looks pretty much the same as it does today, with some outlying possibilities that you might wanna think about, but actually you wanna prepare for this you know plus or minus three standard deviations kind of scenarios and that’s the business that we’re in.” [MH:6]

The use of the ‘strategy as an objective’ repertoire, hence, is confined to the discussions of high level strategic scenario building, suggesting a hierarchy between the ‘strategy as an objective’ and ‘strategy as a process’ repertoires. When the MD begins to talk about running the business, he switches to a repertoire of ‘strategy as a process’, drawing on the logically incremental and emergent schools of thought.

“ ... the number of companies who are genuinely doing long term strategic stuff as a continuing operation, *as opposed to periodic review of how our business is doing* and, we’re here now, we want to get to here, in a certain amount of time, which I think is a much shorter process.” [MH:5, my emphasis]

His model of strategy development in the business combines logical incrementalism with a semi-formal review process.

“... every now and again you need to take a step back ... that’s what TOC does, or did, previously. You know obviously what they’re just doing now, sale of Learning, purchase of Reuters, that’s that kind of *every x number of years take a step back, what does it really look like, what does the ten year thing look like.*” [MH:6. my emphasis]

For this respondent, strategic direction emerges as the consequence of the various incrementalisms: an emergent model of strategy, described using the ‘strategy as a process’ repertoire.

“We’ve been talking about building an investment bank, in essence, internally. That’s the kind of thing probably that we should do. And that’s another step back, look at all the incrementalisms, where do

all of those incrementalism pieces take you. They take you to what really looks like an investment bank. And right, okay well why don't we build an investment bank then as a strategic aim." [MH:6]

6.2.1.1.3. Levels of Strategy

MH presents a set of textbook definitions of strategy, and presents the idea that true strategy – in all but a handful of organisations - only happens at very high levels and at a very broad directional level (e.g. selection of a growth strategy). This relates to Johnson & Scholes' "corporate level" strategy discussed in the literature review for this project.

"... there's a picture of what we want to get to as a business, whether we're agreeing that as a management group or whether it's being handed on down to us from on high, by the shareholders."
[MH:4]

The "corporate" strategy then creates a mandate for the business, This is a top down, uni-directional view of strategy which infers that the SBU has little input into the strategic direction it is expected to follow. The consequence of this for the SBU is a focus on tactical execution.

... it's all tactical execution. In reality. Because there is only one strategy which is set for the business as a whole, which is the part of the business cycle that we're in ... that's the strategy. We are trying to do this with the business, trying to grow a business, shrink the business, divest the business, and you know that's defined as 'this is our position today, this is what our position is going to be at the end of some point in time'. End of strategy ... Everything else is execution. Now ... you can call within those pieces of functional executions, you can have a 'strategy' to deliver." [MH:3]

One can see a clear descent through the Johnson & Scholes levels of strategy in this one quote, beginning at the corporate level:

"Because there is only one strategy which is set for the business as a whole, which is the part of the business cycle that we're in ... that's the strategy. We are trying to do this with the business, trying to grow a business, shrink the business, divest the business."
[MH:3]

He then moves to the competitive/business strategy level:

"... that's defined as 'this is our position today, this is what our position is going to be at the end of some point in time'." [MH:3]

And ends with operational strategies:

“... pieces of functional executions.” [MH:3]

It is, however, interesting to surmise on why, when he chooses the term “tactical executions” in preference to a phrase such as “operational strategy”. Given the relative value attributed to the terms ‘tactics’ and ‘strategy’ noted earlier, and that the explicit discussion around strategy in this interview makes this terminology a deliberate choice, inferences can be drawn about the respondent’s perceived local of control in the organisation (i.e. he infers that he does not feel in control of the strategic direction of his business, a contention which is supported by the pejorative “handed on down to us from on high”, MH:4). The implications for HR are that this suggests that his expectations of the support functions will necessarily be tactical rather than strategic.

However, closer analysis indicates that this respondent’s distinction between strategy and tactics is less clear than it may at first appear. In the following quotes, he appears to be advancing a definition of strategy which is far lower level and much closer to tactics than his initial high level definition may suggest.

“From that overall business strategy, which I believe is the prime driver of any business organisation, you’ve got a series of ... execution plans *which can be termed strategy*.” [MH:1, my emphasis]

“ ... supporting the (HR) function *there is strategy* in the sense of nobody should be going to jail for breaking local employment laws, everybody should be you know appropriately serviced in terms of you know the pay and rations type approach.” [MH:1/2, my emphasis]

“... in my view, you can call within those pieces of functional executions, *you can have a ‘strategy’ to deliver*, sure, because you can say well our overwhelming or overarching requirement is, we must have it done by this time, budget is irrelevant, we must have it done within a certain cost, it doesn’t matter if we take a bit of time. Yep? Those kind of things? Which can set ... a strategy.” [MH:3, my emphasis]

And he acknowledges that there may be a level at which strategy and tactics merge.

“... you’re right on the cusp of the definition with how to define the strategy at a layer below, this is what the business as a whole is trying to achieve? Is [it] ... we want to build a recruitment process

that is proactive and allows us never to be running around chasing our tails, because we're in a growth situation." [MH:4]

Indeed, he does explicitly refer to this distinction as a matter of semantics.

"Now, is that a strategy, or is it an execution? A tactical execution that meets the overall strategy of we're trying to grow the business. You could argue that both ways." [MH:4]

"... everybody therefore has a series of pieces of work to do, whether you call them strategy or tactics, let's just you know flip that question for now." [MH:9]

"...within the overall picture of this is where the business is now, this is where it wants to get to today, this is where we want to move ... from here to here. To me, that's the definition of a strategy, but reality is this is a series of technical executions, and we're a little bit into a semantic definition game I think." [MH:3]

There are some limited references to strategy in other business participants' discourse, which have connotations of the 'strategy as an objective' repertoire rather than 'strategy as a process'.

"... it was up to me to set the (business) strategy. Where do I need to be? ... so I had to set the parameters about what is what I wanted." [DR:2]

This suggests that strategy may, indeed, be a matter of semantics: this respondent defines strategy at a much lower level in the organisation than the Johnson & Scholes corporate level activity referenced by MH.

6.2.1.1.4. The Influence of Business Strategy on HR Strategy

The discussion around the definition of strategy described in the previous section is an important one for HR because, if strategy is set at the highest level (reflected in the 'strategy as an objective' discourse used by the MD to describe strategy formulation at the Thomson Corporation level), the search for 'HR strategy' at the SBU level is perhaps ill founded: HR is potentially better served by performing good tactical execution.

There is evidence of a straightforward 'best fit' repertoire being applied to TF in the discourse.

"I think there is definitely a fit between HR strategy and the business strategy." [KG:1]

Although the 'best fit' repertoire appears more often in the discourse in reference to non-TF organisations, used on a comparative basis, suggesting that 'best fit' is more of a second order perception than having a clear first order reality.

"In the brokerage business you know you can be fired in the morning but it doesn't matter because your contract is geared up to recognise that. And the bonuses are significantly higher and the earning potential is significantly higher than it is in this business ... it's a completely different operating model, and you know you might go back into a brokerage organisation for more cash, you know you can be fired in the morning. You're only as good as your last day's ticket." [MH:11]

Although this respondent then goes on to categorise the brokerage model as an atypical operating model, inferring a more 'best practice' repertoire through his references to "normal", "not unusual", "regular" and "better".

"... the best way to run our business is to have great people and keep them in the business and make sure they're properly motivated, and I think that's true for ninety percent of businesses. I think that ... the brokerages are the outliers. So the best way to run your business is to do that, I think that's generically true, and therefore things stem from that way. And the comp is normal comp. You know, this is not unusual compensation, here, it's the brokerages that have the unusual compensation structure. So this is a regular compensation structure, that we have." [MH:12]

... it's an acknowledgement that it's much better to find really great people, keep them, train them, incentivise them, motivate them, reward them, than it is to you know churn the handle. Whereas in a brokerage business, you know that's that decision's a bit of a wash, because actually you can turf somebody out, pay x, you pay y to get somebody else in, as long as they make two y, the shareholders are happy. So it's a slightly different, it's a crueller environment, but it isn't necessarily an economically irrational one." [MH:10]

"(In a brokerage there is) no thought of succession planning whatsoever, because you absolutely you can't afford to have the cost of the succession in place. It's cheaper to go out and recruit as required. You know, totally different approach ... it can be better and it can be better organised and you can do it in a different way." [MH:10]

The MD builds a far more complex definition of the role of HR, combining 'best fit' and 'best practice' repertoires. He also presents a duality between functional execution and deployment of a 'bundle' of HR activities.

“I think the strategy is really a set of execution pieces and some intra-functional strategies, which are about the best delivery of some of those execution components.” [MH:2]

To firstly consider the functional element, this is presented as the effective execution of the distinct activities which HR is functionally tasked with performing (e.g. recruitment, payroll). The ‘HR as tactical execution’ repertoire dominates this discourse.

Rather than being described in terms of the ‘best practice’ or ‘best fit’ repertoires, this is simply seen as a fundamental requirement of the HR function. This is represented as an area in which HR has complete freedom to operate, without reference to the rest of the business.

“... there’s also some components which are always I think self-contained within the HR function, where you can define a strategy because, of what of how best you want that function to achieve those pieces, which are the things which are as I’m saying, payroll, messaging, recruitment or recruitment activity, are I think can be self-contained ... they don’t, I believe, need to refer back to the rest of the business, because ... that’s your role to deliver those components, how you do that is entirely up to you.” [MH:3]

“... you can deliver those (execution) pieces, in isolation is the wrong word, but you know what I mean. You can make the decision about how best you’re gonna do messaging, how best you’re going to do payroll, how best you’re going to do negotiations with ... external recruitment organisations. Entirely within the purview of the HR function.” [MH:2]

These, interestingly, are presented as contextually neutral in the discourse of the respondents. This suggests that there are actions and processes which HR is expected to perform, which are not necessarily linked to or influenced by contextual factors.

“You’ve gotta get the basics, or people I think it doesn’t I still think you can be very credible, but people just you know they can’t get it out of the back of their mind.” [KG:5]

These ‘basic’ activities are, almost perversely, presented as major determinants of HR credibility. This links to the constraint of the expectation placed on HR’s to deliver of perfect administration, initially raised in project two and reiterated in project three: the administrative must be seamlessly performed in order for HR to be perceived well.

“... it’s like wow if you can’t get the headcount right, or there’s always a problem with the payroll ... you need to get that the basics right. And the problem in a support function is ... if things go smoothly you don’t hear anything. And if there are problems, that’s when all the noise happens. So it’s always kind of the top thing, getting those basics right, because you know you’re getting them right when you don’t hear a word (laughs) ... it eats away at people if the basics aren’t right and under control. They don’t hear you as well on some of the business partnering and objective kinds of issues, if there are underlying problems that are gnawing at them.” [KG:5]

This is problematic when considering a contextually based theory of HR strategy, which does not acknowledge this contextually neutral, but fundamental, component of the HR role.

Moving on to the second element, HR is also seen as being responsible for the development and deployment of ‘bundles’ of HR activity, which are represented as being determined by the broad overall strategic direction, which is defined in a series of Johnson & Scholes type broad options (e.g. growth, divestment). This approach appears to have much in common with the concept of HR ‘bundles’ referenced by Boxall (1996, p 171, citing Ishniowski et al, 1996; McDuffie, 1995). This is characterised as the ‘bundled HR activities’ repertoire.

The linkage of ‘bundled HR activities’ repertoire to the overall strategic direction is more obfuscated than the use of the ‘HR as tactical execution’ repertoire discussed above. The ‘bundled HR activities’ repertoire also has a complex relationship with the ‘best fit’ and ‘best practice’ repertoires. These ‘bundles’ are presented as ‘best fit’ in so far as they are appropriate to the broad strategic direction. This respondent does see the HR and business strategies as inextricably linked, initially drawing upon a ‘best fit’ repertoire.

“I think that’s ... a slightly leading question (is there a linkage between the HR strategy and the business strategy) ... because it implies that you can have a separate HR strategy, to the business strategy. And I would refute that, to some extent, because ... you have a business strategy ... of some kind for that business, whether it’s growth, management, decline, cessation, expansion, merger, divestment, whatever. And so that’s your strategy.” [MH:1]

“... how can an HR strategy be drawn up in isolation from what you’re trying to achieve as a business? I mean that’s a nonsense. Or if you’re trying to do it, you’re gonna get shot, because you’re not working in you know being a team player.” [MH:4]

However, the respondent then veers towards a 'best practice' repertoire when he references a generic bundle of activities which the HR function must perform.

"So I would say that HR strategy is really the implementation of HR approaches that meets the overall strategy for the business, because if you're in one of the finite number and fairly easily defined set of circumstances, for any business, I think you can apply that as a generic case and therefore you know you've got to do certain things within the HR side of the business ... to meet whatever it is you're trying to achieve with the overall direction of the business." [MH:1]

He illustrates this by referenced to the Thomson Financial Asia situation, articulating the broad elements of two of the HR 'bundles': growth and decline/divestment.

"So take that down from massively woolly generalisations to very specifically here, where we're in a growth situation, with some M and A on the side for excitement ... your HR strategy becomes the execution of a growth plan, which means that you've got that whole ... emphasis ... towards recruitment, retention, planning and talent management stroke succession. As opposed to ... if it was a decline or a divestment, then you might be ... much more on the employee communications, messaging, decline and severance kind of activity." [MH:1]

This has linkages to the concept of strategy articulated by this respondent. Unlike the other interviewees in this study, he sees business strategy as restricted to the highest level in the organisation, and everything else as tactical execution. Whilst this role may not be one which is particularly appealing to the HR profession, this respondent applies the same concept to all of the functions within the business.

"... my view is that every part of the business operates like that. Everybody, all the business functions, whether it's Finance, Sales, HR, Technology, whatever. All of them are ... running a series of technical executions, because the strategy is quite broadly defined, at a high level. The business is moving from here to here. How does that happen, within each of the operating functional streams." [MH:4]

It is not used pejoratively and, indeed, is seen as entirely appropriate.

"I wouldn't pick out HR as being different from any of the other operational functions. That there's a picture of what we want to get to as a business, whether we're agreeing that as a management

group or whether it's being handed on down to us from on high, by the shareholders." [MH:4]

However, the obfuscation of the definition of business strategy noted earlier is also present in his discourse around HR strategy: 'strategy', in this quote, is used to describe a significantly lower level of activity than the 'corporate' view of strategy he initially advanced.

"... the actual execution of some of the functional components of HR etcetera etcetera, and the strategy of how best to achieve those, the execution of those functional components that, in a cost effective manner, I believe is entirely within the purview of the HR organisation ... So you know that's your strategy. That's the independent part of that strategy, and you've got an execution plan of okay, how do I achieve those kind of things. But within the in the business aspects of it, if we are trying to grow, acquire, and expand the business, then the strategy you know is going to be delivered down is we need to recruit." [MH:1]

This constrained definition of strategy is consistent with his use of the 'best fit'/'best practice' repertoires, in that HR needs to be the former only in so far as it needs to fit a generic 'best practice' bundle of activities to the organisation's broad strategic direction (e.g. growth, divestment etc.). Everything else is tactical execution, the parameters of which are clear and which does not need to be either best fit nor best practice.

"I think you can fairly tightly define what those deliverables are for all of the operating functions, in fact by definition you must be able to, or else you're not managing the business properly, 'cause you don't know what you're doing, or how you're supposed to get to where you want to be, then something is pretty fundamentally broken." [MH:9]

The HR view of strategy is, however, somewhat different. HR respondents draw upon a definition of strategy which is more akin to 'strategy as an objective' and, consequently, describe a lack of business strategy. This respondent's comment on the Corporation's strategy is typical.

"(Business strategy influences HR) Not so much at Thomson. Because I haven't really seen what I'd call a strategy as such! (laughs)" [CP2:5]

"I'm still thinking in Thomson we don't understand, the strategy of this organisation should always have been for the customer. And we still don't seem to get, that." [KBM:3]

The consequence of which is inevitably an unclear HR strategy.

“... we don't have a real strategy, we didn't have an HR strategy as a corporation, you didn't have policies and procedures as an HR organisation.” [KBM:1]

This lack of clear business strategy is presented as a constraint.

“I think from the business point of view the direction wasn't there. Yeah, it was like ten percent growth. Fine, but what does that mean? Do we have any measurements? How well does the new function, the new structure work? Do we need to increase, do we need to decrease, do we need to tweak? I think it was just go ahead and sell.” [RA2:6]

“If you think about, at one point, I think that was when you joined, it was still the talk about China, we need to get to China, set up a legal entity, recruitment plans, back and forth, okay fine. A couple of months later, ah nah, we're not going to do it (laughs). You know complete change of focus! We had all sorts of ideas, plans, for the China piece.” [RA2:7]

One respondent attempts to address the issue of HR strategy in an context where the business strategy is unclear. In so doing, he goes on to makes an allusion similar to that made by MH that strategy occurs only at a very high level, and that at an SBU level, business plans rather than strategy should determine HR activities.

“HR strategy? Right, we struggle to even get a business strategy. Right? ... I mean you dilute the effectiveness of that term, too. I mean strategy is as I say is overly abused. I think you're right, I think we've gotta more tactical, but ... again by stealth. Not putting it out there on a slide for the business to look at and laugh at, for the sake of justifying ourselves. From insecurity about what strategy is. But I think HR has to be clear about what the direction is in terms of our own values, our integrity and the way we approach the business, versus, yep, calling it strategy ... It's called what the business wants it to be called, right.” [CP:7]

CP produces a sophisticated model which draws upon the 'business leads HR' repertoire, interwoven with the need to focus on the tactical to gain credibility, an awareness of the value laden nature of the term 'strategy' and a plea for a super-ordinate role for HR.

Lack of business strategy, as in project two, appears to be being used as a functional repertoire by HR respondents to explain HR's lack of strategy. However, one can see this as self limiting to HR: a processual, emergent model

of business (and thus HR) strategy would allow a view of HR as an effective partner, even given an unclear business strategy.

“... what [the HRBP] does well is pre-emptively responds to the changing strategy, or not even a strategy really, it's not a strategy. Whatever the business plans are, whatever it is that's going on.” [CP:6]

This could be a far more functional repertoire for HR, as this respondent indicates as he goes on to echo MH and describe HR's role in terms of tactical execution rather than strategy development.

“... we have a really unique skill in linking strategy to making things happen, to execution.” [CP:7]

This suggests that HR's obsession with a strategic role may be fundamentally hampering the function. Where a business values good tactical execution rather than high level strategy formulation, and HR itself has a 'strategy as objective' definition of the term which makes recognition of and responsiveness to an emergent and negotiated model of business strategy less likely.

The L&D respondent, however, sees a more positive relationship between the business strategy and HR, using another, more enabling, repertoire.

“... you customise learning I guess in terms of what the executive's priorities are for that year. Or what they wanna achieve ... I think strategy's an abused term in business too. I mean. So it depends on what the ... Market organisation needs.” [CP2:5]

This draws upon the 'strategy as a process' repertoire and has similarities to the different levels of strategy and the deconstruction of the term 'strategy' discussed in this project's literature review. Strategy is conflated with the views of the executive manager, giving pre-eminence to the influence of the actors in this respondent's discourse and alluding to an emergent, negotiated model of strategy.

This model offers a possibility of a 'business partner' relationship to HR practitioners, where HR's role is that of one of a number of actors and negotiators in the organisational strategy process.

“... it's critical to always be in conversation with the leaders of each function to understand what their needs are ... and circle back. So that would be something that I'd be doing ... a lot.” [CP2:6]

Linking this to the 'super-ordinate role of HR' repertoire allows this respondent to go a stage further and to present HR as a coach and facilitator in the strategy negotiation process, with the super-ordinate responsibility of recognising

coaching opportunities and shaping and directing executives through the strategy formulation process.

“... another thing L&D facilitates is the conversation and clarity around priorities. For the business. And it’s actually a coaching model to help leaders get really clear about what they what success will look like at the end of the year.” [CP2:6]

“... the important thing there is really around, ... in my L&D capacity, is to get leadership buy in ... a big part of our role in L&D is ensuring that they’re not taking anything for granted.” [CP2:4]

Going still further, there is a sense that HR’s role is that of a co-creator of business strategy.

“I would sit with him (the sales MD) at the beginning of the year, and I’d get him to do some visioning exercises ... I get him to think about, sitting here, take yourself out of your body, sitting here in a year’s time, what will your sales force be doing. What will the results look like? That’s where I start at: the results. What sort of capability would you have in a team, which would get you those results. What would you have?” [CP:6]

This respondent does, however, realise the complexities of the super-ordinate role, and the lack of transparency of this approach to the business.

“So we used a few techniques, including going by stealth.” [CP2:8]

And that the super-ordinate role may cut across what the business perceives it wants.

“It’s very hard, though, to give your preferred, to represent a vendor, to put someone forward that doesn’t you know fit with the leader’s needs. Because ultimately they’re the clients. And I’ve had those situations but I’ve let I’ve disagreed with who they’ve chosen, I’ve let them go with them, and let it fail in some instances. And then come in, because they need to get that. And it’s not about pointing the finger and saying, see I told you you were wrong. It’s about understanding where they’re at in the learning process, themselves as leaders. And embracing that.” [CP2:8]

This is a clear representation of the ‘super-ordinate role of HR’ repertoire, where HR is seen as having a higher order responsibility to educate less able business representatives, with an obvious link to the ‘HR as legitimate’/‘HR as illegitimate’ repertoires.

It is interesting to surmise on the respective impacts of these repertoires: a focus on HR process, a fruitless and frustrating search for business direction and, finally, an enabling repertoire which elevates the status of HR in the business to a genuine business partner. This suggests an opportunity to create more enabling discourses – as in Ford & Ford's "shifting conversations" for HR staff as part of a change project.

6.2.1.2. *The Influence of Context on HR Strategy*

As context had not emerged as a significant driver in project two, this was not explicitly explored in the project three interviews. However, a number of contextual factors were seen as influential by respondents, namely the influence of global systems and processes, market and culture. Neo-institutional factors were not cited, with the exception of normative factors (legislation and best practice), which will be considered at the end of this section.

i) Global Systems

Respondents provide a strong sense that, when talking about day to day HR, global systems are enabling rather than constraining. This is in contrast to some of the comments which emerged during the first set of interviews about the difficulties of providing 'best fit' HR in an environment where the unit (functionally or geographically) is a small part of a larger whole, and there is a pressure (either centrally driven or created by the constraints of limited resources) for global conformity.

Although use of a US-centric recruitment system is represented as initially challenging.

"... it's definitely a challenge because I think when I came on board, we weren't really using a system, a global system per se, we were sort of sneaking around a global system, to get to what we needed to do ...

At the very beginning it was very impeding, it was tough to sort of deal with it because there were so many things that weren't related to Asia, it was very US centric, but we seemed to skim past most of those and use the system in a way that works for us, but it's still sort of adhering to the overall system." [DH:1]

A responsive US team were prepared to create work arounds and customisations.

"I would say eighty to ninety percent of those one off things that pop up are raised, and most of them are resolved. Most of them are resolved. So there's a workaround for example where they'll create

an extra drop down for us, where that doesn't exist in the US, for example.

Referral programme, one good example that would be referrals ... they've just simply added another drop down for us ... So they've done little things like that, little adjustments, which was quite nice.” [DH:2]

Resulting in a system which is perceived as high value add.

“... it sort of put a bit of a structure on how we sourced ... I think for us it's good because we can be on a common ground with people in other regions as well, so we can talk the same talk, it means we can even share information a bit more easily, go back and we can have the same sort of process in that respect. So even though we're not, again we're not one hundred percent there yet, but there is we're moving in that direction. It's much easier to have sort of an anchor there, for us.” [DH:1]

All three of the respondents in this section similarly report that access to global systems is a benefit, as long as local customisation is possible and permissible.

“... as long as there's work arounds ... I think the benefits definitely outweigh the negatives.” [DH:2]

“I always had the freedom to customise, and you know everything I've asked for I got. But nobody has ever told me how to do it here. Or that it HAS to be a global standard.” [RA2:2]

“So I've just had a call this morning ... about re-designing or tailoring the management development programme that we're running in both New Zealand and in Australia to ensure that it meets the local needs. And the gaps that have been identified or you know the skill gaps that have been identified, hopefully through a thorough competency review in both parts or in both countries. So as a result I take the global pieces and create not only a programme.” [CP2:1]

This is supported by arguments that customisation is required in Asia due to the countries' cultural specificity.

“... in Japan, we've looked at local translation, and we're talking about cultural translation, it's not just the literal translation, that's a key piece. That and we had an example of that a little while ago when I was fortunate enough to have an exceptional translator, who translates the coaching models into the cultural Japanese lingo, which really works. So that's some ways how the global piece is

impacted locally. And stuff I need to consider and work on on a day to day basis.” [CP2:1]

Asia’s autonomy is seen as being to its advantage.

“I didn’t have the feeling that we were too restricted, by global approval policies, for example. I actually felt it quite positive in my time here in Asia to have somebody like Mark who is authorised to take decisions and he’s authorised to make changes, and not having to go up the global path and get final sign off. I found that quite refreshing and I haven’t had that experience for a long time in my previous life. It was easy. I could go in there and say, ‘can I do this?’, and he says yes, and that was fine. So it’s probably also just working out of headquarter, where you just walk in, versus be somewhere in a satellite office. I don’t know. I just felt that as a very positive factor.” [RA2:9]

But there is a counter-argument which expresses the difficulties inherent in this autonomy.

“Manila for me it’s a separate country, it’s a separate, it’s separate everywhere. It’s an operations centre, so it’s only in small parts linked in with the rest of Asia. ... when (the Manila HRD) joined he obviously also was very keen on understanding how are things done at Thomson. You know, our compensation philosophy, comp and ben, how we’re doing it, etcetera. And what (the Manila HRD) found out, and what I remember he had some struggles with is yes, there is something, but you don’t necessarily need to do it that way. So, again, being able to shape and form and, some restrictions are clearly there. But for the rest, they’re fairly separate. He was able to structure his organisation, look at the skills he needs, and I don’t think he had the opportunity to really act with such a with so much freedom before. He probably was in big organisations before and whatnot, but to have that freedom to create and structure, that was new for him. That’s definitely, not that much influence. I think Manila has even less influence globally. From the global side.” [RA2:10]

Autonomy is presented as a response of necessity rather than choice.

“To be honest I feel like we’ve got a lot more regional control over the process. There’s been very little communication that I’ve seen, and there is general guidelines, but again I feel that lost, when I see all these documents, because they’re so legally written and so North American centric ... That I seem to be getting, I get lost in it. So I kinda sift through and find the major one two three interview

you know checks here and there and sort of I feel like I follow the general bare minimum standards and then apply our own regional sort of way of doing things.” [DH:3]

Limited global intervention is attributed to a lack of interest in Asia from the global teams, and a desire for more global contact is articulated.

“... at Thomson I always felt like the global connection is not and the global alignment is not as big as I would wanted it to be. So yes, I would always look at anything that's already there, that's global, that's consistent, or that's at least from another region, and then see how I would handle it for Asia here ... It makes it easier, and whether it's a global resource or whether its just something somebody else has done elsewhere, and you can build on, yeah, doesn't really matter.” [RA2:1]

“I think Asia has been pretty much left to their own devices, as to how we are using what's out there ... I really feel over the last two years that I've been here, that we've been really kind of left alone, in a way.” [RA2:2]

An alternate view is posed by the L&D specialist, whose desire for global conformity is based on a number of arguments about the need to maintain the integrity of flagship programmes and the L&D 'brand'.

“In order for the MDP programme to maintain its integrity I've got to, for it to be tagged as a management development programme, sponsored by Thomson University, it certainly has to be, well the material that I go through, I would roll out, would have to be aligned, or meet certain principles and guidelines, by Corporate. So there's a fine line there. So yes, definitely, take what we can, and adapt it to the local market needs, which makes sense, from the Centre of Excellence. But at the same time, it's a reason why it's a Centre of Excellence, we've gotta trust that. And ensure that we meet certain criterion ... The integrity of the brand is critical.” [CP2:1/2]

And the role which HR can play in creating a common language.

“(If there wasn't global consistency) ultimately the first thing I think about is employee branding, of the organisation. And it would impact succession planning, it would impact pay, I would almost say succession planning or, I guess, development planning and so forth. If we're not talking a consistent language, and now we're going into competencies. Around the place. It would be hard to integrate one individual from one part of the world to the other.” [CP2:2]

The strong impression conveyed by the discourse of these respondents is that global systems are useful in that they provide a structure and a framework, and can assist efficiency of process, but that there are other factors (e.g. the needs of the business, the need to fit with the Asian culture) which have a more powerful influence on the way in which HR is conducted.

The apparent contradiction between the discourse around global systems and the 'limits of local customisation' repertoire is readily comprehensible if one looks at the context for the discourse. In both cases, respondents are making the case that limited resources in Asia make customisation (which is seen as necessary due to the region's unique geographical requirements) infeasible. The 'limits of local customisation' repertoire suggests that it is not expedient to customise HR for locations (and, by inference, functions) where there are limited people (especially given limited resources). The global systems discussion alludes to the perception that those limited resources can be spread further if global systems are available to provide structure, consistency and reduce workload.

ii) Market

Of all the contextual factors, unsurprisingly, the external market is seen as the most powerful influence on recruitment.

"... if the market was a different market, if the market was if we were dealing with a fifteen percent unemployment rate, it would be a very different recruiting scenario. So it's the sort of heartbeat of how we deal with things. Because of course in Asia right now, in Singapore, Hong Kong especially, just very tight. Speed you know efficiency is really the key, so yeah it just really affects the way I work every day. One hundred percent." [DH:4]

Although there is a sense that this may be an impact limited to recruitment, and not other areas of HR.

"(Market influences) not to a big extent. I think to be honest, it I where I see it saw it influencing was only on the recruitment side ... I think it did not influence bigger." [RA2:9]

And there is an inference that the 'problem' of market should be addressed through different areas of HR, not just recruitment.

"What I would you know see that we probably should have other measures instead of, not just throwing money at candidates (in the recruitment process). But offering more career pathing models etcetera etcetera." [RA2:9]

Even for the recruiter, ultimately, process is still seen as the guiding force, and market influences only the urgency, not the process followed.

"I don't think it compromises. I mean I think as long as there is a common and constant communication going, and I think if that's the market norm, if people in that market are recruiting in a similar manner, and candidates are used to being contacted within a certain time period, I think that it wouldn't compromise too much. And it is not you know it's not sort of putting that on hold and going through the entire process with a hotter markets vacancy, but I think its more of sort of the urgency to push here first, you know you can do things concurrently of course, but the priority the urgency will always first go to these hotter markets." [DH:4/5]

iii) Culture

Culture was seen as influential on two levels: the Asian culture and company culture.

Looking firstly at the Asian culture, the influence was noted, although limited to certain countries (most notably Japan) and specific parts of HR. Whilst the recruiter notes no influence of the Asian culture, seeing market conditions and adherence to process as his major drivers, the generalist presents culture as a constraint, in so far as finding talented HR staff is concerned.

"... the Asia HR team? I think everybody is doing what he she like and thinks is best. It's the hardest part to actually get this team together and get them to share and to talk, and to understand that there might be something they could learn from each other and do differently. And talk about best practice. And it's also look outside, go to some HR forum, networking, whatever. Still, not there ... It's probably cultural. And they come here to work and to earn their money, and really sticking to rules, and they probably have never been exposed to having to think for themselves, thinking of what that's gonna bring for them, as well. In that part, I think it's missing and they probably haven't been exposed to it." [RA2:3]

Likewise, in L&D, significant customisation is seen as required for certain countries.

"... the TU sponsored coaching programme, Inside Out Coaching. So I facilitated that in Japan, a couple of weeks ago ... We looked at the language, the coaching questions, and we did a literal translation first and it just didn't work. 'Cause number one, the questions just seemed a bit weird, number two a couple of them were too hard hitting for the Japanese culture. So we changed that the language of what the actual coaching formula in a way that was acceptable. So we maintained the 'grow' model, and the intent of what the questions were, so there was a bit of too-ing and fro-ing,

what is the intention of this question? Well how could we ask it in Japanese, that will achieve the same outcome? That was one part.

The other part was the role playing ... here's some instructions around the way you handle performance feedback, in the Inside Out model, but in Japan the feedback I got there was no, I want a table in front of us, I need to see that, and stop staring into my eyes so much. And take it a step back. A bit. And also, I need you to be a bit more directive about what you expect. So that they were the key learnings I got from that." [CP2:4/5]

There is again a sense, however, that other things are more influential on L&D, namely the meeting of business needs and the ability to negotiate and shape those business requirements.

Looking secondly at company culture, this respondent supposes that company culture may exert an influence, but does not see this as impactful in Thomson Financial.

"I suppose maybe company culture (may influence recruitment)? But again that wouldn't really affect the process. I suppose it could. It could. I haven't experienced this in other companies, but ... for example at Nokia, the way they approach their recruitment is really based on their culture, their company culture of community or something and they have all these community interviews and such. But I haven't experienced that here ... our culture wouldn't affect here in process, but I could think that that could be another area that might, for other recruitment functions." [DH:11]

To look at culture first, unlike project two, the respondents in project three saw the positive attributes of the cultural factors described in section 4.2 as a strong driver of the organisation's approach to HR.

"I still think that company culture is absolutely critical, right? The way the company wants its employees to think about the company, its customers to think about the company, and you know, everyone has views of companies that are good and bad. Companies that are aspirational or inspirational, whatever you wanna call it. Companies people wanna work for, companies that are known as a good place to work. And I'm not sure we necessarily understand what exactly we would like people to think about us. Personally I think that we have a good shot of people thinking about us being a thought leader and a visionary, and being able to take calculated, high value risks, like we have done in the last ten years." [DR:9]

However, this positive culture is represented as aspirational, whereas the negative cultural elements are seen as exerting a real negative influence on the current organisation, as this comment on short termism indicates.

“I think the HR, and top management as a whole, is thinking long term. I think they’re thinking long term. Doing this, does show. But then everybody’s crumbling because everyone’s got quality, targets. And we get stuck into this environment ... How is this possible? This is ridiculous. That to me is very clear. This doesn’t make sense.” [JD:4]

These negatives are also seen as impacting HR, as the following quote from an HR respondent suggests.

“ ... we’re tactical now. ‘Til the end of the year, that’s what I see, that’s the message. That’s the message that’s come from [the CEO], that comes from anywhere. We need our OI, we want our bonus pool, we’re not hiring, we’re looking short term, then Reuters comes and then everything will be fine. To sum up – you know – seriously this is, so why bother? Em why should I fight? You know you pick your fights ... why should you try and do something that’s not – valued.” [RA:7]

There was also a second variant on context: this respondent reverts to a management philosophy argument, seeing the way in which change is managed as a stylistic choice, discrete from the business drivers.

“... the business strategy is in isolation from the management philosophy. You could run we could run this business in a Goldman Sachs style, if we wanted to. No issue, it would be a completely different philosophy and feeling around the business, but we could certainly still achieve the same kind of aims. Wouldn’t be the same people (laughs), doing it, but it would be the same aims ... you could certainly run this business, on a basis of we’re gonna go with twenty percent organic growth, but we’re gonna do it in a Goldman Sachs style. Which would mean essentially every month we’d look at sales numbers and we’d can the bottom anybody who was less than eighty percent of quota for that month. That kind of thing. We could absolutely run it like that. No question.” [MH: 15/16]

“... I think it’s totally separate. I mean the business strategy, this is what the business looks like, this is where we wanna get to. What style do we wanna run the business in? Almost a separate decision. We could do it either way. Mean Thomson, nice Thomson.” [MH:16]

This suggests two inferences for HR, firstly in that it suggests that the factors driving HR strategy do not operate as a single system or as a limited range of variations, but that they operate independent of one another. This infers that a diagnostic approach to initial strategy development, rather than the utilisation of one factor (such as the 'bundled HR activities' repertoire infers) may be more useful.

Secondly, the influence of culture on HR may relate as much to a conscious choice of management philosophy as to cultural factors: HR must be stylistically responsive as much as driven by business strategy. This relates to Tyson's concept of HR's role in managing organisational meaning: the way in which HR processes are conducted can be a powerful conveyor of messages about organisational values and priorities.

iv) Normative Factors

In Asia, normative factors such as legislation are not seen as exerting a significant influence:

"In certain countries, (laws are) ... different, but we've come to a like a bare minimum, the common denominator in the region for what we want ... So that's really the only way that I would think they would influence ... our daily work." [DH:10]

Best practice, another potential normative factor, is also not seen as influential:

"I do wanna be aware of like employment laws when they change and what we can and can't do ... But it wouldn't be that influential. The biggest thing is just being in touch with the market in those different regions. So not so much you know recruitment best practices, of course attending conferences here and there and sort of hearing best practices globally, how to set up a recruitment function, that's always what we aim for, but I don't I would say that market knowledge and the latest market scoops and what's happening is probably the biggest influence on how we recruit." [DH:10]

6.2.1.3. *The Impact of Change on HR Strategy*

A final environmental influence was considered in project three: the impact of change.

6.2.1.3.1. Types of Change

However, the consideration of change immediately raised an definitional issue: a clear distinction emerged in the discourses around change between proactive and reactive change.

“... yes, we’re good at change, but not change that we’re not in control of.” [DR:13]

“As an organisation what struck me I think in the last couple of weeks was, we are very effective in BAU. Including the changing, you know steady state BAU, changes and everything else. But this kind of a thing is more of a disruptive upheaval, and for that you need a lot more.” [SV:10]

6.2.1.3.1.1. Reactive Change

The Reuters acquisition is described as an unprecedented type of change, in both scale and locus of control. The unprecedented size of the acquisition is seen as pushing the organisation into the unknown.

“I think this is a remarkably unusual change. Because you know we’re the one doing the buying, and we’re the one who’s good at change and integration, but we’re now gonna integrate something bigger than us ...I think the sheer scale of it, and the fact that we may not necessarily be in the driving seat of everything, right. Because I think the changes we’ve been through before have always been us pulling in something that’s like ten percent or less of the company size. So that’s a group hug sort of approach, come in and welcome to the family. Whereas this is well beyond that. “ [DR:12/13]

The point is raised that the change was not initiated by TF, as it was undertaken by the Thomson family, without consultation with any of the TF management.

“... the whole senior management in Thomson wasn’t involved, this was between you know, the select family and the select family, on the vendor side.” [KBM:8]

Change which is not under TF’s control (‘reactive change’) is seen problematic for change management.

“... this is not necessarily voluntary from TF’s point of view. Right. We as an organisation, we did not make a decision to do this. This is being done, to us. And it’s being done with an extremely large

weapon as well (laughs) in the shape of Reuters. And we'll never look the same again. And we're not gonna turn Reuters into us. Which is what we did to other integrations: we turned those companies into us ... I think it goes back just to the sheer scale. Right? Because you can do that, if you are a, voluntarily and b, ingesting something that is able to be ingested. There's no ingestion going on here. Right? It's a huge challenge, putting two things together like this." [DR:13]

"... we all understand that the Reuters thing is a very intricate merger, that there's a lot of no-dos, don't-do and sort of thing, don't talk ahead of the merger. Doesn't make anyone's life easier. Including yours. Now again, we've had increasingly the feeling, yes, that that was a Reuters merger. Reuters buy out. And for all of the communication going out, it's clear for everyone that a lot of top jobs are going to be clearly Reuters. We do appreciate this from a TOC perspective, because at the end of the day, they've done the best of it, they've bought a very large company and that's fine. Now, it would probably be good to make sure we secure good TF people, and send the message across that, hey guys, you have a job in this organisation. Not something like, 'I can assure you, you have a job'. And the more you can be specific, the more we can retain talent in this organisation." [JD:2]

Reactive change, consequently, is seen as a disruptive influence which makes previous formulations of strategy and ways of working irrelevant.

... So this is I think is unprecedented. We don't know how to deal with this bit, so we're learning as we're going along." [DR:12/13]

"I think that as an organisation, this has caught us so back on our heels we're not prepared, we got ahead of ourselves, I think that we were you know nobody expected what we have tried to do, and I don't think we had the infrastructure in place ... we don't have I think the capabilities within the organisation, yet, to do that. I think we've got a ways to go in HR." [KBM:8]

As such, reactive change operates as a constraint, rather than an environmental factor, and will be discussed further in section 6.3.1.3.

6.2.1.3.2.2. Proactive Change

Proactive change, however, is represented in a very different way from reactive change. Respondents echo the organisation's stated view that change is a core competency.

"... it seems like we do a lot of change, we should have a lot of experience on that." [WLC:7]

However, there is doubt expressed that simply doing a lot of change equates to doing it well.

“So I believe we are really changing a lot, but are we good at it, I dunno. Just because you go through that kind of cycle many many times, doesn’t necessarily mean you’re doing it good.” [WLC:6/7]

i) *The Influence of Business Strategy*

MH’s management philosophy argument, referenced earlier, is extended to represent the way in which change is managed as a stylistic choice. For this respondent, how an organisation chooses to manage change, and the approach taken to emotional support, depends on the style in which it wants to operate.

“... it’s then the HR function’s role to make sure that that activity (make redundancies) is done in a style for which the company would like to be known. (Laughs) Do we want to do Merrill Lynch style ‘my way or the highway’, ‘thank you very much, don’t let the door hit you on the way out’, or do you wanna do it in the slightly you know probably more TF way of ‘okay, understand, let’s work to an exit’, it’s ‘why don’t you look for something else, we’ll give you a couple of months, three months, not gonna turf you out the door but clearly we’re coming to an end, we’ll support you while you know you move on to another role’. That kind of thing. You’ve gotta pick one or the other approaches, I think. I suspect we’ll be down at the more cuddly end of it, because I think that’s the way people wanna be seen operating the Thomson business, but it’s a very clear choice.” [MH:14/15]

He echoes the ‘best practice’ or generic HR approach as he compares the Merrill Lynch style to the ‘more cuddly’ approach.

“... there’s a benefit in both of those as well, because ... there’s a benefit in if you take the supportive route then that gives you certain plus points in that area of emotional feeling. Within the existing organisation and with people coming in. Because you get a reputation for being supportive. So you know it works both ways, I think ... If you’re putting yourself out as a caring and a stroke paternalistic employer, then people would join you for at least partly people will make a decision you know based on that reputation. Whether to join you or not.” [MH:15]

There is also a sense in this respondent’s discourse that the organisation’s environment may require management of ambiguity, rather than management of change, and that this may limit the organisation’s ability to manage change.

“Now the question is does change and dealing with ambiguity the same thing? I don’t know. And I think they probably need to do a lot more introspection, whether our organisation is more ambiguous, or whether it’s constantly changing. I do not know whether there’s a massive difference there.” [SV:4/5]

ii) The Influence of Context

The influence of context on HR’s ability to effectively support change is seen as a negative in an environment of planned change, in the same way it is seen as problematic in a steady state environment. The short termist culture described in TF’s cultural web is seen as creating a deleterious influence on HR’s ability to promote initiatives with a longer term payoff.

“... it sounded great, doing a culture audit and then ... some follow up and working through it. Nothing ever really came out of it. So. This is how the organisation deals with change. We might have an idea, and oh we might start something, but then, oh yes, other important things, so we’ll go left again, or right. And not follow through.” [RA:9]

“I think we do as an organisation we do we go here the path of least resistance. In a lot of circumstances. That goes a little bit away from change, but ... if you touch on the Corporate organisation, there are a lot of other things we could have done ... to shake it up or to challenge it more, to get another foot into that door, which didn’t happen. Which were raised, which were discussed. And ‘yeah fine, why, it’s kind of working, it’s kind of flowing, good, fine’. Your decision!” [RA:11]

Organisational immaturity and the entrepreneurial nature of the organisation are also cited as factors which inhibit systematic change management, as they engender resilient employees, for whom change management is not a high priority.

“... the only explanation that I’ve had on that (poor change management) is because ... at least on the Thomson side, it’s grown through acquisition of small organisations, which are basically entrepreneurial. The average entrepreneur doesn’t think of what he’s building as part of a change process. So there’s I would assume that a fair number of people have much more sense of resilience of handling whether it’s change, ambiguity, uncertainty or risk. So the temperament is probably what carries most of us through, a lot of this. And because it’s driven by temperament you’re not even conscious that you’re dealing with half of it. ... So

possibly because your people by, this predominant significantly by these kind of temperaments, in positions of whatever it is, I guess they've not felt the need to kind of put a structure, compared to a person who has not had, who comes at it from a different place. Would feel the need." [SV:6]

This argument, using a Paauwe-type configuration factor, suggests that an implicit, unconscious competence in organisational agility is an underlying reason for the lack of explicit change management capability.

iii) The Influence of the Actors

The influence of the actors is seen as critical in defining organisational priorities, and de-emphasising change management.

"I don't think ... it's HR's responsibility. Because what we do is we alert them and we can actually push certain things along ... I think it's the organisation. It comes from the top. It's what is important to us. What does ... [the MD] talk about, what does [the Head of HR] talk about. Not only talk but do. Implement. Where are their priorities?

Which then gets driven through the organisation, and so here for example, in Asia, and if you have a [MD] for example, who would put time aside, who would join some of the calls or meetings around change management, if we are just currently go through something. That will then make the next level more receptive, and more open. I think everybody knows the theory, everybody understands it, knows how important it is. But even if you don't do it, Thomson still carries on. That's the unfortunate side." [RA:3]

"... that stems from the top as well. Your directorate of propaganda would have to be something that was sanctioned from a Thomson Corporation this is a good thing and we will do it. You can't you know you couldn't just stick your hand up and say we're gonna do that for Asia. I mean alright you could, but it would be really hard because you know kind of everybody else would be saying why are you doing that? What's all that about? Why are you trying to set off on a lone furrow?" [MH:18]

A strong theme emerges that change, not change management, is seen as the organisational priority in TF.

[Change management] It's on the side ... the actual change is a lot more important, is like ninety nine percent out there and this change management is like one percent gets mentioned. That's how I receive it." [RA:3]

6.2.1.3.2. Implications for the Descriptive Research Model

As discussed earlier, at one level, change is referenced by respondents as a straightforward environmental factor to which the organisation must respond, hence its categorisation as an environmental factor and place on the first row of the model is likely to be correct.

However, there are two complexities with this simple placement of change. Firstly it appears that it is only applicable to proactive change, not reactive. Reactive change is seen as qualitatively different from proactive change, operates as a disruptive element, and has more similarity with a constraint on the organisation's ability to realise an intended HR strategy: it operates as a mediating level factor between the intended HR strategy and the realised HR approach.

Secondly, when one begins to analyse the discourse around proactive change, the situation becomes more complex. Like a matryoshka doll, once one starts to open up change as a discursive topic, it becomes apparent that respondents see the change itself as influenced by the business strategy and contextual factors. Furthermore, the organisational actors are also seen as influential, suggesting that respondents do not see proactive change as qualitatively different from steady state. This infers that the descriptive research model needs to have a further reference to change in the middle part of the model.

6.2.2. Mediating Level: Discourse Around the Influence of the Actors

The analysis of contextual factors provided above suggests, as in project two, that Thomson Financial in Asia is not perceived as overly influenced by the business strategy or contextual factors such as global systems, market, culture or normative factors. Proactive change, likewise, is not seen as a powerful influence. In Paauwe's language, this would suggest that the "dominant coalition" would have significant room for manoeuvre and would exert a powerful influence.

6.2.2.1. *Who are the Influential Actors?*

Although no explicit question was asked around 'who does HR', several respondents referenced the influence of a number of people on the approach to HR, pre-eminent of which was the HRD.

"HR as a functional group is very much a reflection of the director of HR, and how that person chooses to interact with the business. And maybe it's not a choice, I don't, choose maybe the wrong word, but how that person's perception of what HR's role is, maybe within the business." [SK:1]

“... the management team didn't change, and I don't think our strategy [changed] ... but I think it really was more a reflection of the strengths of the head of HR, that we were working with, and what skills they brought to the table, which influenced the way that we engaged with HR as across the business.” [SK:3]

“The guy who ran [HR] ... was a Canadian, who had been moved to Japan, for a couple of years. So he brought US ... HR process out. Because normally in Asia I'd dealt with local Asians who had taken over the role, and often you know the people who'd been put into HR had no real HR background. They were like a secretary who'd been promoted into an administrative position, then ended up ... here, who're completely unqualified, but they've been around a long time and they've been willing to work hard. So this guy was a real HR professional ... he really brought process. Right? And he actually just got rid of all the other HR people in the region and recruited new ones, who were HR professionals ...who followed his way of dealing with it. And that was what made the difference is he was an HR professional, from the ground up. Not just someone who just ended up by accident.” [DR:3]

This view of the need to have HR professionals in place offers a contrary perspective to that offered by a number of other respondents in the study (this will be discussed in a later section).

Returning to the influence of the actors, The influence of other HR teams is reported as variable. Some respondents cite them as influential.

“I feel like there was a change when [the new head of HR for Thomson Corporation] came on board], and more of a partnership and more of a 'here's your dedicated person for each of the segments or groups' ... the HR business partners sit in on the management meetings with each of the teams, and getting to know the business and the players, and the personalities and all of that ... enables you all I think to understand the organisation and what it might need ... going forward.” [KG:1]

“(The influence exerted by HR is) huge. And you need to keep them in the loop ... keeping HR in the loop is pretty important on a day to day casual basis, keep just getting them involved in meetings for L&D, ensuring that it fits in with other HR strategies is absolutely critical. Because it does L&D does cross over, with the advisory role of HR. Or OD certainly does, anyway ... I guess what I would do is, without HR is just not possible, because I'm very much about business delivery.” [CP2:9]

Although contrarily, the recruiter sees process as the main driver, and the influence of other players as consequently limited.

“The rest of the HR function? Hm. I think they influence us of course because ... they hold the regional HR policies and procedures of course ... So we of course need to follow their policies for that, and that would influence how we work. But as far as how we go day to day recruitment or process, I wouldn't think it would affect too much.” [DH:10]

“(HR staff) can offer a bit of advice in the beginning of the process ... They can give a bit of advice on you know what types of people might fit, but again it's sort of it's very minor sort of how that would influence how we would recruit. I suppose. As opposed to process.” [DH:10]

In terms of the influence of the business actors, the MD is seen as impacting HR in two ways: firstly, he is seen as lacking in appreciation of HR's potential contribution, which his own quote shows.

“... it's a cultural thing as well ... Because my background's in brokerage and ... they don't give a damn, you know. HR is about making sure that people are paid, making sure the contracts are watertight, and sacking 'em with the least amount of fuss. Literally, and that was what I was used to and kind of alright with that, that was just the way it worked. And so to come into an organisation which ... genuinely believes in talent management and planning for continuity and succession ... It took me a while to believe that that was - true. Fighting twenty years of programming.” [MH:10]

This suggests that a knowledgeable business head is required to allow a proactive HR service to emerge, using the 'business leads HR' repertoire in an interesting way, alluding to what can happen when the business fails to lead HR and fails to provide visible sponsorship.

“(The MD) never really understood what HR could do, he was exclusive rather than inclusive, in many many cases ... that ... is his style, and I think that didn't help us, or some sort of visibility and leadership, that the organisation can feel.” [RA2:8]

Secondly, using a construct which echoes the references to the mismatched dominant coalition in project two, the respondent indicates that the MD's management style resulted in a management team who do not coalesce as a unit.

“... not only of HR, I mean his way of communication was here a little bit, this person a little bit, and they can kind of try and figure it out between themselves, asking have you heard this, have you

been involved? There was always very very very difficult to get anything together, as a team. I don't think it was ever a good functioning management team here either." [RA2:8]

This is seen as having constrained HR.

"So how well are we doing that? ... bit tricky for me this one because I think specifically here we didn't get ahead of that curve, quickly enough.

So Manila's a great example, we're only now getting to factory process in Manila, which is where I think we should have been some time ago, in reality ... I'm so used to a completely uncaring and unsupportive HR environment ... So to come into an organisation which is genuinely proactive in ... HR was a little bit of a culture shock for me. So it took a little while to get used to that. And maybe if I'd been more used to it when I came in, I might have identified earlier that we were being a bit slow in gearing ourselves up to be proactive rather than reactive." [MH:9]

Corresponding to the comments about the lack of drive from the MD, the business actors here are seen as creating little or no 'pull' for strategic HR products, resulting in the creation of a strategic vacuum.

"... we'd have to look at where do the managers come from. I mean a number of the managers come from abroad, so there's no excuse, but others are here, all of their life, more or less, or are local managers, and they don't know anything different. They don't they don't even think about that HR could or should be involved in certain things and should do more than just the tactical work. So if nobody comes and shows them what it could look like, there will be no push." [RA2:4]

Senior HR figures, hence, are seen as the centre of the dominant coalition and there is an inference that HR in Asia drives the business to its agenda (legitimate or illegitimate). Senior managers are seen only as a non-influence, and employee stakeholders are not mentioned, for instance), The potential mitigating influence of a strong, HR literate MD does not exist, hence HR has the ability to work in the way it sees fit, but does not have powerful, legitimating support from the MD.

6.2.2.2. *The Actors' Expectations of HR in Steady State*

Discourse describing the actors' expectations of HR in a steady state environment between the relationship between the actors and HR is characterised by four interpretative repertoires: 'business leads HR', 'HR as strategy' versus 'HR as tactical execution', 'multiple roles' and the 'super-ordinate

role of HR'. These repertoires indicate how HR's role is perceived by the actors and give an indication of the role HR is expected to play.

6.2.2.2.1. 'Business Leads HR'

The 'business leads HR' repertoire is clearly in evidence in the discourse of project three's respondents.

"... you were in organisations in which the customer really drove the business strategy. And HR supported the business strategy. HR were partners at the table, but the business really drove the strategy." [KBM:1]

The business is seen as a profound influence on HR, with the emphasis on the business leading and determining HR rather than development of a partnership.

"... it was up to me to set the [business] strategy. Where do I need to be? ... so I had to set the parameters about what is what I wanted [from HR]." [DR:2]

"I certainly think that the business drives what we do. And I think that having [a business person] as the leader of HR, that we try very hard to make sure that what we're doing, and the overall TF HR structure, aligns with what the business is asking for." [KBM:2]

"[The previous HRD's approach] ... was still around the more traditional HR stuff of trying to get the right people into here to run a successful business as opposed to helping to define the business strategy ... I think she tried to steer ... [the MD's] strategy, but again it was more as a result of what she was hearing around the organisation ... as opposed to her own ... desire to impact the strategy or her own ability to contribute to that strategy, it was more of here's someone's strategy, how do I ... help support that?" [SK:4]

This leads to a need to analyse the business's expectations of HR: if, indeed, the business does lead HR, what does it expect it to do? This can be summarised in the second and third repertoires: 'HR as strategy' versus 'HR as tactical execution'.

6.2.2.2.2. 'HR as Strategy' Versus 'HR as Tactical Execution'

Given that 'business leads HR', it is necessary to look at the role posited for HR by business respondents. This section looks at the interpretative repertoires around HR as 'HR as strategy' versus 'HR as tactical execution'. This was represented in project two as the 'strategy versus tactics' repertoire, but given that one of the objectives of project three was a deconstruction of the term 'strategy', the analysis was deepened for project three, looking at the value

associations made with each of these: whereas the latter is linked to administration, the former presents HR as business value-add.

Both business and HR respondents in project three make a similar distinction between HR as administration and HR as business value-add to those in project two, several respondents commenting positively on the change from transactional to business focused HR in TF Asia.

“... over the past four years or so, ... I've seen a change in HR becoming more of the kind of strategic partner and getting to understand the business.” [KG:1]

This business respondent sees tactical execution and strategy as both necessary aspects of the HR role.

“I think HR is extremely critical in terms of as a business partner. I see it on two or three levels. Purely you have a business strategy which you need to execute, and they need to see how best to support it. So it could be in terms of okay, we've got to recruit people, so how do you build pipelines, how do what's the best way of doing things. The other side of it is in terms of making sure that the execution is really effective and building the capability for doing it. So that's more about the nuts and bolts of how the HR side of it works. So that's it you need it for execution itself.” [SV:1]

However, she goes on to comment that the administrative side is not consistently well done.

“I think the place where we fail is to close the execution loop on many things. I think we are good you know at let's say the eighty percent of the routine things. The twenty percent gets dropped. I'm talking about the routine execution stuff.” [SV:2]

An HR respondent uses Dave Ulrich's model to explain the difference between the various roles of HR.

“... where [the other Thomson company] I suspect is stuck is in the old realm of administrative expert, or perceived administrative expert ... And therefore quite literally becomes a tick in the box exercise, to the business it's like sorry we have to do this but we just have to get it done ... because someone else says so ... Not even me as the HR director. It's someone else that's telling me.” [CP:3]

Note that there is a value judgement associated with these two repertoires: the 'tactical execution' repertoire is devalued and seen as a 'policing role', imposed by HR upon the business.

This value differentiation is emphasised when CP goes on to contrast the administrative role with a functional expert, consultant, role.

“... versus being a functional expert of both the tool and who you’re dealing with. Selling it and then getting the case for it and so forth and being a consultant, realise that you are a cost to the business.” [CP:3]

This distinction between administration and business value add is echoed by the business respondents.

“... (I saw HR as) more of a control function ... an administrative function. Until my previous company, where I had a much much better experience, where there was a business driven HR function ... it was the first time I’d come across HR being proactive about things like talent management, trying to build appropriate recruiting functions for each country, understanding the way that countries needs to recruit and identify talent.” [DR:1]

“I’ve had more unsuccessful than successful, experiences (with HR), and I’m not sure whether it’s an Asian thing or a more generic thing is most of the HR I’ve come across has been people who view HR’s role as not a lot more than documenting procedure ... and not much of a business function.” [DR:1]

“... that’s unfortunately way too common in Asia is you find you get these HR people who just view it as an administrative role. It’s not. No executive role should be administrative (laughs). Every single one should be strategic ... Every single one should be connected to the business ... Right? And not just a means of documenting process. That’s part of HR’s role, don’t get me wrong, but it’s not what the executive members of the team should be doing. They should be doing what you’re doing, which is trying to look out where the business needs the help, and we can influence the strategy that has been set.” [DR:3]

Although HR respondents making the same point are more overtly critical, as in this quote, where the use of the word ‘insecurity’ infers an underlying motivation for HR’s non-involvement with the business: the capability of HR staff.

“I see with other HR functions ... is, number one, they don’t understand the business, they don’t know the products. Nor do they see the case for attending [a] sales ... conference. Or any other, or sitting in on business initiatives. They don’t see the case for that. They don’t see it as their role. Or they feel insecure, in doing that because they don’t perceive that they’ll be contributing at all. Therefore they steer away from it. So by not understanding the

business, being inductive to the markets, the products, the culture, or even the personalities of the leaders, they come from a different angle which is imposing, I guess, their beliefs, experience and values, based on the past. Again all well intentioned. And a lot of judgements made on behaviours ... So I guess I've seen first hand the damage that that can do." [CP:2]

Note that both of these respondents choose examples outside the TF environment, suggests that they may be unwilling to offer any perceived criticism of the researcher in her role of HRD, and that there may be some researcher bias in operation.

The two roles are value laden, and similarly higher value is placed on the non-administrative role to that articulated in project two.

"HR is not about payroll. We can outsource payroll. You cannot outsource HR. You've gotta understand it. You've gotta understand the needs of the guys." [JD:9]

"I think when we look at getting HR involved in the business, it's gotta be more than just reporting on recruiting on open positions and training." [AD:4]

A strong linkage is developed between HR as an administrative function and HR as an illegitimate source of control in the business. The metaphor of HR as 'police', which appeared in project two, is reproduced here.

" [HRBPs] look like 'I'm following up with you on did you do your PMAT, did you do your comp, did you, I'm your HR police, did you do this, did you do that'." [KBM:6]

"... (I saw HR as) more of a control function ... an administrative function." [DR:1]

The focus on the transactional is seen as causing problems for HR, causing inter-functional problems.

"... the problems within the HR function it causes, potential disunity, within ... the HR generalists. Versus a true business partner's ... It causes problems within the function as well. Because you've got also HR generalists supporting different functions as well, and there could be conflicts between those, departments as well." [CP:3]

And a problematic relationship with the business.

"... this is where I think HR needs to watch out. And this is services in general ... some functions like Finance, consider themselves, almost take the fact that they're a cost centre, they even ignore that

and take their role for granted. And don't manage themselves as internal consultants. So I think HR needs to and it's got no choice, but to start being more authentically in demand by the business." [CP:4]

And a limitation on HR's strategic involvement.

"I don't think we're involved in the good parts about this business (slight laugh). The acquisitions, the ... exciting innovation pieces of the business. The strategy, really talking about the priorities." [KBM:6]

This is also presented as a potentially damaging, self-perpetuating cycle.

"... here's a danger, not only for the business, but for up and coming HR professionals, such as a smart girl like [a junior HRBP]. So she had some limited experience ... and you could see that there was just something wrong for her. There was a difference. So, at TILR it was 'push back on the business' ... the principles of HR where she came from was, around that 'they're wrong, we're right, they don't get the process and they're not experts, but we are, and we dictate to them.' So I think she was a bit conflicted, based on her limited experience beforehand, on what she didn't need to do. Now what that caused is, number one, she pushed back a lot of work which actually paradoxically I guess served to just to get her more involved in administrative type of stuff, versus consulting with the business." [CP:4/5]

"The danger is that these people [HRDs working in the administrative expert mode] are bringing up people in that way... there is this backlash and fear from the traditional HR community as well right now, as they see that [business partner model] coming up." [CP:8]

However, although transactional support is seen as the traditional role for HR.

"... through a lot of that crisis management, HR have been involved, and I think that's traditionally that's probably, after the horse has bolted, HR comes in and tries to sort out the problem, and why did that person leave and so on. By having a lot of that kind of so called day to day fire-fighting," [AD:2]

An alternative view represents this as a way into the business for HR and a lead into more strategic dialogues with the business.

"... from an HR, engagement with the business, through that fire fighting process, is then we've actually had to really go back to

basics and really understand how scalable is this business. 'Cause it is gonna double in size in the next two years. So it ain't gonna double the way it is at the moment, so, that's probably one of the most regular conversations with my management team is, okay that's fine the way it is, sort it out for today, but in six months or twelve months time, is this gonna be suitable? ... And I think that's where I'm finding HR is really very valuable, in that role." [AD:3]

"... we've got everything else that falls under the HR umbrella ... But again, it's having got into the business with the fire-fighting, understanding the business structure." [AD:4]

There is an inference of the 'permissioning' of HR to operate at the strategic level, which is also seen in KG's discourses on the need for excellent tactical execution referenced in the previous section.

6.2.2.2.3. 'Multiple Roles'

The 'Multiple Roles' repertoire refers to the requirement articulated by the participants that HR is expected to play multiple roles.

"I think I would have put (HR roles) in order business number one and the employee champion number three, out of those. At least from my perspective. But from the perspective of the ... average staff it should be the other way round ...HR is viewed primarily as the best friend of everybody in the organisation, but not a push over. Not that warm touchy feely thing. It has to have a side that's happy to say no. Right?" [DR:5]

"I think HR is extremely critical in terms of as a business partner. I see it on two or three levels. Purely you have a business strategy which you need to execute, and they need to see how best to support it. Er so it could be in terms of okay, we've got to recruit people, so how do you build pipelines, how do what's the best way of doing things. The other side of it is in terms of making sure that the execution is really effective and building the capability for doing it. So that's more about the nuts and bolts of how the HR side of it works. So that's it you need it for execution itself.

The other piece of it, which is frankly far more critical, is in terms of their ability to understand human behaviour and therefore help business see certain interpret situations more effectively ...

The third part is help with the communication. It could be communication with the staff, it could be communication with the peers, it could be communication upward or outside the day to day

operations. And in our kind of matrix world, try and see how the matrix, the communication matrix itself, have a better sense of that. Because HR as a community is a partner with almost every business group. And how well can they pick up what are the let's say the drivers, one is the business drivers, the other is what are the implications of some of those business drivers in the team, because maybe that particular group is going through far more change than you are, and therefore it needs to be kind of, certain issues need to be, you need to be aware of it. So when you're communicating, you're far more alert in communicating the right information proactively. Rather than saying a passive 'oh you know we have a weekly call', kind of thing. So they can actually act as a bridge. There are some that are able to do it far more effectively than others." [SV:1/2]

This creates potential conflicts in prioritisation and role definition, supporting the concept of HR strategy being a negotiated, emergent, and perhaps post rationalised process.

Although the actors tend to be seen as a broadly positive influence on HR, three negative consequences were articulated. The first is the impact of a non-HR literate MD and lack of 'push' from the management team, as referenced above.

Secondly, the short termist culture of TF (as described in the section characterizing TF and the cultural web diagram) is seen as ultimately hampering the organisation in the longer term. The inference is that whilst HR is led by the business (the 'business leads HR' repertoire will be discussed in the next section), it can be led in the wrong direction. This quote provides an example, where HR is not seen as challenging the organisation's short termism.

"I think HR has to be flexible, because yes, there are some short term fixes. But there needs to be a longer term picture, and the long term picture is around, okay we want the best people. And the best people, how do you get the best people? How do you retain those people, how do you grow them? ... So I think actually HR is probably not doing the right amount of pressure and not pointing enough at the fact that the human resources and staff, is just everything. What is the quality of the organisation? If our service is crap, we're in service, if our service is crap, the results will be crap, then that's it. If sales don't reach out, if support don't do their job if they won't go the extra mile ...as a whole TF needs a longer term strategy." [JD:4]

This raises a question around timeframe. In a short termist business, how does HR (many of the activities of which – e.g. talent management and learning & development – have impact only over the longer term) function?

6.2.2.2.4. 'Super-ordinate Role of HR'

An interesting repertoire which emerged in this study was the 'super-ordinate role of HR' repertoire, which appeared to suggest that participants expect HR to play a higher order or super-ordinate role. This role is unlikely to be directly derived from business strategy, and may indeed run contrary to it.

HR is seen as having a super-ordinate responsibility to demonstrate integrity.

"I wonder if it's a challenge for ... (HR) folks to keep their objectivity, because they are a member of the management team ... and is it a challenge for her [the EVP of HR] to keep her objectivity and be that you know kind of voice of reason." [KG:2]

Furthermore, it is seen as a touchstone for organisational values, hinting at a role for HR in managing organisational meaning.

"HR is a representative organisation of how you do things." [CP:10]

There is an inference in the quote above that HR has a responsibility to 'do the right thing' for an organisation, irrespective of whether this is recognised or requested by the business: this is characterised as the 'super-ordinate role of HR' repertoire and is the counter-balance to the 'HR as illegitimate' repertoire.

This repertoire raises an interesting conundrum for HR. Does the function do what the business articulates that it wants or expects, or is there a 'super-ordinate' role which HR is obligated to perform? This super-ordinate role is described as the identification, education and delivery of needs which the business has not yet perceived. It is also used to describe the requirement for HR to do the 'right' thing, even when the articulated business directive runs in a contrary direction. Is it appropriate for HR to go 'against' the business where it has identified a need not yet perceived or acknowledged by the business?

The 'super-ordinate role of HR' repertoire tends to be used when respondents are discussing issues which they believe to be legitimate, but which the business has not yet perceived the need to address. It is interesting, however, how this respondent is aware of the potential negativity around this, and feels it necessary to qualify this behaviour as "not underhanded".

"The business may perceive this is where we wanna go, we wanna get there quickly, HR does things in parallel. One is almost like a stealth stream. Does that make sense? And manages a lot of that interference. Em I mean it's authentic it's not underhanded, but also delivering on what they want." [CP:6]

Linked to the 'super-ordinate role of HR' repertoire, thus, is an 'HR as legitimate' repertoire. However, this repertoire is also found in the negative: 'HR as illegitimate'. In this quote, the influence of the HRD and his use of power is perceived as negative and illegitimate.

"... the way [a Thomson sister company] works, as an HR model is ... almost more manipulative in terms of the way it works with the senior leadership group ... the way I see it is the HR director will almost try to manipulate ... the business strategy ... What the approach was there of the HRD was to go to his boss and say ... this is what he needs. ... So they kind of drive, again well intentioned way of what the HR director perceived he saw from initial conversation, and ... [what] he saw fit. ...more imposing his view, based on his experience, of what the business needed." [CP:1/2]

"... it starts from the top ... The same individual [HRD] can play each of the directors off, depending on their needs, but maintain some kind of relationship." [CP:3]

This is endorsed by the L&D representative uses the 'HR as illegitimate' repertoire to suggest that HR may gain influence (and hence negotiating power) by attending to the personal needs of the executives.

"... it's an integrity issue, what I've seen, firsthand, is that if you manage as an HR director the personal needs, and sometimes wants, of the very top people, you get away with it ... that's what's happening. That's how they manage. That's how they see relationship management, within the business ... if you as a key business leader ... if I can protect (the executive's) expat package, or whatever else she needs for her function, to look good, then I'm being an effective HR partner. And the way that's sold – and the rest of the HR function can see it, that that's what's going on. And the business, but it doesn't matter. Because the key decision makers, have got this relationship with them. So that's business partnering to them." [CP:10]

This raises an extremely interesting question. Given that both business and HR respondents see that there is a need for HR to play a 'super-ordinate' role, how does HR ensure that that is legitimate and – perhaps more importantly - perceived as such? One can see that the HRD in this case may believe that he is playing an appropriate role (and doubtless the same could be said of the "HR police" referred to elsewhere in the projects), but that this is not a view which is shared by other actors in the organisation. Seeing strategy as a negotiated process between the actors, one can see how different views around the super-ordinate role and the legitimacy of this may differ.

This section suggests a major conundrum for HR: business managers have an expectation that HR will be an upholder of organisational integrity, and will be a challenger to a business which is not 'doing the right thing'. However, there is a secondary repertoire around legitimacy, which creates an issue: as legitimacy is a perception and a politicised social construction, the pressure on HR to perform a super-ordinate role is open to claims that it is illegitimately using its power.

6.2.2.3. *The Actors' Expectations of HR in a Change Scenario*

Respondents specifically discussed their expectation of HR in a change scenario, setting out two roles for HR. The first is a functional one, the second related to management of emotions.

"(HR has) two very different roles (in change scenarios), one is just more kind of technical, and the other is more on the kind of soft side, of things." [KG:9]

This respondent talks first about the functional role of HR in a change situation.

"I've done a lot of this, this is, I've lost count, the sixth M&A transaction I've been involved in, you know as either a buyer or an acquiree. And I think some things are generic even in these circumstances, which are, you've got a lot of mopping up of blood to do, irrespective of how gentile the approach is meant to be. Right? There will be blood, to mop ... that's generic, and I think that applies ... to us in this circumstance just as much as anywhere else.

Then ... I see that's a key thing for HR because you've got to deal with ... the functional process, you know the legal piece of it, you know the paperwork, the contract law, the employment law, all of that kind of stuff, you've gotta be absolutely on top of that, manage it, make sure that that's done properly and messaged right and everybody else within the organisation believes that it's being done correctly." [MH:13]

He then goes on to articulate the second role for HR, centred on the management of emotions and the support of staff through the change.

"... then you've got the ... emotional side of it, you've got the ... fear anger denial and acceptance cycle to manage, whether that's explicit, you've got one person who's impacted, 'oh I'm gonna kill you all', or the general morale of the organisation, which is equally moving through that cycle as a group. So you've got to manage those aspects of it, because I believe that should be driven by the

HR function who should really have the highest EQ of anybody in the organisation ...

... Thinking aloud a little bit with that, I guess the actual practical upshot of that is ... from the point of strategic HR management, is to understand and accept that that (change) is coming, and steer the business to work with that. Which essentially means accept that there will be a lot of disagreement, disgruntlement and a higher turnover than you would have normally expect, so be ready for corrective action to deal with that, whether it's recruitment or whatever. And you know deal with the messaging and the EQ piece of it as well, whether to the people who are left or whether you want to ... turn around people who are having fundamental disagreements with the way the change is happening.

It's hard, I think sometimes you've just gotta say to people, well you're right, that's the way it is, and you know it doesn't fit, sorry ... It's probably not going to work out." [MH:13/14]

For this respondent, management of the psychology of change is an important HR role.

"... when people are going through change, identifying pockets in the groups which need a little more support, more in terms of talking it through. Because the biggest problem is people tend to have a sense of fear of what's going to happen to me. I'm losing control of what they have been in charge of. And they any kind of support that as an organisation we can put in place will ensure that, if this is going to be the way we work, they know who to go to, and you have some people who at least help them step back and look at it from a rational viewpoint." [SV:5]

A variant on this emotion management role sees HR as a useful conduit of information about emotional issues to management.

"One area that I found very valuable was that I actually encouraged [the HR Director] to have one on ones with any member of my team. ... they felt they could bring up things with him that they felt was probably not something they should bring up with me. You know 'I'm frustrated about this, I'm worried about that'. And I found that to be a really really useful function. It meant he understood exactly the issues that were going on at the ground level in my organisation. I got to hear stuff that they probably would not have wanted to bring up to me ...

But it was it meant that everybody if you went to talk to anybody in the organisation, they would say 'HR listens to me'. And I feel that,

maybe I don't get what I want all the time, but at least they listen. And if they don't agree, they will tell me. And I've had the conversation and I understand why. So that was probably the most powerful way to get people to feel like the business was interested in them, as an individual ...it was great to have that, that I had this other mechanism of knowing what was happening, in terms of people's comfort and whatever." [DR:4]

"... what is HR about? HR is about ... providing management with the right angle, the right level of understanding, about 'hey guys you know what, the machine downstairs, this is what you need to delve into, these are the big topics. A, this is the feedback I'm getting, and b, this is we have a problem, we have a misconnect between what you wanna do and what's gonna happen downstairs'. In the machine". [JD:4]

"The other piece of it, which is frankly far more critical, is in terms of their ability to understand human behaviour and therefore help business see certain interpret situations more effectively. It could be as simple as you have a managers' meeting and we're sharing some information, their ability to kind of slightly pick up the mood of the room as a result of the information that you're conveying, it could be a business as usual scenario or even a change scenario, or it could be because in that meeting you have a lot of group dynamics which you might want to kind of get a handle on. You might find that there are, let's say, groups within that meeting room who are not seeing eye to eye but on the surface seem to be agreeing to things

The ability to pick up that and kind of share that ensures that you're able to go and have that conversation off line with the players, what you need to do to kind of bridge the gap that might be needed." [SV:1]

"HR as a community is a partner with almost every business group. And how well can they pick up what are the let's say the drivers, one is the business drivers, the other is what are the implications of some of those business drivers in the team, because maybe that particular group is going through far more change than you are, and therefore it needs to be kind of, certain issues need to be, you need to be aware of it. So when you're communicating, you're far more alert in communicating the right information proactively. Rather than saying a passive 'oh you know we have a weekly call', kind of thing. So they can actually act as a bridge. There are some that are able to do it far more effectively than others." [SV:1]

This extends into a discussion around HR's role as a coach to managers, which again hints at a super-ordinate responsibility and emotional literacy competency.

"I'm not saying that HR is solely responsible ... I think everyone needs to everyone on the management team needs to try to play that role. I think what I'm saying is more a natural fit with HR as a function ... I think HR is can also help kind of coach management on what you know needs what more needs to be done or what less needs to be done. Or what way we should be doing it. Like I said I think we all need to play that role, but I think HR as a function has more expertise in how that gets done. You know, what are the ways we can be doing that? What are the ways we can all be acting more like the glue, keeping the organisation together. Or should we you know what are the three things I should be focusing on, to help play that role, my part of that role." [KG:9]

The importance of this 'emotional support' role in a change scenario ranges from basic communication.

"I think HR really needs to be the glue that kind of keeps everyone focused and communicating and having the right messages out there ... HR I mean that's critical." [KG:6]

"I think HR is key ... I think they've been doing a good job of keeping communication ... no one can answer the questions that everyone wants to know, yet. Em but I think people are putting as much information as they can out there, which I think is good." [KG:6]

"... a role that HR can and should play through all of this ... the obvious one, right, is just keeping in touch with the employee population and try to understand what their what their concerns are and are we communicating the right messages, are those messages getting through, are they answering the right questions?" [SK:10]

To more counselling type support.

"... it's how do you guys (in HR) help prop up everybody else, to kind of keep our eye on the ball." [SK:11]

"... (change management is) a role that HR can step into, probably easier than any other function. Kind of keeping people calm and focused and ... just kind of keeping those communication lines between management and employees open, and information flowing. I think HR can play a key role in that ... glue to kind of keep everyone engaged and keep everyone on the same page, and

everyone kind of on the same understanding, of how we're gonna move forward. So I did kind of mean it on an emotional level as well." [KG:8]

"... maybe it's starting to engage with everyone about career discussions and trying to get people to look at this as an opportunity. All jobs are gonna be open, so don't just look at what job you currently have, but is there's anything else you'd really ever like to do. You know helping to create the right connections with the right people ... how do I know the right time to engage in the right conversations? ... I don't know how to go about putting myself forward at the best time, in the best way. So maybe it's helping people navigate that mess of you know what is, and I don't think it's about reading what the process is on a piece of paper. I think it's sitting down with people and saying right, here's an opportunity to think about what you wanna do and then I can help you get there, I can help you figure out how is the best way maybe you know to get there." [SK:12]

"I think you personally could ... have an impact is to go right down this hall, talk to people about what they wanna do, about what you know of the process, about where you think the people are in that process, you know and help us figure that out." [SK:14]

In its most extreme form, this emotional support becomes a highly analytical process based on psychological theory.

"I think HR also grapples with how they handle change. You have small pockets (in HR) which understand change and can help. Probably some people in the OD function, or individuals in the larger HR community who are able to provide the insight, both in terms of understanding change in a systemic way and also kind of able to link that systemic, theoretical approach to what's happening on the ground. But that's more an exception, rather than an organisational approach to managing change.

Er, if I go back to my AXA days, I wouldn't say they were the best but they certainly had a lot more systemic approach to handling change ... that was more easier in a sense of this is what's gonna happen ... cascade this. And you have people who provide psychological support for that, you have people who are able to kind of help you in multiple ways.

I think within our environment, we don't do it in that structured fashion." [SV:4]

Respondents vary in seeing this competency as a consequence of the place which HR occupies structurally in the organisation, and a consequence of the information to which the function has access.

“... precisely because you (HR) do know more and you are gonna know what the process is, you’re kind of like the source, of how the the new organisation will need to be designed, and ... HR are gonna be the ones going to power that, be the engine behind that, getting that for making that happen. With the processes and just the information flow and all of that. So I think people will look to HR to kind of give that guidance or give that heads up on how they’re gonna go. Who else would do that?” [KG:8]

“Because HR as a community is a partner with almost every business group. And how well can they pick up ... the business drivers, the other is what are the implications of some of those business drivers in the team, because maybe that particular group is going through far more change than you are, and therefore it needs to be kind of, certain issues need to be, you need to be aware of it.” [SV:1]

Or is an inherent competency of HR practitioners:

“... you’ve got the ... emotional side of it ... I believe that should be driven by the HR function who should really have the highest EQ of anybody in the organisation.” [MH:13]

“I think HR professionals are pretty good at ... seeing facts for what they are and just kind of putting them out there. I think you know people are the most difficult thing to deal with in any organisation. And the personalities and whatnot ... everything about it is just the most difficult, you know there’s difficult conversations to have, it’s the most difficult topic, it’s tough! And I think HR is probably in the best position to be the most objective about talent and if it’s the right fit or not ... if there are issues and ... laying out what those issues are, as an advisor, to the business. To any of their colleagues that they work with, to the you know the managing directors, I think you know they’re that function is to me as a business partner there, to call those things out. And its not an easy job, and you know and it’s gotta be a difficult balance to keep that to be able to deliver those messages and keep retain those relationships. Because it’s almost always a difficult message to deliver.” [KG:3]

6.2.2.4. *The Negotiating Position of HR*

Having looked at the expectations of the actors, the next stage of the analysis was to look at whether and how this influenced the negotiating position of HR: what are the factors that support or compromise a strong negotiating position for HR, and what accounts are provided of the negotiating process? One can see three elements in project three's discourse which are described as influencing HR's negotiating position: credibility, criticality and sponsorship.

6.2.2.4.1. Influences on HR's Negotiating Position

It is reasonable to suggest that the negotiating position of HR is, at least partially, based on its credibility with the business. The first question, thus, to be considered, is how well (or otherwise) is HR perceived within TF.

i) Credibility

When looking at the level of credibility held by an HR function, a key question to ask is how HR is perceived by the business and on what basis credibility is attributed.

Perceptions of HR performance in TF are variable. Some respondents report good HR support:

"I think we're doing extremely well [in HR], we're doing better than even my previous company, where I was totally amazed by how good they were, compared to what I was used to. And we have HR professionals in place as well. That makes it work." [DR:6]

"I also think we get very good support from HR." [WLC:5]

"... what I see with TF a lot more, is ... there's a greater level of respect of the HR function." [CP:4]

Whilst others see HR performance as less effective. One of the more negative views of HR, however, comes from the MD, who takes some responsibility for the slow responsiveness of HR.

"I think specifically here we didn't get ahead of that curve, quickly enough ... we were being a bit slow in gearing ourselves up to be proactive rather than reactive." [MH:9]

Looking at the basis on which respondents attribute credibility, looking at the repertoires used in the previous section, on the basis of project two, it is reasonable to suggest that 'business leads HR' and 'HR as tactical execution'/'HR as strategy' will be the basis on which HR credibility is afforded.

One could also suppose that some reference to the 'multiple role ' and 'super-ordinate role of HR' repertoires could be made.

Looking firstly at 'HR as tactical execution', HR's credibility is routinely seen as determined by its ability to effectively conduct transactional processes.

"... without a good tactical HR support, you know, you never get the satisfaction or the buy in from any of the managers." [RA2:5].

In TF, there is a sense that HR's position has been compromised by its performance on the transactional element.

"... some of that (poorly executed transactional) stuff has been a little bit damaging to HR here. In TF, you can't even get the basic numbers in the system to compare year on year, you know some of the just calculations and things were off ... I think that did do some level of damage, although I think people understand that it wasn't anything that was under your control, or that you really had anything to do with, but ... it's still HR." [KG:5/6]

Without provision of a perfect transactional service, a more strategic role is not possible.

"... without a good tactical HR support, you never get the satisfaction or the buy in from any of the managers. You need to have the foundation. That needs to just work. It needs to just function. And then you can forget about it. You can think about a shared service centre for HR or something, you know, get your processes in order, that's a machine, that's back office, it runs. You shouldn't even have to think about it." [RA2:5]

Business value-add is only possible once the transactional processes are managed.

" ... achieving for me is kind of building that foundation, base line, and then being able to really add to the business, to the growth, to whatever is you know the plan, basically, to add to this. And I just felt I've been kind of running behind and patching here and patching there. I had the feeling I was getting fairly close to really have the base line, everything sorted, oiled machine, but yeah." [RA2:7]

The second way in which credibility is attributed is on the basis of business value add, and respondents reference the 'HR as strategy' repertoire to differentiate this from the transactional role of HR. One respondent sees gaining credibility as a steady and incremental process of delivery of business value add.

“... you show what you can do ... you pick one thing and you ... show, and if we had gone through and implemented certain things, he would have said, oh yes, now that all makes sense, and that brings me forward, etcetera. And the next time he will come and probably share some thoughts or some issues he sees with HR, say shall we can we do anything there.” [RA2:5]

And a higher level, business driven HR was seen as a key enabler by business respondents, alluding to the ‘business leads HR’ repertoire.

“I would say that I’m spending half of my time in HR related topics, since I’ve arrived here, and that clearly in that respect, the HR business partner’s been helping me a lot.” [JD:1]

“HR would come to me and say ‘what are you gonna need from us’, and primarily my number one worry was attrition. Always. And it was great to have someone who was gonna worry about it with me and not just me. So that was great, that was a very proactive thing ... I found HR to be a fantastic enabler ... Primarily because all I had to do was often have to say is where I wanted to end up and HR would make sure from a people perspective we ended up there.” [DR:1]

Allowing business people to get on with their business roles.

“It was the first time I had that length of thinking out of HR, because to be honest, it wasn’t high on my list, every day, because what was high on my list every day was getting dollars in the door, right, so it was nice to have somebody worried about the foundation of the business, it was great.” [DR:2]

This suggests that a basic level of HR activity is necessary in a business, and that this activity which business people need to take care of if this is not adequately handled by HR. It also possibly indicates that value in HR is accorded by this business at the transactional level.

Alternatively, however, the ability of HR to understand the business is also presented as an equally critical determinant.

“ ... (the HRBP is) on the management team ... where we have weekly meetings, and HR ... is a standing part of the agenda. And it’s not just about open headcount and training, it often becomes quite a key part of, well we’ve got some real key deliverables we wanna achieve.” [AD:3]

“... whilst I don’t have formal meetings with HR on a regular basis, I meet with HR almost every day, because there’s stuff happening every day and it’s just making moving that stuff along. Because

there isn't an end of quarter HR event, or it, because HR happens every day ... I think that's probably why it's working now whereas it wasn't working before. Because I have access to somebody in the office, within a few feet away but also somebody who really has got themselves immersed into our business." [AD:4]

This is problematic for HR, as it suggests that, for it to have any credibility whatsoever, it has to manage transactional processes seamlessly. However, excellent tactical execution is not, in itself, sufficient to gain credibility: demonstrating business value add is necessary. HR thus is caught on the horns of a dilemma: does it concentrate on tactical execution exclusively until problems are resolved, or does it try to do both tactical execution and HR as strategy simultaneously?

ii) Criticality

A second suggested determinant of HR's negotiating power is how critical it is perceived to be. The following quote suggests that HR does have a level of importance in TF.

"I think HR is very key in Thomson Financial, because we are in a service organisation, service business, which means that our assets walk out of the elevator every night, and our growth is basically grounded on how good our people are. I think if I speak from my point of view we have improved quite substantially from a more of a mid starting point, payroll sort of thing, and are getting into really assisting and embracing what are the needs." [JD:1]

Perceived business criticality of HR is, however, variable, as the following quote suggests.

"... we'd have to look at where do the managers come from. I mean a number of the managers come from abroad, so em there's no excuse, but others are here, all of their life, more or less, or are local managers, and they don't know anything different. They don't they don't even think about that HR could or should be involved in certain things and should em do more than just the tactical work. So if nobody comes and shows them what it could look like, there will be no push." [RA2:4]

iii) Sponsorship

The issue of sponsorship, and the 'business leads HR' repertoire, are used functionally by the generalist to explain a limitation on HR value add.

“So, yeah, that was his (the MD’s) style, or is his style, and I think that didn’t help us, or some sort of visibility and leadership, that the organisation can feel.” [RA2:8]

The MD’s style creates a second limitation on HR’s ability to negotiate strategy, by his reluctance to support an agreed negotiating forum.

“... always very very very difficult to get anything together, as a team. I don’t think it was ever a good functioning management team here either ... the resistance of (the MD) to have regular management meetings. You know, and if anyone wanted to try and change his, what does he call them, the weekly ‘where are you’ kind of thing. Kind of change and add a little bit more flavour to it, you can see him banging his head on the table, like it’s I’m not interested, I just wanna know where you are, and if there’s anything big.” [RA2:8]

6.2.2.4.2. The Negotiating Process

Despite the comments above, which suggest that HR’s ability to negotiate strategy may be limited, the L&D respondent sees his role as fundamentally oriented to the negotiating process. He alludes to a ‘strategy as process’ repertoire as he stresses the importance of the preferences and orientation of the HR actors, and sets up a discontinuity in approaches from the key players.

“But beyond that, and you know my experience first hand, here, is there’s different approaches to HR. And I’ve seen two. One is, *the way they see it*, because the L&D budget in my experience has come out of HR, a lot of most of the time. Are we being are we about compliance or are we about delivering to what is suitable to growing the business? ... where you’ve got that clash of compliance versus service, that’s tough.” [CP2:9. my emphasis]

This suggests that differing viewpoints will influence HR strategy, and that the outcome will be the result of a negotiation process. His use of the term ‘educating’ alludes to the ‘super-ordinate role of HR’ repertoire, suggesting as it does that there is one ‘right’ answer to which HR should lead other functions.

“... normally working with the HRD with Finance as well is very important. So educating key stakeholders.” [CP2:9]

And the influence these viewpoints have on his day to day activities.

“So I came from a compliance mindset, in terms of HR, where there was a constant negotiation and consulting with the HRD,... him involved ... in terms of what he feels comfortable.” [CP2:9]

He then goes on to provide a good description of the negotiation process.

"I kind of got what the Legal, what the director wanted in terms of an ... innovative learning strategy for his people, and getting them together and doing some learning around that. But then you'd have opinions of his manager, his manager would come in and say 'well I don't think he knows what he wants'. And then the HR director would say, 'well I know what he wants, and I've got a vendor for it'. So it's balancing all that, trying to not make people wrong. And coaching the Legal director, who own this, around what he wants. So there's different stakeholders involved, and there's lots of opinions, lots of armchair critics with Learning & Development ... so it's negotiating all that, keeping people informed, understanding the power-plays. Something I was told I did very well in Legal in Australia. Because I got who was doing what and who was getting involved, on what basis. I could ... read their motivations. And understanding everybody's motivations, and kind of mapping that out for yourself, as to what motivates each of the people, what makes them feel important. It certainly plays a part." [CP:10/11]

His role, however, is not just to negotiate his own position, but to help the other organisational actors reach consensus.

"As simple as a day to day example, I walk into (the Legal director's) office, , and say, 'have you spoken to (your boss) about this?' 'No I haven't, do I need to?' 'What do you think?' 'I guess I do, she's my boss, I need to get her on side.' And the last thing's 'what's (the HRD) thinking?' I said, 'don't worry about (the HRD) right now, go and talk to (the CEO)'. 'Cause I know then (the CEO) will talk to him, so you kind of know the linkages and who will do what. So on a practical basis it's as simple as that. Then I'd pop my head into (the CEO's) office and say 'where are you at, with this?'" [CP:11]

An analysis of the negotiating process is not, however, limited to the ability of the respondents to offer a coherent argument. It also depends on their ability to privilege their own view against other, competing, positions. McKinsey's papers, discussed in section 3.1.1. of the literature review of this project, suggest some of linguistic strategies which respondents may use to achieve this.

A particularly dominant McKinsey "Deception" used by respondents in this study is "Misalignment of Time Horizons". Whereas HR time horizons are seen as long term, respondents devalue the contrary perspective by indicating that managers are pursuing short term goals, ultimately at the expense of the organisation.

"... as a whole TF needs a longer term strategy ... I think the HR, and top management as a whole, is thinking long term. I think they're thinking long term. Doing this, does show. But then

everybody's crumbling because everyone's got quality, targets. And we get stuck into this environment and I think how can you be in a hiring process that gets stopped, in June? How is this possible? This is ridiculous. That to me is very clear. This doesn't make sense." [JD:5]

" ... like everybody else, like a lot of people, although we all know how important it is. So there we go. I think some of it needs to be driven from the top ...I would have to put a lot more effort in it ... I don't wanna work 24 hours, yeah? I mean that's also a thing. Will it be I what I it's probably not the workload because if I wanna do something I'll do it, it doesn't matter. It doesn't matter how long it will take. It's will it be valued? By the business. Will they will they embrace it, will they be open for it, will they spend the time? I don't think I will be able to at this point to convince somebody.

We're we're tactical now. 'Til the end of the year, that's what I see, that's the message. That's the message that's come from Sharon, that comes from anywhere. We need our OI, we want our bonus pool, we're not hiring, we're looking short term, then Reuters comes and then everything will be fine. To sum up – you know – seriously this is, so why bother? Why should I fight? You know you pick your fights ...why should you try and do something that's not – valued" [RA:7].

The "Principle-Agent Problem" is also referenced by respondents, who claim that, the employee can be representing their own interests in an organisation, rather than doing what is best for the company. This is a dominant theme in CP's interview, used to discredit the approach taken by a previous HR director who facilitated the fulfilment of the personal objectives of the senior managers with whom he dealt.

" ... the way TILR works, as an HR model is, for want of a better term is almost more manipulative in terms of the way it works with the senior leadership group. So as an example the way I see it is the HR director will almost try to manipulate the HR the business strategy." [CP:1]

" ... it's an integrity issue, what I've seen, firsthand, is that if you manage as an HR director the personal needs, and sometimes wants, of the very top people, you get away with it ...that's what's happening. That's how they manage. That's how they see relationship management, within the business ... if you as a key business leader, I understand what (the business leader wants), if I can protect (her) expat package, or whatever else she needs for her function, to look good, then I'm being an effective HR partner. And the way that's sold – and the rest of the HR function can see it,

that that's what's going on. And the business, but it doesn't matter. Because the key decision makers, have got this relationship with them. So that's business partnering to them." [CP:10]

This section suggests that negotiation may involve two elements: the presentation of a compelling argument and, of equal importance, the devaluing of alternative arguments and perspectives.

6.2.2.4.3. Implications for HR

The implications of this section, for HR, are inconclusive; variable responses suggests that, on the basis that it is seen as a necessary and a business value add function, HR may be able to influence strategy development, but there are questions around its level of sponsorship and its performance based credibility.

It appears from the discourse that HR in TF, collectively, may have some way to go in terms of credibility and, hence, it may have a somewhat inferior negotiating position. This suggests that the expertise of the individual negotiator may then become critical, implying that a skill set which includes political acumen and influencing and negotiating skills may be as critical to the performance of HR practitioners as one based on technical expertise.

6.2.3. Intended HR Strategy

6.2.3.1. *Thomson Financial's Intended HR Strategy*

The intended HR strategy for Thomson Financial was not explicitly stated, but could be extrapolated from discourse and policies and practices as a general set of shared philosophical principles. It was summarised for a Cranfield HR Strategy Workshop (Barrett, 2008, slide 14) in terms of the Dyer & Shafer model of organisational agility, as shown in figure 65.

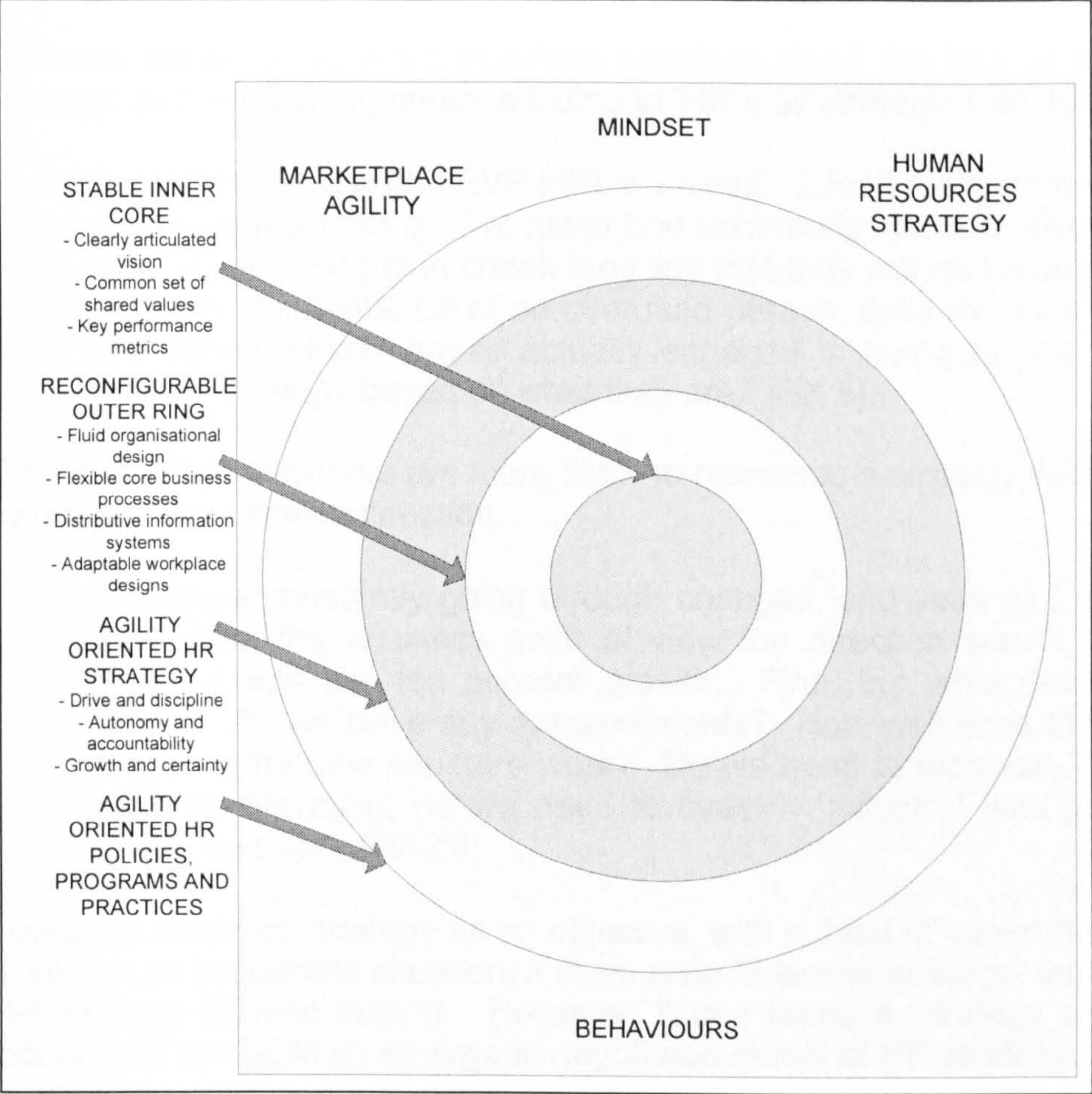


Figure 77: The Intended HR Strategy in Thomson Financial

This diagram reflects the desire of the organisation to have a consistent set of practices at the core of the HR organisation, but to have flexibility around these core processes to reflect the differing HR requirements of different regions and businesses. The degree to which this was actually put into practice will be discussed in section 6.3.2., under the heading of the realised HR approach.

6.2.3.2. The Respondents' View of the Intended HR Strategy

Moving through the model, the next requirement was the analysis of the articulations of intended HR strategy which appeared in the data.

Given that the model shown in figure 77 was not explicit or formally shared, and given the perspectives on the absence of business strategy, unsurprisingly, respondents did not reference a clear intended HR strategy.

“HR strategy? Right, we struggle to even get a business strategy. Right?” [CP:7]

Business respondents are particularly negative about the lack of top level HR strategy, as the following quote, alluding to ‘HR’s as strategy’ role, shows.

“I don’t know how [the EVP HR] is viewed. I don’t really know what the strategy for HR is. I’ve never had somebody stand up there and say I mean I tongue in cheek they say that they wanna be business partners, it’s a little bit of an overused phrase, but I’ve never seen any action where they’re actually engaged in trying to you know redirect strategy based on what they are.” [SK:5]

Whereas HR practitioners are more likely to reference a strategy vacuum created by the lack of business direction.

“We were constantly going through changes, and yeah as I said, I think from the business point of view the direction wasn’t there. Yeah, it was like ten percent growth. Fine, but what does that mean? Do we have any measurements? How well does the new function, the new structure work? Do we need to increase, do we need to decrease, do we need to tweak? I think it was just go ahead and sell.” [RA2:6]

Using the model of ‘strategy as an objective’ with a ‘best fit’ repertoire of HR, this would be an impossible situation: if there is no business strategy, there can be no HR strategy derived from it. However, if one takes a ‘strategy as a process’ model, one can build an emergent, negotiated model of HR strategy.

This fits with the contention of Paauwe’s model that, in the absence of strong business and contextual drivers, the influence of the actors (the “dominant coalition”) will become pre-eminent, and that strategy will become a matter of negotiation.

However, whereas respondents did not have a strong view of the intended HR strategy in a steady state environment, they did have opinions on the necessary role of HR, and the intended HR strategy, in a change scenario. HR was seen as a necessary support to a business in an environment of change.

“... what’s going on in industry ... it’s about change ... and HR comes up a great deal in that ... introduction of new legislation is change, or having the company having to adapt to competitive environment is change. You know so change is a constant, as they say in the textbook ... the fundamental thing with a rapidly growing business is, there is change, it’s everywhere, every day, you know we never get it right, and bedded down, because things have

moved again, and moved and moved. And I think ... the one person I have most engagement with probably is with HR.” [AD:1]

“... you’re constantly dealing with individuals and their evolution in the business. There’s never a thirty June, thirty September, thirty one December, thirty one March, okay you’re now here, you’re now here. Every day, every week there’s things shifting. And that’s I think that’s what makes it interesting. It probably also makes it a constant, so whilst I don’t have formal meetings with HR on a regular basis, I meet with HR almost every day, because there’s stuff happening every day and it’s just making moving that stuff along. Because there isn’t an end of quarter HR event, or it, because HR happens every day.” [AD:4]

A second respondent offered a detailed tripartite set of requirements from HR in a change scenario: the enhancement of individuals’ capability to change, the creation of change enabling systems and processes and the management of the psychology of change.

“... those three pillars (of change management), make people aware of it, have some process, maybe as part of the process also, you know what are the parameters for success, to say that you achieved the change as you’re going through it. And have some kind of support system which enables you to kind of talk about it, while you’re going through it, so you’re more objective.” [SV:5]

She begins by talking at the level of the individual employees, discussing the need to develop people who can understand and deal with change.

“ ... if we genuinely believed that our DNA’s change, one of the building blocks for all managers, and including staff right from induction has to be what does change mean and what are the kind of behaviours we need to exhibit in managing change or embracing change. It needs to be a very conscious process ... When people come in, you kind of build their understanding of change and what are the behaviours they need to have.” [SV:4/5]

She then goes on to describe the processual element of change management and the necessity to build replicable systems and procedures for change.

“Second piece of it is identifying the types of change that are happening, and almost have certain processes round it, that what it does is that each individual is not grappling to kind of get their arms around those situations. So it’s almost something like “have I done this, have I done this, have I done this”. If it can ... do that a little bit, it might give people a sense of control over what they are going through. Now maybe that’ll not solve the problem, but what it’ll do

is at least seventy percent of situations, you could not rely on gut and instinct to do it right. So you would at least have seventy percent better effectiveness in moving to the next phase.” [SV:5]

“... we need the process, we need the clarity on how to kind of use the process to have at least some kind of control with how we deal with it during that time.” [SV:5]

Her final requirement is more based in management of the psychology of change.

“... when people are going through change, identifying pockets in the groups which need a little more support, more in terms of talking it through. Because the biggest problem is people tend to have a sense of fear of what’s going to happen to me. I’m losing control of what’s what they have been in charge of. And they any kind of support that as an organisation we can put in place will ensure that, if this is going to be the way we work, they know who to go to, and you have some people who at least help them step back and look at it from a rational viewpoint.” [SV:5]

This psychology of change repertoire is also echoed by AD.

“... getting those in getting people to sort of align with what you’re trying to achieve, that’s obviously this (OD) project that we’re working on within the business, it’s amazing how out of aligned one can get quite quickly, given that rate of change ... (Because of the project) I’m a lot more sensitive to it than probably I was two months ago, and I can hear it on conference calls. We had our management call yesterday, and okay, yes, that’s those two there, they’re not aligned. You know whereas before I probably would have missed that.” [AD:1]

In this quote, AD alludes to a role for HR which is objective and dispassionate, but recognises the psychology of individuals.

“I’m being more inclined to use HR as a resource to achieve if we’re gonna change alignment or get different motivational behaviour out of people ... rather than I could get Finance to put it together, but I don’t think it’s kind of the way I want help. They will crunch it, and that’s your number. I want basically an emotive outcome, and therefore having HR sort of running it, rather than my sales director putting it together. ‘Cause the sales director will put something together that’s very favourable for the sales director! ... But having something that’s very favourable to a sales team and also the business outcome, then that’s kind of where I’m driving trying to drive it to.” [AD:4/5]

However, unlike the steady state environment, respondents saw a necessity for HR input in a change scenario, and articulated an intended HR strategy based on the development of individual employees' ability to understand and deal with change, the creation of change enabling systems and procedures and management of the psychology of change.

In summary, respondents in steady state saw no clear intended HR strategy, opening up the possibility of an emergent, logically incremental HR strategy, potentially with the strategic intent of developing a Dyer & Shafer type approach (stable inner core and reconfigurable outer ring). However, in the change scenario, business respondents perceived a high value add from HR and had a specific set of requirements. This is also echoed by an HR respondent.

“... we are in a constant phase of change. So I don't think we're just strategic partners any more, we're change agents, consistently. The power of being a change agent, and linking strategy with capability ongoing.” [CP:5]

This respondent goes on to indicate that change expertise may give HR the ability to manage in an environment where strategy is unclear.

“... so the strategy's unclear so what role does HR play? Is what is its expertise? It is a change agent. So it's understanding that that's where we are right now, we don't know what the bigger picture is, so what do we do in terms of capability. To ensure that there's limited interference to the business during this time, and that the end need is met. I see that's what HR's role.” [CP:6]

This has implications for HR: it appears to be perceived as more highly valuable for its role in change, therefore is this a potential area which HR could use as a platform for building credibility and a negotiating platform? Is this an area therefore on which HR should focus?

6.3. The Analysis: Strategy Implementation

6.3.1. Mediating Level: Between the Intended Strategy and The Realised HR Approach

In discussions at this level, respondents largely used the 'theory of constraints' discourse, introduced in project two. As with project two, a considerable amount of the interview time was spent articulating the constraints on the HR function which prevent it achieving the 'best fit' HR strategy, suggesting that this continues to be a functional repertoire for HR staff to articulate. Notably, however, this repertoire was also articulated by business staff, suggesting a

greater alignment between the views of business and HR staff than had emerged in project two.

Respondents in project three utilised the same division between organisational and professional constraints articulated in project two. The interpretative repertoires around the 'lack of local customisation' and 'conflicting organisational priorities' fell into the category of organisational constraints, whereas 'HR capability' and 'causality and credibility' were the major cited professional constraint. However, 'impact of change' also emerged as a repertoire strongly in project three as a constraint, and will be considered separately.

There are six main interpretative repertoires which are used by respondents to explain the linkage between business strategy formulation and intended HR strategy:

- Organisational constraints
 - 'Lack of local customisation'
 - 'Conflicting organisational priorities'
- Professional constraints
 - 'HR capability'
 - 'Causality and credibility'
- 'Impact of change'.

This section will go through each of these in turn.

6.3.1.1. *Organisational constraints*

Project two's organisational constraints were around lack of investment in employees, management capability and style, perceptions and expectations of HR and organisational maturity. Respondents in project three also discussed organisational constraints, but related to the organisational issues of the Asian environment: the 'lack of local customisation' and 'conflicting organisational priorities' interpretative repertoires.

6.3.1.1.1. 'Lack of Local Customisation'

A further constraint emerged, related to the small scale of the country operations in Asia.

"... it is capabilities now ... I started looking at how can I change the structure, towards business partners ... (but) with having countries where there's only fifty, sixty employees, you can't have, you know everything." [RA:5]

“... we can always do more ... the challenge we've got little outposts, right, like the Koreans and the Indians ... just sheer distance and geography. And the places that we are big enough to have HR on the ground it's very nice, like Singapore and Australia, but that's always the challenge in this region. Is how do you make the one person we have sitting in Thailand feel that they're also on the same conveyor belt and they're not getting forgotten about. It's almost impossible to do. It takes a certain type of person, there, to deal with that.” [DR:5/6]

“... the rest of Asia Pac, mainly because it's so disparate and there's different requirements for each of the different locations, I think it's perhaps a bit more disjointed.” [HC:2]

This is also applied to HR. The ability to do 'best fit' HR in a region is seen as limited by the need to follow global norms: the smaller organisation needs to fit into the strategy of the larger.

“... the Sales Effectiveness project that started, I don't know how many months ago, was looking at the structure, at more effectiveness going out at the market, less admin. We had we had all these ... external consultants doing this survey etcetera. In the end ... all this ... good material ... was kind of thrown in the corner and we just draw a picture that either fits the UK or fits the US or fits like the whatever you wanna do, but we didn't base it on facts.” [RA:12]

The same point is made by a manager of a specialist function, who feels that HR lack the specialisation to really respond to his business requirements.

“I find we are more or less like a specialised division of the company. No matter whether I used to work in a bank or work in Thomson, whereas HR in the company is usually a very general HR office.” [WLC:1]

The result of this is a service which is suboptimal.

“... because of the specialty of the people that we need, sometimes HR do not really have all the necessary understanding, and that in a sense sometimes the wrong kind of candidate will be, for example, sought by HR or at least the HR agency. And supplied to our managers.” [WLC:2]

Although he softens the impact of this by indicating that he has no expectation of a specialist HR service to his part of the business, and indicating that his managers pick up the responsibility.

“I’m not sure whether it really needs to take one special one at this moment with our small team ... the activity is also distribute to my managers in the country because they also understand what are the major projects coming on and what are the things that they need to learn, and what are the shortfall with the existing staff, what are the techniques that they need to learn.” [WLC:2]

He has, consequently, limited expectations of the service HR will provide.

“... we are more or less like the supporting ... department to the business. So I – don’t actually at this moment foresee that there is any strategic things that we actually need from another support group like Finance or HR, that needs to do in order for us to fulfil our strategy.” [WLC:6]

In other words, the ability of an HR strategy to be ‘best fit’ is limited by the needs of smaller units (be those functional or geographic) to be subservient to the needs of the larger organisation.

6.3.1.1.2. ‘Conflicting Organisational Priorities’

The repertoire of conflicting organisational priorities is used by HR respondents as a way of explaining a failure to respond to super-ordinate needs: there is an inference that there is a ‘right’ thing to do, from an HR perspective, but that conflicting organisational priorities constrain this.

“I think some of it needs to be driven from the top. I would have to put a lot more effort in it, and – I don’t know, is it personal commitment, don’t I wanna work? I don’t wanna work 24 hours, yeah? I mean that’s also a thing ... it’s probably not the workload because if I wanna do something I’ll do it, it doesn’t matter. It doesn’t matter how long it will take. It’s will it be valued? By the business. Will they will they embrace it, will they be open for it, will they spend the time? I don’t think I will be able to at this point to convince somebody. Plus I don’t have something sitting in my Inbox which I could convert and take and sit down with some of the managers and say, I’ve got something, you’re gonna you know let’s partner on this one. It’s two way ...” [RA:7]

“I think that within HR we’re just ignoring that part. I ignore it and therefore my team ignores it. That’s this is if it doesn’t get lived and valued from the top, then somebody at the bottom, even if [an HRBP] thinks like, ‘oh, we’ll do something’, I will say ‘look you have another stuff to do’. You know, it’s I think we just ignore that part, and we do other things.” [RA:10]

This respondent then goes on to give a specific example.

“If you look at our Sales Effectiveness, this whole programme we did ... over the months. We talked a lot about the change management there, but to be honest in the end it was just we’re running out of time, we need an organisation, we’ll plonk it together that’s the way it is. We announce it and we run. So where was the change management there? ... Again it was a half-hearted kind of attempt ... having some graphs and talking to the managers. The managers are kind of out in the field, they say ‘oh yep, interesting, and yes I understand and yes it’s true’, but ... I haven’t seen anything done with it.” [RA:3]

There is an interesting analysis to be conducted here on organisational messaging, where the MD is seen as a necessary champion for activities to be emphasised.

“ ... we’re tactical now. ‘Til the end of the year, that’s what I see, that’s the message. That’s the message that’s come from [the CEO], that comes from anywhere. We need our OI, we want our bonus pool, we’re not hiring, we’re looking short term, then Reuters comes and then everything will be fine. To sum up – you know – seriously this is, so why bother? Em why should I fight? You know you pick your fights ... why should you try and do something that’s not – valued.” [RA:7]

“I think it’s the organisation. It comes from the top. It’s what is important to us. What does a Sharon talk about, what does a Sarah talk about. Not only talk but do. Implement. Where are their priorities? Which then gets driven through the organisation, and so here for example, in Asia, and if you have a Mark for example, who would put time aside, who would join some of the calls or meetings around change management, if we are just currently go through something. That will then make the next level more receptive, and more open.” [RA:3]

6.3.1.2. Professional constraints

In project three, professional constraints on HR’s ability to contribute were also articulated, consistent with project two. Whereas ‘causality and credibility’ was used as a repertoire, the ‘HR capability’ repertoire dominated, as in project two.

6.2.4.2.1. ‘HR Capability’

The availability and quality of HR staff was posed as a constraint, unlike project two, where management capability was the major issue raised by respondents

(the HR staff in project 2 in Europe externally attribute lack of progress, whereas in Asia there appears greater willingness to posit reasons which are internal to HR).

“... my perception is it's tougher to recruit strong HR functional experts or change agents now. “ [CP:8]

“in Asia until I ... said look, we need to do something, we have a (recruitment) system ... ‘use it to its full capacity’, nobody was even you know asking for that. Metrics were non existent, in a way. So I felt like I was going ten years back at least, when I came here.” [RA2:2]

The respondent goes on to explain this with reference to the limited vision of the HR team, their concentration on the transactional and their disinterest in best practice.

“... the Asia HR team? I think everybody is doing what he she like and thinks is best. It's the hardest part to actually get this team together and get them to share and to talk, and to understand that there might be something they could learn from each other and do differently. And talk about best practice. And it's also look outside, go to some HR forum, networking, whatever. Still, not there ... they really struggle with that. It's for me I have the feeling they go there ... because I push them or they go there because then they have a free day, so to say. But I've never really had the feeling that they're getting anything out of it ... It's probably cultural. And they come here to work and to earn their money, and really sticking to rules, and they probably have never been exposed to having to think for themselves, thinking of what that's gonna bring for them, as well. In that part, I think it's missing and they probably haven't been exposed to it.” [RA2:3]

A clear argument emerges that, to be credible in a business scenario, HR staff need to be business focused.

“I also think you need to carry the bag as well. Even if you've grown up fully in HR, at least be attend business meetings, be part of the conversation. You know gain some cred that way. My sales supply chain background has been invaluable in getting me to where I am right now. It just carries cred. It's not by putting it on resumes, as I said to you before. It's not my CV. It's in the language. That I have. The conversation I have with a leader. Where again I'm not even aware that it comes out. I'm not there talking, it's through the questions and stuff.” [CP:9]

As in project two, the difference between true business partners and administratively focused HR staff is articulated.

"I think in TF we had some tremendous individuals in our HR community. Who spend time out in the businesses, spend time with the senior leaders, go to all the management meetings. They really get the business. And that makes a huge difference." [KBM:6]

"(the business focused HR person) sees the business need. She understands HR. She makes the connection. She is able to actually translate some of the business goals into HR, where do I need to get some help now, where do I need to come in as an HR partner? I think that's really making that connection. Whereas ... (the administratively focused HR person) there's just no way. She's just not making she's another more or less administrator and I think she's in HR because there you can gossip." [RA:5]

"I think the structure that we've got or are trying to create in terms of having business partners working closely with the business and senior management team is a good one. I think it's good having Ricarda and K2 very involved in the business and I think you can see probably more success stories I guess coming out of Japan in the way that sort of operates, and the fact that HR is obviously such an integral part of the whole way that the business is run there.

I can definitely see the benefits and the kind of ownership, and perhaps it might even have gone too far the other way, in terms of them getting very very involved in lots of things that you might think, hm, not sure why HR are necessarily doing that. But I certainly get a sense that they're very aware of what the business needs are, what the issues are, where we've got resource issues, training issues, and seem to be very cogniscent of the stakeholder requirements and wanting to meet the needs of the management team." [HC:1]

"... you can just see the engagement, and when I have conversations with [the Japanese HR director] there, she knows the people, concerned, she knows what the issues are, and she knows the sort of interactions and what have you. I think she asks quite a few questions as well ... I think communication is a big one. She's obviously very very engaged with those people, and with Chris in particular ... and keen to get people involved ... communication is definitely key. Taking it, sucking it in and making sure that people are aware of what's going on." [HC:5]

And whereas this anecdote conveys a sense that Thomson business managers are receptive to the business partnering approach.

“I went up to ... the leader of the team, and I said. ‘look, I hope you didn’t mind [a junior HRBP] being there [in a sales meeting], was she a distraction’. And it was quite powerful his answer he said, ‘no, she’s young in HR, I am so pleased I’ve got HR people listening, and starting to understand the business’.” [CP:9]

There is a sense that HR is failing to deliver on this.

“[in another Thomson company] we have a GM of HR that reports to [the HRD]. Who has not once gone out to any of the business leaders and asked ‘what do you need from our function’? That in itself sends a signal. And determines the level of credibility she has ... that’s how they operate. And that’s where they stand out of insecurity. They don’t know how to do it, they fear it. It’s out of their comfort zone. And they make wrong those others who take that approach.” [CP:9/10]

“... one of the other challenges is that we don’t as an HR community, have as much experience in the business.” [KBM:5]

And one of the articulated reasons for this is a lack of business focus in HR at the Thomson Corporation level.

“... you start at Corporate. I don’t think they are a customer led organisation. I don’t think that a, they know what our external customers need, and b, I don’t think they know what their internal customers think.” [KBM:5]

This is reinforced through reference to a senior HR executive.

“You know he’s he doesn’t understand, Thomson ... he’s been with the company four years, and he’s always spent time with the senior executives, he doesn’t believe that his he has responsibilities, you know beyond the organisation. So that’s Thomson, as a whole.” [KBM:6]

6.3.1.2.2. ‘Causality and Credibility’

The ‘causality and credibility’ repertoire which emerged in project two was also referenced in project three. Although the ‘causality’ element (the argument that HR finds it difficult to establish credibility because it is difficult to firmly establish the causal link between HR activities and business value add) is less in evidence

in Asia, the L&D representative indicates the political importance of metrics driven activity to business credibility.

“... measuring success, and quality (deeply impacts the way I do my job). Both level one right through to level five, if applicable. Feeding that back, to the leaders involved. Making sure there's there are structures in place to be able to talk to the success of programmes and initiatives. Keeping people updated on what's going on.” [CP2:13]

Lack of credibility in HR is cited, and the reported impact is significant. The antipathy towards HR discourse identified in project two is still very much in evidence in project three, as the use of the word “victim” in the following quote infers.

“I do think that the management the CEO or whoever the director is does kind of set the tone for how we all interact with each other and HR is maybe the ... more obvious victim in those circumstances because it's much easier to stereotype HR into a box.” [SK:7]

Less overtly, an antipathy towards HR is detectable in a discourse around the need for professionally qualified HR staff. Although one respondent is clear that professionally qualified HR staff are essential.

“... what made the difference is he was an HR professional, from the ground up. Not just someone who just ended up by accident.” [DR:3]

“... we have HR professionals in place as well. That makes it work.” [DR:6]

The majority of respondents, however, take the opposite line, as this respondent's appraisal of a previous HR director – with no HR background – and her contribution to the organisation infers.

“... in fact sometimes too much intimate knowledge is a handicap. So moving smart people around and getting them to focus on different problems without all the context means you can ask the stupid questions, you're not handicapped by past you know we've always done it this way kind of stuff. And in a way that just frees you up to be the right the smart person, with a lot of context about this business, who can change things. And I do think change for the sake of change is actually a really good thing. To move seats, obviously you can't move the CFO, you know there are some roles ... even an HR director ... you can ... if you have the right people underneath you.” [SK:9]

“Why are HR HR professionals? Shouldn’t they been sales people moving in, production people moving in? ‘Cause then they can learn what HR’s about, they can bring this to other departments, I think yeah, a valid point: should HR be HR people? HR professionals. Because if there’s no reason, valid case, they should be moving from elsewhere.” [JD:9]

“I think you know with Sarah in that role, supporting Sharon now, and having come from the business back- the business side of things, I think that really helps a lot. And I know (the previous head of HR) didn’t kind of grow up in the HR world either, I think he actually had a Finance background originally. So I think having you know having someone like that who has been out in the business and understands kind of the dynamics of a business and has worked with a lot of the players before, probably helps with that with that partnering. And coming up with appropriate strategy.” [KG:2]

6.3.1.3. *‘Impact of Change’*

As well as being seen as an environmental factor which influences organisational strategy, change was also seen as a constraint. Change is presented as a magnifier for existing organisational and professional constraints (as described in the relevant sections above), but that change (linked to the concept of reactive change) creates its own unique constraints.

Change is reported as disruptive, even in process-driven functions such as recruitment.

“I would say that (the Reuters scenario) affected our performance in a lot of ways. I think. ‘Cause these the freeze would pop into these requisitions one week it would be open, the next we could be frozen, for example, and of course you’ve got candidates in process. So dealing with that is a bit of a song and dance, you know, keeping people happy, assuring them, things, being honest, saying it may take a bit longer than we expected ... it’s just a lot more difficult to get them across the line, of course, if those sort of things happen. So a lot of sort of one off situations, that we just needed to address as they arose, but in general I think you’re right. The external factor, the external sort of view of Thomson, we had to address, we had to sort of put that into our communication, into our sales, into our pitch, and the rest of it. And then yeah, just the drag of the internal process, which really affected our performance, to get people across the line.” [DH:12/13]

The constraints articulated by respondents in the environment of change can be divided into organisational and professional constraints, in the same way as occurred in the analysis of discourse pertaining to steady state. This again suggests that proactive change should be regarded as a variant of steady state, rather than being a factor in itself, as the following quote infers.

“There’s no other aspect of it, apart from communication. Because everything else is just business as usual. Are you are paid correctly, are you being trained, are you being enabled to do your job? All those things you do anyway so there’s no difference.”
[DR:12]

However, there is again a sense that the HR role (or the failure to fulfil it) is more critical and more highly valued than it is in steady state.

i) Organisational constraints

Lack of clear organisational alignment is seen as an inhibitor.

“I thought that we spent a tremendous amount of time, and I thought we put together a great process, an interviewing guide ... here’s these great tools and I had to laugh that that came out in December and less than a week and a half later, job freeze! ... You know we absolutely looked ridiculous ... I think it’s a disconnect, of the strategy. You know that came out, did they not know we were gonna do a job freeze?” [KBM:4]

“... really what does the organisation want. What’s the ultimate view of it? ... So why should I focus? Why should I put my time and effort into something where in the end it might not actually be needed? Yeah? I mean I’ve got my plate full as well. So, and there is nothing, I maybe if I search, but there’s nothing sitting in my Inbox somewhere that’s saying here’s a toolkit, how you facilitate some change management, ... workshops or lunch meetings or whatever. There’s nothing sitting in there I can take.” [RA:6/7]

Poor implementation and lack of follow through is cited as an organisational issue in change management, again referencing a disconnect between intended strategy (‘formulation’) and the realised HR approach (‘implementation’).

... we’ve checked box, these are green, these have been completed ... this huge process that has been put in place, required these teams to put a tremendous amount of energy and effort in, and it’s as if nothing’s happened ... to this point, neither of us have seen it applied ... It just seems to be very disjointed ... as I

think through this merger, we have our moments with, the difference between design and the implementation.” [KBM:7/8]

The multiple and compounding nature of the number of changes being attempted simultaneously by the business is also presented as a constraint.

“I think there were just too many changes. And what we tried to accomplish is you know the, running behind, basically, and fixing all different things. There was a hell of a lot of recruitment, a lot of turnover in the sales team, new leadership in the sales team, Simonne left, you came on board, you know we had business changes, HR changes, Mark wasn’t here that long, before that it was Chris, it was a constant handover, kind of it was well waiting, what are we gonna do, where are we gonna go, what is our business strategy, what is our focus. Yeah, I felt it was more patching, than anything longer term looking.” [RA2:5/6]

The impact of multiple changes is an inability to build and execute strategy.

“ ... you’re always behind, you do the tactical stuff. I don’t you how you mean that, how does that impact what you do? It gets driven by events that happen. So it’s like every morning you switch on and you think, bugger! I can’t say oh for the next couple of days I’m gonna focus on this or focus on that, doesn’t work. It gets driven by day to day events that are happening and are changing so, em I can’t plan, my week, my work, my focus, it gets planned by surrounding changes, basically.” [RA2:6]

A further negative organisational influence is referenced by another respondent, who cites an organisational confusion about what comprises change management; this respondent defines HR’s role in change in the negative, as being more than simply employee communications.

“... what I’ve seen, and I might just have overlooked it, but for me (the current change activities are) ... communication and employee ... engagement, but it’s not it’s not what I believe and see as change management.” [RA:4]

ii) Professional constraints

HR capability is presented as a constraint in the change scenario.

“I think HR also grapples with how they handle change. You have small pockets which understand change and can help ... But that’s more an exception, rather than an organisational approach to

managing change. ... I think within our environment, we don't do it in that structured fashion." [SV:4]

HR's tactical focus is seen as deleterious to the function's ability to perform a change management role.

"... what do we get, we get PMAT reminders that we need to do things, okay ...you've gotta go through some level of process, you have to. (But) yes, you can always do better, yes you can always do more, I think. What I'm saying here yes, this is something HR might be voicing, say look guys, there is a great sense of worry. How do we – okay that's the feedback, now how do we address it? Well maybe one way forward is just to involve the managers, so that they don't feel they're left out." [JD:3]

"I'm not sure HR is really able to voice the some feedback and really say look, are, the assets the guys, we need to address their worries and engage them." [JD:4]

"... we get sucked up in the tasks, in the integration planning, structure, systems, data collection, we forget about what our employees go through." [RA:4]

Lack of resources in HR is cited as an issue:

"... whether you think about what we're striving to do as a company, I do think that we are resource poor. I think there's a real disconnect in what we say that we're striving to do, around organisational development, around what we're, change management is a primary example ... I was in Bangalore, watching these participants and thinking of the number of, you know talking to them about the number of people that they manage. And this is a huge business for us. These are the number of employees that they influence, where they're gonna be, in the future. And how clear it is that we don't have the kind of change management capability, that we need." [KBM:2/3]

"... because they're [HRBPs] resource deprived, you know they can only do so much. Not having this, again, because they don't have technology to support them and they don't have the staff, I think they're limited in what they're able to impact." [KBM:6]

Resources are defined in terms of both quantity and quality.

"And we don't have the band width, even if we had the competence." [SV:10]

“You can do so much in Asia Pacific when you're resourced appropriately. What you can do, is focus on the areas that you where the bleeding is or where the biggest calls are being made. And you do that. And you do the best that you can. With what you've got. If you have the kind of resources that you need. If you don't, or you're not getting the fullest capability of the few people that you do have, and in this case, no we're not ... everybody else is pulling that person's weight and everybody else's ... I don't think that we have the change management capability within this organisation, that we need. And so I think it's gonna put a tremendous amount of pressure as we move into the actual day one and implementation ... At the end of the day, do your managers have the time, are they being supported, so that they can then do it? You know that's the balancing act.” [KBM:4]

“So I believe you really have these strong business partners who, as and when we go through change will really be able to tap into some of these programmes, get some support and help, then it could work ... they would drive it. They would pick up all programmes, theories, mechanisms. Apply, drive, work with the management, their teams, be the person on the ground to make sure it doesn't get forgotten. It's always the least important thing in a way – there. Which you know gets pushed aside, there is something else more important coming, so let's forget about it, it's fluffy stuff, it's soft, we don't really need it, everybody understood the message anyway. And off we go. So, that's where I think the real HR business partner would bite his or her teeth in. And have the full understanding how important it is.” [RA:2]

And in terms of access to institutional resources.

“I think I would have to be better equipped. To be honest. So right now I wouldn't feel comfortable on instructing anyone, around change. I don't feel kind of equipped enough to do it. To do it sensibly, not just again to repeat some theories and to kind of create an awareness, or whatever.” [RA:5/6]

An important discourse sees HR business partners as the key to effective HR in a changing environment, but that the capabilities of HR representatives to fulfil this role are limited. This response was given to the question, “What would make HR good at change”.

“I would focus a lot more on having real business partners ... Really much closer to their business. So if we're looking at Asia here, for example, it's not. It's a half hearted attempt what we're doing, that's my view. And we're not really linked and close to the individual units and streams. Which is for me the first step towards

being able and influencing em and working with management on change and how we deal with change. It's no from my perspective it's no good to just have this great change programme and pour the bucket (laughs) out of the organisation. This is exactly what what usually happens. There are some great programmes, some great ideas, you throw it out, it doesn't get picked up the way it should be, nobody runs with it, because there are other things everybody is busy with, so it gets forgotten." [RA:2]

This is linked by another respondent to the 'multiple roles' repertoire, the need for an HR business partner to perform multiple roles. As this response to a question on the characteristics of the ideal HR business partner shows, she sees this as creating a requirement for an HR business partner with multiple competencies.

"Tough one. I think one practical, the person would have to have multiple types of competencies. One would be very down to earth, systems, process, let's get things done, execution capability. Ability in this situation, recognising okay they have these competencies, these they don't have, and therefore kind of get those competencies from outside their own team. But at the end of it make sure that we do the right jobs. So that's more from an execution er place.

The other is more psychological, whether it is individual psychology based on which you handle situations, or whether it's the group psychology or whatever it is. And that is actually far more difficult to have. A lot of people would probably have an intuitive understanding of it, but not many have a structured ability to kind of dissect some of it. So if I were to have that, those two competencies, if we kind of had them in the same environment, that would be great." [SV:3]

But she immediately indicates the difficulty of finding a skill set to deliver this psychological element.

"... the emotional one [role] I think is the most difficult one, because if we are neither trained to recognise the issues, nor are we trained to have the degree of self-awareness, which unfortunately is at least with most people, and you don't have anybody who is alive and alert to spotting it, then you probably have more of a problem syndrome than we think." [SV:5]

This is echoed by one of the business participants, who sees that HR needs to be ready ahead of the game.

" ... it's a little late at this juncture to turn HR into the business partner at the exact moment when we need it, and you don't have

the right people in place, you know to really do that. So maybe it's unfortunate, but you can't step up to do that if we don't have the right people." [SK:14]

An alternative view on this sees change as a personal, rather than a professional, competency, and as such in short supply.

"... some people who have the ability to recognise these kind of patterns. Obviously these people will have their own filters based on wherever they've come, but they have a far greater ability to kind of recognise the dynamic changes in the patterns that exist. And they could be people with any background. What I've found is someone who apparently seems very, you assume they are very traditional, you know they've not really had much exposure, they live in their own world, whatever that world is, probably are far more embracing of some of the changes and far less judgemental of compartmentalising in the way they look at the world. Whereas there are others who might have travelled all over the world, might have lived in every different place, but yet they have their own filters of how they look at the world.

So it's more my personal view is it's more to do with temperament of people on how you look at the world. And how much you allow, how much you can compartmentalise versus how much you allow leakage to go through. And how much are you going to I'm gonna use I dunno whether it's the right phrase, but as you said the other day you were talking about first level, second level realities. Are they people who are able to go back to first level realities and re-look at what are the second level realities, in those situations. And there are some people who are able to do that better than the others." [SV:8/9]

The contradiction created by the multiple roles HR is expected to perform is also cited as a constraint. This respondent talks about the inherent tension that the requirement to deliver difficult messages creates for HR.

"I guess it could (hurt HR as a business partner), if the (difficult) message isn't received well. But I would think if the person on the other end is big enough to receive the message it actually strengthens the relationship. And builds a level of trust with HR that you might not even get to with any of the other functions. So it's almost a double edged sword, depending on who the other party is." [KG:4]

"(The support functions' role is) safeguarding the assets ... Versus kind of just doing what the business wants to do. You've gotta be

that kind of voice of reason and again, you know, I think all of the support functions have just to lay out the facts.” [KG:4]

There is a clear reference to a super-ordinate role for HR in this respondent's discourse.

iii) Constraints Specific to the Change Scenario

However, the most clear limitation on HR's ability to perform effective change management is conveyed with reference to the 'proactive change' versus 'reactive change' repertoires, as conveyed by the following response to a question on respondent's view of level of HR support in the run-up to the Reuters acquisition.

“Well you know obviously could do better. But, I know why. It's the way it is. It's because no one knows, right. And that's part of the problem ... In a perfect world you would be able to go to every staff member and say 'you're guaranteed to have a role'. But we can't. Right. ... So obviously from the individual's point of view, there could be a lot better communication. I mean it's all about communication really ... I think that's a corporate wide thing and not just an HR thing. You have exactly the same information as almost anyone else has, and what else can you do with it, right?

So I think it's a Corporate failing not a (HR one), and I understand why it's a failing, right? It's not that somebody should be slapped on the wrist for not doing their job. This is the way it is.” [DR:12]

Referring back to the professional constraint of HR capability, it is also noted that change agents who are, themselves, coming to terms with change, may not be the most effective.

“Again, I would say it's a mixed bag (in terms of support from HR in change scenario). There are pockets where it's been very good, there are pockets where er you wish you had more. I think to be fair to all the players, they themselves are going through some of that change. So it's the fact that people are still able to help in spite of the fact that they themselves are going through so much of that change, I would say it's fabulous from that perspective.” [SV:10]

6.3.2. The Realised HR Approach

The final stage of the model was an examination of the realised HR approach. The difference between intended strategy and realised approach in TF is

presented as a problem by the respondents, unsurprisingly, given the short termist nature of the articulated culture.

“... we have our moments with, the difference between design and the implementation.” [KBM:8]

“This is how the organisation deals with change. We might have an idea, and oh we might start something, but then, oh yes, other important things, so we’ll go left again, or right. And not follow through.” [RA:9]

The ‘realised’ HR approach can be considered from two dimensions. Firstly, the realised HR approach is the result, at a single point in time, of the various iterations and negotiations around the intended strategy. ‘Intended’, in this context, is defined as ‘intentional’. This is represented in the following quote.

“... we’re saying one thing and in our actions doing other things that make it pretty difficult.” [KBM:2]

More usually, however, the realised HR approach is seen as influenced by the extent to which the intended strategy is implemented, or implementable, i.e. what resources and constraints enable or inhibit realisation of the intended HR approach.

This section considers the interviews of three respondents: an HR generalist, a recruiter and an learning & development practitioner. These discussions used a second interview schedule, and, inverting the question, asked individuals to comment directly on the factors which influenced them on a day to day basis. This interview schedule is reproduced in appendix two. It takes a different view to the previous interviews, in that the respondents were asked to discuss the realised HR approach, and the factors which are perceived to be influential on that realised approach. It was expected that discussions around the intended HR strategy and the linking interpretative repertoires (‘theory of constraints’ etc.) would emerge in discussions around the realised HR approach.

A number of repertoires were used by respondents to describe the realised HR approach, including ‘strategy as a process’, ‘HR as strategy’ versus ‘HR as tactical execution’, ‘super-ordinate role of HR’, ‘business leads HR’, ‘theory of constraints’, ‘global conformity’ and ‘proactive change’ versus ‘reactive change’.

The realised HR approach was analysed in two ways. Firstly, as a proxy for the realised HR approach, HR practitioners were asked to describe what they see their role as being, on a day to day basis. Secondly, an analysis of the policies and procedures, and the messages they convey about the organisation’s values and priorities, was conducted.

6.3.2.1. **The Realised HR Approach Against the Intended HR Strategy Model**

One way of considering the realised HR approach is to compare HR in use in Thomson Financial with figure 77's model of intended HR strategy. Figure 78 shows the view of the realised approach offered as a comparison to the intended HR strategy (Barrett, 2008, slide 20).

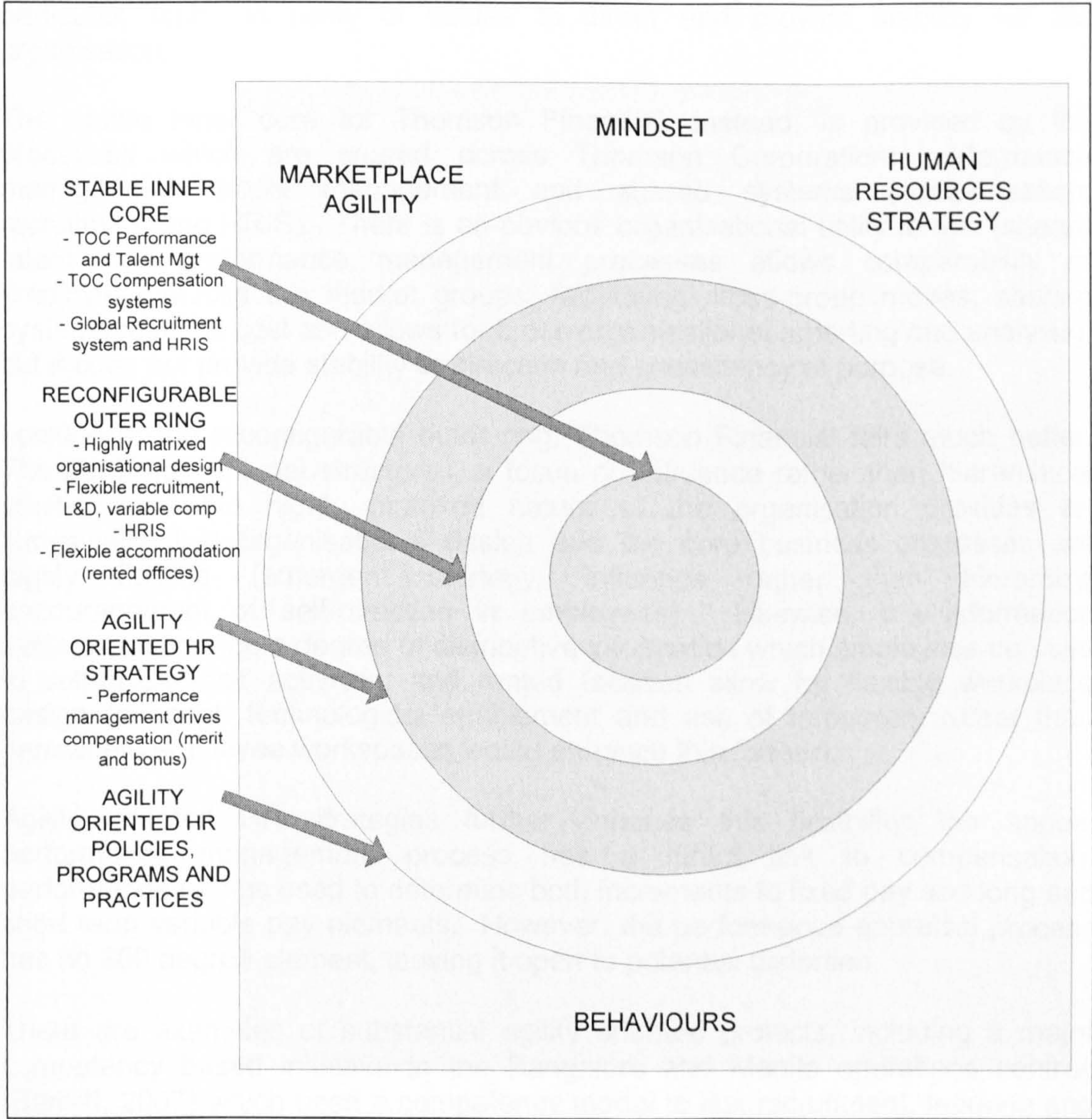


Figure 78: The Realised HR Approach for Thomson Financial

The diagram above indicates an immediate challenge for Thomson Financial. As indicated in figure 65, the core stabilisers in Dyer & Shafer's model are a clearly articulated vision and a common set of shared values. In Dyer & Shafer's words, this "provides some vector for the thrust" (Dyer & Shafer, 2003, p20), creating a

common sense of direction, and prevents the organisation “from degenerating into a metaphor for complete chaos” (Dyer & Shafer, 2003, p20). Key performance metrics are a third force for stability and a shared sense of purpose.

The organisation lacks both a clearly articulated vision and a common set of values. Although both of these exist, they are not a dominant force in the organisation and are not seen as influences by respondents. Conflicting value sets (Thomson Corporation and Thomson Financial have different value sets), in particular, limit the utility of values to direct and provide stability for the organisation.

The stable inner core for Thomson Financial, instead, is provided by the processes which are shared across Thomson Corporation: performance management, talent management and shared systems (compensation, recruitment and HRIS). There is an obvious organisational utility to this (shared talent and performance management processes allows comparability of employees across the market groups, facilitating cross-group moves; sharing systems reduces cost and allows for cross-organisational reporting and analysis), but it does not provide stability or direction and consistency of purpose.

Looking at the reconfigurable outer ring, Thomson Financial fares much better. The flat organisational structures, a focus on influence rather than hierarchical position and the highly matrixed nature of the organisation provides an intrinsically fluid organisational design and the core business processes are highly flexible (emergent strategy, influence rather than hierarchy, encouragement of self-direction in employees). Likewise, the information systems do provide a degree of distributive information which employees can use to self-guide their activities, and rented facilities allow for flexible workplace design (although technological enablement and use of temporary rather than permanent employee workspaces would enhance this further).

Agility oriented HR strategies further enhance this flexibility: the annual performance management process has a direct link to compensation, performance ratings used to determine both increments to fixed pay and long and short term variable pay elements. However, the performance appraisal process has no 360 degree element, leaving it open to potential distortion.

There are examples of substantial agility oriented projects, including a major competency based initiative in the Bangalore and Manila operations centres (Barrett, 2007) which used a competency model to link recruitment, learning and development, career pathing and compensation to support the acquisition, building and rewarding of key organisational capabilities.

The issue for Thomson Financial, however, is that without the stable inner core, the flexibility afforded by the reconfigurable outer ring results in a chaotic, sub-optimal approach: employees have the flexibility to determine their own work

activities, but lack a clear sense of direction as to what those activities should be. Coupled with a lack of strong contextual drivers, the consequence of this is that politics and negotiation dominate the organisation. This is potentially ameliorated by a strongly performance driven compensation strategy, but a lack of 360 degree input into the performance management process means that this, too, is highly subject to political influences. In the parlance of Dyer & Shafer (2003, p23), this suggests an organisation which emphasises drive, autonomy and growth, but lacks the directional influences of discipline, accountability and continuity.

6.3.2.2. *The Realised HR Approach in Steady State*

The realised HR approach in steady state can be accessed in two ways: through an analysis of the policies and procedures, and through the discourse of the respondents.

6.3.2.2.1. Representations of the Realised HR Approach in Discourse

Given the perceived lack of strong contextual drivers or a clear intended strategic direction, it is logical to look at what HR practitioners see as their role. In the second group of interviews, both the recruiter and the generalist see their roles as functional efficiency, the recruiter articulating a singular focus on functional efficiency, the generalist seeing functional efficiency as a necessary precursor to more strategic activities. The L&D practitioner, in contrast, takes a more negotiated approach to the determination of his activities. It appears that the lack of deterministic contextual influences allows the HR practitioners – in conjunction with the “dominant coalition” to define their own roles and priorities in a way which, one would surmise, a more directive strategy would limit. This fits with Paauwe’s contention that the “freedom to manoeuvre” is higher in environments where business and contextual drivers do not exert a strong influence.

To look at this in more detail, the responses of respondents relied heavily on the ‘HR as strategy’ versus ‘HR as tactical execution’ repertoires.

Interestingly, in these interviews, a clear theme emerged in both the generalist HR and the recruitment interview. The process, and the need for efficiency in process, is presented as the over-arching influence on the way in which HR is carried out.

“... we approached it like a project and this is a special case, so we have to sort of we have to go about doing this and different advertising campaigns in different places. I wouldn’t say the process was drastically different, it was just tweaked a little bit.”
[DH:8]

“... of course its beneficial to have the overall general process, but if you're not able to tweak it to your local standards and you know the way of working in the markets you're working in, it would be a real it would be a really difficult thing to adhere to. And I think it would be a real waste of people's local knowledge and local sort of ways of working.” [DH:9]

“I think, the process just was amended a little bit, as far as how we you know how we push people, well how we open a position and how we close an offer and the rest of it. But overall I mean it's the same sort of process, I mean once a position was opened, em we have to do a lot more communication, we have to do a lot more selling, we had to do a lot more em we might have to pull another strategy and go to another avenue, try to pull a bit more people in. Er fill a bit larger pool. But in general we talk about the process of you know briefing at the very beginning, setting a strategy, going about the advertisement agencies, whatever we might do, interview structures and going through all the way to the offer. Generally stay the same.” [DH:12]

This is echoed by the generalist: process – and inefficiencies in the process - dominates the way in which HR is conducted.

“... it's very much the process nature of the operation centre, of the jobs there ... The machine. That's still it's kind of a crap HR set up there, foundations still not working, but we had ninety percent turnover on the HR team, so slow progress.” [RA2:10]

Even for the L&D representative, process is something to which attention still needs to be paid.

“I think compliance, we need some control in terms of those global processes. Because of payroll and the other potential consequences if we miss timing and so forth. So I think there needs to be some global consistency on certain aspects of L&D.” [CP2:2]

“Because why does Learning & Development exist in an organisation? I mean is it there needs to be some consistency, and that's where the process helps.” [CP2:14]

This suggests that the research model may require an additional element. The 'super-ordinate role of HR' repertoire is used to suggest that HR is governed by non-contextual factors, i.e. the need to be the embodiment of the positive values, ethics and integrity of the organisation. This super-ordinate role may also, however, need to include performance of the 'must do' functional elements (e.g. payroll, recruitment) in an efficient way, suggested by the use of the 'HR as

tactical execution' repertoire. This is clearly seen in the recruiter's discourse, where the influence of business strategy in process centric functions is seen as peripheral. Although business strategy is reported as requiring a different type of response from recruitment, it is not seen as fundamentally changing the process.

"I think it's like a project ... you have a number of vacancies or critical roles that pop up at the same time, so I think you need to look at these sorts of quote unquote projects, and they do take, you have to approach them a bit differently, yeah. There's usually a sense of urgency, you know, as opposed to ... if we say an opening that doesn't need to be filled so quickly in another business unit. I think yeah you just treat it as a project ... you approach it differently because you're looking for a similar types of candidates, similar profiles, so you can utilise that fact to sort of your recruitment strategy, and where you look for those people and how you go about doing it." [DH:5]

Ultimately, business strategy is reported as exerting an influence on recruiter only to the extent that it creates a need for high efficiency. For the recruiter, business strategy does not change process, but it determines that a project based approach is required. This does not change the process, but simply makes it more efficient.

"... the biggest thing is, when you have a book of open requisitions, they've all got an age to them, and you know some of them have been open weeks, some of them days, some of them a month or whatever. These are all sort of dumping in at the same time, and I guess if we treat them kind of as a one off, if you go one by one and you fill these openings, you're gonna have the last fifteen to twenty of them that are open for three months. And I mean so I wanted to sort of attack them all at the same time. They're all very similar reqs, and of course meeting with the business as well, I mean it was very clear that these were extremely urgent. So those were some of the factors." [DH:6]

Likewise, the influence of the actors is seen as limited in process centric functions, such as recruitment. Where the actors are seen as exerting an influence, it is at a transactional level.

"... it's quite a diverse management team across the different business units, so I think each group has their own little way of doing things, and their own hurdles that you need to know, that you need to get around, and manage. But once you get to know those little nuances, it's much easier to sort of work through the process. But it hasn't affected it, since the beginning when I didn't really know, the ways of the world, it took a little bit longer to sort of push

through the process. But once you know what's ahead of you then you can sort of prepare for that and manage. Doesn't really change the process too much. A little bit of tweaking here and there to make it go through. And make things flow a bit smoother, but again, same principles." [DH:14]

The recruitment respondent sees the influence of the actors as again slight, and secondary to the process. The managers are reported as not being allowed to force changes to the process.

"... each manager's different. I would say two major types. One being, recruitment's in (my) hands, shove the piece of paper over to me, assuming it's churning and moving in the background. The other being you know, what's happening, daily calls, how's it going, this is really urgent, you know really chasing on a constant basis. I wouldn't say chasing because I wasn't really running away, but, ... you know what I mean ... Those are the two different styles and I would say I handle them both in the same way. Because I think that consistent approach and the consistent drive... as far as processing candidates, processing sort of the ads and filtering and what not, I think I follow the same process for both." [DH:6/7]

The process, again, is seen as the primary driver.

"... the process goes on as it is." [DH:7]

"I don't change the process for anybody, really. Extreme cases of course, there's always exceptions, but the process pretty much stays the same from manager to manager ... the process is the same." [DH:7]

Despite the negotiated process of strategy formulation (which seems to offer a better representation of HR in Thomson Financial) and the drive to perform HR activities which directly support the strategy, or which are related to credibility building to allow HR to exert a greater influence on the strategy negotiation process, there appears to be a recognition that HR also has over-riding functional responsibilities which are contextually independent. This is consistent with the view of HR offered by the MD.

"... there's also some components which are always I think self-contained within the HR function, where you can define a strategy because ... of how best you want that function to achieve those pieces, which are the things which are as I'm saying, payroll, messaging, recruitment or recruitment activity, are I think can be self-contained ... they don't, I believe, need to refer back to the rest of the business, because ... that's your role to deliver those components, how you do that is entirely up to you." [MH:3]

In the interview with the generalist, these two repertoires were used in a more value laden way. Whilst good tactical execution is a necessary foundation.

“... without a good tactical HR support, you never get the satisfaction or the buy in from any of the managers. You need to have the foundation. That needs to just work. It needs to just function. And then you can forget about it. You can think about a shared service centre for HR or something, you know, get your processes in order, that's a machine, that's back office, it runs. You shouldn't even have to think about it.” [RA2:5]

The value of good tactical execution is that it creates the opportunity for HR to play in a more strategic space.

“I give the permission to myself to go and play, say right, I've got the foundation, that all is solid, and now I can go and play.” [RA2:5]

“... achieving for me is kind of building that foundation, base line, and then being able to really add to the business, to the growth, to whatever is you know the plan, basically, to add to this.” [RA;7]

And, conversely, poor tactical execution occupies all of the available HR resource, leaving no opportunity for strategic intervention.

“... what we need to create is that foundation, to have some solid tactical day to day processes, currently ... [the Manila HRD] still discovers things unpaid pensions etcetera, etcetera, nobody every reconciled, nobody paid, it's a mess, what we're still uncovering from years before. And trying to fix. So all I'm saying is that these things need to be fixed, and then we can add more strategic.” [RA2:11]

Finally, the interview conducted with the L&D representative took a different perspective. From his viewpoint, HR was less process driven and, as indicated above, the major influence on his day to day activities was the business, business strategy and the role of the actors.

“... you customise learning I guess in terms of what the executive's priorities are for that year. Or what they wanna achieve ... it depends on what the ... Market organisation needs.” [CP2:5]

The implication of the strong business orientation and the influence of the actors is that the L&D role becomes that of a negotiator and co-creator of strategy, directly referencing a negotiated and emergent model of strategy.

“... another thing L&D facilitates is the conversation and clarity around priorities. For the business. And it's actually a coaching

model to help leaders get really clear about what they what success will look like at the end of the year.” [CP2:6]

This is a highly politicised process.

“... politics come in ... Huge! Huge influence. It is power ... powerplay comes out through L&D so ... there’s different stakeholders involved, and there’s lots of opinions, lots of armchair critics with Learning & Development. Because it’s kind of an intangible thing, and it’s personal, the delivery. So it’s negotiating all that, keeping people informed, understanding the powerplays. Something I was told I did very well in Legal in Australia. Because I got who was doing what and who was getting involved, on what basis. I could ... read their motivations. And understanding everybody’s motivations, and kind of mapping that out for yourself, as to what motivates each of the people, what makes them feel important. It certainly plays a part.” [CP2:10]

His role, in consequence, becomes political, lobbying for support.

“... the important thing there is really around, something day to day or not, I do in L&D, in my L&D capacity, is to get leadership buy in. Is to ensure that they (senior managers), I guess, are sponsoring the programme, or are sponsoring the people that are coming on board ... I think that’s a big part of our role in L&D is ensuring that they’re not taking anything for granted, that people are having conversations with their managers.” [CP2:4]

Change is also seen as problematic for this respondent, but he provides a different rationale, based on his politicised view of his role: it disrupts his understanding of the political landscape.

“(Change brings) New personalities, new culture, new politics – turf ... mapping out who’s who in the new organisation, how are they structured, therefore how does that impact my own work ... it’s disruptive, it’s very disruptive ... So there’s new personas, there’s new personalities, understanding I mean what (the new Head of Talent) is after, what is Talent, where does Learning fit in with ... where is (the new Asia MD) with Learning & Development. So you’re kind of sitting on edge, going, you know they’ve got other priorities at the moment, and you know that you’re, you know the lightbulb on all of us, each of us, has, I mean the power, the voltage has increased five fold. So you have to tread very very carefully.” [CP2:11/12]

Which is echoed by another respondent.

“And now meeting the new head of Asia Pacific, coming in I guess in May, it’s having to start this whole network, establishing those relationships, figuring out who your alliances are, which will be one of the things I’ll talk about in the career development workshop next week. That is a very difficult process to start, all over again. You think that you’ve gotten that established, now do that again. So I think as an organisation, this has rocked us to the core.” [KBM:8]

6.3.2.2.2. Representations of the Realised HR Approach in Policies & Procedures

Whilst there is a limited recognition that HR could play a significant role in conveying organisational meaning as part of the intended HR strategy, this is poorly translated into the realised HR approach.

Policies and procedures are seen as exerting little influence on HR, excepting the references to process described above. The fluid nature of the Thomson organisational culture and the isolation of the Asia business means that there are few processes and procedures which are laid down, and those which do exist as global processes (e.g. talent management and the global competency framework) are limited only to the senior management population.

There is some reinforcement of the ‘performance driven’ cultural characteristic through the global processes of performance management and compensation review: the Thomson-Reuters internal website (HR community page) stated that one element of the performance management vision states that “Top performers are recognized and rewarded and performance issues are addressed in a timely manner”.

This is acknowledged by this respondent.

“Of all the places that I’ve worked in this organisation, in Thomson, we are the most clear on you know, we do pay for performance. You know it is absolutely compelling when you show that slide and you show that we pay and we incent our far exceeds, exceeds and fully achieved performers, and we don’t pay the rest of ‘em.” [KBM:2]

Annual performance appraisals (as well as a directional mid-year ‘check-in’) produce a performance rating which is directly linked to the compensation process, with both base salary review and bonus earnings derived from a formula which references the performance rating. However, this is still a politicised process, in that managers are provided with a suggested range for their compensation recommendations, and have the discretion to make awards both

within and outside the suggested ranges. As such, the direct link between performance management and compensation is obfuscated, with a resulting deterioration in the ability of these key elements of HR to convey the organisation's performance orientation value and increase in the politicisation of these elements.

As well as this political influence, there is also a feeling that the organisation's words and actions are inconsistent, as this respondent's use of the 'conflicting priorities' repertoire indicates.

"But you look at overall at the things that we're doing, and the messages that we're sending, and the day to day work that's going on ... it's now the fifteenth of January, we're in the last four days of performance review process, we've just been told we can't hire any one, in virtually every location in the world except Bangalore and Manila, we're getting ready to merge with Reuters. We're trying at the same time to tell people that they have career development in the organisation. We're saying that learning & development is important ... we're saying one thing and in our actions doing other things that make it pretty difficult." [KBM:2]

There is also disappointingly little reference to the role of HR in creating organisational meaning, perhaps due to the articulated constraints, particularly the need to firstly address poor tactical execution. Exceptions to this are, however, found in the discourse of the L&D representative, who sees L&D as a key driver in conveying organisational meaning, both through the content it conveys.

"If we're not talking a consistent language, and now we're going into competencies. Around the place. It would be hard to integrate one individual from one part of the world to the other." [CP2:2]

"... there was a lot of resistance to the sales training ... What I wanted to do ... within the company was to create a common language, not only for sales people but anyone with a customer interfacing role." [CP2:8]

And the message that investment in L&D itself conveys.

"L&D in itself, the level of investment of L&D sends a signal to the organisation around talent, as a core process or, you know, it's what we're talking about, the company's values. Clearly. So investing in learning and development. Then the types of learning and development you do, if you're investing a lot in leadership development and the sort of stuff that's hard to measure from an ROI basis then that would give you an indicator to, to the sort of culture of the organisation, what the organisation values ...It says

something about having a longer term approach in terms of investing in people and seeing the payoff later ... It speaks to the competencies that we value, the sort of behaviours that we're espousing in the organisation. " [CP2:3]

6.3.2.3. *The Realised HR Approach in an Environment of Change*

i) Perceptions of the Business's Performance in an Environment of Change

Despite TF's public protestations that it is good at change, there was a strong contrary argument posed by the respondents, suggesting a disconnect between the business's intended strategy and realised approach.

"I think the attitude here is that everybody believes we're good at change, dealing with change, but if you look at how it's actually handled, we're not good at it. Because we're not addressing it, we're not doing anything, we just high level say 'oh change is great'. I don't think as an organisation we do understand what change means, and what impact it has on the people, we're not dealing with it." [RA:1]

"... there's no if you like global director of change, within HR ... All of the individual resource in HR is fully stretched with executing on the various existing workstreams ... I think that is, 'we do a lot of change, and it's kind of worked out alright, therefore we are experts' (laughs) ... there's no propaganda directorate, at all. Which to me is an essential part of proactively managing for change. On a continuous basis. Which we do. I mean if you look at the track record, Thomson Corp does an M&A a week, on average, over the last eighteen months. And so to not have a propaganda team, running around, how can you possibly state you've got a nice slick process, going, which you can roll out through in any acquisition event." [MH:18]

ii) Perceptions of HR Performance in an Environment of Change

Discourse around HR performance demonstrates the same gap between the intended strategy and that which was realised as used to describe business performance. As in steady state, business respondents vary in the extent to which they see HR as playing a useful role in a change scenario. Although there are positive views:

"... what I'm finding is that in fact HR's picking up on this (staff engagement issues), sometimes even before I am, or will say

actually we need to talk to so and so, about such and such. And that's it, that happens." [AD:2]

"HR was very key for that change process we went through in Japan." [AD:5]

HR's role in developing a proactive approach to developing a change strategy is seen as having limitations, suggesting that the expectations of the actors discussed in earlier sections were not being met.

"Where I haven't engaged with HR around change, and can see a role to play, is ... when we know there is change coming or opportunity to engage with the business up front, and try to help manage through that change. [SK:12/13]

The realised HR approach to some of the individual change elements was seen as ineffective.

"I think the one area where I would like to see us pick up a little bit is around employee communications ... I think employee communication is an area where we're not just don't seem to have it right. I think we do it to check the box, as opposed to actually to try to change what the employee population thinks. I think we've gotten we could have gotten better at it, but I think maybe that as a vehicle to help drive the understanding of change, would be quite useful." [SK:13]

iii) HR Activities in an Environment of Change

The intended HR strategy in an environment of change was characterised as enhancement of the individual employees' ability to change (an organisational agility model), development of change resilient systems and management of the psychology of change.

Respondents tended to present an important role for HR in an environment of change, but had difficulty in quantifying that contribution.

" ... the business leaders sometimes don't even know what sometimes or can't tangibly put their finger on what it is that [an HRD] provides, but we need her there ... We know we're gonna get some kind of value in the end." [CP:4]

Where respondents do define HR's role in a change scenario, they tend to take a Dyer & Shafer perspective on the creation of organisational agility: HR's role in a changing environment becomes change, as this HR respondent indicates.

“... we are in a constant phase of change. So I don't think we're just strategic partners any more, we're change agents, consistently. The power of being a change agent, and linking strategy with capability ongoing ... day to day.” [CP:5]

This is echoed by the business.

“... it's almost an instinctive understanding of theirs which gets built up, whether it's by networking or because of the kind of people you recruit or you have it. And if you do not have that ability, you can't really service this industry and be successful or effective. So as we said in the last thing, it's almost a self correcting environment, you build it, it's a core competency as you put it.” [SV:7]

These two respondents use a discourse which focuses on HR's role in the building of organisational capability.

“So our role [in HR] is to link what they [the business managers] want to do with capability and making it happen.” [CP:7]

“... so the strategy's unclear so what role does HR play? What is its expertise? It is a change agent. So it's understanding that that's where we are right now, we don't know what the bigger picture is, so what do we do in terms of capability. To ensure that there's limited interference to the business during this time, and that the end need is met. I see that's what HR's role.” [CP:6]

Respondents also offer comment on how HR builds organisational agility, in this instance through change oriented recruitment:

“I think HR delivers in a couple of ways actually. One, we actually hire people who are good at change. We don't hire people who wanna come in and have A B C career track and you know in a year. So I think it up front, that HR is playing a role in terms of defining what it takes to be successful here, and that kind of pre-populates the population with a group of people who are more responsive to change than you might find at other organisations.” [SK:12/13]

Albeit implicitly rather than systematically, the recruitment process is seen as selecting and producing change resilient employees.

“I have a feeling the other thing is, if you're not able to handle (change), you'll either kind of bale out, or you'll find a way to handle it ... It's a self-selecting process.” [SV:6]

And training is seen as a reinforcing process:

"I think there is an attempt made at from a training perspective at gearing people up for that. The kind of 'leading through change', you know there is some programming around it ... there's clearly an attempt to make sure that our employees have a framework to deal with change and that it doesn't become it becomes an opportunity not a threat, a distressing thing. And for the most part I think people respond to that. And I think the people who don't leave because they understand it is an environment of constant change and if that's something that is unsettling to you, it's not gonna stop, so yes you know just leave." [SK:13]

The leadership competency framework is referenced as a driver of cultural fit, but this respondent stops short of making the linkage between the competencies, HR processes and the creation of change resilience.

"... if you really see our talent model, the core competencies we talk about is do you understand how the customer's thinking, do you have a strategic mindset, do you know how we make money, and are we being innovative. That's in the strategy bucket. The other is driving for results, working across boundaries, whatever it is. And then you're saying, are you building capability, whether it's in terms of integrity, whether it's in terms of relationships. I don't really recall, but I tend to put you know building processes and systems into building capability as well. But because you need to be so resilient, your systems and processes are, it's a very funny mix. It's like our HR systems. They're very clumsy, very painful, but yet if you really look at it, they work, in their own way. So its kind of a very, two very contrary things co-existing, and that's one of the reasons we find it so difficult to get the cultural fit into the organisation." [SV:7/8]

Whereas the competency framework is the obvious way of making the connection, and her comments suggest that competencies may be a mechanism for creating agility, but that in Thomson Financial that explicit linkage has not been made and the use of competencies for creating agility may be under-utilised.

"... if we genuinely believed that our DNA's change, one of the building blocks for all managers, and including staff right from induction has to be what does change mean and what are the kind of behaviours we need to exhibit in managing change or embracing change. It needs to be a very conscious process." [SV:4]

"... when people come in, you kind of build their understanding of change and what are the behaviours they need to have." [SV:5]

This is the closest to a definition of HR's role as a manager of organisational meaning, but again this is presented as a theoretical concept rather than an organisational reality.

Respondents are less positive about HR's contribution in the other two areas: the processual element of change management is not referenced at all, and the management of the psychology of change is seen as hampered by the the difficulty of finding a skill set within HR to deliver this psychological element.

“And the third (element) is the emotional, and the emotional one I think is the most difficult one, because if we are neither trained to recognise the issues, nor are we trained to have the degree of self-awareness, which unfortunately is at least with most people, and you don't have anybody who is alive and alert to spotting it, then you probably have more of a problem syndrome than we think.”
[SV:5]

6.3.2.4. *Is the Gap Between Intended HR Strategy and the Realised Approach Problematic?*

A final question posed by this project was whether the gap between intended strategy and realised approach is problematic. The realisation of HR strategy may be different from the intended strategy for two reasons: firstly, an organisation may fully attempt to operationalise its intended strategy, but is hampered by implementation issues: the theory of constraints. This was discussed in the previous section. Secondly, intended strategy may also be defined as the statements made by the company about its strategy, and the realised approach is different because of lack of consistency with the organisation's actions.

The first point of discussion is whether a gap between realised approach and intended strategy is perceived as a problem. In a 'strategy as a process' world, responsiveness to emergent changes in strategy would suggest that this could actually be a positive, indicating that the organisation is showing responsiveness to the changing environment. However, in TF the gap is perceived as problematic.

“... what I don't see is that that thread that we want organic growth, now what do we do to get to it. I don't see that as a message going through. You see organic growth on presentations every now and again, but for me again something that's very very detached. We are running after revenue new sales whatever. I don't see it attached. I don't see the message going out to the organisation in general, and not only to the sales team, it needs to go out to everybody, this is what our analysts see, this is what the company

needs to achieve, this is why we're doing what. Connect it!" [RA:12]

This is perceived as impacting HR: this respondent references an inconsistency between intended HR strategy (in so far as this exists), and realised HR: short termist directives overwhelm HR staff and result in conflicting messages.

"... you look at overall at the things that we're doing, and the messages that we're sending, and the day to day work that's going on ... it's the fact that we're right in the middle ... of performance review process, we've just been told we can't hire any one, in virtually every location in the world ... we're trying at the same time to tell people that they have career development in the organisation ... we're saying one thing and in our actions doing other things that make it pretty difficult." [KBM:2]

It is noteworthy that these quotes are both from HR respondents, suggesting that they are potentially less comfortable with the emergent model of strategy than their business colleagues, who, as previously shown, tend to perceive HR relatively well.

6.3.3. Mediating Level: Between the Realised HR Approach and the Intended HR Strategy

Whereas this is logically an important part of the HR model, and particularly when the strategy is emergent and logically incremental, it appears that this feedback loop is almost entirely non-existent in Thomson Financial. Despite conducting 14 interviews in project three and a similar number in project two, not one respondent referenced an organisational learning from previous experience or the need to review the past to learn lessons for the future. Where comments are made, they are generic complaints at the lack of reflection in the organisation.

"... we had some consultant material (about the effect of a sales effectiveness programme), but nobody put thought in, nobody connected these dots. So why? Why do it? Why spend the money? Why not use it, you know if you have it?" [RA:13]

This is consistent with the cultural diagnostic (short termist, short attention span), but potentially creates a serious problem for Thomson Financial.

7. CONCLUSIONS

The final section will review the research questions and will look at the implications of this study for both practitioners and academics.

7.1. The Research Questions

This concluding section will review how the project addressed the following questions.

- What can a social constructivist approach and a discourse methodology tell us about the formulation of HR strategy?
- What can a social constructivist approach and a discourse methodology tell us about the implementation of HR strategy?
- How can change best be reflected in a model of HR strategy formulation and implementation?
- Can a new model of HR strategy formulation and implementation be developed which can provide a better explanation for the operation of HR in an organisation than 'best fit' or contextually based theories of HR?

A descriptive model was developed in the opening sections of project three and is reproduced again in figure 79 below.

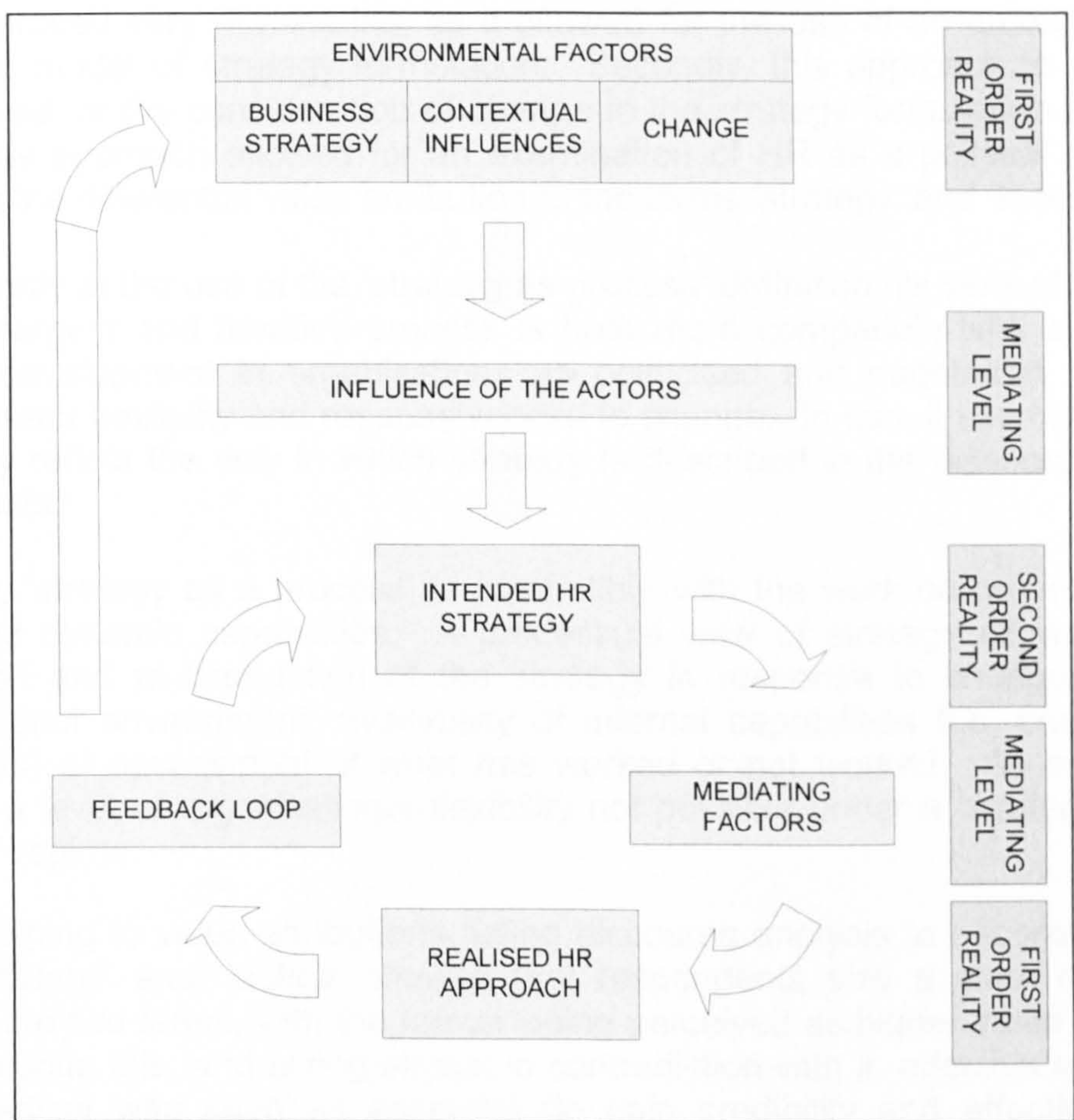


Figure 79: Descriptive Research Model

7.1.1. HR Strategy Formulation and Social Constructivism

The first research question asked whether a social constructivist approach and a discourse analysis methodology can inform the process of HR strategy formulation.

The key to this approach was a re-examination of the term 'strategy' and an attempt to deconstruct its use in the context of HR. Traditional models of strategy tend to assume a definition of 'strategy as an objective', where strategy is seen as a deterministic, rational process deriving from a logical process of environmental analysis and diagnosis. This project explored an alternative definition of 'strategy as a process', which assumes a view of strategy as emergent and iterative.

The deconstruction of the term 'strategy' and the alternative definition was a potentially useful one from three aspects. Probably most importantly, the distinction between the definitions of 'strategy as objective' versus 'strategy as

process' proved very illuminating, as it allowed for the use of an emergent and negotiated model of strategy formulation. Secondly, this approach to strategy also allowed for the consideration of change in the strategy formulation process. Finally, this approach allowed for an examination of HR as a political process, looking at the differential value attribution to the terms 'strategy' and 'tactics'.

To look firstly at the use of the 'strategy as process' definition, its view of strategy as an emergent and iterative process is both more compatible with a view of strategy development in organisations as politicised and negotiated. It also allows greater flexibility and responsiveness to change. In this, it seems to more accurately reflect the way in which strategy is described in the discourse of the respondents.

Secondly, 'strategy as a process' is compatible with the work on organisational agility and dynamic capabilities. A processual view of strategy allows for re-negotiation and re-formulation of the strategy in response to changes in the organisational environment, availability of internal capabilities (i.e. changes in constraints) or assessment of what has worked or not worked. As such, this provides a level of organisational flexibility not possible under a 'strategy as an objective' regime.

Finally, turning to value attributions, using discourse analysis to deconstruct the terms 'strategy' and 'tactics' showed that respondents saw a clear hierarchy between the two terms, with the former being perceived as higher value than the latter. Despite this, and acting almost in contradiction with it, effective execution of the tactical was seen as essential (to gain credibility and effectively use resources) before performance on the strategic elements was possible. However, this project suggested that this may be little more than a semantic distinction (particularly when one looks at MH's discourse, for instance, where his "tactical execution" can be mapped to Johnson & Scholes' "operational strategies" and the conflating of the two terms in his discourse).

This analysis has several implications for the formulation of HR strategy.

Traditional models of strategy formulation, which see 'strategy as an objective', appear to have been problematic for HR respondents in both project two and project three. In an organisation which lacks a formal approach to business strategy, taking a 'strategy as objective' definition to HR strategy formulation is problematic: how does one develop HR strategy where the business strategy is unclear? 'Strategy as an objective' becomes a potentially self-limiting discourse imposed on HR by itself, although one may also surmise that use of this repertoire has some utility for HR respondents, in that it offers a potential explanation for HR's failure to link to business strategy.

Taking an emergent view of strategy, conversely, would allow HR staff to respond flexibly to a changing business strategy, deploying their knowledge of

the business, political acumen and technical skills to respond in a proactive way to changes in business direction.

There are also implications for HR of the differential value attributions between 'strategy' and 'tactics'. HR has an obsession with strategy and being perceived as 'strategic', and it may be that HR strategy is actually something of a misnomer, and that HR's drive towards a 'strategic' role may be diverting the profession's attention from what actually would build credibility: good tactical execution rather than 'strategic' input.

To revert to the research question, it appears that a social constructivist perspective and a discourse analysis methodology can indeed offer a useful perspective on HR strategy formulation.

7.1.2. HR Strategy Implementation and Social Constructivism

The next research question asked whether a social constructivist perspective, using discourse analysis as a methodology, could illuminate issues of HR strategy implementation.

Traditional models tend to pay little attention to issues of implementation; 'best fit' and contextually based theories of HR are typical in their unitary focus on HR strategy formulation. Where traditional models do reference implementation, they tend to presume a direct, unhampered, link between strategy articulation and its implementation. The discourse of respondents in both project two and project three suggests that this is an inaccurate reflection of how HR actually operates in real organisations, where a discrepancy is often reported between the intended HR strategy and the realised HR approach.

Taking a social constructivist approach to HR strategy implementation is illuminating: respondents offer four types of explanation for the gap between intended strategy and the realised approach. The first is the 'theory of constraints': organisations may fully intend to implement a strategy, but may be limited by organisational and professional constraints, or the perception of those constraints. Secondly, linking back to emergent strategy formulation and change, changes or modifications to strategic direction can make the implementation of an intended strategy irrelevant. Thirdly, referencing the negotiated and political nature of strategy in organisations, a small number of respondents indicated a disconnect between an organisation's stated strategy, and the prioritisation it indicates through its actions. Finally, the social constructivist approach reveals two significant interpretative repertoires around pre-requisite activities which HR is required to perform: 'HR as tactical execution' and the 'super-ordinate role of HR', used to indicate that there are activities outwith the intended strategy which HR is still expected to perform.

The implications for HR are again significant. Discourse categorised under the 'theory of constraints' heading is used functionally by respondents to offer explanations for HR's perceived 'failure' to implement strategy, but this discourse may be self-limiting. It may be more productive to use an emergent model of strategy and 'shift the conversation': this could offer alternative repertoires to HR practitioners, which could take a more fluid view of the relationship between intended strategy and the realised approach (and hence be more responsive to change and reflective of organisational priorities).

Returning to the research question, this project suggests that a social constructivist perspective and a discourse analysis methodology can be useful in examining issues around HR strategy implementation.

7.1.3. Incorporation of Change

The third research question considered how change could best be reflected in a model of HR strategy formulation and implementation.

The question raised by this study is whether change is a discreet variable (i.e. it should be treated as a contextual influence in the same way as, say, culture or market) or whether it is a factor of a qualitatively different nature. This project has suggested that change influences the model in a number of ways: it operates as a contextual influence where the change is proactive (i.e. intended by and/or substantially under the control of the organisation), and as a constraint when the change is reactive (i.e. forced on the organisation by an external party or event and/or not largely under the control of the organisation). It also seems like change is subject to the influence of business strategy, context and the influence of the actors, which means that analysis of change becomes akin to the revealing of a series of matryoskha dolls, where each level opens to reveal another level and so on.

This project has considered two main dimensions of change: proactive versus reactive change, and change as a discrete variable versus change as an influence on the entire model.

Firstly, one must consider whether change should be seen as a discrete variable, or whether change should be seen as an influence on the entire model. The respondents' discourse indicates that they see it in both ways. It is perceived as an environmental factor, in respect of which the organisation can develop intended strategy. This is the essence of the organisational agility/dynamic capabilities work: change is seen as amenable to management and can be planned and strategised for in the same way as any other contextual factor.

However, this is potentially misleading: in actuality, the influence of the actors' perceptions of change appeared to operate as a 'gating' factor, i.e. it was at the

level of the actors that changes were perceived, formulated and decisions were made as to which changes would be deemed to be important and negotiations around how to respond to the change occurred. As such, change has a second, rather than a first, order reality. This corresponds with an emergent model of strategy formulation as well as a more fluid approach to strategy implementation, where organisational decision making is more responsive to alterations in the business environment and can take a logically incremental approach to adjusting organisational strategy formulation and implementation. Change, in summary, influences the whole model, beginning with its influence on first order reality factors such as business strategy and context, then operating on the mediation levels of the actors' influence to inform the intended strategy, then finally being represented as a constraint between the intended strategy and the realised approach.

Secondly, to look at proactive and reactive change, the discourse in this project indicated that respondents made a fundamental differentiation in their discourse around proactive change (for which the organisation can plan and over which it is in control) and reactive change (anticipation of which is not possible, which may have been enforced and over which the organisation has limited control).

This project considered the premise that proactive change had a first order reality, qualitatively similar to business strategy and context. It was envisaged that, in a change oriented organisation such as TF, change could have a first order reality (e.g. the 'fact' of making and integrating an acquisition), and that it was amenable to the same type of analysis as these other factors. Reactive change, conversely, was anticipated as quantitatively different, a discontinuous and disruptive influence on business (and hence HR) strategy which was not amenable to analysis.

However, there was little evidence that change (proactive or reactive) operated as a discrete first order reality; at best, change operated upon business strategy and/or context to modify their first order realities, but it did not appear to operate as an independent first order reality factor. This suggested that the inclusion of proactive change on the top level of the model was not appropriate.

This relegated change to the level of second order reality, where change was constructed, formulated and negotiated by the actors. This applies to both proactive and reactive change, although discourse around change scenarios characterised as reactive has potentially a higher level of functionality to respondents: it is used to present an account of the difficulty a business finds in responding to the reactive, imposed, change scenario, i.e. it offers an explanation of the limitations on the effectiveness of strategy and strategy development in the similar way to the way in which the HR staff offer the theory of constraints as an explanation for 'failure' to execute strategy.

The implications of this treatment of change for HR are interesting. The analysis suggests that HR strategy, in an environment of proactive, planned change, may be amenable to the same kind of 'best fit'/contextually based HR type of analysis as in the steady state environment, and that the influences of business strategy, the context and the influence of the actors may form the basis of an HR strategy which can build organisational capabilities consistent with a scenario of environmental change. This suggests that an environment of planned change may not be quantitatively different from steady state, in that it can be planned for, and strategy can be built which is likely to be reasonably appropriate, if taken from a logically incremental, emergent point of view: 'strategy as a process'.

Despite the distinction made between proactive and reactive change, the role articulated for HR is similar. There are two elements presented as ways in which HR effectively supports both proactive and reactive change: a functional role (dealing with the transactional elements) and an emotional one. This again echoes the dichotomy between HR as administrative expert and HR as strategic business partner.

There is a sense that, in TF, HR's contribution to change management is limited by a number of factors. Organisational configuration factors create an organisation and an employee base with perhaps higher change resistance than would be normal, and hence less interest in change management support. As the organisational hierarchy conveys the message that change management is not valued, HR – despite the recognition by practitioners that it is necessary – does not invest time in providing change support. Whilst the dominant coalition of the organisational actors will not prevent HR from providing higher levels of change management support, neither will it drive this forward. With a dominant coalition the priorities of which are around short term revenues and growth, and for whom change is, personally, relatively unproblematic, change management is de-prioritised.

A longer term role for HR in systematic development of change resilience is also discussed via an organisational capability repertoire, but again this is, if at all, done on an implicit and unconscious level, whereas the competency framework mechanism would allow the organisation far more systematic (and hence impactful) nurturing of change capability and resilience within the organisation. In comparison, although the beginnings of an organisational agility model can be seen in TF, it is implicit and under-developed.

To address the research question, this project has suggested that the influence of change is much more complex and multi-dimensional than the original descriptive research model suggested, therefore an amendment to the model should be made for the linking document.

7.1.4. Development of a New Model of HR

The final research question asked whether a model of HR could be built which addressed HR strategy implementation as well as formulation, utilised an emergent, negotiated model of strategy, and accommodated organisational agility and dynamic capability, and change.

This section will work through the elements of the model, starting with the HR strategy formulation and moving on to HR strategy implementation, ending with a review of how well the model appears to explain the data.

7.1.4.1. *HR Strategy Formulation*

Using the descriptive research model as a framework to firstly look at HR strategy formulation, discourse analysis was used to conduct a diagnostic of the environmental factors which respondents saw as directional influences on intended HR strategy (business strategy, contextual factors and change).

The project then considered the influence of the actors as the mediating level interpreting and negotiating these factors into the intended HR strategy.

7.1.4.1.1. The Influence of Environmental Factors on HR Strategy

This section will look at the reported influence of business strategy, contextual factors and change on the HR strategy formulation process.

i) Business Strategy

This project indicated that there were two issues to be considered in respect of the inclusion of business strategy as an environmental factor: the level of strategy to which this referred and the definition of strategy which was applied.

It was clear that business strategy as a first order reality factor could only relate to the highest level of corporate strategy (as discussed by the MD). All other manifestations of business strategy occurred at the level of second order reality, i.e. they were subject to the influence, the mediation and the perceptions and perceptual biases of the actors.

Moving on to the definition of strategy, as in project two, the business strategy emerged as one of the major influences on the intended HR strategy in Thomson Financial, as predicted by 'best fit' models of HR as supported by the use of the 'business leads HR' repertoire. This linkage, however, appeared less deterministic than 'best fit' or contextually based theories of HR would suppose.

There are a number of elements of the data which are problematic when viewed from a 'strategy as an objective' perspective, to which social constructivism can offer an explanation: the dichotomy between 'HR as strategy' and 'HR as tactics', the super-ordinate role of HR and the difficulty of formulating HR strategy in an environment where the business environment is unclear.

Firstly, the social constructivist approach offers an explanation for the 'HR as strategy' versus 'HR as tactics' dichotomy, whereas the 'strategy as an objective' perspective does not.

As in project two, the dichotomy between the 'HR as strategy' and 'HR as tactical execution' repertoires was evidenced, with similar value attributions weighting the former as more valuable but organisational credibility resting with the latter. This had an added dimension in project three, however: the MD articulated the view that business strategy only occurred at the highest level in the organisations, and that business activities (including those in HR), become tactical execution. In his view, HR is a combination of execution of functional elements (e.g. payroll) and a 'bundle' of HR activities depending on the overall strategy of the Corporation (e.g. recruitment in a growth market). The value of HR articulated by the business is based on excellent functional execution rather than 'strategy'. This calls into question the appropriateness of HR's pursuit of a strategic role and implies that a focus on better tactical execution may gain greater credibility for HR in the organisation.

Secondly, a number of respondents alluded to a 'super-ordinate' role for HR, where HR is held accountable for doing the 'right' thing (even when the stated business direction runs contrary to this), identifying and addressing needs of which the business is not aware, or upholding values (e.g. integrity), either as a touchstone for organisational values and creator of organisational meaning, or because it is the 'right' thing to do.

Finally, as in project two, HR respondents reported difficulty in deriving HR strategy from unclear business strategy. In the absence of any agreed written or verbal understanding of the business or HR strategies, similar discourses emerge in this section to those articulated in project two, relating to the difficulty of building HR strategy when the business strategy is unclear. However, this relies upon the 'strategy as objective' definition and, although this is undoubtedly a functional repertoire for HR staff (it explains – with an exogenous attribution of blame – any failure of HR to match with business strategy), it may ultimately be a self-limiting one. One can see (e.g. in CP's discourse) the alternative formulation of this argument, using a processual definition of strategy, which creates a flexible role for HR and HR strategy, where good HR business partners can work within and effectively support an emergent model of business strategy. In such a model, the division between strategy and tactics does become one of semantics, as these are second order realities, subject to re-definition, negotiation and value attribution.

This view of strategy becomes particularly pertinent in an environment of change, where the business strategy may be changing, negated or non-existent.

ii) Contextual Factors

Having failed to see Paauwe's configuration factors or institutional mechanisms exert a significant influence in project two, project three did not specifically focus on the impact of context, although it was recognised that an analysis of context could be an input into HR strategy formulation.

Project three used a much more restricted model of contextual factors than that used by Paauwe, recognising the strong reported influence of culture in project three. Culture was examined from a different perspective from that of project two, and a cultural web and consideration of the organisation's stated values, supported by the discourse of the participants, was used to identify a variety of potentially influential features of Thomson Financial's culture.

The influence of the context was seen as similar in both steady state and environments of change. The positive attributes of the culture were seen as aspirational rather than realised, and were countermanded by the negative: short termism, in particular, was seen as a profound and a negative influence on HR, in that HR's ability to add value is largely based in activities with a longer term payoff (e.g. learning & development, talent management), which runs contrary to a short termist culture.

However, for one respondent at least, there was a sense that TF's entrepreneurial configuration has brought people into the organisation with high levels of change resilience, therefore the lack of formal change management support is perhaps less impactful – hence less valued by the organisation – than it would be in a company with different origins.

The problem with this view, for HR, is that HR respondents clearly felt there was a need to provide change management support, but supposed that there would be limited organisational value placed upon it. Although some employees (perhaps those from less entrepreneurial backgrounds) undoubtedly feel the need for more sophisticated change management support, HR is unlikely to spend considerable time and effort on something which is not articulated as an organisational priority. This links to two of the major repertoires used by participants: should HR be negotiating for more attention to be paid to this topic ('super-ordinate role of HR') and does HR have the negotiating position to represent its case satisfactorily ('strategy as a process')?

Whilst HR does have a role to play in the management of organisational meaning, it clearly is subject to the priorities of the organisational actors, on which its influence here appears to be limited. This would appear to be an

excellent opportunity for HR to “shift” the conversation (in the sense of Ford & Ford, 1995), by, for instance, providing a cost-benefit analysis of change management support versus the costs of losing key staff, reduced productivity etc.

iii) The Impact of Change

A clear distinction emerged between reactive and proactive change in this project. Reactive change was clearly represented as a constraint, but proactive change was more difficult to categorise. The model proposed that change (proactive) would emerge as a discrete environmental variable in project three. However, although the prediction of organisational capability and dynamic capabilities work would suggest that change is a discrete variable, there is actually little evidence to support it in project three. Whilst change was reported as having an important impact on the other environmental variables (business strategy, contextual factors) as well as on the actors, it did not emerge as a factor in itself.

One can surmise that for organisations which took a strong interest in organisational capability or dynamic capabilities, change may exist as a discrete variable, around which organisations developed intended HR strategy. However, in Thomson Financial, given that the approach to change was less planful, change did not emerge as a discrete variable. The implications of this are that an organisation may wish to retain a change diagnostic and approach as a significant input into the intended HR strategy, but that it will inevitably be mediated by the actors' second order reality, and this second order 'gating' will allow an organisational agility approach to emerge in only the most systematic, long termist and planful of change oriented organisations.

7.1.4.1.2. The Impact of the Organisational Actors

As there were no strong environmental drivers reported in Thomson Financial, the model then moved on to examine the impact of the organisational actors. Consistent with the predictions of Paauwe, one would expect that a lack of deterministic drivers would create considerable freedom to manoeuvre for the organisational actors, suggesting that Paauwe's model is not entirely incompatible with social constructivism and a negotiated view of strategy.

As predicted (and consistent with project two), the impact of the organisational actors was seen as a major influence on the intended HR strategy.

In steady state, by his own admission, a non-HR literate MD provided little sponsorship for HR and failed to use the function on anything other than a transactional level. Employee stakeholders, government bodies and the senior managers were not referenced. This leaves HR staff as the only members of the

dominant coalition, which has the following implications. HR has the ability to work in the way it sees fit, given that basic transactional functions are effectively taken care of, but it does not have powerful support or drive from the MD and the rest of the senior management team.

7.1.4.1.3. Intended HR Strategy

The first task in this section is to review the articulations of the organisation's intended HR strategy and attempt to characterise it. In the absence of a clearly articulated HR strategy, one must look at extrapolate the intended HR strategy, looking at the contextual diagnostic, mediated by the influence of the actors. However, at this point a short coming of the descriptive research model appears: respondents reference the super-ordinate role of HR and its functional responsibilities, neither of which are incorporated in the current model.

The contextual diagnostic proved inconclusive: in Thomson Financial, as it appeared that neither business strategy, context nor change were regarded as fundamental influences on the intended HR strategy, and this lack of deterministic contextual drivers allowed the organisational actors the maximum 'freedom to manoeuvre'. In such an organisation, the model predicts that strategy formulation will be a highly negotiated process. In organisations such as London Underground, where the influence of institutional and configuration forces is considerably higher and considerably more directive, one would expect more 'punch throughs', i.e. first order contextual factors which are too deterministic to be amenable to significant negotiation or re-formulation by the actors. One would also expect 'punch throughs' in other areas, e.g. in organisations which have difficult competitive environments, one would expect the competitive forces to be relatively unmodified by the actors' reformulation and negotiation processes.

Returning to TF, given that respondents see few deterministic factors in the formulation of HR strategy in TF, this suggests that the influence of the actors will become pre-eminent in determining the intended HR strategy. The actors offer a number of distinct models of intended HR strategy: those offered by the HR director (the organisational agility model), the MD (tactical execution and functional HR 'bundles') and the 'best fit'/best practice' models offered by the other respondents.

The HR director offered the organisational agility model (described in section 6.2.3.1) as the intended HR strategy. Whereas this would have provided an elegant model of intended HR strategy, the HR director does not privilege the model as an organisationally shared view but merely presents it as a descriptive and somewhat hypothetical model. Had this been a consensually agreed representation of TF's intended HR strategy, it would have been reasonable to use this as the working definition of this element of the model. However, as it is a view presented by one of the HR actors, it should be regarded as one of a number of potential second order realities. The MD's model related to the

Johnson & Scholes' operational strategy level, combining a tactical execution role with a 'bundle' of HR activities which relate to the high level strategic direction set at the Corporation level, which potentially concurs with the focus on operational processes offered by some of the HR respondents.

Using 'strategy as an objective', this lack of consensus around intended HR strategy would be problematic, given that there was no documented strategy and the fragmentation of the organisational actors was not brought to any resolution as there was no formal negotiating forum in which negotiation could take place. However, given 'strategy as a process' and the descriptive research model, the existence of multiple and contradictory versions of the intended HR strategy is explicable, albeit not an environment in which it is easy to practice HR.

However, more problematic in terms of the descriptive research model is the fact that accounts of intended HR strategy indicate that HR has two components which the current model does not address. Firstly, it is clear that there are activities which fall under HR's remit, which the business has the expectation that HR will perform, which are not contextually driven (e.g. payroll). They comprise a significant percentage of the HR workload, and respondents indicate that there are major determinants of HR's credibility in an organisation (this appears in KG's comments in this project, as well as HR's transactional/administrative heritage being represented as a professional constraint in project two, section 6.4.2.1). There is a need to incorporate this functional responsibilities element into the descriptive research model.

Secondly, an interesting dilemma emerged in project three. There is an implicit suggestion in Paauwe's model that the analysis of the factors to produce 'best fit' will also produce a strategy which is optimal for the business. Project three indicates that this may not be the case, as a number of potentially negative contextual factors are presented (most noticeable of which is the short termist culture). Respondents (both from the business and from HR) indicate that HR has a 'super-ordinate' responsibility to challenge this. To provide an example, if change is not an organisational priority, and the 'business leads HR' repertoire is a determinant on the intended HR approach, 'best fit' becomes sub-optimal, given that HR perceives a need for change management which has not been emphasized by the business.

To look at the theoretical models, Paauwe's model allows for this possibility (in the absence of strong contextual drivers, his "dominant coalition" dictate strategy), but this concept is under-developed in his work and does not consider the effect of a dominant coalition who do not agree, or the political and negotiating processes within the dominant coalition. Taking a processual definition of strategy, one can accommodate these – potentially contradictory – views of the role of HR, but it does suggest a potential area of conflict between HR and the business which may be explicitly negotiated out, implicitly accepted or explicitly or implicitly problematic. Including this 'super-ordinate role of HR' will

also require an enhancement to the descriptive research model shown in figure 69.

The implications of multiple definitions of the intended HR strategy and the functional and super-ordinate responsibilities attributed to HR are significant for the HR function. When one sees strategy in a processual light, one finds answers to questions raised in this project about expectations of the HR role which are not contextually driven: 'must dos', such as payroll, and responsibilities arising from the super-ordinate role articulated for HR. These become matters for the negotiations around HR strategy between HR and the dominant coalition. The extent to which HR successfully performs the 'must dos' gives the function 'permission' to contribute to discussions at a more strategic level, and the degree to which the latter is enacted is a matter of ongoing negotiation, in the same way in which all other elements of strategy development are negotiated. This also explains the conundrum between 'legitimate' and 'illegitimate' super-ordinate roles for HR. These have no first order reality, but are a matter of perception, adjudged differently by different organisational actors, depending on the lens with which they view the scenario, their own perceptual filters and the degree of perceived credibility of the HR function within the organisation. This is clearly shown in CP's comments, where his view of the HRD's role as illegitimate, his position sustained only through the management of senior managers' personal needs, is likely to be very different from that negotiated between the HRD and his business clients.

This analysis suggests a tension in the HR role between business led HR and the perceived 'super-ordinate role of HR', which a best fit or contextually based model of HR does not reflect. Although the super-ordinate role may be related to best practice or to the contextual environment, the organisation may not be aware of the need for certain HR activities or, indeed, may be resistant to them. Respondents argue that the HR function is a "touchstone" for organisational values, a defender of the organisation's integrity and has a coaching role to shape and directing managers to do the "right" thing for the business.

This raises the question of whether the optimal intended HR strategy is one which is solely responsive to the needs which the business articulates, or does HR have a super-ordinate role which it is obligated to play? This links to the dichotomy at the heart of the HR function, where it is expected to be both strategic business partner and employee champion, two roles which are intermittently but almost necessarily in conflict with one another.

There is an obvious issue, given that the elements of the 'super-ordinate' role are largely governed by the interpretations of senior HR staff, setting up HR as a 'higher order' decision maker, which has unpleasant reflections of the 'HR police' discourse raised by respondents. CP's discourse is particularly interesting here, as he sees one HR regime as legitimate in pushing forward its own views, and another as illegitimate and 'manipulative'.

The implications for HR are that a thorough understanding of the business, as well as credible and objective HR staff will be required to maximise the contribution of HR, and that good political acumen and sophisticated negotiating skills will also be required. Establishing credibility, measuring performance against specific objectives and ensuring the exercise of the 'super-ordinate role' is perceived legitimately become critical, given this model.

7.1.4.2. *HR Strategy Implementation*

Analysing the topic of HR strategy implementation raised a number of points: what were the mediating factors between the intended strategy and realised approach, and how could the realised approach be characterised.

7.1.4.2.1. *Mediating Level: Constraints*

The same types of constraints emerged in this project as in project two. Although they can be categorised into professional and organisational constraints in as in the earlier project,

However, the constraints which emerged were specific to the Asian organisation: organisational culture, and change itself were specifically referenced. The short termist nature of the culture was seen as a significant constraint on the business and HR's effectiveness, and it was clearly indicated that the business and HR should both have a responsibility – although little authority – to challenge short termism. This suggests that, whilst constraints in HR may fall into distinct and generic categories, the form which they take will be unique to that organisation.

Furthermore, change was itself seen as a constraint. Whilst professional and organisational constraints impacted HR's ability to manage change effectively, the nature of the change itself is seen as a constraint. The discourse clearly indicates that participants see the Reuters acquisition as a disruptive, discontinuous change to which both the business and HR have little ability to respond. This may be due to a lack of organisational agility in TF Asia, but it seems more plausible that there are different types of organisational agility: ability to proactively manage and exploit changes initiated by the organisation (proactive or internally invoked change), and the ability to deal with change which has been imposed upon the organisation (reactive or externally invoked change).

It is, perhaps, more interesting to see how the 'theory of constraints' is used by respondents. It is almost exclusively used by HR staff to explain disconnects between business strategy and HR implementation, and in consequence is a functional repertoire to divert responsibility away from HR. However, it may be a self-limiting repertoire, as an alternative view which sees strategy as a negotiated

process (and, by inference, including negotiation over constraints and resources) may be more successful in overcoming those constraints and delivering a better HR service than would otherwise be possible. At a minimum, one would envisage that discussion of constraints would better equip business managers to understand HR constraints and either provide resources to overcome them or renegotiate HR deliverables on the basis of the existing limited resources.

7.1.4.2.2. Realised HR Approach

Describing the realised HR approach, given that it had a first order reality which was objectively verifiable, was an easier exercise than description of the second order reality, intended HR strategy.

Analysis of the realised HR approach is complex. What is realised will be the product of what was intended, what unexpected influences or forces impacted the realisation of the approach, what constraints on implementation existed and how far they were overcome, as well as what the outcome was of negotiations around the implementation. What was realised is also subject to the different views of the actors: it has a second, rather than a first, order reality.

As there was no articulated intended HR strategy in Thomson Financial, the realised HR approach was accessed through the policies and procedures and through the views of the participants. The policies and procedures were reasonably consistent with the organisational agility model shown in figure 65, although they did suggest some gaps between the organisation's realised HR approach and a fully implemented organisational agility model.

HR in Thomson Financial in Asia was better perceived than in Europe by business participants, who had generally positive comments to make about the performance of HR. Whereas HR's support in the reactive change scenario was seen as more limited, a strong attribution of causality allots responsibility for this externally.

The obfuscation of the realised HR approach is a limitation for HR, in that it is necessary to demonstrate success to gain and retain credibility in an organisation. Greater use of metrics, perhaps, would be beneficial to demonstrate positive impact.

Like the intended HR strategy, it is clear that the model for the realised HR approach needs to incorporate the functional responsibilities of HR. It is clear from the discourse in this project that process was a major component of the realised HR approach.

Several respondents saw the influence of factors which could be reasonably expected to influence 'best fit' (global systems and processes, legislation, best practice, business strategy, the actors, the market and the impact of change) as

less impactful than the need to perform a prescriptive set of HR tasks. A clear theme emerged that process was the pre-eminent influence on HR for these respondents: contextual factors, where they did exert an influence, resulted in 'tweaks' to the process, rather than being significant influences on the way in which the process is undertaken.

This suggests that a revision to the descriptive research model shown in figure 69 may be required: process is consistently reported as one of the major influences on HR, and is perceived as occurring more or less independently of the operant contextual factors.

It is interesting to contrast the comments of RA2 and DH, who see process as a pre-eminent driver, with that of the L&D representative, CP2. RA2 and DH use the 'HR as tactical execution' repertoire to account for their focus on process, corresponding with business respondents (such as KG) who emphasise the need for effective delivery of HR process and the detrimental impact on credibility if process is not appropriately managed. CP2, however, uses 'HR as strategy' to create a more strategic role for himself, making few references to process.

There are three possible reasons for this divergence: firstly, the nature of the L&D/OD role required a less processual approach and a greater degree of customisation, or, secondly, the level of strategy at which he was operating allowed for a more strategic lens. Finally, it could be argued that this individual had process under control and could concentrate on strategy. Process, to this respondent, becomes an almost invisible underpinning which facilitates and enables the contextually driven strategic element. This supports the implicit hierarchy project three respondents create: transactional processes need to be seamlessly performed before HR has the time and the credibility to operate in the strategic realm.

7.1.4.2.3. Mediating Level: Feedback

As indicated in section 6.3.3., a feedback mechanism between the realised HR approach and the intended HR strategy is a necessary part of the HR model, but it appears not to be present in TF. This is a logical effect of the short termist culture in TF, but is likely to significantly affect HR both in terms of its inability to learn from its successes and failures, and its lack of metrics and assessment on which to base functional credibility.

7.1.4.3. How Useful is the Model?

The descriptive research model was derived from the discourse, built from inferences and categorisations imposed on the data by the researcher. As a descriptive model, it explained the data reasonably well.

However, it is interesting to go a stage further and consider whether the model also has some explanatory power. The model supported the premise that, taking a social constructivist perspective, if one regards first order contextual factors as non-deterministic, the influence of the actors in the second order process of strategy formulation becomes critical. However, this provides little more insight than Paauwe's Conceptually Based Theory of HR and, indeed, supports his concept of the "dominant coalition".

Where this model appeared to have some explanatory power was in addressing a scenario in which multiple and conflicting views of strategy co-existed. This was referenced in project two (where the analysis of a fragmented "dominant coalition" was raised as an issue for Paauwe's model), but was very much in evidence in project three (particularly in the representations of the MD vis-a-vis his management team and the HR staff). The model's differentiation between first and second order reality accommodates the multiplicity of perspective which emerged in the data in project three, and is the major contribution made by this model.

The model also appeared to have some explanatory value in terms of differentiated strategy formulation and strategy implementation, suggesting that a further second order reality process may intervene between intended strategy and the realised approach. Related to the discourse analysis concept of "functional" use of language, this allowed for a considerably deeper analysis of why organisations 'fail' to implement intended strategy.

The data did, however, suggest that four amendments to the model would enhance its explanatory power: the definition of business strategy utilised, the treatment of change, the inclusion of a priori HR requirements (super-ordinate role and functional responsibilities) and the treatment of 'punch through' factors.

This research has shown that the inclusion of business strategy as an environmental factor was potentially problematic. As a first order reality, business strategy could only be considered at the highest corporate level, whereas anything at a lower level was subject to the influence of the actors, therefore better categorised as a second order reality and data on this topic analysed under the heading of 'influence of the actors'. The label was also changed to 'organisational strategy' to accommodate public sector and not-for-profit organisations. A category for contextual factors was retained, and it was assumed that the wider Paauwe-type definition of context would be used, i.e. including neo-institutional and administrative as well as competitive factors.

Secondly, the allocation of change to the category of first order reality was likely to be incorrect. Even in a change orientated organisation such as Thomson Financial, there was limited evidence to support the inclusion of change as a first order reality. Instead, change appeared to operate as a variable throughout the

whole model, but as a second order reality, mediated by the perceptions of the actors, who interpret the nature of the change and the appropriate reaction to it, both individually and collectively. It was also decided that change could occur in organisational strategy, contextual factors and/or the actors' reaction to it, therefore change was a qualitatively different type of factor to these and should be pulled out to the side of the model to indicate the pervasiveness of its effect. This also allows change to be considered as a second order reality, and focuses attention on the influence of the actors and the topics which they select (or deselect) for consideration.

Thirdly, the model also fails to give sufficient weight to two a priori requirements of HR reported by respondents: HR as tactical execution and the super-ordinate role of HR. These are likely to be critical elements of HR's negotiating position, but probably also need to be included into the 'intended HR strategy' element of the model, as they are not open to the same level of negotiation as the other elements of the model.

Finally, the model does not accommodate the possibility of 'punch throughs', defined as first order contextual factors which are too deterministic to be open to significant negotiation or re-formulation by the actors. Inclusion of this would potentially enhance the explanatory power of the model.

A revised model is shown in figure 80, which will be considered in the linking document. Note that this model includes HR functional responsibilities, as these have an element of first order reality, but does not include reference to the super-ordinate role of HR. It is assumed that this has only a second order reality, hence will be represented in the 'influence of the actors' box, as it presupposes the inclusion of HR staff in the 'actors', and that their ability to 'push' a super-ordinate role of HR will be a matter of negotiation, as with other second order reality elements.

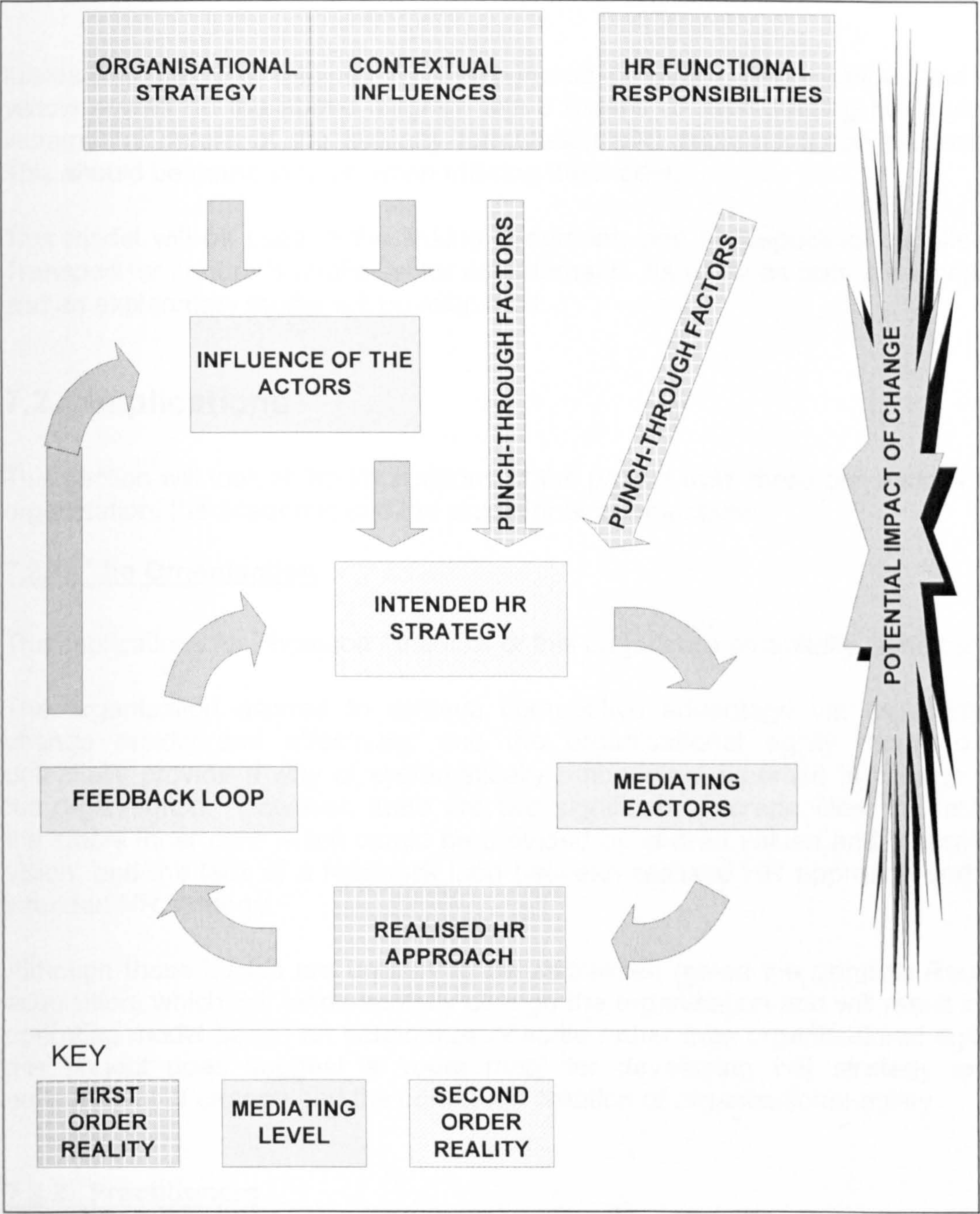


Figure 80: Revised Descriptive Research Model

As a final comment, this model has an implied temporality: a traditional model of strategy would infer that an analysis of the first order reality confronting the organisation (overall strategic direction and contextual influences) would precede the development of intended strategy, which would precede the implementation of the realised approach. However, this applies to a ‘strategy as an objective’ view of the process. A ‘strategy as a process’ definition, however, would imply a less linear and more iterative process, where the processes of strategy formulation and implementation are happening concurrently in an ongoing process. This means that the implied sequentiality of this diagram is potentially

misleading, but it is retained for the purpose of data categorisation, and the yellow arrows on the above diagram are a means of representing the logically incremental nature of the strategy formulation and implementation processes. This should be borne in mind when utilising the model.

This model will be used in the linking document, and retrospectively applied to Transport for London's public sector environment. Its utility as both a descriptive and an explanatory model will be examined.

7.2. Implications

This section will look at the implications of the project from three dimensions: the organisation, the academic and the practitioner perspectives.

7.2.1. The Organisation

The implications for Thomson Financial of this project are potentially significant.

The organisation aspired to achieve competitive advantage via its ability to change rapidly and effectively, and the organisational agility model could potentially provide a way of systematically embedding expertise in change into the organisation. However, there are two significant discrepancies: the lack of the stable inner core which would be provided by shared values and a common vision, and the lack of a feedback loop between realised HR approach and the intended HR strategy.

Although these issues are unlikely to be addressed (given the pending Reuters acquisition, which will fundamentally change the organisation and will result in an operating model based on economies of scale rather than organisational agility), this project does suggest a 'route map' for developing HR strategy in an environment of change and the conscious creation of organisational agility.

7.2.2. Practitioners

There are a number of key concepts arising from this project which have implications for practitioners: HR strategy formulation and an emergent, negotiated view of strategy, intended versus realised strategy (constraints), change (organisational agility, dynamic capabilities) and the nature of the HR role.

7.2.2.1. *HR Strategy Formulation*

Traditional models of HR strategy formulation infer a particular role for HR practitioners. Definitions of 'strategy as an objective' as well as 'best practice'

and 'best fit' models of HR infer that there is a single, 'best' solution for HR, and that HR's role is to diagnose that solution and implement against it. This assumption of a single 'correct' HR solution has focused HR staff on technical expert and business partner, which HR practitioners report as achieving with varying degrees of success. This project suggests that the 'holy grail' of strategic business partner could be a distraction, focusing HR practitioners on an unachievable match of HR to the business, rather than allowing them to develop a more fluid, flexible approach which concentrates on building credibility and negotiation.

This leads to the question of whether 'strategy as a process' is a repertoire which is more reflective of organisational reality than the 'linkage between business and HR strategy' which has greater compatibility with the 'strategy as an objective' definition and is invariably qualified by the 'theory of constraints' repertoire. Should HR be content with meeting the articulated expectations of its business clients by delivering excellence in process? Is the claim for the 'linkage between business and HR strategy' incompatible with clients' expectations and ultimately unachievable, particularly in a dynamic environment, and hence inevitably doomed to failure.

This project has explored an alternative, processual definition of strategy, which presents strategy as an emergent, negotiated and iterative phenomenon. The project indicated that contextually based models of HR may be useful diagnostic tools in initial formulations of HR strategy. A contextual analysis may be particularly useful, as it moves beyond a straight forward 'best fit' model, analysing not just business strategy and contextual factors, but also being sensitive to internal configuration factors and institutional and neo-institutional influences. The project suggested that, even in an environment of change, this type of analysis may be a useful starting point, as proactive change (both in the internal and external environment) is itself amenable to analysis.

A diagnosis of contextual and political drivers becomes particularly pertinent when practitioners move from thinking of strategy formulation as linear, prescriptive and unitary, towards a model which is processual, emergent and negotiated. One of the key findings of this project for practitioners is that HR strategy formulation (perhaps based on a contextually based diagnostic) is a second order process, which although likely to be based on an interpretation of first order factors, is also subject to the interpretations, perceptual biases and political machinations of the actors. The analysis of 'best fit' or contextually based HR, hence, becomes only the first stage of an ongoing process of negotiation and re-negotiation, definition and re-definition, both of business and HR strategies, with an ongoing need to respond flexibly to both environmental and internal political changes of direction.

The implications of this redefinition of the strategy formulation process for HR practitioners are significant. This model creates a new task for HR – the

negotiation and management of its own strategic position – and will require fundamental changes in the HR skill set required. Given this model, in order to gain credibility, a pre-requisite of being able to negotiate its strategic position, HR needs to understand the business (to be able to interpret and act in support of the business strategy, direction and activities), to be politically adroit (to be able to understand and influence the negotiated process of strategy formulation), technically competent and efficient (to ensure core transactional processes are taken care of) and have flexible and agile mindsets and HR processes which will allow for rapid changes of direction. This corresponds to reformulations of the role of HR proposed by practitioner authors such as Ulrich & Brockbank (2005).

This is a long way from the 'best fit' or 'best practice' schools of HR thought, and suggests that a different competency set may be required in the modern HR practitioner.

The project also suggests that HR practitioners may have a misplaced focus on being 'strategic'. HR activities can be defined (both by business and HR practitioners) as a series of tactical executions or they can be defined as strategic. Whilst 'strategy' and 'tactics' semantically have different values attributed to them, which has resulted in HR practitioners aspiring to the former rather than the latter, it seems that the actual value attributed to HR in the business does not appear to rest on the fulfilment of one rather than the other. Rather, the status of HR in the business appears to depend on its efficiency and effectiveness in fulfilling the role defined for it by the business, be that strategic or tactical. This is supported by the fact that the actual activities themselves may not radically differ (all of the respondents reference a broadly similar range of HR activities, but their attribution of these activities to 'strategy' or 'tactics' is variable

From the HR practitioners' point of view, pursuit of an HR strategy 'label' may be something of a misnomer, and that the value accorded to HR by the business may be determined by good tactical execution rather than 'strategic' input. Viewed through this lens, many of the business respondents' comments can be interpreted as relating to good tactical execution.

This suggests that HR's focus on becoming a 'strategic' partner in may be misplaced. Business credibility, for HR, may be driven by exemplary tactical execution rather than strategic input, suggesting that HR's drive towards a 'strategic' role may be diverting the profession's attention from what actually would build credibility: good tactical execution.

7.2.2.2. *Intended HR Strategy Versus the Realised HR Approach*

Traditional models of HR see a direct link between intended strategy and the realised HR approach: these are the implications of the definition of 'strategy as an objective'. Any discrepancy between the intended and the realised is seen as

a 'failure' on the part of HR practitioners, and is seen as something for which an account needs to be given: the 'theory of constraints' first advanced in project two. This relates back to the concept of 'functional' language advanced in discourse analysis, which suggests that individuals do not use language neutrally, but use it functionally, e.g. to persuade, to position, to negotiate.

A processual definition of strategy suggests a different relationship between the intended and the realised approach. A definition of strategy as a negotiated process allows for the possibility of the co-existence of multiple, potentially conflicting viewpoints. This suggests a number of alternative explanations to the theory of constraints: if there is no agreement on the intended strategy, the link to the realised approach is likely to be weak. Likewise, the concept of strategy as a negotiation allows for a realised approach which differs from the intended strategy because it has morphed to reflect differing negotiations and reformulations, or because political forces have intervened between the intended strategy and the realised approach.

This project has suggested that the 'strategy as objective' concept may be a limiting repertoire for HR practitioners, and that 'strategy as process' may offer a more functional language for HR people which sees the 'gap' between intended and realised as a necessary flexibility to changing circumstances, or as a normal part of the negotiation interplay in organisations, rather than a 'failure' on the part of HR. This redefinition may also focus HR's attention on the skills required in this re-defined organisational context (such as negotiation skills and political acumen) and concentrate on activities which build credibility in the particular environment in which they operate (be those defined as tactical or strategic).

7.2.2.3. *Change*

Definitions of 'strategy as an objective' and traditional models tend to see change as a disruptive variable limiting the ability of both businesses and HR to perform. This again is a potentially limiting repertoire, whereas a view of strategy as a process can accommodate change through an emergent, iterative model of strategy formulation and implementation. The implications for practitioners in an environment of change differ little from the remarks made in terms of the steady state environment, but the emphasis on taking a processual view of strategy and being flexible in strategy formulation and deployment becomes more critical.

This project has offered a model of HR in an environment of change based on the Dyer & Shafer work on organisational agility. It has suggested that HR actually may serve a business best by developing a stable inner core, which may mean HR reverting to best practice in its core processes (e.g. to have robust, modern recruitment, talent management, training and performance management processes). The customisation and flexibility required by modern organisations can be created in the reconfigurable outer ring, which can be built in such a way as to ensure the core processes create and engender adaptable and agile

employees (e.g. a recruitment process which utilises competency based recruitment as a best practice and assesses adaptability as a competency; management of change is included in a core L&D offering in an environment where a best practice training approach clearly links business strategy with a robust training needs analysis process via 360 degree based performance feedback). This would facilitate the building of an organisation which could deal adeptly with planned change, but would also be better able to deal with unplanned change when confronted by this in the future.

Furthermore, this processual view of strategy also allows for a potentially exciting role for HR in facilitating change; this may allow organisations be more planful (and more successful) in dealing with the human side of change whether the change is proactively planned or it is an externally prompted change to which the organisation is forced to react. Much of this practitioner section has concentrated on the possibilities for HR of shifting their own “conversation” to move away from potentially limiting repertoires which see a gap between the realised approach and the intended strategy as a failure. However, HR may also play a pivotal role in enabling other groups to “shift” their “conversations”. The potential of a “New OD” (Marshak & Grant, 2008), based on the potential of language to facilitate change, is an exciting concept for practitioners. Marshak & Grant’s (2008) call for a “New OD”, which recognises the potential of organisational discourse, based on social constructivist and critical perspective, offers the potential to build and apply powerful new models to aid the understanding and facilitation of change. This builds on the Ford & Ford concept of “shifting conversations” (Ford & Ford, 1995).

As Woodman (2008) indicates, “a particularly valuable aspect of organizational discourse and discourse analysis stems from its potential ability to surface the embedded assumptions in the organization” (Woodman, 2008, p35). He goes on to propose that organisational discourse may provide particularly advantageous in two areas: organisational diagnosis and evaluation of organisational change programmes. In both of these areas, organisational discourse may add a deeper qualitative perspective which will compliment and extent the more quantitative or less systematic qualitative methodologies normally deployed in these areas.

7.2.2.4. *The Role of HR*

The sections above have suggested a different role from HR from the technical expert/business partner roles inferred by the traditional models of HR strategy formulation, as well as indicated a requirement for a different skill set.

Firstly, credibility building (necessary to gain and maintain a satisfactory negotiating position in an organisation) appears to be critically linked to effective performance of transactional tasks and functional responsibilities. Secondly, given that the HR function has credibility through effective tactical execution, HR

staff must be able to exert an influence in the negotiation process. This means that there is a requirement for considerable business knowledge and excellent negotiating skills. Finally, linking back to the need for credibility, HR practitioners must also be good project managers and effective implementers.

This provides a baseline for effective HR in an environment of negotiated strategy and change. There is a further opportunity for HR to exert a powerful influence through OD, "shifting conversations" and facilitating change, which will require HR to adopt a different role and develop a further OD based skill set.

This relates also to the plausibility of HR as a conveyer of organisational meaning. HR, is a designer and administrator of processes which convey organisational meaning to employees, e.g. compensation, learning & development, promotion. This may be documented and relatively static, as in London Underground, or more emergent, fragmentary and subject to rapid change, as in TF.

The second role for HR, however, taking this view, is potentially more interesting. One could argue that HR has a role of managing symbolic meaning for the organisation, through the nature and the implementation of the HR processes. That is, through processes such as reward, performance management and talent management, it can sign organisational value to employees. This goes beyond the traditional employee communications role. Through controlling the processes by which people are rewarded, recognised, developed and promoted, HR potentially has the ability to manage meaning for the organisation: what is the company, what does it stand for, what does the company value? One can envisage that, done well, this will result in well informed, satisfied, engaged, committed employees who are more likely to be productive and less likely to attrite.

7.2.3. Academics

The findings of this project also have implications for the academic community in the areas of contextually based theories of HR strategy formulation, intended strategy versus realised approach, and the treatment of change as a variable in strategy formulation. This project also advanced a new descriptive research model of HR strategy formulation which would benefit from further testing.

To look firstly at models of HR strategy formulation, determining that neither conventional 'best fit' nor 'best practice' models of HR have relevance to business respondents, this project looked at a broader model, seeing HR as a complex interplay of first and second order reality, organisational negotiation and political processes. It determined that, whilst a potentially useful diagnostic starting point, theories such as Paauwe's CBHRT presume that strategy formulation is a linear, objective process, and fail to represent the complex, often

politicised, processes of definition and negotiation which shape strategy formulation in organisations.

This project also addressed another problematic issue for 'best fit' and contextually based theories of HR: these fail to reference factors which influence HR, but which are not contextually derived, i.e. HR 'must-dos' and the requirement for HR to have a 'super ordinate' role.

A topic which merits further study is that of 'punch-throughs'. Whereas contextual drivers did not exert a strong influence in Thomson Financial, leaving the maximum "freedom to manoeuvre" for the actors, it is reasonable to suggest that other organisations may be directed by more deterministic contextual drivers, e.g. in London Underground, where the influence of institutional and configuration forces is considerably higher and considerably more directive or in organisations which have difficult competitive environments, where one would expect the competitive forces to be relatively unmodified by the actors' reformulation and negotiation processes.

Secondly, the project considered the distinction between intended strategy and the realised HR approach, and began to outline some of the factors which influenced the extent of the correlation between the two. A distinction was drawn between factors which related to the negotiated nature of strategy formulation (the organisation says that it intends to do something, but in its messaging conveys that this is not an organisational priority or that it values something else) and factors which related to an inability to translate intended strategy into organisational reality (the 'theory of constraints').

The third implication for the academic community is in the project's discussion around change, and particularly the debate around whether change is a factor in itself and should be treated separately, or should it be seen as an element of the business strategy and business context? This project advanced the idea that proactive, planned, change is the latter, and is amenable to the same contextual analysis and subject to the same theory of constraints and gap between intended strategy and realised approach.

Reactive change, however, was presented by respondents as qualitatively different. Although organisations can build in a degree of resilience to change (through an implicit or explicit organisational capability model), reactive change could be regarded a disruptive force which destroys the linkages in the model. However, if one takes the emergent view of strategy to its extreme, one could see how even reactive change could be managed through the process of discussion and revision of strategy in the light of the new situation. Further research is required in this area, both to verify the appropriateness of the distinction between proactive and reactive change, and to determine whether they are opposite ends of the same continuum, thus are amenable to the same diagnostic process, or they are indeed qualitatively different.

The fourth implication arising from this project is that it responds to Dyer & Shafer's call for "exploratory research ... (into) our general model" (Dyer & Shafer, 2003, p23), providing some support for the concept of organisational agility and ideas such as the stable inner core and reconfigurable outer ring. It does, however, indicate that substantiating their research model will require access to an organisation which has consciously pursued organisational agility. It appears far more research in this area is required.

Finally, this project tested a new descriptive research model of HR. Although this appears to provide a good explanation for the way in which HR strategy is developed and implemented in TF, it requires wider application in other organisations to test out its findings. A number of missing elements (change, super-ordinate role of HR, functional responsibilities) were identified and would benefit from inclusion in future models and exploration in future academic study.

8. SUMMARY

The conclusion of this analysis is that a social constructivist and an emergent definition of 'strategy as a process' could illuminate both HR strategy formulation and strategy implementation. It determined that 'best fit' analytical model could be useful as a diagnostic in the early stages of HR strategy formulation (although strong business strategy or contextual drivers were not reported as influences in Thomson Financial, it is reasonable to suggest that these may be deterministic influences in other organisations), but that 'best fit' models are static and, although the concept of the dominant coalition allowed for an element of negotiation, they fail to give true weight to the role of the actors in creating, re-creating, negotiating and re-negotiating strategy.

Although a diagnostic of contextual factors appeared to be a useful starting point for HR strategy formulation, the social constructivist approach adopted in project three allowed the research to move beyond the concept of 'best fit'.

This methodological and theoretical perspective appeared to support a model of HR strategy development which was far more fluid and negotiated than a 'best fit' type deterministic model would suggest. This was further informed by looking at a processual definition of strategy which allowed for strategy to be emergent and negotiated rather than fixed and absolute. In the organisation under study, this was an intuitively more attractive model of strategy formulation and implementation, likely to be more responsive to a rapidly changing business environment.

Project two took a contextually based theory of intended HR strategy formulation, which aimed to look at a wide range of influences on HR strategy development, extending 'best fit' models to include political drivers (through the concept of the

impact of the actors and assessment of the cultural and institutional influences on HR) and a range of contextual features. However, this was still an essentially deterministic model, which failed to take full consideration of the iterative, socially constructed interpretations of these contextual factors offered by respondents, and did not provide an iterative model of strategy development which was appropriate to a rapidly changing environment.

Project three took this a stage further by regarding these contextual influences on HR strategy development in terms of their second order reality. Although these contextual influences may have their basis in a first order reality, in discourse in organisations they are mediated by the respondents' knowledge, experience and perceptions, and are subject to their perceptual biases, political influences and their functional use of language. It also looked at change as an additional contextual influence, in response to the problematic nature of 'best fit' in a rapidly changing environment.

This led to a discussion around implementation, and an examination of the factors which are held to be mediating factors between firstly, business strategy and HR strategy and, secondly, intended HR strategy and the realised HR approach. This led to a consideration of issues of implementation where considered through distinguishing between intended HR strategy and the realised HR approach.

This was developed into a descriptive research model, and evidence was collated using a discourse analysis methodology and a social constructivist perspective.

The premise of project three was that a contextually based theory of HR may be a useful starting off point for HR strategy development, but that the definition of context needed to be broadened, accommodating business, contextual and political drivers as influences on HR strategy. It then deconstructed the notion of strategy itself, determining that the term was open to multiple interpretations, and the deterministic definition of 'strategy as a process' may be less useful in the rapidly changing environment of modern businesses than a more fluid view of strategy as an emergent and a negotiated process. Contextually based HR, hence, was relegated to the status of a diagnostic, rather than being seen as deterministic.

Project three also made a distinction between intended and realised strategy, and questioned the 'universality' of theories such as Paauwe's Contextually Based HR Theory. Whilst these provided potentially useful frameworks for initial strategy formulation, they do not address constraints or failures of implementation, nor do they recognise the adaptation of strategy to changing circumstances.

Exploring the final point further, project three also looked at the impact of change on HR strategy development and determined that the 'strategy as a process' definition allowed proactive change to be amenable to contextual analysis in a similar way to the steady state environment, and allows HR strategy – as long as an emergent, logically incremental view of strategy was taken – to be developed even in a scenario of considerable, planned, change.

However, the project also indicated that respondents viewed unplanned, reactive change as qualitatively different, and saw that HR had two primary roles to play in a reactive change scenario: technical and emotional. There was also an inference, albeit an underdeveloped one, of another two roles for HR: organisational agility and management of organisational meanings. However, the former requires an enlightened business which is receptive to long term planning for agility, and a capable HR function which is appropriately resourced. The short-termist Thomson culture precludes the former and the 'theory of constraints' indicates that limited HR capability and resourcing, compounded by a transactional focus, is unlikely to be able to rise to the challenge.

Although organisational agility may be engendered through an implicit incorporation into HR processes such as recruitment and training, suggesting an emergent strategy in this area, it is interesting to speculate how much further this could be taken in Thomson Financial (and what the resultant business benefits may be), using the Thomson Leadership Competency Framework as a basis. A developed and articulated HR strategy, focusing on the building of organisational agility, could be of significant benefit to an organisation the success of which depends on its ability to manage change.

The second inferred role for HR is the management of organisational meaning, taking Tyson's view that "HRM engages in the management of meaning in the enterprise" (Tyson, 1997, p285). This is a potentially valuable function, where HR can position itself as the purveyor of organisational culture, values and objectives. Particularly in an environment of reactive change, one could envisage this role providing a highly valuable sense of direction and purpose to individuals going through transformational change. However, again in TF, this potential role of HR seems underutilised, and one can surmise that the reasons for this are as articulated elsewhere: the short termist, short attention span culture and the constraints (particularly the capability of HR staff, the level of HR resourcing and the transactional focus of the HR function in TF).

APPENDIX ONE: INTERVIEW SCHEDULE

INTERVIEW SCHEDULE ONE

A detailed interview schedule was developed for the pilot, using Wang & Ahmed's tripartite categorisation of dynamic capabilities. However, it was clear in the pilot interview that management of change in Thomson Financial was not sophisticated enough for respondents to meaningfully engage with this type of breakdown, therefore a simpler interview schedule was used for the remaining interviews which used only four questions.

- Describe TF's approach to change.
- What role does HR play in supporting this change?
- Considering the pending Reuters acquisition, how do you think the organisation is responding to this scenario?
- How do you think HR is supporting the organisation through the Reuters scenario?

INTERVIEW SCHEDULE TWO

A second set of interviews was conducted to explore the realised HR approach, and the questions for this were as follows:

- On a day to day basis, what factors influence what you do, how do they affect what you do, and are they good or bad?
 - Global systems and processes?
 - Legislation?
 - Best practice? Inside or outside the organisation?
 - Business strategy?
 - The actors? The managers, the HR function, other functional personnel?
 - External or internal talent markets?
 - The current scenario (change – proactive and reactive)?
 - Anything else?

APPENDIX TWO: INTERVIEWEE LIST

Name	Title	HR/ Business	Business Unit	Length of Service	Nationality	Interview Date
INTERVIEW SCHEDULE ONE						
Ricarda Athey	HR Director, Asia Pacific	HR	TF	Short	German (based Hong Kong)	27/08/07
Sandi Klose	Managing Director, Segment, Asia Pacific & Japan	Business	TF	Long	American (based Hong Kong)	17/10/07
David Runacres	Managing Director, Sales, Asia Pacific	Business	TF	Short	Australian (based Hong Kong)	18/10/07
Mark Howarth	Managing Director, TF Asia Pacific	Business	TF	Short	British (based Hong Kong)	23/11/07
Helen Cook	VP, Content Strategy, Asia Pacific	Business	TF	Medium	British (based Hong Kong)	29/11/07
Wai Leung Chung	VP, Technology, Asia Pacific	Business	TGTI (includes TF)	Medium	Chinese (based Hong Kong)	04/11/07
Jacques Dalmas	Director, Corporate Sales, North Asia	Business	TF	Medium	French (based Hong Kong)	30/11/07
Adrian Dolin	Managing Director, Corporate, Asia	Business	TF	Short	Australian	08/01/08
Con Pappas	Manager, Training & Organisational Development, Thomson Corporation	HR	Thomson Corporate (includes TF)	Medium	Australian	15/01/08
Kimberly Bates McCarl	VP, Individual & Organisational Effectiveness, TF	HR	TF	Long	American	15/01/08
Sandhya Vasudevan	SVP Operations, Bangalore	Business	TF	Medium	Indian	01/02/08
INTERVIEW SCHEDULE TWO						
David Harrison	Head of Recruitment, TF Asia	HR	TF	Short	American (based Hong Kong)	22/04/08
Ricarda Athey	HR Director, Asia Pacific	HR	TF	Short	German (based Hong Kong)	23/04/08
Con Pappas	Manager, Training & Organisational Development, Thomson Corporation	HR	Thomson Corporate (includes TF)	Medium	Australian	02/05/08

LINKING DOCUMENT

1. INTRODUCTION

1.1. Overview

1.1.1. The Projects

This final paper will review the three projects, their contribution and will provide a test of the descriptive research model evolved through the course of the three projects.

In the broadest sense, the projects were all concerned with the exploration of theories of HR and SHRM and their actual use in organisations. Originating in a dissatisfaction with 'best practice' and HPWT models of HR, the projects used insights gleaned and methodologies developed in social psychology to provide a potentially richer, qualitative analysis than the more positivist methodologies which have dominated much of HR research to date. The projects shared a common theoretical (social constructivism) and methodological (discourse analysis) perspective. Given the nature of the valued elements over which HR has control, HR can be highly politicised in many organisations. Equally, given that HR's contribution to organisational success is often difficult to quantify (or that causality is difficult to prove), it is subject to the perceptions and influences of the organisational actors. These two elements make it very amenable to a social constructivist approach, which allows for a deeper understanding of the political and socially negotiated nature of HR in use.

The three projects looked at HR in two very different contexts. Project one looked at industrial relations strategy in London Underground (HR was conflated with industrial relations in this organisation, given the all pervasive influence of IR). As a public sector organisation characterised by entrenched and opposing positions, it provided rich data for a social constructivist analysis, demonstrating how organisational actors used language functionally to support their discursive positions. The project described a form of HR best described as a combination of Guest's "professional personnel management" (Guest, 1987) and Fox's "paternalistic employee relations" (Fox, 1973). Project one argued that this model was 'best fit', given the environment confronting the organisation, confirming that the 'best practice' theory of HR is far from being the only one possible.

Projects two and three were hosted by an organisation which was radically different to London Underground: Thomson Financial, a young, entrepreneurial

professional services organisation. Project two was based in Thomson Financial's European operation and built upon project one's interest in the 'best fit' model, utilising Paauwe's (2004) Contextually Based Theory of HR to provide a framework for the contextual factors which influenced the 'best fit' HR strategy the organisation adopted. Project two, however, found little evidence for a linear relationship between contextual factors and the HR strategy adopted, suggesting instead that the influence of the actors was the major determinant of the HR strategy adopted (although it was inconclusive on whether the Thomson Financial organisation was unique in its lack of contextual determinants, and whether another organisation would experience greater contextual influence, leaving the organisational actors concomitantly less freedom to operate). Project two also indicated a discrepancy between intended ('espoused') HR strategy and its actual ('enacted') implementation and began to look at some of the explanations offered by HR and business representatives for the gap between the two.

Project two had identified limitations with contextually based 'best fit' models of HR, both empirical in nature (the data provided little evidence for the influence of context) and theoretical (they are essentially static, unable to deal with fast change experienced in the majority of modern organisations).

Project three was also hosted by Thomson Financial, but moved the project to the Asia operation, as the area most exposed to change, both proactive and reactive. The use of the social constructivist epistemology and discourse analysis methodology brought the role of the organisational actor to the forefront in project two, and this was further tested in project three, which moved from a view of 'strategy as an objective' to 'strategy as a process'. Project three explored the notion that strategy existed in organisations largely as an emergent, iterative process, the product of multiple negotiations, renegotiations, formulations and re-formulations by the organisational actors.

Project three developed a prototypical descriptive research model, and the testing of the model noted that, whilst the model appeared potentially useful, it had a number of inadequacies. The revised model produced at the end of project three will be further compared to the data in this linking document.

1.1.2. The Contribution

The three projects used a social constructivist epistemology and a compatible methodology (discourse analysis) to look at contextual influences on HR in different organisational environments. It looked at a number of different theories of SHRM, focusing on the resource based view (RBV) and neo-institutional theories of SHRM as these provided the most ready explanations for the accounts of HR strategy offered by respondents in the study.

Starting from an initial dissatisfaction with 'best practice' models of HR in relation to their ability to explain HR in a traditional British public sector environment (project one), the study moved to a test of 'best fit' approaches in a North American Financial Services company, firstly in Europe in a mature, saturated environment (project two), then in the high growth markets of Asia in the midst of a transformation (project three). It looked at contextually based HR in project two, modifying and extending that model in project three.

Whilst project two looked at Paauwe's Contextually Based HR Theory as a descriptive framework for elucidating 'best fit', project three moved beyond the 'best fit' model to consider a negotiated, emergent and iterative model of strategy. 'Best fit' in this project was considered, but relegated to the role of a diagnostic, with the focus shifting to how perceptions and conceptualisations of environmental factors were used by the participants functionally, to support their negotiation position in regard to strategy and strategy formulation. A key finding of this study is that strategy formulation in organisations is primarily a second order reality process, where the impact of first order reality factors is subject to the interpretation of the actors and their functional use of language to support their specific arguments and bolster their own negotiating position. Project three surmised that so-called 'punch-through' factors (first order realities which are too impactful, too incontrovertible or too compelling to be the subject of negotiation) could be an exception to this, although this linking document's re-analysis of project one's data suggests that such 'punch-throughs' may be more limited in number than one would presuppose, and that even these first order realities are still deployed functionally by participants in their discourse to support their position (and, indeed, representing a factor as a 'punch-through' may in itself be a powerful negotiation strategy).

This introduction will look at six elements of the study: the theoretical and methodological perspective, theories of SHRM, best practice and best fit models of HR, and contextually based HR, a deconstruction of the term 'strategy' and the distinction between intended strategy and the realised HR approach. Whilst the first three of these remained consistent across the three projects, project three evolved a new descriptive model of HR strategy formulation and implementation which (building upon the first three elements but also incorporating the final three elements) produced a model which incorporated contextually based HR, a more flexible and non-linear definition of the term 'strategy' and a consideration of the difference between intended strategy and the approach which was ultimately realised. The culmination of project three was the development of a descriptive research model which incorporated a contextually based approach as a diagnostic to the initial phases of HR strategy development, but moved on to consider strategy as an emergent, negotiated process, possessing a second, rather than a first, order reality.

1.1.3. Implications

The implications for the processes of strategy formulation and implementation in modern organisations are potentially considerable. Whereas the definition of strategy as an objective may appear to describe organisations such as London Underground, in actuality the process is intensely politicised and the level of negotiation is extremely high. However, the neo-institutional forces operating on the organisation means that the organisation's strategy (both formulation and implementation) are under considerable scrutiny from external stakeholders, therefore one would anticipate that the organisation is compelled to articulate strategy as a first order reality (i.e. formal planning documentation, sign off and evaluation processes). Superficially, this may create the impression of the application of the definition of 'strategy as an objective', but the application of a social constructivist approach and a discourse analysis methodology clearly shows that strategy is, indeed, an emergent and a negotiated process, as demonstrated by the multiplicity of articulated perspectives (e.g. trade unionists, operational and HR staff). Indeed, despite the pressure of external accountability, planning is perceived as a much less regimented process than 'strategy as an objective' would suggest. In organisations which are less accountable to external stakeholders, such as Thomson Financial, it becomes clear that strategy formulation is an entirely emergent and iterative process, existing at the level of second order reality with little requirement for a first order reality to be produced.

There are also a number of significant implications arising from this study for the HR function, most notably the new competency set required by HR practitioners inferred by the move away from 'best practice'/'best fit' models of HR. Concomitantly, the focus on the negotiation and positioning skills of the organisational actors in a 'strategy as a process' context raises important questions about the most effective approach HR practitioners can take and the factors which influence the negotiating position of HR in the business environment. This also links to the 'best practice'/'best fit' debate conveyed through projects one, two and three. In certain organisations, taking a 'best practice' approach to HR may indeed be the most effective way of building HR credibility (and hence developing the most effective negotiating position for HR), given that HR practitioners can reference external sources (often neo-institutional in nature) to engender support for their activities. In others, 'best fit' may be the best way of presenting HR as a business oriented function which can commercially justify and credentialise its activities, utilising and co-opting the commercial language in which the strategy formulation processes of many organisations is conducted. In other organisations, neither of these may be as successful as attending to the needs of the senior managers who comprise the strategy formulators, although this perhaps runs the risk of creating a perception of HR's power position as illegitimate. A final source of credibility, although one which may be as limiting as it is enabling, is the performance of excellent tactical execution. Although perhaps unappealing to the

HR profession, with its intense interest in being accorded a strategic role, there is strong evidence in projects two and three that good tactical execution is an essential component of credibility and a necessary precursor for any kind of strategic role.

The final, and perhaps the most interesting, implication of the study, however, is the potential for 'shifting conversations'. By taking a more fluid, social constructivist approach to HR and HR strategy formulation, one raises the potential to move HR away from its preoccupation with 'strategy' towards a, perhaps more fruitful, focus on what works and what develops credibility within a business. Likewise, strategy implementation may be facilitated by shifting to a positive conversation around enablers and implementable strategy than the recourse to the inherently negative 'theory of constraints' discourses much in evidence in projects two and three.

The potential to shift 'internal' HR conversations identified here is mirrored by a possible application of this technique to business situations: under the "new OD" proposed by Marshak & Grant (2008), HR can use its ability to "shift conversations" to create, embed and reinforce new organisational meanings, to condition employees and to drive change. Manipulating language and organisational meaning has significant potential value, and should be further explored in subsequent research. Interestingly, documenting strategy (e.g. creating a first order reality from a second order process may be an important element in the shifting of conversations and the conveying of organisational meaning, and the obfuscation of the second order reality negotiating process underpinning it may be desirable to promote a single organisational focus.

1.2. Theoretical and Methodological Perspective

Starting with project one, a consistent theoretical and methodological approach was taken throughout the project, i.e. social constructivism and discourse analysis. It was apparent that these theoretical and methodological perspectives were potentially illuminating, allowing for a deeper, richer analysis of the complex and ambiguous second order realities used by individuals.

The discourse analysis methodology and social constructivist theoretical perspective allowed for institutional and political drivers to be considered in project one, the approach being used to examine functional use of language by managers in London Underground, in their explanations and justifications of ongoing militancy.

In project two, this approach allowed for a deeper understanding of the role and influences of the actors to be garnered. This project looked at discourses around business and HR strategy, contrasting the views of business managers and HR staff. Again, a functional use of language was adopted, which allowed for an exploration of the constraints cited as inhibitors in the achievement of a business focused HR strategy.

In project three, the combination of social constructivism and discourse analysis proved to be highly illuminating, developing the idea of the contrasting views of the actors into an emergent, negotiated and iterative model of the strategy formulation process which appeared to be more useful than alternative definitions of strategy as an objective in explaining the process of strategy formulation in an organisation such as Thomson Financial.

1.3. Best Practice and Best Fit Theories of HR

The genesis of project one was a dissatisfaction with universal 'best practice' models of HR, which were largely Americo-centric and reflected to a greater or lesser extent the high employee engagement work practices of a small number of organisations where profitability depended upon the knowledge, skill level and discretionary contribution of employees, where their ability to add (or otherwise) to the value of the organisation was significant. The epitome of this approach, the High Performance Work Team (HPWT) model, saw employees as guided by their professional codes of conduct, their knowledge and experience, and by HR practices (particularly compensation) which rewarded behaviours which were in line with the company's objectives.

Project one, hence, rejected a universalistic 'best practice' model of HR for a 'best fit' model of HR, finding that the latter provided a better explanation of the approach to HR taken in LUL. An analysis was conducted to look at the HR model which was appropriate to an organisation which was the opposite of the HPWT model: one in which employees were managed via rules and process, and increased knowledge, skills or discretionary contribution would result in only marginal business performance improvements. The model in operation was characterised as through reference to two academic models: 'pluralistic employee relations', which recognises the legitimacy of trade union influences in an organisation, and the concomitant likelihood of conflict, and Guest's 'professional' personnel management (Guest, 1987, p518), where administrative efficiency and minimisation of cost were the primary objectives. The 'pluralistic employee relations' and 'professional' personnel management models combined to describe a 'best fit' rather than a 'best practice' model of HR. Together they could be used to describe the model of HR adopted by LUL; a 'best fit' model which was responsive to and derived from the LUL environment in which it operated.

Given that project one had suggested that a 'best fit' model was more appropriate than a universal 'best practice' model in describing HR in the organisation under study, this set the research agenda for projects two and three. Project two confirmed that 'best fit' models of HR were much more dominant in respondents' discourse than 'best practice', but still suggested a level of discomfort around 'best fit', raising questions around change and the ability of a 'best fit' strategy to deal with discontinuities, both internal (e.g. a disharmonious "dominant coalition") and external (e.g. environmental change) in nature. This was further emphasised in project three, where the 'best fit' model was relegated to the level of a diagnostic. 'Best fit' was instead seen as a second order interpretation of first order realities, subject to perceptual biases and distortions, as well as differing attributions of importance and different opinions on prioritisation and the appropriate action to be taken. The process of determining 'best fit' was, in itself, seen as a social construction, the product of the perceptions, biases, perspectives and whims of the organisational actors, mediated by their negotiating positions and capabilities. This analysis of 'best fit' allowed for the development of the descriptive research model which was the concluding output of project three, and a model perhaps more representative of HR strategy formulation in modern organisations.

1.4. Theories of SHRM

A number of different academic theories of SHRM were reviewed, but two appeared particularly pertinent: the resource based view (RBV) and neo-institutional theory. When one looked at the accounts of HR offered in project one, and began to analyse the underlying contextual factors which were seen as directing HR strategy, there was a strong emphasis on reference to institutional and neo-institutional factors in the discourse of the respondents, suggesting that neo-institutional theory was a potentially useful concept in explaining business and HR strategy formulation in a public sector environment. There was less use of resource based factors to explain the operation of the business and HR, which was anticipated in a public sector environment where the main drivers are institutional in nature rather than business oriented.

Projects two and three moved to a private sector organisation, theorising that neo-institutional theory would be less important in such a business, and that RBV theory would be more applicable. Although this was the case, it was clear that business drivers were perhaps less important than political factors: the influence of the senior managers and powerful individuals on the strategy formulation process was significant. The resource based view threw some light onto the descriptions offered by respondents, but it was clear that internal politics was still seen as a major influence on the organisation's strategic direction.

Both RBV and neo-institutional theories of SHRM were incorporated in the descriptive research model, through the explicit inclusion in project two of Paauwe's model (the major contribution of which is the incorporation of both RBV and neo-institutional factors into a single descriptive model) and through the first order reality of 'contextual factors' in project three's descriptive research model.

1.5. Contextually Based HR

Building on project one's conclusion that 'best fit' models of HR were more readily referenced by respondents in their descriptions of HR strategy and appeared to reflect their view of reality more adequately than 'best practice' models, project two went a stage further. It took the inference from 'best fit' that there were a series of factors which influence the nature of the 'best fit', and that these were amenable to analysis. Overlaying this with the social constructivist/discourse analysis perspective, the project looked at the factors through the respondents, and the factors which they described as being influential on 'best fit'.

Project two used Paauwe's Contextually Based Human Resource Theory (CBHRT) to provide an analytical framework to examine the contextual factors influencing 'best fit' HR strategy in a private sector organisation. Paauwe's CBHRT was particularly appropriate, as it was superior to the majority of contextually based approaches to HR in that it attempted to combine RBV and institutional type influences on HR strategy development in a single model.

Although only limited evidence was found to support Paauwe's CBHRT in project two, his concept of the 'dominant coalition', a group of actors who – individually and collectively - were influential on the nature and form of the HR strategy in the organisation, was useful. A number of limitations were identified with Paauwe's model as a universal explanation of contextually based HR.

- The assumption of a direct link between business and HR strategies assumes that strategy is an objective, linear process, whereas it appears to be perceived as far more emergent, processual and negotiated; the influence of the dominant coalition seems to be perceived as more powerful than the other Paauwe factors on strategy formulation
- The concentration on the development of strategy and the failure to recognise the challenges of implementation
- The presumption of a relatively static environment
- The concept of "strategy" appears to be problematic and open to a variety of interpretations.

Because of these issues and the emphasis on the dominant coalition and the lack of support for the Paauwe factors in project two, the concept of contextually based HR was both changed and extended in project three. Paauwe's key contribution

of the analysis of context (the inclusion of both RBV and neo-institutional type factors) was retained as the framework underpinning the 'contextual factors' box on the descriptive research model, as it was clear that this would produce a more generic descriptive model, which could be applied equally to a public sector company driven largely by neo-institutional factors as to an organisation the primary drivers of which were 'business' oriented (e.g. a private sector, non-regulated company such as Thomson Financial).

The move away from an entirely contextually based theory of HR also offers an explanation for two interpretative repertoires which emerged in project three which were not readily explicable in terms of existing models: the 'HR as tactical execution' and the 'super-ordinate role of HR' repertoire. Considerable reference was made in project three to the responsibilities which HR must perform, and which are likewise not contextually determined: this relates to transactional activities such as payroll. However, this becomes more explicable if one takes a view of strategy as a negotiated process: transactional accuracy is represented as a necessary basis for HR credibility and a fundamental precursor to a strong HR negotiating position on more strategic issues.

Likewise, the 'super-ordinate role of HR' repertoire (articulated by both HR and business respondents) does not appear to fit into a purely contextually based theory of HR. This is used by actors to suggest that HR has a responsibility which over-rides contextually determined strategy and, the inference is made, should not be amenable to the modification of the actors. Looking at this through the lens of a functional view of language, however, this altruistic view of HR as having a higher purpose becomes more suspect. The 'super-ordinate role' becomes a negotiating ploy, and a way of prioritising HR issues in a business environment which may otherwise be less sympathetic to HR initiatives.

1.6. A Deconstruction of the Term 'Strategy'

As the data provided only limited support for Paauwe's model as a descriptive framework, project three reconsidered its approach, and began with a deconstruction of the term 'strategy'.

This was extremely useful, as it allowed the project to move away from a view of strategy as an objective, linear process, to a processual definition of strategy as an emergent, negotiated process, in which the influence of the actors was a fundamental input, amenable to exploration using discourse analysis as a methodology. The emphasis was changed from viewing contextual factors as deterministic (as suggested by Paauwe's model) to viewing them as factors which respondents could draw upon variably and functionally to support a negotiating position. Strategy formulation became the product of contextual analysis as it was perceived by the actors (rather than having a concrete first order reality) and of

negotiations between the actors (based on their perceptions of the context, opinions on the best strategy and tactics and their ability to negotiate). This model, hence, drew upon the RBV and institutional theories of SHRM, but saw them as ways of thinking and representing the world, drawn flexibly and functionally by the actors, rather than having a direct influence and a predictive value in explaining the interaction between context and resultant strategy in an organisation.

This was wholly consistent with the social constructivist perspective, and provided a much richer explanation of the data than would have been possible using the 'strategy as objective' definition. It then began a further examination of HR strategy formulation, viewing strategy as both contextually driven and negotiated. To this end, project three referenced both RBV and institutional forces on strategy formulation, but emphasised the role of political forces, creating a view of the strategy formulation process as one which was in an ongoing process of negotiation and renegotiation.

To support this emergent view of strategy, a further concept was added into project three: the separation between first and second order realities. Drawing upon the work of Ford (1999), this project made a distinction between elements which have a concrete, independent verifiable existence (first order reality) and the social and linguistic construction of these elements by the actors (second order realities). This allowed a distinction to be made between the deterministic factors which exist in the organisation's first order reality and the interpretative dimension of second order realities. Project three concentrated largely on the latter, but recognised that first order realities shape the interpretations built within the second order reality and – in the case of punch through factors – can exert a very profound influence which minimises the level of second order interpretation.

1.7. Intended Strategy and Realised Approach

The final concept which evolved over the course of the three projects was the distinction between intended strategy and the realised approach. This is a potential contribution of the research, as the majority of academic work concentrates on strategy formulation and fails to consider implementation issues, or deals with the implementation of individual HR elements such as performance management.

Although this distinction only occurred tangentially in project one, it was strongly evidenced in project two, where the difference between intended HR strategy and the realised HR approach was explained in project two through the articulation of constraints. The 'theory of constraints' advanced in project two was described as an interpretative repertoire used functionally by HR respondents, although it was

suggested that this may ultimately be a self-limiting “conversation” for HR practitioners.

This distinction between intended strategy and the realised approach also emerged clearly in project three, but as well as being explained by respondents in terms of the theory of constraints, the impact of the actors’ negotiations and the consequent establishment of organisational priorities were also presented as substantive mediating factors between the intended HR strategy and the realised HR approach.

The influence of the actors’ negotiations led to a further differentiation: two definitions of ‘intended’ strategy were offered by respondents. The first definition of ‘intended’ indicates a strategy which the organisation is committed to realising, but is prevented in so doing by a series of constraints, which may be internal or in origin: the ‘theory of constraints’. Secondly, relating to the influence of the actors, ‘intended’ was defined as the articulated strategy of the organisation. Given this definition, the ‘realised’ approach may differ from the intended because of a disconnect between the espoused strategy of the senior management and their actions and messaging about organisational priorities. This was seen clearly in projects two and three, where respondents described an organisation which espoused a particular strategy, but conveyed through its organisational messaging a conflicting priority of short termist financial targets. This suggests that there is a distinction between explicit and implied strategy, where the former may be different from the latter, and the process of negotiation within an organisation may be as – if not more – important than the process of strategic analysis.

2. *TESTING THE DESCRIPTIVE RESEARCH MODEL*

This study has been something of a ‘journey’, which has culminated, at the end of project three, in a revised version of the descriptive research model initially proposed in project two. This linking document provided an opportunity to revisit project one in the light of the revised descriptive research model, but also created a limitation. The research in project one was not aligned to the descriptive research model and had a different research agenda. The interview questions asked in project one do not relate to the investigation of a descriptive research model of HR. This linking document will, however, attempt to use the data in project one, to the extent it can be correlated, to test the descriptive research model. It will also attempt a new explanation of the data, given the insights on contextually based HR which have been derived through the completion of all three projects.

2.1. A New Model of HR Strategy Formulation and Implementation

The revised descriptive research model developed at the end of project three is reproduced in figure 81 below for reference.

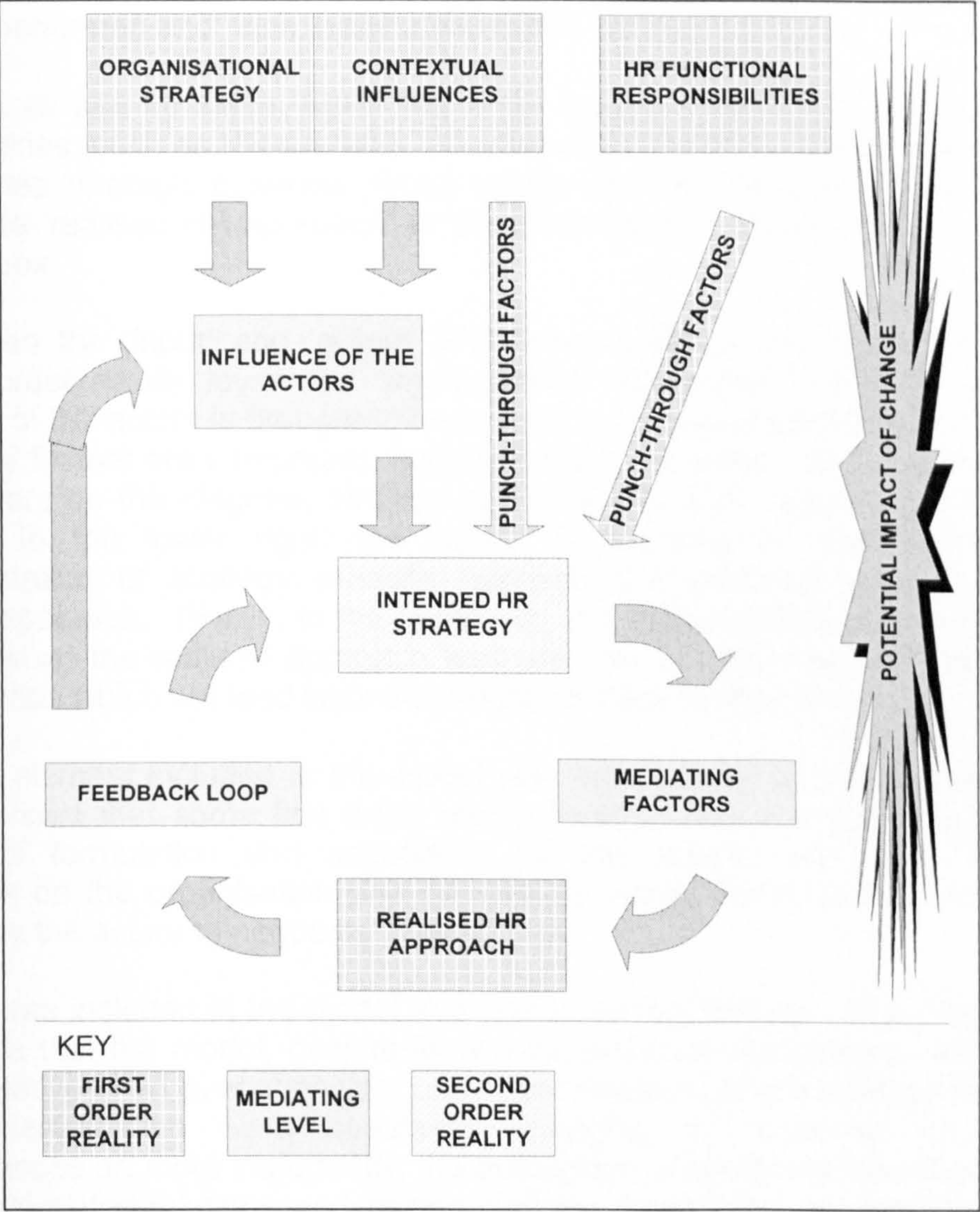


Figure 81: Descriptive Research Model

The descriptive research model originated as a way of representing the interplays between different orders of reality: first and second order reality, as conceptualised by Ford (1996). First order reality is defined as two elements, which can be loosely characterised as ‘input’ and ‘output’.

First order reality comprises the 'input' contextual factors which potentially influence the formulation of an organisation's strategy, and would incorporate the 'input' factors which would normally be considered in a 'best fit' analysis (e.g. competitive forces, configuration factors, institutional influences). HR functional responsibilities were also included as an 'input' factor. Whilst how many HR activities are performed is a matter of interpretation and organisational preference (i.e. second order reality), there are functional responsibilities (e.g. payroll) which must be performed and, thus, have a first order reality.

However, as well as these 'input' first order realities, there are also 'output' first order realities (such as HR systems, documented HR policies and procedures and documented strategic business plans) which have a first order reality. This is named the 'realised HR approach' in the model and is represented by the lower hatched box.

In between the 'input' and 'output' first order realities, the model proposes a second order reality layer: the 'interpretative' dimension. This is where the influence of the actors is brought to bear, as it is in these layers that the first order contextual factors are interpreted, negotiated and mediated. In the upper-most of these layers on the diagram, strategy is formulated and negotiated between the actors. In the lower right, the actors' perceptions of constraints on the implementation of strategy mediate between the intended strategy and the realised approach. Finally, in the lower left, the interpretation of how successful (or otherwise) the realised approach was provides a further second order reality interpretation which will feed back into future strategy formulation.

The final element included in the model was the concept of 'punch-throughs'. It was theorised that some first order reality factors were too powerful to be the subject of formulation and negotiation by the actors, and were inarguable influences on the organisation and its strategy which would 'punch-through' any attempt by the actors to negotiate around them.

Change was included in the model in a rather clumsy fashion. The intention was to indicate that the model, despite its two dimensional appearance, was actually representative of an ever changing, non-linear process, where strategy formulation and implementation were constantly changing in response to changing circumstances or, more importantly, the perception of circumstances changing and the actors' re-formulations and re-negotiations around the appropriate strategic response.

The interpretative dimension (the four solid boxes at the centre of figure 1) was studied in some detail in project three. A number of changes to the project three model were made at the end of the study to genericise the model to fit public as well as private sector companies (e.g. the change of the word 'business' to

'organisation') and some of the concepts which were specific to Thomson Financial were rolled up to a higher level (e.g. the individual 'constraints' varied, but the general concept of a 'theory of constraints' still held true).

However, whilst project three had concentrated almost entirely on the interpretative dimension, it was felt that reference needed to be made in the linking document to two other elements which underpin the interpretative dimension. These were, firstly, the first order reality which respondents were referencing and functionally constructing in their discussions about strategy and strategy formulation, and, secondly, the three mediating layers (influence of the actors, mediating factors between intended strategy and the realised approach, and the feedback loop between the realised approach and the intended strategy), where perceptual filters and the interpretation, negotiating and reformulation processes take place.

Turning initially to the first order reality, it is reasonable to suggest that there is a first order reality to which respondents refer, although their perception of that reality and the way in which they choose to interpret it is a matter for consideration under the 'mediating factors' heading.

The consideration of the first order reality has been beyond the scope of the three projects, but it may contain some or all of the elements shown in figure 82.

Documentation relating to business strategy	Strategic business plans Annual reports Strategy documentation Strategic plans
Elements of the 'best fit' analysis	Competitive mechanisms Configuration factors Institutional mechanisms
Documentation relating to HR strategy	Strategic HR plans HR reports Strategy documentation
Tangible constraints	Resource limitations Assessment of HR capability Documents relating to change (project plans, strategy documents, board papers etc.)
HR function	Documented HR policies and procedures HR systems HR programmes and projects

Figure 82: Elements of First Order Reality

An interesting question which this raises is whether certain realities are too compelling to ignore (this linking document will refer to these as 'punch-throughs'), and transmit into the second order reality with little or no mediation. In Thomson

Financial, this is apparently not the case: respondents do not report compelling competitive or contextual influences which have a compelling directional influence. A company with semi-private ownership, a secure competitive position, limited operant institutional or configuration factors (the latter probably mitigated due to the portfolio approach to the construction of the organisation through multiple acquisitions), coupled with an ad hoc and emergent approach to strategy formulation has few first order realities which one would expect to be deterministic. Everything, thus, is a matter of perception, functional social constructivism and negotiation. This raises the question of whether people take the economic environment as a given? This study suggests that they do, and that they make assumptions about the environment and operate on this basis. When confronted with an incontrovertible reality (a 'punch through' factor which is impossible to ignore) – e.g. economic crisis, the Reuters acquisition – this forces a change in the interpretation of the first order reality, but otherwise a stable environment appears to be taken as a given. This is clearly seen in the difference between the rather complacent views expressed by the Thomson Financial participants in project two (the absence of competitive forces, the implicit assumption of a stable environment) and those views expressed in project three, where a 'punch through' factor (the Reuters acquisition) has forced a reappraisal of the first order reality and the assumption of a stable environment.

However, in project one's LUL, one could surmise that such 'punch-throughs' are more numerous. The organisation, whilst not confronting competitive mechanisms, is subject to significant configuration (due to its long and turbulent history) and institutional (as a public sector company) factors. One would expect these to 'punch through' the mediating layer, being too significant, too influential and too deterministic to be open to the perceptual filters and negotiating processes which this layer provides. An extremely valuable piece of future research could be the analysis of what factors, under what circumstances, will 'punch through', although this is beyond the scope of the current project.

Secondly, project three suggested that it would be important to look at the perceptual filters which operate to mediate between first and second order reality, and suggested that a useful starting off point for this could be two papers published in McKinsey Quarterly (Lovallo & Sibony, 2006; Roxburgh, 2003), which look at sources of perceptual bias ("distortions") and the influence of political factors on business decision making ("deceptions"). This project drew upon the McKinsey terminology and concepts, but, instead of assuming that these perceptual filters and distortions have an objectively verifiable first order reality, looked at how perceptual filters, biases and distortions were referenced by respondents to debunk positions held by other actors and, by so doing, how they attempt to privilege their own positions. The Linking Document will continue to take this approach.

The model in figure 81 contains three mediating levels: the strategy formulation level (in which the influence of the actors is seen and is where one would expect to find examples of McKinsey-type perceptual filters being referenced, and where one would expect to see the impact of negotiating and re-formulation processes), the strategy implementation level, which mediates between intended HR strategy and the realised HR approach (which covers the 'theory of constraints', but is also a further area in which the actors can be influential) and a third 'feedback loop' between the realised approach and the intended strategy (views on what has worked and what has not worked, as perceived by the actors). These three mediating levels will be considered in sections 3.2, 3.4 and 3.6 respectively.

It was clear that further research could very usefully consider the mediating level, looking at perceptual filters and the negotiating process. However, discussion of the mediating level in project three was limited to a brief discussion of the factors which may impact the negotiating position of HR. There is considerably more work which could be done to firstly illuminate the factors which may impact the negotiating position of HR (or indeed any of the actors), but project three began to indicate some of the factors which may be important in determining negotiating position (credibility, criticality and sponsorship of the function), as well as the negotiating and influencing skills of the individuals involved.

2.2. Testing the Descriptive Research Model

This linking document has developed the model of HR strategy formulation and implementation a further level, presenting a new descriptive model of HR, seeing it as based in a first order reality of articulated business and HR strategies and directional documents, contextual (including political) drivers and tangible constraints, all of which are interpreted and mediated by the influence of the actors, to a greater or lesser extent.

The overall objective of this study was the development of a model. However, project one started with a different objective: an examination of a distinct type of HR model (the industrial relations centric environment of London Underground), as a challenge to the SHRM model which dominates the literature. The conclusions of project one were that there was a need for a broader, more flexible and more contextually relativistic HR model, which projects two and three then proceeded to build. However, for project one, the model was not developed, therefore this section will return to the raw project one data, retrospectively testing the descriptive research model to see if it has more general applicability. It is important to state that further research to validate the model will be still be required, but reviewing the model against three very different organisational contexts will give some indication of its generalisability .

The following section will attempt to apply the research model to project one, with one caveat: the data pertaining to project one was not collected with this model in mind (as the model evolved through the course of the three projects), therefore the analysis is likely to be incomplete. It will, however, provide an indication of whether the descriptive research model has merit as a generic model of HR and whether further research would be of benefit.

In considering project one's data against the model, 'HR' was defined as the paternalistic employee relations approach represented by participants in the study, as it was consistently referenced through the study, with little evidence of alternate approaches of HR. For project one, HR was conflated with industrial relations.

3. *APPLYING THE MODEL TO PROJECT ONE*

The genesis for project one was a dissatisfaction with the SHRM literature, and its domination by the unitarian positivist model epitomized by the large scale, questionnaire based surveys conducted by Huselid and Ulrich. Project one argued that this model had limited applicability beyond the particular organisational type which hosted the majority of SHRM research, and identified a number of limitations to the SHRM approach, including the exclusion or marginalization of industrial relations. Project one endeavoured to explore the application of HR in a different context: a heavily unionized, traditional public sector organisation.

Project one argued that, whilst the SHRM approach can be used to describe elements of the HR environment which operates in a traditional public sector organisation, it fails to characterise the HR model, and is particularly restricted by its failure to address the challenges of a militant trade union environment and a non-compliant employee population.

The data for project one was coded in three ways: the industrial relations history of LUL, the Darlington factors (influences on trade union militancy) and socially shared discourses. The first exercise is to see how this data compares, or does not compare, to the descriptive research model. Whilst this will not be necessary for projects two and three, where the data was collected with the descriptive research model and theories of contextually based HR explicitly in mind, a reconsideration of project one's data in the light of the interpretative level of the descriptive research model will be necessary.

Where relevant, comparisons will be drawn to projects two and three, indicating similarity or contrast with the project one data.

The five major headings of the model will be used to examine the data in the light of the descriptive research model, rather than the industrial relations centric analysis conducted for project one. Section 3.1. will briefly look at the first order reality, then subsequent sections will move to interpretative level, with section 3.2. examining the mediating level of perceptual filters and negotiating positioning, and 3.3. extrapolating the intended HR strategy. Section 3.4. will consider the second mediating level, between the intended HR strategy and the realised approach, concluding with section 3.5., which will review the realised HR approach, and section 3.6., which will look at the final mediating level, the feedback loop between the realised approach and intended strategy.

3.1. First Order Reality

This linking document will map the factors influencing strategy in LUL against the shortened version of contextually based HR theory used in project three, i.e. it will look at the first order realities of organisational strategy, context and HR functional responsibilities. Whilst concentrating on project one (as this data has not been tested against the model), it will bring in references from project two and project three as appropriate.

An interesting dilemma for this study is that, unlike Thomson Financial in projects two and three, many of the operant conditions in LUL are represented as 'punch-throughs', i.e. first order reality factors which are too impactful to be subject to much negotiation: examples include trade union history and the influence of institutional mechanisms (the media, political influence). However, this raises the question of whether these factors are genuine 'punch-throughs', or whether this is another manifestation of respondents' functional use of language to support their arguments and strengthen their negotiating stance. The existence of socially shared discourses (such as 'rewarding bad behaviour') suggests that there may be a complex relationship between first order reality and its second order representation, and second order representations may, indeed, become first order realities over time, if they evolve into unquestioned organisational 'truths'.

Although, intuitively, some organisations do have 'punch-through' factors which are non-negotiable, not open to formulation and do incontrovertibly influence organisational behaviour (e.g. one could think of organisations with extremely difficult trading conditions, high levels of indebtedness or major infrastructural constraints), this linking document surmises that even the 'punch-through' factors may be open to some interpretation and, indeed, that there may be a discursive 'pay-off' (in terms of, for instance, external attribution of blame or as an explanation for inactivity), which means that representing a factor as a 'punch-through' may be a functional use of language and may, itself, be a formulation and a negotiating gambit.

3.1.1. The Impact of Organisational Strategy

The descriptive research model implies that organisational strategy would not exert as significant an influence on LUL (as a public sector entity) as on a private sector company with its exposure to competitive pressures. This is consistent with Paauwe's model of contextually based HR referenced organisational strategy through competitive mechanisms: what he called the product/market/technology (PMT) dimension. In a public sector organisation, with virtually a monopolistic

position, it was not expected that participants would see competition as a significant contextual influence, which, indeed, appears to be the perception of the respondents.

“... market messages aren’t as strong (in LUL). You know we’re not going to go bust.” [9:1:8]

Considering how people use discourse around organisational strategy functionally, in support of their argument, in this study, the public sector management respondents actually did draw upon a semi-business language, perhaps functionally, to create an alignment to a private sector concept of ‘business’.

“We have to provide services to London and we’re given a certain amount of money to do that. And that money isn’t limitless.” [2:1:4/5]

Public sector organisations have typically been regarded as bastions of long term planning, given their need to demonstrate budgetary accountability to multiple stakeholders. However, in LUL, respondents question both the adequacy and the quality of the planning.

“... one of the challenges we face is that the co(mpany), LUL does not have a robust business plan.” [9:4:10]

There is a sense that the organisation lacks a clear strategy.

“... we still don’t have a business plan which we can’t sit down with the trade unions and say, “look, here’s the situation, this is why we must modernise ... And if we could sit down with all of that ... all this change is manageable, I believe in an acceptable way. If we lay out that picture.” [9:4:11]

“(We need to have) much more of a pre-prepared agenda, around where we want to take the business, and being able to set the agenda ... many of the committees I’ve been involved with ... are essentially reactive ... it’s been a complete nightmare, of sort of scrabbling around saying “what are we gonna do?” [9:1:6/7]

It is interesting, however, that the anticipated strong contrast between the public and private environments did not emerge in this study. Neither project two nor project three suggested that competitive forces were seen as a strong influence on Thomson Financial⁴⁹, despite it being a private sector company. Like LUL, respondents report an absence of strategy in Thomson Financial⁵⁰.

⁴⁹ C.f. GT:10, project 2, section 6.3.1.1., page 310.

⁵⁰ C.f. EH:22, project 2, section 6.1., page 291.

Organisational strategy, thus, appears not to be a 'punch-through' factor for either LUL or Thomson Financial, the inference being that the lack of strong PMT type factors leaves actors free to formulate their own version of the impact of organisational strategy and use the concept in the way which is most functional for them, given the argument they wish to create and support. It also suggests that, for these two organisations, the strategy is not a deterministic influence which will shape and channel the actors' negotiations.

There are two possible explanations for this: either competitive mechanisms are generically not a strong force on the organisational and HR strategies (which seems unlikely), or that TF is a relatively unusual organisation (or that its managers have a relatively unusual perception) in its lack of reference to competitive mechanisms. Further research would be required to explore this area.

3.1.2. The Impact of Context

To look at the model's second element, contextual factors, Paauwe's model again offers a potentially useful categorisation schema. As well as referencing organisational strategy through looking at competitive mechanisms, Paauwe also addressed organisational context, considering two other categories of potentially influential factors: configuration factors (organisation/administration/cultural heritage) and institutional mechanisms (the social/cultural/legal dimension). This section will consider whether these categorisations are useful descriptors for respondents' discourse in this study.

3.1.2.1. *Configuration Factors*

As discussed in project one, there are a number of configuration factors which are cited by respondents as influential, most notably the scale of the LUL organisation and its history. The following quote is representative of discourse around the former topic.

"We've found it very difficult to find mechanisms ... a private sector company would say, 'right, we'll close the doors and we'll do a training day or something like that'. You would actually close the operation down for a day ... Engineering, you can take people off work ... You can't stop the Underground for a day." [9.4:113]

As one might expect in an organisation of such longevity, the organisation's history is, however, cited as the most significant of the configuration factors.

“So here we have a tradition, a history, you know it is rooted, certainly in the 80s, maybe even in the 70s in terms of trade union behaviours. They’ve grown up, they’ve developed, they’ve learnt that these behaviours are well rewarded.” [10.1:26]

“... you have to track this back way into the past ... back in 20 years ago 30 years ago the organisation wasn’t well managed and the management had kind of abdicated really and ... allowed the trade unions to gather and to gather strength ... that sort of built up over years, which is why you just can’t sort of waltz in and say we’ll all be partners now.” [9:1:1]

The project interviews generated a significant amount of discourse on industrial relations history, particularly the role of the Company Plan in building a workable set of employment terms and conditions which allowed the organisation to fulfil its requirements, but at a cost of significant damaged industrial relations. In other words, configuration factors such as organisational history are presented as major contextual influences – largely described as non-negotiable - which shape and constrain the modern day organisation.

Current events are routinely described in terms of their historical basis, adding evidence to the suggestion that second order representations of first order realities can become socially shared, can assume a first order reality, and can indeed take on the discursive status of ‘punch-throughs’.

Projects two and three also indicate that configuration factors are referenced by respondents and are perceived as influential, although the factors themselves differ. Instead of scale and history, entrepreneurial heritage is seen as a crucial influence on Thomson Financial⁵¹.

Configuration factors, consequently, are represented in respondents' discourse in all three projects as factors which influence the organisational – and hence the HR – strategy.

3.1.2.2. *Institutional Mechanisms*

Although configuration factors (especially organisational history) are referenced by respondents in LUL, institutional factors are also cited, suggesting that there is merit to using a contextual diagnostic which, like the Paauwe model on which it is based, includes a consideration of institutional forces as well as competitive mechanisms and configuration factors.

⁵¹ C.f. LJ:13/14 and NB:5, project 2, section 6.3.1.2., page 311 and 312; SV:6, project 3, section 6.2.1.3.2.2., page 430.

The institutional forces which are cited by respondents include political influence and the role of the media.

Political influence is exerted both by the Government:

“ ... governments have all always given us huge support for management’s position and have said there is no prospect of any more money, that’s the final position and they will back us to the hilt, even if there is industrial action and ... of course they have never, never, once stuck to their position ... And that actually just simply blows management’s credibility out of the water.” [9.2:10]

And by the Mayor of London:

“... it’s your call as managing director of a small private company ... whether you wanna take the aggro or not ... you’re not really in that situation where you’ve got Ken (Livingstone) jumping up and down and telling you how to run your business.” [9.1:114]

Like discourses around organisational history, discourses around institutional factors discourse tend to be socially shared, used by trade unionists as well as managers:

“I think that politicians sometimes make short term decisions, which is the long term create bigger problems ... I suspect if Ken Livingstone had his time again, he may not have intervened in the way he did 2 years ago ... the actual ‘sorting’ of the trade union problems have probably been put back 2 years because of him.” [26.1:12-20]

Project one discussed the functionality of this discourse for both groups, in that institutional factors offer an exogenous attribution of blame for managers:

“ ... it was a very difficult period ... TfL and the Mayor and the Evening Standard and the MPs, we knew we were fighting a battle that we could never actually convince people we were gonna do. We thought we were doing the right thing, but we knew we didn’t have the backing. You knew you were a victim.” [9.4:103-105]

And for trade unionists:

“I got frustrated with ... having meeting after meeting where the people I’m meeting – and I can make the decision, I have authority in that meeting – haven’t.” [32.1:122]

There is a discursive ‘pay-off’ associated with the functional use of this repertoire, and this exogenous blame attribution and deflection of criticism is further strengthened by representing this as a ‘punch-through’ factor, which respondents can do little about.

As anticipated, institutional mechanisms are not reported as significant influences on Thomson Financial⁵² (although if one takes Paauwe’s SCL definition of institutional mechanisms, which includes culture, the latter is referenced in Thomson Financial), suggesting that this may be a valid difference between the public and private sectors. Although this seems most likely state of affairs, there is a competing explanation (Thomson Financial is a young organisation, so may not have had the time to build up its institutional influences) which further research would need to explore.

3.1.3. The Impact of HR Functional Responsibilities

There is limited reference to HR functional responsibilities in project one, which is not unexpected, given that the focus of that project was industrial relations rather than HR. However, project one mirrors the discourse in projects two and three, in that functional IR responsibilities (in this case, those of the industrial relations specialist) are seen as demanding a significant amount of the individual’s time, creating a constraint which prevents the development of a more strategic approach.

“(The LUL management) are running a railway business, stations and trains etc., moving millions of people around London, and on the side here I’m running a separate business, a cottage industry which is actually a relationship with the trade union, which in itself sometimes reaches a farce, other times it’s a game, other times it’s deadly serious and damages the other business.” [10:1:8]

Project one also echoes projects two and three in its suggestion that taking care of the functional element is a responsibility which needs to be dealt with, before more strategic thinking is possible. Industrial relations issues are represented as so time consuming and so critical that they prevent more strategic thinking or longer term thinking: in this sense, they operate as punch-through factors which constrain the ability to formulate strategy.

⁵² C.f. project 2, section 6.3.1.3, page 312 on; project 3, section 6.3.1.2., page 466.

“... it’s always been the case of trying to find that time to do [the strategic], isn’t it; that sort of get your head up from the next issue, and the next dispute you have to move on.” [10:1:18]

“[The ex-LUL HR director] I know had almost an issue a day appearing on his desk, a ballot, a business can’t run like that.” [2:1:4]

Project one, thus, concurs with projects two and three⁵³, in that HR functional responsibilities do operate as top level factors which do influence and can constrain HR’s strategy and its ability to be strategic.

3.1.4. The Implications of First Order Reality Factors

In projects two and three, where there is no shared view of the influence of first order reality factors on business and HR strategies, the descriptive model implies that, in the absence of strongly directive first order reality factors, there will be no ‘punch-through’ factors and that the freedom of the actors to determine strategy will be concomitantly wider.

At first sight, LUL, however, appears to have a relatively strong set of first order reality factors (configuration and institutional forces are commonly cited and seen as strong determinants of current policy and practice), some of which may have sufficient impact to be defined as ‘punch-through’ factors. ‘Punch-throughs’ are defined as factors about which respondents articulate a relatively consistent view, and are seen as incontrovertible and deterministic influences on the organisation’s strategy, and which are likely to be discursively represented in socially shared discourses.

However, ‘punch-through’ factors appear not to be as dominant as one would expect: although configuration and institutional mechanisms are described as largely non-negotiable elements with which respondents in the organisation have to deal, there is still a sense that these are being referenced selectively to support the argument the individual is making. Exogenous political influences on the organisation, for instance, appear to exist as a ‘punch through’, in that they are referenced by the majority of respondents, from both the management and the trade union population. However, it is equally clear that these groups are drawing upon the discourse around exogenous political influences functionally, to support the same purpose (diversion of criticism). Other ‘punch-throughs’, such as organisational history, are represented as shared discourses, but they are used to variable ends. This again suggests that even the most significant of first order influences are being constructed in language and are being flexibly deployed by respondents.

⁵³ C.f. BB:14, project 2, section, 6.4.2.1., page 334; RA:5 and KG:5/6, project 3, section 6.2.2.4.1., page 451.

An interesting philosophical question is whether societally shared discourses come to have a first order reality: in LUL, looking at shared discourses around 'rewarding bad behaviour' in reference to the trade unions and the perceptions of the Company Plan, it appears that this can be argued in the affirmative. Although these elements undoubtedly had a second order reality, through a socialisation process, it appears that they are perceived as having a definite first order reality in the respondents' discourse.

All three projects support the contention that, for HR staff, HR functional responsibilities have a powerful first order reality, and a directive influence on HR's ability to develop and negotiate strategy.

The prediction of the descriptive research model, given strong first order reality factors, would be that the actors' "freedom to manoeuvre" would be somewhat constrained. This will be considered in the next section, where the influence of the actors on the mediating level of strategy formulation will be examined.

3.2. Meditating Level 1: Strategy Formulation

The influence of the actors is presented as a significant – if not the most significant – determinant of strategy formulation in both LUL and Thomson Financial, suggesting that this may be one of the most important aspects of the model.

The descriptive research model implies that, if 'punch-through' factors are limited, the influence of the actors on strategy will be proportionately more significant: actors will have more "freedom to manoeuvre".

Applying this to LUL is complex. Respondents present both configuration and institutional factors as 'punch-throughs', but there is clearly a functionality to this form of discourse, in that it explains lack of progress and/or failure to act. There are undoubtedly major first order reality factors which create limitations on the actor's ability to determine strategy in LUL, but there is a sense that these are less significant to the actors than the polarisation of the key negotiating parties: the management and the trade unions, described as being in irreconcilable opposition to each other.

In Thomson Financial, by comparison, despite some references to configuration factors, none of these appear to be regarded as strongly deterministic in respect of business or HR strategy. This leaves the actors with greater "freedom to manoeuvre", and a lack of directional first order reality factors suggests that the political dimension will gain greater eminence in the strategy formulation process.

The most widely referenced influence on strategy formulation in Thomson Financial is that of a fragmented dominant coalition⁵⁴.

Moving away from Paauwe's model, which does not consider the possibility of a fragmented dominant coalition, this section will look at the influence of the actors on strategy formulation. It will look at two elements: the negotiation process (section 3.2.1.) and the positioning and the influence of the actors (section 3.2.2.). It will conclude with sections on the impact of the mediating level on strategy formulation (section 3.2.3.) and the linkages between organisational strategy and intended HR strategy (section 3.2.4.).

3.2.1. The Negotiating Process

Projects two and three advanced the concept that strategy formulation in organisations is incremental⁵⁵. This is also reflected in the discourse in project one.

“... the thing we have got going for us is the good relationships we have with many of the unions, the capability we have coming in ... The willingness to recognise skill sets and work together across the different functions and try to map out a way that will work for us all. Slowly but surely – not withstanding a big bang of some description, which would drive this forward faster, we will just have to be patient, and chip, and chip, and chip.” [2:1:14]

The Thomson Financial projects also postulated that strategy was a negotiated process⁵⁶, a view which is also shared by project one's respondents. Inevitably, in an industrial relations environment, strategy is negotiated between the organisation and the trade unions.

“...the infamous Company Plan ... we sat down, we worked out what our plan was to start sorting the company out, we sat down and at great length, for months, we talked to the trade unions about it.” [9.5:20]

However, there are also negotiations within the non-union actors, most notably the mayor, who is not seen as a positive influence.

“... there was a lot of people in LU who were very very animated by the Mayor's intervention in the dispute last year... the view was that

⁵⁴ C.f. EH:22, project 2, section 6.1., page 291; RA2:8, project 3, section 6.2.2.1, page 434.

⁵⁵ C.f. project 3, section 6.2.1.1.2.

⁵⁶ C.f. EH:22, project 2, section 6.1., page 291.

he set us up. In a way that disabled a proactive, management led drive for change in employee relations, moving forward.” [9.2:80]

As this manager indicates, negotiating skills (and particularly the ability to read the other organisational actors) are particularly critical in the highly politicised environment of LUL and failure to understand the influence of the other actors makes it impossible to be effective in the organisation.

“(The previous HRD) didn’t have the wrong idea, about what he was going, trying to do with the unions. What he didn’t get right ... (was) timing and getting the support and have the political nouse to understand the reasons and the difficulties around that, he just didn’t. And he paid the price for it.” [2:1:4]

In the representation of strategy as incremental, and in the negotiated model of strategy espoused, the data in project one concurs with that in projects two and three, suggesting that this model of strategy formulation has validity.

Models such as Paauwe presume that the organisational actors will come to some shared conclusion about organisational strategy, albeit that this may rapidly be replaced by another iteration. However, the LUL data suggests that competing strategies can exist within the same organisation, and that the negotiation process actually does not necessarily conclude in a universally shared view of the direction the organisation should take. In LUL, there are clearly at least two coherent strategies being articulated by different groups of actors.

In this situation, it becomes perhaps more critical for the actors to privilege their view of events and their view of the correct strategy. This can be seen in the linguistic ploys used by the actors in LUL to convey their view as the ‘correct’ one.

Taking the social constructivist assumption that the organisational actors will create second order realities which have functionality for them, where there is a highly fragmented, or even a diametrically opposed, dominant coalition, it is plausible that, in creating and privileging their own second order realities, they will use arguments around perceptual biases and distortions, political influences and deceptions to debunk other actors’ positions.

The discourse of respondents does indicate that the types of distortion referenced by McKinsey are utilised by respondents, including claims of status quo bias, herding instincts and false consensus⁵⁷. However, predictably, given the existence of competing strategies, most evident of the McKinsey repertoires is the “principal-agent problem” (Lovallo & Sibony, 2006, p22), where individual and organisational

⁵⁷ C.f. project 3, section 6.2.2.4.2.

agendas do not align). This is used extensively by CP in project three⁵⁸ (with, one can surmise, the functionality of privileging his view of events over that of the HRD) and, in project one, also used functionally to discredit the position of the trade unions.

“I think there are agendas being pushed for individual purposes and I sometimes feel like the staff get squeezed out. And I think that’s what goes on, quite a lot, in London Underground. I’m not sure that a lot of the battles are about staff; I think they’re about political positioning and in some ways an excuse for a fight, as it were.” [2:1:24]

“ ... it must add weight to anyone observing this process that the unions are in it for themselves, and there isn’t consideration of the staff.” [2:1:54]

This is given additional emotional weight by the use of the ‘moral high ground’ repertoire.

“ (The unions) they’ve got grapevines and they can also tell lies. There’s no retribution for the yellow peril which is just blatant lies ... And we have to take the high moral ground and tell the truth.” [9.4:121-125]

Moral arguments are heavily used to support the points managers make.

“We have a responsibility to London, we are here to provide a public service, not here to pursue the ends of any individual union, or any individual manager, or director or MD of this organisation. We have to provide services to London and we’re given a certain amount of money to do that. And that money isn’t limitless.” [2.1:86]

This does suggest an interesting interplay between distortions and negotiation: suggesting or implying that there is a distortion in another actor’s representation is a functional use of language which devalues or questions the validity of the other party’s position. It appears that ‘rational’ arguments are routinely supported by a moral, emotional element to reinforce their claim for superiority.

3.2.2. The Influence of the Actors

Projects two and three suggest that contextual factors appear to be less important in Thomson Financial than the actors in the formulation and deployment of HR

⁵⁸ C.f. CP:1 and CP:10, project 3, section 6.2.2.4.2, page 456/7.

strategy, and a number of respondents indicate the powerful influence of the actors⁵⁹. It was surmised that this could arise because of the lack of deterministic contextual factors ('punch-throughs'). The actors, however, are seen as having relatively equal weight in their influence on the strategy, with perhaps at most a skew towards the MD⁶⁰. There is a sense that the actors are working in a co-deterministic way, making an attempt to derive a single strategy (although this, in itself, is obviously a perception and a social construction).

LUL is, however, different. Strategy is not the unitary outcome of a series of negotiations, but is best described as the existence of competing strategies. Whereas the expectation of the actors in Thomson Financial is that one strategy will be derived⁶¹ and the organisation will fall into line behind it, there is no such expectation in LUL, where the conflicting strategy of the trade unions is seen as highly problematic to the management's attempt to pursue their own strategy. This raises interesting questions around competing strategies and the conditions and power dynamics under which one – or more – strategies will co-exist, and the tactics which interest groups will use to position their view of strategy most favourably.

The trade unions are represented as the most influential of the actors in LUL. As the Batstone model predicts, their power base is seen as being based in control over resources (the employees, particularly the train drivers).

"... they have a strong power base in terms of their ability to wield industrial muscle on our services." [10:1:4]

This is enhanced by the criticality of those resources and the limitations on action which the management can take to mitigate the impact of the strike, again as predicted by Batstone.

"Their bargaining power's incredible. And that's the real issue ... because it's a perishable product, you can't reinvent the same journey, the next day. You know, your revenues are getting hit." [10:2:2]

This has similarities to the co-deterministic model of negotiating position and sources of power advanced in project three⁶² (based on credibility, criticality and sponsorship), but Batstone's model is more appropriate to a conflictual environment such as LUL. The trade unions, by any definition of negotiating position, are a formidable negotiating force.

⁵⁹ C.f. SK:1, project 3, section 6.2.2.1, page 431; RA2:8, project 3, section 6.2.2.1, page 433.

⁶⁰ C.f. RA2:8, project 3, section 6.2.2.1, page 434.

⁶¹ C.f. RA:8, project 3, section 6.2.2.4.1., page 454, who clearly feels that she has no permission to challenge the MD and the MD's view.

⁶² C.f. project 3, section 6.2.2.4.1.

This is compounded by the perceived weakness of the other chief negotiating party in LUL, the management. Respondents see management skills and behaviours as impoverished, and as little match for the trade unionists. This 'management incapability' discourse is strongly articulated in company documentation; 'managerial skills and behaviours' is one of the 8 main themes in the Everest report (London Underground Limited, 1996, p6).

"There is evidence of deficiencies in managerial skills and behaviours at all levels. In particular, these appear to be around leadership skills : performance and behavioural management, cause and effect analysis and communication skills appear to be major areas for improvement. These issues seem to form a common thread to all the issues examined. The key to success is considered to lie in addressing these issues as a priority." (London Underground Limited, 1996, p8)

And this argument is also made by one of the managers;

" ... you have to do something that London Underground ... (is) pretty bloody awful at, is you have to develop and train your managers ...Systematically. You have to select them much more carefully than has happened in the past and you have to make sure they have the skills, competencies, whatever word you wanna use, to do the job, and if they don't and they can't perform, you have to get rid of 'em ... selection's weak, training and development's weak, and measurement of performance, and attitude, and behaviour is weak." [9.5:109-117]

The two other actors, the media and the mayor of London, are also offered as potential influencers, but their reference in discourse is as a feature of the environment rather than as active players in the negotiation. As such, they are probably better categorised as environmental influences with a level of first order reality, constructed in the respondents' discourse as a second order reality, although the influence of the mayor, in particular, is commonly represented by respondents as a 'punch-through'.

3.2.3. The Impact of the Mediating Level on Organisational Strategy Formulation

Whereas respondents in project two and three infer the intention to derive a single strategy, management respondents in project one see the outcome of the

imbalance between the actors as, at best, an impasse, where no side is sufficiently dominant to drive negotiations to a conclusion.

“I don’t believe that we can negotiate with that trade union as they are shaped, constituted and as they and as they present themselves now. I don’t think we can ... I find it difficult (to believe) we could turn this around.” [10:1:10]

But the more generally held view is that the situation is favourable to the trade unions.

“... management has traditionally bowed to the pressures on them.” [10:1:3]

However, respondents do offer a counter to this skewed power balance: the fragmentation of the trade unions. Much of the discourse about trade unionism (from both managers and trade unionists) references intransigent inter- and intra-union divides.

“(The RMT and ASLEF are) deliberately blocking each other’s initiatives.” [10:2:5]

“... the national officials ... there’s real aggro. And I’m talking real aggro.” [10:2:1]

The result of this, for respondents, is a poorer negotiating position than would otherwise be the case, and creates a situation which industrial relations staff can exploit.

“ ... the benefit of having a multi-union environment ... we don’t necessarily end up with facing industrial action or difficulties across the piece, with one union, as we have at the moment, for example industrial action by RMT members, but with ASLEF staff in the main trying to get into work, so we are running some services. So there’s an advantage ... you could play one union off against another, pay the peace divided for ASLEF because you’re trying to isolate RMT.” [10:1:2]

This analysis has taken the concept from organisational strategy models (e.g. Paauwe, McKinsey) which make the a priori assumption that negotiation is a co-deterministic process in organisations, the aim of which is to produce a single organisational strategy. However, perhaps a more useful way of viewing the data is to interpret the data with the view that there are multiple, co-existing strategies operating simultaneously in the organisation. Managers in LUL represent the

situation as an impasse because they are unable to make their strategy dominate the organisation, and they are unable to eradicate competing strategies. Their impasse is the existence of an alternative strategy and their inability to move the organisation to a single strategy.

This suggests that organisations may have two (or more) competing and co-existing strategies. This transforms the functionality of the discourse from bolstering one's arguments in support of a largely agreed strategic direction to defending and attempting to privilege one's own world view against a compelling and widely held, but diametrically opposed, alternative. Although views on strategy inevitably differ in private sector organisations, the negotiating process presupposes a desire to move to a single agreed strategic direction. In LUL, the existence of diametrically opposed strategies represents a qualitatively different scenario for respondents, and creates a need to use discourse around strategy to very different ends.

3.2.4. Linkages between Organisational Strategy and Intended HR Strategy

3.2.4.1. Factors Influencing Strategy

The previous sections have looked at some of the influences on strategy cited by respondents. In this, both Thomson Financial and LUL appear to follow the descriptive research model. Organisational strategy is not a significant influence on the direction of either organisation, although the reasons cited for this differ. In Thomson Financial, lack of any strong competitive or contextual drivers allows the actors the maximum freedom to manoeuvre, and a fragmented "dominant coalition" results in a vague organisational strategy which is subject to the vagaries of the CEO's interests and preferences. In LUL, lack of organisational strategy is attributed to inferior planning capability and a lack of competitive drivers, whereas contextual factors (configuration and institutional) are perceived to exert a far greater influence; in some instances, these are represented as 'punch-through' factors.

In LUL, the first order context allows the actors some room to formulate strategy, but the polarised negotiating positions of the actors means that the organisation has at least two co-existing strategies. The management strategy is, at the highest level, to run a railway and provide transportation for people in London, as referenced by this quote.

"(The senior managers) are running a railway business, stations and trains etc., moving millions of people around London." [10:1:8]

A variety of strategies are posited for the trade unions, ranging from survival, increased membership, personal prestige for the union officials to destruction of the capitalist state.

This creates an additional strategy, or strategic necessity for the organisation: the management of industrial relations. Whilst “running a railway” is the overarching strategy, the impact and the complexity of the industrial relations element becomes a critical sub-strategy for the management. Indeed, one could see industrial relations as the only strategy shared by the management and the unions, although the objective is obviously different.

3.2.4.2. *Relationship Between the Organisation and HR*

One of the significant differences between the two organisations is the perceived status of HR. Whereas in Thomson Financial there is considerable antipathy expressed towards HR, from within the profession⁶³, as well as from outside⁶⁴. LUL’s HR (IR) is regarded as central to the organisation’s success.

Given the centrality of IR to the achievement of LUL’s overall goals, the relationship between the organisation and IR (IR being used here as a proxy for HR) is intense. IR’s criticality to the achievement of the organisation’s overall goals ensures its centrality.

As such, the repertoires seen in projects two and three (‘business leads HR’, ‘strategy versus tactics’ and ‘multiple roles’, as well as the ‘super-ordinate role of HR’) do not emerge in project one. One interview does allude to a more sophisticated HR model.

“ ... that’s what we’re trying to do ... can we honestly say hand on heart for our 18 thousand employees that they feel their development paths are clear, that the training that’s available to them to develop their skills and their careers, is clear, that they’re supported, that they feel fairly performance (managed) ... that’s why my passion in HR is getting these fundamental blocks in place, get something in that’s starting to rock and roll, and then we become believable. Become an organisation that actually invests in its people, inspires individuals and they come to work, or just allows people to pitch up, irrespective of how they’re performing.” [2:1:6]

But recognises that this is not achievable in the current environment.

⁶³ C.f. BB:9 and DH:5, project 2, section 6.5, page 337.

⁶⁴ C.f. SK:7, project 3, section 6.3.1.2.2., page 470.

“Lots of organisations are in the 21st, 22nd Century, about these things. We’re still back in the 19th Century. So let’s get everybody up to the 20th Century first, and go directly to the 21st Century where it seems suitable.” [2:1:5]

This lack of a modern approach to HR, coupled with the pervasive influence of the trade unions, conflates the organisation’s HR strategy with the IR strategy, and sets out the need to establish reasonable HR before forward progress is possible on other, perhaps higher order, HR issues. As such, this mirrors the hierarchy between strategy and tactics which emerged as an interpretative repertoire in project three.

3.3. Intended HR Strategy

Despite attempts to retrospectively construct the intended HR strategy in Thomson Financial⁶⁵, it is clear that some respondents do not perceive that there is a strategy⁶⁶. There is no clear theoretical model which would explain the manifestation of HR in Thomson Financial. Whereas the organisation may aspire to a HPWT model⁶⁷, the ‘theory of constraints’ repertoire is heavily drawn upon to indicate that this is an aspiration rather than a reality behind which the organisation is prepared to put resources⁶⁸.

In LUL, the intended HR strategy is, however, easier to reference against existing models. Given the conflation of HR and IR strategy, this section will examine the intended IR strategy in LUL. Project one characterised the HR model operating in LUL as having commonality with the tradition of British pluralistic of employee relations, defined by Fox as follows:

“...the pluralistic British employee relations model which, whilst recognising the legitimacy of trade unions, may find that relationship conflictual.” (Fox, 1973, p196)

Additionally, elements of Guest’s “professional” personnel management, with its concentration on administrative efficiency and cost control, can also be seen in LUL. This can broadly be interpreted as a ‘best fit’ perspective on HR strategy, in which the strategy reflects the actors’ views on the conditions and constraints under which HR at LUL operates.

⁶⁵ Project 3, figure 77, page 480

⁶⁶ C.f. EH: 22 and GT:5, project 2, section 6.2.3., page 305.

⁶⁷ C.f. KBM:2/3, project 3, section 6.3.1.3, page 474.

⁶⁸ C.f. KBM:6, project 3, section 6.3.1.3, page 474.

Using this as a broad description of the IR strategy, the linking document then interpreted project one's data in the light of the descriptive research model. For LUL this suggests that, whilst some powerful configuration and institutional factors guide and constrain the organisation, the major determinant of HR/IR strategy in LUL is the influence of the actors, specifically the conflicting strategies of the unions and the management, and the latter's concomitant requirement to manage the former.

There are a number of articulations of IR strategy in LUL, from the Company Plan.

“ ... when this company did Company Plan ... we spent 2 years with a value analysis team developing proposals, developing where we wanted to be, the structure of the organisation we wanted.” [10:1:16]

“ ... the infamous Company Plan, where we actually removed 6 and a half thousand jobs ...In that we swept away all the agreements of the previous decades, the index alone was an A5 book, quarter of an inch thick, double sided, one line for titles, all this junk that had built up, we threw it in the bin. And we put new framework agreements in place.” [9:4:1]

To the aspirational formulations of the then new IR director.

“... within the strategic plan that we've just driven out, what we've got is the old model of where we are today and where we want to be tomorrow, and some clear blue sky thinking, in there, and it really translates into ... 5 major areas. One is policies, procedures and agreements that we need to pick up with them, another one is pay and performance which has implications for other areas in the business, the other one's training because I'm looking at joint initiatives as a part of it. The other one is trust 'cause I'm trying to build trust and that again is working together, staff engagement looking at a staff engagement policy, trying to build the trust, and that would be looking at things like engagement, getting behind the unions to the employees, there's a number of areas you'd want to have a go at.” [10:2:3/4]

This project has added further evidence to the premise that models of HR do not have to take the form of 'best practice', HPWT models, but are likely to be the outcome of a myriad of external and internal factors, formulations of and responses to these factors, and the ability of the parties to successfully negotiate and gain dominance for their preferred version. Furthermore, this is an ongoing process, where re-formulations and re-negotiations occur on an on-going basis.

3.4. Meditating Level 2: Strategy Implementation

3.4.1. Constraints

This section will reframe the project one data in the light of the 'theory of constraints' developed in projects two⁶⁹ and three⁷⁰. There are similarities between the constraints on strategy implementation articulated in London Underground and in Thomson Financial, namely capability and conflicting organisational priorities. Resistance to change, which appeared only implicitly in projects two and three, emerged as an explicit constraint in project one, reflecting the different challenges posed by the long serving, less compliant employees in LUL.

i) Capability

Whereas Thomson Financial's respondents articulated HR⁷¹ and management capability⁷² as major constraints, in LUL, as already discussed, management capability was seen as the fundamental issue. This was considered in detail in section 6.3.2.2. of project one.

ii) Conflicting Organisational Priorities

Thomson Financial's conflicting organisational priorities repertoire has marked similarities with an LUL repertoire on the challenges of organisational prioritisation and lack of consistency repertoires (considered in section 6.3.2.3. of project one), as the following quote conveys.

"... one of the most successful times I had in managing the Trains Functional Council was when for various reasons I was able to devote a whole day to it, every week ... by and large we were successful, y'know, that period. But if you know the day to day hurly burly doesn't generally allow you to do that. And we've under-invested in my view, in the sort of the support and resource we give to the employee relations." [9:1:2]

This is extended into a full 'consistency' repertoire.

"I certainly do hold up my hands from a management perspective and say ... we haven't laid down a strategy for where we're trying to take the organisation, you know we've been stuck in the PPP debate for 7 years, which actually was always an excuse, for not laying

⁶⁹ C.f. project 2, section 6.4, page 324 on.

⁷⁰ C.f. project 3, section 6.3.1., page 462 on.

⁷¹ C.f. RA2:2 and RA2:3, project 3, section 6.2.4.2.1, page 467.

⁷² C.f. BB:7/8 and EH:5, project 2, section 6.4.1.2., page 327.

down a strategy ... I think from my perspective it's kind of just perpetuating the unhelpful relationship that exists." [9.2:64]

iii) Change Resistance

Change resistance appears only implicitly in the Thomson Financial discourse, but is seen as a major constraint on LUL.

" ... what we tend to forget is the length of time that it takes for people to really believe there is a change, as opposed to being told there's a change ... it's not that you say nothing can happen for then 3 or 5 years, but you say you need to choose a direction and believe in it over the 3 and 5 years, so that it really becomes part of the culture ... we haven't had that sort of continuity of purpose – for recognising ... this is a 5 year programme." [9:1:5/6]

Indeed, vested interests actively preclude the organisation from changing (suggesting McKinsey's status quo bias).

"... there are these Spanish practices and we're identifying them, we know where they are and we just need to move against it. We know we'll have a million reasons as to why people want the status quo." [10:2:10]

This suggests that although this constraint does have a first order reality (it is demonstrated in the "Spanish practices"), its impact may be exacerbated or mitigated by the influence of the actors, depending on their conceptualisation of it and reaction to it.

3.4.2. Influence of the actors

As with the influence of the actors on strategy formulation (linking document, section 3.2.), the influence of the actors is presented as a significant influence on strategy realisation in both LUL and Thomson Financial. The 'theory of constraints' appears to apply equally well to both organisations, suggesting that this is an important part of the model and a possible contribution to knowledge.

As indicated in the previous section on strategy formulation, weak management and the competing strategies of the trade unions are presented as the major constraints on HR/IR strategy in LUL, inferring that strategy implementation is unlikely to be an easy process.

The influence of the actors, generally, is reported as preventing implementation of strategy in LUL. With echoes of the 'strategy versus tactics' repertoire, this respondent indicates how low level trade union activity demands to be dealt with before strategic thinking is possible.

"I definitely need strategic thinking but I need people really that can deal w' the issues at the moment, and I'll free up enough time to take on the strategic issues ... there's a lot of ping pong going on. And I need to think through how I'm gonna do it, 'cause I'm gonna do it. I have to do it." [10:2:5]

"I can well understand in the past people panicking w' ballots and all the rest o' it. You see I've got 4 of them, 3 of them are actually the square root of bugger all ... if you put one down, another one pops up. You solve one another appears." [10:2:6]

Actual implementation of strategy is seen as critically dependent upon the negotiation process, and hence the influence of the actors, as these two subtly different views of the same strategy implementation suggest. Whereas the first respondent describes principled negotiation to the key to a successful implementation.

"... the infamous Company Plan, where we actually removed 6 and a half thousand jobs, with no strikes, not one jot of an industrial relations problem at all. It's because we sat down, we worked out what our plan was to start sorting the company out, we sat down and at great length, for months, we talked to the trade unions about it ... now, that just proved that, if you talked to them as grown ups, and listened to them as grown ups, and negotiated in a fair and honest way, you could get what you need." [9:4:1/2]

The second respondent interprets the same implementation exercise as an imposition, for which the organisation has been paying ever since.

"And after 2 years (of development work on the Company Plan), we would then negotiate this with the trade unions, after 2 years of work. Now we were very very fortunate, 'cause in 1992 – 1993, high unemployment blah blah blah, all the reasons why one could say the trade union strength was not there: we had the high ground and we pushed it through. Or as a person said to me at that time, 'You'll only ever do that once, get away with it once'. And we got away with it or did we? Because the echoes are still there ... The fire never went out." [10:1:16]

This raises an important question for organisations: under what circumstances do competing strategies reconcile? The quote above describes one approach, which is the imposition of the organisational strategy, and the consequences of so doing. This may have greater acceptability in private sector organisations such as Thomson Financial, where there is a presumption of a management team working towards consensus, even if this obfuscates a very politicised decision making process, which may indeed involve the imposition of a preferred view by the powerful on the less powerful. References can be found to this in the “business leads HR” repertoire in projects two and three⁷³.

However, imposition is seen as a cardinal sin in LUL's industrial relations environment.

“... you're faced with a dilemma of do you therefore implement and be accused of imposing, a heinous thing to do with any trade union.”
[10:1:2]

The alternative presented by respondents is that of principled negotiation (probably the best description of strategy formulation in Thomson Financial⁷⁴), which fits with the ‘moral high ground’ repertoire used by LUL managers to privilege their argument. This is also represented by at least one manager as highly successful.

“... perhaps more fundamental than that though was that the adversarial relationships that had built up by the union guys and the management, in this place was because the managers and particularly I'm criticising the top, the directors, didn't understand that if you don't treat people with respect, they won't treat you with respect ... that just proved that, if you talked to them as grown ups, and listened to them as grown ups, and negotiated in a fair and honest way, you could get what you need.” [9:4:1/2]

Although other managers reflect the difficulties in successful principled negotiation, providing a variety of rationales, including organisational history:

“I'm fighting a lot of years' history.” [10:2:4]

Conditioned response:

“... the environment is a difficult one, because the trade unions have seen how militancy, how confrontation, how adversarial behaviour

⁷³ C.f. BB:3/4 and AB:4/5, project 2, section 6.2.2., page 304.

⁷⁴ C.f. BB:4/5, project 2, section 6.3.2.3., page 321.

has actually produced results for their members: good pay, good conditions.” [10:1:2]

Management capability:

“... so selection's weak, training and development's weak, and measurement of performance, and attitude, and behaviour is weak.” [9:4:6]

And adversarial inter-union relations:

“... the national officials ... there's real aggro” [10:2:1]

Despite this, there appears to be a common understanding that imposition is not an option in LUL, apart from in the most extreme first order circumstances, and that principled negotiation is the only alternative. In this, it is not dissimilar to management negotiations in Thomson Financial, where the organisational penalties (attrition, de-motivation, reduced productivity) can also be very high, albeit that the ability of the individual actors to resist an imposition may be very low.

3.4.2. The Linkages Between Intended HR Strategy and the Realised HR Approach

The two proceeding sections identified two elements which mediate between intended HR strategy and the realised HR approach: constraints and the influence of the actors. As in the Thomson Financial studies, a number of constraints (such as capability and conflicting organisational priorities/lack of consistency) are represented as powerful mediating factors in LUL. Discourse around constraints is used functionally in both organisations, as a means of deflecting potential blame.

The actors are presented as a further mediating factor in both organisations, specifically the results of a fragmented dominant coalition in Thomson Financial and the ability of the trade unions and the employees to resist implementation of the management's strategy in LUL. However, the data also suggests a further issue: where competing, un-reconciled strategies exist within an organisation, it creates a situation in which the views of the actors on the best approach to strategy implementation may, in themselves, be contradictory. This creates another problem for conventional models of organisational strategy, and is another potential topic for further research.

3.5. Realised HR Approach

The analysis of the realised HR approach in both organisations is difficult. Whilst there are some definitions of intended HR strategy proffered, they are largely seen as debased in their implementation. This is attributed to the lack of clearly defined strategy in Thomson Financial⁷⁵, and, in LUL, to the influence of the competing strategy of the trade unionists.

“... we put new framework agreements in place, which have since been polluted, and muddled and so forth.” [9:4:1]

“I’m suddenly finding I’m in discussions but we’ve agreed things, but then we realised we shouldn’t have agreed them, and we try to break what we’ve agreed.” [10:2:4]

Given this lack of confidence in the realised approach in both organisations under review, the focus in the analysis on negotiation and the influence of the actors seems appropriate, rather than the implementation of a strategy about which there is little agreement.

This is a potential limitation of the model, in that it suggests that there is a level of hierarchy in the elements of the model, which is not adequately conveyed by the model in the way it is currently depicted. If the intended HR strategy is unclear (be that implicit or explicit), and it is possible for the actors (or a sub-set of the actors) to prevent the strategy from being implemented, the realised HR approach is unlikely to be anything other than confused.

3.6. Meditating Level 3: The Feedback Loop

Echoing the comments made for the realised HR approach, there is almost no evidence for a feedback loop in either organisation. In an environment where there is an articulated or readily discernable intended strategy, the difference between the intended HR strategy and the realised HR approach could be ascertained, and the success (or otherwise) of the actions could be assessed. A feedback loop could then be extremely useful in moderating intended HR strategy on the basis of what has been successful (or otherwise) in practice. However, in an environment where there are conflicting or unclear strategies, it is impossible to use a feedback loop in this way.

⁷⁵ C.f. JR: 16, project 2, section 6.3.2.3., page 321.

As the opposing views in section 3.4.2. (page 566) on the success of LUL's Company Plan shows⁷⁶, respondents can disagree on the success criteria for an activity, and differ in their views on whether a project has been successful or not. As such, the feedback loop is also subject to the perceptions of the respondents and is also likely to be best studied as a social construction, subject to the same political forces and negotiating strategies as other elements of the model.

This paucity of evidence for a feedback loop again suggests there is a degree of hierarchy to the elements in the model. If an organisation does not have a single intended strategy, it is difficult to evaluate the success of the realised approach against it and use that as a feedback loop to inform successive iterations of the intended strategy.

4. A FURTHER EXAMPLE

An interesting adjunct to the analysis of LUL against the descriptive research model is to look at one of the management respondents' discourse about the trade unions. Interestingly, the elements of the descriptive research model are applied to the trade unions by one of the management respondents, his discourse almost directly mirroring the model.

One of the limitations of the descriptive research model is that it fails to recognise that the factors may affect different organisations to differing extents. Where an organisation lacks an element (e.g. competitive mechanisms in a public sector organisation), this will obviously not be reflected in the discourse, but other factors will assume dominance. This means that the model is still valid, but that it should not be assumed that every factor will be represented, nor will they be represented to the same extent in different organisations.

The descriptions given of the LUL organisation show variable evidence for the influence of Paauwe's factors: as anticipated, respondents relied heavily upon configuration and institutional factors in their explanations of the LUL organisation, and made limited reference to competitive mechanisms.

However, when one looks at organisations which have business, configuration and institutional pressures, such as a trade union, it is clear from the discourse that Paauwe's factors have a useful descriptive function for respondents. This respondent's interview can be divided into the categories of the model, i.e. competitive mechanisms, configuration factors, institutional mechanisms and the influence of the dominant coalition. He uses all of the elements of the model to build an explanation of trade union behaviour, firstly drawing upon a competitive mechanisms repertoire.

⁷⁶ Linking Document, section 3.4.2., page 566.

“What I think their aims again in common with lots of unions is to have lots of members ‘cause that means money and industrial strength ... But I think that their aim is really around survival for themselves.” [32:1:1/2]

MSF went through a similar thing well it became MSF when it merged with TAS ... TAS was the old craft union and very militant, lose loads of money, they took on a 17 million pounds worth of debt and they realised that they would go out of business ‘cause the banks were quite close to calling in all the money ... that changed the politics quite significantly, ‘cause they realised they couldn’t survive if they carried on the same way.” [32:1:12]

These competitive mechanisms are represented as a driver for change in trade unionism:

“I think that they’ve (the unions) gotta understand the changing demographic, if that’s the right word, of the workforce ... they’ve gotta make themselves more attractive to younger people who maybe haven’t thought about joining a trade union ... I think that their client base will become smaller.” [32:1:10/11]

But competitive mechanisms, equally, are presented as a limiting factor:

I don’t think they’ve got the imagination or the want to try and find another solution to the situation, if that’s gonna mean that they’re gonna lose quite a lot of members, and as we’ve discussed industrial strength is the key to it all as far as they’re concerned.” [32:1:11]

As are configuration factors, such as ideology and history.

“... the partnership model is much more around working collaboratively ... I think they’ve tried to think much more progressively, in these terms, as if they don’t change with it, they’ll become obsolete ... they just don’t wanna accept that. They’ll hang on to the old industrial muscle.” [32:1:10]

This respondent provides a detailed discussion of the impact of configuration factors to limit change.

“I think the RMT’s aims are very anti-capitalist. I think the RMT’s aims are very much more political and openly political. I think the RMT don’t really care who get’s hurt when they’re fighting that

politically when they're fighting that particular battle. I think that they are they see themselves and have positioned themselves as the last of the old guard trade unions." [32:1:2]

And then looks at institutional mechanisms, particularly citing the influence of the wider political connections on public sector organisations, and trade unions in particular.

"... we know that the RMT recently have had a disagreement with the Labour Party because they don't think the Labour Party are hard line enough in terms of employment legislation ... With the Government, it's become quite adversarial ... Because the Labour Party, the Labour Government is not run by left wing militants ... they don't practice it anymore. So they're not politically aligned with the RMT's ideologies." [32:1:7/8]

Institutional forces which he extends beyond Britain to include Europe.

" ... most of the trade unions I deal with have got much closer relations with European colleagues ... they've now got cuter at using some of the European parliamentary channels available to them to help them to lobby and influence ... unions are taking more of a proactive role in some of that stuff." [32:1:13]

Moving from the first order reality factors, this respondent also makes reference to the influence of the actors. As with other respondents, he sees the trade unions and the management as the major groupings. Looking at the trade unions first, he uses a number of dominant coalition type arguments to explain the unions' current situation, referencing the membership of the dominant coalition within the unions.

"I think (the RMT) it's very much run by – the General Secretary. And that everyone else falls into line with the General Secretary." [32:1:2]

He makes a suggestion in his discourse that trade unions need to change their proposition to be acknowledged as full participants in the dominant coalition, which is illustrated through reference to the European model.

"I know quite a lot of the larger organisations have union members on the Board, to influence in a real way ... instead of rather than fighting from the barricades ... Maybe that allows them to do their job a bit better and they get more forward thinking unions. They are available to influence top management, because RMT particularly, ASLEF, have got a seat on the Board, well because of the

organisations and the individuals involved. But that doesn't necessarily translate itself to TfL ... I've been over to Germany, France and Holland and Sweden, to talk to them about this. Yeah, the unions are less militant but they're more they're up to their eyes in being collaborative." [32:1:13]

For this participant, inter-union conflict means that unions, too, lack clear strategy.

"... in common with lots of other unions, I don't think the TSSA are very good at articulating their aims." [32:1:1]

"... the T&G seem to be in a little bit of disorganisation." [32:1:6]

However, moving on to his discourse around the other major group of actors, the managers, he attributes a potentially more powerful influence to managers than other respondents (perhaps, as a TfL, rather than an LUL, employee, because he feels less need to create a defence against blame than LUL managers).

"... it's the management, they can choose whether they involve the unions or not. That will give them that kind of relevance. But I think they've got to get cuter in terms of being able to provide benefits to a management ... it's finding these kind of areas where they can really make themselves relevant, where they can be a valued member of whatever organisation they happen to be part of, rather than just being seen as a pain in the butt." [32:1:11]

This functional view of why his perception of the managers differs is supported by the fact that he offers the profile of the management population as a limiting factor: new managers do not understand trade union relations, more experienced staff are reluctant to address the issues.

"I think the new breed of management the majority of them don't understand why we pay so much attention to the unions in TfL ... they still find that a struggle. And the concept of having to consult with unions and staff rather than just staff etc. etc. I wouldn't say that they're necessarily anti-union, these people, but I think they feel that there's a layer of bureaucracy in there that may be unnecessary, particularly if the unions start to raise objections to things they had to do, I think some of them would prefer not to do that.

I think that people who have been here longer, and by longer I mean people who've been here 3, 4, 5 years, have got used to the unions being around so there's less of an issue. Don't really know about the staff, I think staff I think most of the staff are neither here nor there I

think that those when the RMT start banging their drum those people the operational people probably think “oh god, here we go again”. I think the management, the LU management their attitude to the unions is that they’re a bit scared of them, and tend to give in and therefore make rods for their own backs.” [32:1:4/5]

The result of the influence of the actors, for this respondent, is not the intractable situation presented by the LUL managers. For him, a lack of coherence and constraints in both groups provides an opportunity to renegotiate union strategy, albeit that this will be a lengthy process.

“It’s not a question of one day chucking everything out and starting again, and then you’ve got more of a collaborative relationship em – I think unions have it within their powers to be a bit more agile around decision making and a bit more agile ... So whilst I say it’s a two way street I think it’s I think that coming from the union side has to be a bit more flexible, the ability to demonstrate that they know how organisations work and that they are able to do things not necessarily everything by committee, so empower some people. That would dispel some of the aggravation felt by management that the whole system is based around bureaucracy and wasting and blocking and such like. So it’s gonna be something that develops over a period of time.” [32:1:5]

This is an interesting interview, in that it suggests that the factors Paauwe uses and the concept of the dominant coalition do have resonance for respondents, and can be used to articulate the context in which a business operates. This is different from the conclusion drawn in projects two and three, suggesting that context may be a variable, important in some organisations and less important in others. This is an important research question which could be explored in further work: in what environments and under what conditions does context become more or less important?

The context for the trade unions is one of intense competitive pressures, a strongly embedded organisational history and culture and strong institutional factors; this means that the actors have less room for manoeuvre. In the case of LUL, configuration and institutional factors are strong, but competitive mechanisms are weak: the actors are potentially more impactful. In Thomson Financial, where the Paauwe factors are seen as limited in their influence, the actors are reported as the major drivers of business and HR strategy. This suggests that, to an extent, there may be ‘first order’ reality to Pauuwe’s factors, in that in organisations without strong competitive, configuration or institutional influences, the actors do have more “room to manoeuvre”, and in consequence, are seen as a more powerful influence.

Alternatively, it may suggest that the negotiation process in professional environments is broadly co-deterministic: respondents are culturally predisposed to come to an agreement about strategy, or at least to present it in a co-deterministic manner. This is functionally supported by a shared 'second order' reality upon which respondents can draw upon to support the explanations they provide. This is in contrast with more conflictual environments, where competing strategies co-exist, and language is used to privilege one's own world view against competing representations of reality. Interestingly, shared second order realities also emerge in the latter scenario, suggesting that there is an innate predisposition for individuals working closely with one another (even in conflicting roles) to build shared views of reality.

This section has potential implications for how strategy is negotiated by practitioners, but does also suggest that the descriptive research model references a number of relatively ubiquitous factors, and, as such, may have use as a generic model of strategy formulation in a variety of organisational contexts.

5. CONCLUSIONS

5.1. Evidence for the Model

This linking document has provided a test of the descriptive research model generated through projects two and three, by using it to revisit and re-analyse the data in project one. Despite limitations in the data (the focus of the initial research was on a different question in a different organisation), it appears that the model can be used to provide a reasonable description of the strategy formulation and implementation process in a very different organisational context to that in which the descriptive research model was generated in projects two and three.

The reinterpretation of project one's data in the light of the descriptive research model has suggested that the model may have generic applicability, in that it appears to be illuminating when considering discourse generated in a public sector organisation as well as the private sector organisation used to generate the model. The application of the model to discourse on trade union organisations in section 4 further bolsters this.

The model provided evidence to substantiate the basic, social constructivist tenet of the research, which regards strategy as an emergent, negotiated and iterative process, fundamentally dependent upon social processes and the influence of the organisational actors. Even in an organisation such as LUL, where one would

anticipate that public accountability would create considerable pressure to develop, document and enact a formal strategic planning process, the image conveyed by respondents is of a much more emergent and less regimented process than would be expected. The linking document supports the conjecture that the first order realities confronted by the organisation do frame the 'freedom to manoeuvre' enjoyed by the actors, but that the most impactful element in strategy formulation is the influence of the actors, their negotiating position and negotiation skills.

This study has raised a number of important issues which would benefit from further research. These include the following:

- The potential of a 'best fit' analysis as a diagnostic
- First order reality factors and 'punch-throughs'
- The relationship between first and second order realities, and whether, via the formation of socially shared discourses, the latter can become the former
- The fundamental role of the actors in strategy formulation and implementation
- The ongoing negotiation, re-negotiation, formulation and re-formulation process which underpins strategy formulation
- The politicisation of the strategy formulation process, and the factors which support or undermine negotiating positions
- The conditions under which competing strategies co-exist
- Unclear strategy and the implications for HR
- Strategy implementation, and the 'theory of constraints'
- The absence of feedback loops and the link to unclear strategy and metrics
- Progressive and defeatist discourses and the potential to use 'new OD' techniques to change mindsets.

Each of these areas of the descriptive research model creates potentially interesting grounds for further research.

There are, however, three aspects in which the model appears problematic.

Firstly, it is clear from the LUL analysis that not all first order categories are represented and those which do appear differ in the extent to which they are perceived as influential. It is apparent that organisations differ in the extent to which the elements of the model will be influential, or perhaps more accurately, are perceived as influential, which accommodates the social processes of concept formation and societal sharing of discourses. The analysis provided by a management respondent of a trade union considers all of the first order reality elements, whereas – predictably – the competitive mechanisms element is less applicable in a public sector company (even though project one respondents do use commercial language in their discourse). This suggests that the model may

be better providing first order reality categorisations for the purposes of guidance (and as diagnostics) rather than strict observance. An interesting topic for further research is the examination of the conditions under which first order reality factors do exert an influence, and under what conditions they become deterministic ('punch-throughs').

This leads to the second limitation of the model: the concept of 'punch-throughs' is somewhat unresolved by this linking document. Organisations also differ in respect of 'punch-throughs': at the extreme, some organisations will be confronted by factors to which they must react. These may be characteristics of that organisation (e.g. outmoded and uncompetitive working agreements), industry wide (e.g. the innate uncompetitiveness of the North American airline industry) or may impact organisations across sectors and geographies (e.g. technology advances rendering previous products redundant, such as DVD technology replacing videotapes). 'Punch-throughs', inevitably, relate to sectors and changes, both economic and otherwise, in those sectors. However, it is clear from project one that they can also be configuration factors: union agreements, organisational heritage, shared views of histories which privilege a particular account of the organisation's evolution.

This study has also indicated, however, that 'punch-throughs' should be regarded with caution. It is extremely powerful, discursively, to represent a factor as a 'punch-through' when a more questioning approach would have cast doubt upon this. This emphasis on the intractable nature of 'punch-throughs' may be further reinforced by the cultural and social pressures which create shared representations of such factors.

The final limitation to the model is the consideration of how competing strategies impact the model. It appears from the LUL case study that realised HR approach and the final mediating level (feedback loops) may not exist in any coherent form unless there is greater reconciliation of competing strategies than is evident in LUL. This suggests a hierarchy of elements which is not conveyed by the current model.

5.2. Implications of the Research

5.2.1. Implications for Organisations

The implications of the linking document's finding for organisations are diverse. Major issues arising out of this study include: the use of the descriptive research model as a diagnostic, an analysis of the influence of the actors on strategy formulation (including a perspective on the functional use of language to make, support and/or privilege arguments), and the gap between strategy formulation

and strategy implementation (and the factors that may mediate between the two). All of these areas have the potential to significantly impact an organisation's performance.

5.2.2. Implications for Practitioners

There are a number of implications for HR practitioners arising from this project: strategy as a process, the changing skill set of HR, insights into strategy implementation (constraints and evaluation of success) and the potential for a new approach to organisational development.

The move from 'strategy as an objective' to 'strategy as a process' has major implications for practitioners. Whilst HR has been concerned with 'best practice' or 'best fit' models of HR, a negotiated, emergent model of strategy suggests that HR practitioners will require a different approach and will play a different organisational role: negotiator, mediator, dispute resolver and potentially organisational conscience.

This has implications for skill set required by HR practitioners. Whereas 'best practice' emphasises a pre-eminent technical expertise, and 'best fit' infers the ability to accurately diagnose business scenarios, understand business drivers and develop HR strategies which dovetail to the business strategy, the emergent and negotiated view of strategy adopted in these projects infers a very different skill set requirement. HR practitioners, in this world, become negotiators, using their technical skills and their knowledge of the business, as well as their insights human behaviour to guide (as well as course correct, as required) the organisation in the strategy formulation and implementation processes. Fulfilling the 'super-ordinate role of HR', they may also be responsible for educating the other organisational actors, or challenging inappropriate, ill-thought through or ill-informed negotiating stances (for instance, McKinsey's deceptions and distortions).

Thirdly, the emergent model of strategy has implications for strategy implementation as well as formulation. The examination of both first order (e.g. resource limitations) and second order (e.g. resistance to change).constraints has implications for practitioners. This study partially elucidates the gap between intended HR strategy and the realised HR approach, but also suggests that an approach to strategy implementation which differentiates between tangible and perceived constraints may have utility. Understanding of real constraints to strategy implementation, likewise, will better position HR practitioners as negotiators for the resources they require to be able to deliver HR strategy.

Fourthly, assuming this model, implementation of strategy becomes a far more fluid and flexible process, and HR practitioners in this environment will have to

develop new ways of evaluating their success: metrics driven assessment, perhaps, rather than the achievement of individual goals which may, by that time, be irrelevant, given constant formulation and re-formulation of strategy.

Related to this, the final set of implications for practitioners are around the potential for new organisational development techniques offered by the social constructivist approach. The paragraph above has indicated that HR may have more discourses which are more functional than the 'theory of constraints'. It is reasonable to suggest that providing alternative discourses to the business may also be useful. Whilst this project made no claim to have implications for agency or for action (it simply looks at the way in which people construct their social realities), it is not unreasonable to suggest that individual's actions are influenced by their belief systems, and that the industrial relations impasse in which LUL finds itself is in part sustained by (or at least is justified by) belief systems which emphasise the constraining influence of the trade unions and organisational history.

One may go further and suggest that the form of HR which is adopted by an organisation may be similarly impacted by the belief systems held by staff, and their perception of external constraints and enablers. This model goes some way to explaining the sustained use of the industrial relations focused model of HR in LUL, whilst the trend in other organizations has been to move away from this model towards SHRM. If staff believe that they are disempowered by institutional forces, they are unlikely to believe they can change or evolve the HR model.

This was referenced in project three as the move to a "new OD" (Marshall & Grant, 2008), based in HR's ability to create and direct organisational meaning. Given that certain conditions are met (for instance, tactical activities are dealt with so that HR people can assume a more strategic role, HR staff are suitably trained and skilled, and they have sufficient credibility to play this organisational role), this has the potential to offer an exciting new role for HR practitioners. HR undoubtedly has the potential to reinforce and communicate organisational meaning, through its influence over compensation, talent and performance management, training and promotion, all of which convey strong messages about what the organisation values and does not value. Taking this one stage further, HR may also be able to help organisations "shift conversations" and develop new perspectives through changing the repertoires, discourses and language used within an organisation.

5.2.3. Implications for Academics

This study has referenced a number of models of HR, looking for discourse which alludes to 'best practice', 'best fit', RBV and institutional theories of SHRM and contextually based HR theory. Although the first of these was found only in two

interviews, there were multiple instances of respondents drawing upon the other four models. However, the implication for academics is that these theories no longer appear adequate, in themselves, to explain the complex and socially driven processes of strategy formulation in organisations, and fail to address the issues of strategy implementation. This study suggested that a new model, incorporating a view of strategy as an ongoing, negotiated, emergent and iterative process, would be more reflective of the way in which strategy actually is derived in organisations. This study has begun to consider models of HR and what it means to be strategic in HR, and how substantially that varies, heavily influenced by the organisational actors, on an individual and a collective basis. This variability in the role of HR and the influence of the actors upon it may be an area of considerable interest to academics and amenable to further research.

The linking document has suggested that the descriptive research model may have some validity as a generic model of HR strategy formulation and implementation. This study allowed the full significance of organisational sector, economic environment and context to be explored, factors which have largely been ignored in mainstream work on SHRM. However, the validity attributed to the model is on the basis of application to only two organisations (albeit radically different ones) and further testing is certainly required before this claim can be made.

Secondly, there are a number of areas in which the model appears to require further research (which are listed in the bulleted list on page 576). The model also requires some modification, specifically, the prescriptive nature of the categories of first order realities as they are currently represented and the issue of the hierarchical, sequential nature of some of the elements). More work on the interactions between intended HR strategy and the realised HR approach would also be useful.

Perhaps most important, are two areas. Further work on how the co-existence of competing strategies in organisations impacts strategy formulation and implementation would be particularly valuable to practitioners as well as academics. Examination of under what conditions those competing strategies co-exist or are reconciled is also of considerable interest, to organisations and practitioners, as well as to academics. Secondly, the potential of using “New OD” techniques to provide new languages and thus influence mindsets is very exciting and is worthy of further consideration in both the academic and practitioner spheres of influence.

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