

# **The Challenge of Contemporary Transformations: Recent Developments in Management, Work and Organisations**

## **Rapporteur's Report on Track 1: Management, Work and Organisations**

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### **Introduction**

For industrial relations researchers and practitioners interested in issues related to management, work and organisation these are indeed challenging times: trends associated with the dominance of neo-liberalism and the ascendancy of workplace managerialism are presently being contested, or at least called into question, by the implications of the Global Financial Crisis; global warming presents massive economic and social challenges for economies, societies, policy makers and organisations around the world; the deepening global recession introduces new (and old) pressures threatening the profitability and very existence of many organisations; globalisation and the internationalisation of capital accumulation continues to reshape and reconfigure the competitive environment for firms and workers; and all of these forces serve to intensify persistent concerns about the nature, character, potential and impact of HRM and employment relations which have long been a central focus for researchers in the field.

It is pleasing to note that many of the plenary and presentation papers in *Track 1: Management, Work and Organisations* seek to engage directly or indirectly with these new challenges and new contexts, despite their relatively recent emergence and their very uncertain course and consequences. The papers in this track undertake analyses of management work and organisation at a number of levels: the macro level of economic transformation associated with, for example, new forms of capital accumulation often referred to as 'financialisation' (Froud et al 2006), as well as ongoing globalisation; the organisational-structural level centred on the nature and implications of new forms of organisation and organisational relationships; the organisational-practice level associated with the nature and impact of HRM and its various manifestations; and of course, the individual level where there continues to be attention directed to the issues of performance, motivation, commitment, control and the organisation of work and its implications for workers.

Given that the present period of dynamism and change in the area of management, work and organisation is largely a product of developments *beyond* the traditional field of institutional industrial relations, rather than as a result of significant recent changes to industrial relations institutions, it is perhaps unsurprising that much of this research is cross-disciplinary. In addition to drawing on established theories and research findings in industrial relations and HRM, these papers typically refer to and draw inspiration from other related fields of research: economics, organisational behaviour and psychology, political economy and sociology. Many of the papers also rely on increasingly sophisticated and carefully developed quantitative methods and, where possible, use national and comparative datasets. The traditional mainstay of much research in the field, the case study method, is also present, however, and continues to show its value especially in some of the more exploratory research showcased in this track.

The plenary and presentation papers in Track 1 can be summarised as falling under a number of general research themes: the impact of new external, macro-level pressures on organisations; the implications of new organisational forms and structural changes; the nature and impact of contemporary HRM; the study of

employee performance, motivation, commitment, satisfaction and productivity; and, recent developments in specific areas of HR policy and practice.

### **The impact of new external, macro-level pressures on organisations**

In an exploratory, but very important paper, *Clark* considers the implications of the rise of financialisation and the Global Financial Crisis for traditional comparative industrial relations through an analysis of the emergence and apparent impact of the Private Equity Business Model (PEBM). He situates the PEBM within the context of understanding contemporary capital accumulation strategies as a form of 'disconnected capitalism' (Thompson 2003) in which the interests of institutional investors and shareholders are effectively disconnected from concerns with customer, employee and state interests thereby marginalising issues related to industrial relations. Clark argues that these developments present major challenges for comparative industrial relations scholars, whose traditional models, based on national business systems and distinct varieties of capitalism, for example, are threatened by the rise of the PEBM. While speculative, the paper also raises questions concerning the implications of the Global Financial Crisis and the associated exposure of the weaknesses of the PEBM.

Another highly innovative paper seeking to engage with new macro pressures on organisations is presented by *Harris and Tregidga* who consider the impact of the environmental sustainability agenda on contemporary organisations. Interestingly, these authors ask what role HR managers have played in relation to the implementation of sustainable development initiatives in New Zealand firms. On the basis of their interviews they find that HR has done relatively little, typically having made only 'minor adjustments to current procedures' contributing to 'an organisational rhetoric of weak sustainability'. The impression given is that HR is largely preoccupied with protecting its own core business and function within firms and has been unable to take a leadership position on sustainability.

### **The implications of new organisational forms and structural changes**

In their plenary paper, *Diefenbach and Sillince* critically consider the proposition that the emergence of new organisational forms such as 'post-modern', 'participative', 'professional' or 'network' organisations has transcended the hierarchical superior/subordinate relationships characteristic of traditional bureaucratic organisations. On the basis of a careful analysis of each of these organisational forms they argue that hierarchical relationships are actually quite flexible and resilient, and appear to persist even in these new organisational forms. This is not to say that there is nothing different about these organisations, rather that the lines of authority, opposition and antagonism between management and labour become less clear and transparent. Contrary to many recent claims, they raise the possibility that 'hierarchy and dominance-free' organisations are either extremely rare or simply non-existent.

Other papers concerned with new organisational forms considered the role of new networked environments, regional initiatives to stimulate workplace innovation, and the use of employment agencies to achieve higher levels of labour flexibility. *Connell and Thorpe*, for example, provide an exploratory assessment of the impact of the Dubai Free Zones established since 1985. These zones have sought to encourage networks of co-located new businesses which can collaborate and share knowledge. On the basis of their case studies of the Dubai Knowledge Village launched in 2003 and the Dubai Internet City established in 2000, they note that collaboration between firms in these zones has in fact been limited. It is apparent that the knowledge-intensive interactions thought to be associated with the creation of a 'positive social

atmosphere' (Persson, Sabanovic and Webster 2007) do not result simply from the attraction and co-location of firms in a cluster. *Alasioni* presents a more optimistic analysis in his study of regional workplace innovation strategies in Finland, Flanders, Ireland and Singapore. While the study does not directly evaluate the achievements of each of these regional initiatives, it suggests that they can stimulate horizontal networking, although, interestingly, levels of worker participation vary dramatically in ways which appear to correspond to the industrial relations traditions of each economy or region. Participation was found to be strong in Finland and Flanders, weaker in Ireland and weakest in Singapore. *Kwon, Cho and Bae* also describe different approaches to workplace innovation, however, in their study, they highlight within-country differences, contrasting two different models of workplace innovation (one based on Japanese lean production, the other on functional flexibility) that they identify in Korean manufacturing.

*Kirkpatrick, De Ruyter, Hoque and Lonsdale* provide a very different analysis of another form of organisational innovation – the use of agency employment. Their study of the NHS in the UK notes how the NHS as a state employer has steadily been moving away from the use of agency workers (mainly nurses). They contrast this with the very different orientation of the UK state to the regulation of employment agency work more generally where neo-liberal policies have continued unabated (McCann 2007).

### **The nature and impact of contemporary HRM**

The impact of HRM on workers has long been a focus for researchers in the field. Several papers in Track 1 shed further light on this enduring topic. In their plenary paper *Geare, Edgar, McAndrew, Harney and Cafferkey* consider employee orientations to HRM on the basis of large-scale employee surveys undertaken in Ireland and New Zealand. They reiterate the claim of others (eg: Marchington and Grugulis 2000) that too much HRM research has neglected to consider the voice of employees. Their study examines the 'general' societal values and beliefs and the 'specific' workplace-related values and beliefs of both workers and managers drawn from a sample of firms in both countries. Returning to Fox's classic unitarist-pluralist ideological typology they find that both managers and workers tend to share relatively pluralist views at the societal level of abstraction, but at the workplace level of abstraction, workers exhibit more pluralist attitudes in contrast to the more unitarist views of managers. They argue that the pluralist values and attitudes of workers (and to a lesser extent) managers contrast with the unitarist assumptions that are at the heart of the HRM project. As a result they suggest that the foundational (unitarist) assumptions of HRM are simply inappropriate and are in need of radical re-evaluation. Interestingly, their results appear to replicate the earlier findings of Ramsay (1975) concerning the clash between managers societal pluralism and workplace unitarism and underline the claim made by many that a structural antagonism between the interests and values of workers and managers persists at the workplace level despite many decades of HRM.

The limitations of the HRM project are given a different but fascinating inflection in the study by *D'Cruz and Noronha* of bullying in Indian call centres. They ask whether having an inclusivist or exclusivist HRM strategic approach (Peetz 2002) makes a difference to the orientation of HR departments to bullying cases. They find that in either case employee victims were left with little alternative but to resign. Even in firms with inclusivist orientations, HR departments were found to typically tacitly support the bullies and failed to handle cases 'impartially and fairly'. For these authors this provides more evidence of the managerialist and unitarist orientation of HRM in practice as well as theory.

Not all papers assessing HRM are so pessimistic. *Marsden and Moriconi's* study of employee absence management policies and practices in a UK firm, for example, demonstrates that better outcomes are possible where firms devote time and resources and combine their absence management policies with health and wellbeing policies. Critical here, though, was what the authors described as the 'give and take' approach of local management in practice that contributed to a focus on 'wellbeing' rather than a culture of 'fear' in the administration of the policies. In another way, the relevance of the 'human factor' also features in the contrast between HR policy and HR practice in the paper by *Dery, Grant and Wiblen*. Their analysis of the implementation of HR Information Systems in large Australian firms demonstrates that, despite the promise of HRIS giving HR extra strategic leverage, in practice, this promise proves difficult to realise. They see a lack of sustained management commitment, an underestimation of the complexity of HRIS and a lack of acceptance amongst managers and employees of the need to manage the 'change process' as critical to this failure.

The plenary paper by *Verna and Gomez* suggests a relatively optimistic assessment of the possibilities for progressive 'pro-employee' HR policies. Their study of employee relations policies, corporate social responsibility policies and the financial performance of the largest private sector Canadian firms suggests that there is considerable variance amongst the pro-employee orientation of firms and that there is some correlation between the existence of pro-employee policies, corporate social responsibility and firm performance.

### **Employee performance, motivation, commitment, satisfaction and productivity**

A relatively large number of papers in this track are devoted to detailed studies of many of the dimensions of employee behaviour at work interpreted from the HR, management and organisational behaviour (OB) perspectives: employee motivation, commitment, satisfaction, happiness and productivity. While these studies are invariably cognisant of these HR and OB literatures, they typically adopt a critical orientation, often questioning earlier studies and assumptions and offering new and more nuanced interpretations of orthodox models.

In a largely theoretical contribution *Kinnie and Swart* seek to further elaborate and develop the model of multiple commitment foci developed by Coyle-Shapiro et al (2006). Kinnie and Swart examine Professional Service Firms (PSFs) and argue that this firm type suggests the need for an analytical framework which identifies four commitment foci (rather than the two – employer and client - identified in earlier research). Their model generates three types of 'commitment tension' in PSFs: first, between organisational commitment and client commitment, second, between organisational commitment and professional commitment and third, between professional commitment and client commitment. Amongst other things, the paper highlights the complexity of the challenges for managers trying to manage these commitment tensions.

Two interesting presentation papers raise the issue of age and its relationship to key employee behaviours in contemporary organisations. *Benson and Brown* tackle the oft-debated question of generational differences at work and examine whether Generation X employees and baby boomers differ in terms of job satisfaction, commitment and willingness to quit. On the basis of a survey of employees at a large Australian public sector organisation the authors found that boomers were significantly more satisfied with their work, had higher organisational commitment and were less likely to quit than 'GenXers'. By contrast, *Backes-Gellner and Veen*

consider the impact of increasing age and age diversity on company performance. Using a large German employee dataset the authors find that increasing average age results in a positive effect on company performance. They also find that while increasing age heterogeneity, on its own, has a negative effect on company productivity, this negative effect is offset by strong heterogeneity benefits in companies engaged in innovative or creative tasks. The same benefits do not accrue, however, to firms undertaking more routine tasks.

Two papers in the track examine different aspects of the relationship between Employee Share Ownership (ESO) plans and productivity. In the first of these papers, *Pendleton and Robinson* question whether the positive effect of ESOs is dependent on employee involvement in company decision-making (the 'complementarity thesis'). Using the British 2004 WERS they find that both ESO and employee involvement have independent positive effects on labour productivity. They conclude that ESOs do not necessarily require high levels of employee involvement and that the supposed 'free-rider' problems often alleged in relation to ESOs without employee involvement have often been overstated. In the second paper, *Sengupta, Pendleton and Whitfield* seek to establish whether the key reason for the positive performance effects of ESOs is because they improve employees' affective commitment to the organisation (the 'golden path' argument) or because they reduce employee turnover (the 'golden handcuffs' argument). Using 1998 WERS data they find that the latter thesis is supported, that ESOs are therefore more likely to generate 'continuance commitment' rather than 'affective commitment', and that the precise type of ESO implemented is also related to effectiveness.

One of the most widely discussed management initiatives of recent decades designed to stimulate improved organisational performance has been High Performance Work Systems (HPWS) (Becker and Huselid 1998). In their plenary paper *Harley, Sargent and Allen* ask whether, despite the reality of the structured antagonism (Edwards 1990) between the interests of workers and management in organisations, it is nevertheless possible for HPWS to deliver contingent benefits to both parties, and if so, under what conditions? Through their modelling, including measures of HPWS, employee work experience, workplace predictability and order, and various control variables and their analysis of data drawn from a survey of nurses in Australia, they argue that HPWS can contribute to improved outcomes for employees by enhancing order and predictability at work. They suggest that this might especially be the case in organisational environments (such as nursing) characterised by a customer-oriented bureaucracy where skilled workers have a high professional service ethic. They speculate that these positive employees outcome might be less likely in more Taylorist work settings subjected to HPWS initiatives.

The contingent nature of HPWS identified by Harley et al is echoed in two other related papers in the track. *Gilman and Raby* compare the introduction of HPWS in small firms in France and the UK, and find that firms in the former tended to take a more strategic and integrated approach focussed on productivity whereas UK firms were more concerned with recruitment and selection and less concerned with employee participation and development. In another interesting contribution *Bergqvist and Stromberg* examine various examples of increasing organisational flexibility and argue that in some instances increasing the control and regulation of employee work can paradoxically serve to increase their sense of security.

Another paper concerned with what might be termed a 'paradox of OB' is that presented by *Barrett, Claydon and Rainnie*. In their theoretical contribution these researchers reconsider the reasons why workers in small businesses routinely report higher levels of job satisfaction, reassessing the conventional explanation that it is

the informality of small business that gives rise to greater worker happiness. The authors make a compelling case to consider two alternative explanations: one based on organisational justice, the other on job embeddedness. Both promise significantly deeper explanations for the dynamics of employee behaviour in small business settings.

### **Recent developments in HR policy, practice and working conditions in new sectors**

Other presentation papers in Track 1 survey recent trends in various areas of HR and organisational practice including: the incidence of incentive pay schemes across different occupational groupings in Spanish manufacturing (*Bayo-Moriones, Galdon-Sanchez and Matinez-de-Moretin*); trends in investment in 'employability' (*Tros and Van Velzen*) and in skill formation systems in Japan and Germany (*Hayashi*); trends in relation to employer participation in employer associations in Europe (*Jensen*). Other papers report on international dimensions of HRM and employment. For example, *Hayden* considers the extent of convergence in HR policy and practice amongst Swedish and Canadian MNEs. In their contribution, *Ghosheh and Messenger* present data on recent trends in offshoring and the global Business Process Outsourcing (BPO) industry.

Relatively few papers in the track focus exclusively on working conditions in specific sectors. One interesting exception is *Knox, Nickson, Warhurst and Dutton's* study of the work of hotel room attendants in the UK and Australia. Their study, including interviews with room attendants, presents a sobering picture of the reality of work in this rarely studied part of the labour market.

One paper focussing on a specific area of HR practice (performance pay) in a specific sector (investment banking) takes on particular significance at a time dominated by the Global Financial Crisis. *Nash's* paper on pay systems in the UK financial services sector concerns an area of HR practice suddenly in critical focus. He seeks to 'unravel the reasons why banks chose remuneration policies that, with the benefit of hindsight, seem highly flawed'. In short, his answer is 'institutional isomorphism' (Di Maggio and Powell 1983): financial market deregulation in the 1980s presented an element of coercive isomorphism, mimetic isomorphism was driven by the increasing dominance of US financial houses in the industry, and the professional identity coherence of 'city bankers' offered an environment conducive to an element of normative isomorphism. It should also be mentioned that they succeeded in getting themselves paid an awful lot of money. Interests, as well as institutional theory, seem relevant to this story.

### **Conclusion**

Overall, the papers in *Track 1: Management, Work and Organisation* present an excellent range of contemporary research in the field. While some engage with pressing and contemporary issues in political economy, globalisation, organisational change and restructuring, others focus on the more persistent issues of HR policy and practice, workers' experience of work, and the determinants of individual and organisational performance. Nevertheless, what unites the vast majority of these contributions is their critical focus and flavour – a quality of scholarship that is surely needed in our field now more than ever.

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