



Leicester Business School
RESEARCH BRIEFING
2012

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INTRODUCTION

This edition of Leicester Business School's annual Research Briefing covering the period 2011/2012 looks in depth at three topics:

- Jonathan Davies, Professor in Critical Policy, unpicks an influential concept in the contemporary theory and practice of public institutions: the idea of 'horizontalism', and its associated mechanism of self-governing networks. These are commonly seen as a crucial tool of political and economic power, and at the same time a mode of organising for those resisting austerity and authoritarian regimes. Davies deploys a 'Gramscian' perspective to argue forcefully that the concept neither describes the world adequately nor provides a suitable blueprint for transforming it.
- At a time of economic austerity and public sector cuts, there has been much pressure for reform and restructuring of public agencies. Bob Carter explores the impact of 'lean' management in HM Revenue and Customs. Despite the claims that lean increases productivity, Carter and his colleagues find little evidence of improved efficiency, and they paint a downbeat picture of a loss of employees' autonomy at work, rising levels of sickness, and an increasing role for supervisors in monitoring and controlling employees.
- Researchers Linda Glover and Peter Butler, together with visiting professor Olga Tregaskis, draw on their large-scale, longitudinal study of a heavy engineering multinational to explore new forms

of workplace partnership and 'high performance' work organization. In contrast to Carter's public sector study, this project found beneficial effects for productivity and workplace safety. Moreover, the management–trade union partnership at the heart of the changes survived the impact of the tough economic climate. Glover and colleagues report on the consequences of new work systems and partnership for the working lives of human resource professionals, and for shop stewards and trade union activists.

There are also shorter items on other current research projects, news items from a range of our research centres and groups, and profiles of two of our doctoral students.

If you are interested in finding out more about any of our featured research, please contact the project teams at the email addresses provided, or email me at the address below. Further information can also be found on our website, dmu.ac.uk/balresearch



Professor Anthony Ferner
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The Department of Accounting and Finance's Dr Victoria Zhou

has been awarded British Prime Minister's Initiative (PM12) funding of £19,897 for a joint research project with a colleague Dr Lixian Jin (from the faculty of HLS). The project is part of the British Council's Connect China-UK Collaborative Partnerships. Undertaken in collaboration with a top 10 Chinese university, Huazhong University of Science and Technology (HUST), the project has also secured support from the East Midlands Development Agency (EMDA). The grant will enable the research team to work with HUST on research into intercultural business communication practices in UK and China-based international companies. The researchers will also design intercultural communication training programmes that, alongside the findings from the research, will be implemented in business-related degrees in British and Chinese universities.

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The Department of Accounting and Finance's Aaron Toogood

has won a research bursary of £2,040 from The Committee for Departments of Accounting and Finance (CDAF) of the British Accounting and Finance Association (BAFA). The bursary was awarded to enable Aaron to conduct research into 'The Impact of the Recent Financial Crisis on Dividend Payout Policy - UK Evidence'.

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In the Department of Politics and Public Policy, Dr George Lambie

secured an ERASMUS award to visit the University of Coimbra in Portugal between 25-29 May 2012, where he worked with Professor Stuart Holland, the main instigator and promoter of Eurobonds, to prepare an article on this topic. Before taking up his position in Coimbra, Professor Holland was a UK MP and Shadow Minister and in Europe worked as adviser to Jacques Delors and several European Prime Ministers. The case for the bonds has been presented in the European Parliament, and was a central topic of discussion at a recent conference held in Rome entitled 'Beyond Austerity: Alternative Policies for Employment and Growth'. Conference delegates included Giuliano Amato, a former Prime Minister of Italy, Joseph Stiglitz, former Chief Economist at the World Bank and Mario Monti the current Prime Minister of Italy.

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UNDERSTANDING THE LIMITS OF 'HORIZONTALISM'

Following Professor David Wilson's contribution to the last Research Briefing outlining some of the changes to local government in the UK, Professor of Critical Policy Studies in Leicester Business School, Jonathan Davies, continues the analysis of change by examining the influence and sustainability of common concepts utilised both in the theory and practice of public institutions.

Every historical period has its master concepts, key principles governing political, economic and social life. In conventional accounts of post-war history we have been through three phases, each inspired by a different way of living and governing: societies of ordered hierarchies, competitive markets and, now, self-governing networks. Like most worldviews, the idea of the 'network society' is complex and contested. But, at its heart lie some simple claims. First, modern societies are too complex, fragmented and disordered for effective command management. Second, and relatedly, universal education enables us to challenge power, undermining traditional commitments to family, faith, flag and fraternity. At the same time, thirdly, the universal welfare state and rising prosperity liberate us from narrow and selfish economic concerns, creating conditions in which a more thoughtful, sociable and trusting personality can flourish. Finally, developments in communications technology – most notably the internet and the mobile phone – provide the infrastructure for savvy, prosperous and sociable people from all walks of life to connect with one another in pursuit of their myriad, ever-changing life-goals.

These basic concepts are the building-blocks of what is often called 'horizontalism'; the belief that we live in a world of networks, that to network is a good thing and that we can only understand the world if we apply network-theoretical concepts. Horizontalism has become hugely influential and its traces are visible in every corner of social life. As Luc Boltanski and Eve Chiapello put it (2005: 138), 'the metaphor of the network has progressively taken responsibility for a new general representation of societies'. Even the natural sciences have taken it up, especially in fields such as neurobiology and complex-systems theory.

The Rise of Horizontalism

Horizontalist ideology began its rise to prominence in the 1960s, when capitalists, riding the wave of the technological revolution, started re-describing their activities in the language of networks. Contemporary capitalism celebrates qualities such as autonomy, spontaneity, multi-tasking, conviviality, team-working, openness to others and sensitivity to difference – all characteristics associated with the good networker. For major international organisations including the World Bank, the IMF, the OECD, the United Nations and European Union, networking has also become one of the cardinal principles of 'good governance'.

Recognizing public disaffection with representative democracy and the 'dead hand' of bureaucracy in public services, governments too have sought to become more flexible and responsive through networking. As David Wilson highlighted in a previous Research

Briefing, the idea of networks has been especially influential in local governance, where officials across much of the world, and not only in democracies, seek to build collaborative institutions; state-civil society partnerships inspired by the idea that on-going direct cooperation with citizens is both more democratic and more efficient than a representative system where councillors or mayors simply receive a mandate (of sorts) every few years and then assume they have sufficient power and legitimacy to govern. Governments today believe they must network with citizens, businesses and civil society groups, if they are to get anything done.

If the network is a crucial medium of political and economic power, it is also the central organising principle for many of those resisting cuts and austerity. Michael Hardt and Antonio Negri (2004) depict a world where networked power, 'Empire', confronts its nemesis in the form of networked resistance, the 'Multitude'. The Economics Editor of BBC Newsnight, Paul Mason (2012), has written movingly and evocatively of how the ideas and technologies of networking inspire and organise protestors, from the scenes in Tahrir Square during the Arab Spring to the anti-capitalist protests of the Occupy Wall Street Movement (OWS). OWS is passionate in its commitment to horizontalism. Its antipathy to hierarchy is certainly well-grounded, deriving from both the experience of neoliberal authoritarianism today and the historical errors of the left: from the lumbering bureaucracies of the Labour Party and trade unions to the unspeakable dictatorships of Stalin and Mao. OWS therefore prides itself on transcending hierarchy, maximising

democratic participation and perhaps even exemplifying or 'prefiguring' the way we might run a post-neoliberal, or even post-capitalist society. For OWS, networking is the most democratic and effective medium of resistance and also the *raison d'être* of a new society transformed from the bottom-up.

The network is thus claimed by natural and social scientists, corporations, governments and citizens, by those wielding power and those opposing them. It is used variously to diagnose, analyse, prescribe and envision the world in the 21st century. In the social sciences, its influence extends throughout the core disciplines of economics, politics, sociology and geography and well beyond. Yet, despite overwhelming consensus about the reality and virtues of the network society, my research has been dedicated to critiquing it and, in essence, trying to prove it wrong. There is now a growing body of academic work coming round to the idea that, despite the immense power of the ideology of networks it neither describes the world adequately, nor serves as a blueprint for transforming it.

Networks or Hierarchies? Or Both?

The starting point for a critique of 'horizontalism' is empirical. On close inspection, institutions and practices commonly described as 'networks' usually involve some hierarchical coordination. In many cases hierarchy dominates, even in the face of a professed commitment to networking. Nowhere is this clearer than in vast universe of participatory institutions inspired by the principles of network governance. My research (e.g. Davies, 2011), and that of others, suggests that wherever they appear in the international governance arena, these institutions are prone to re-creating the hierarchies they were supposed to overcome. The same thing is true in the fields of corporate and civil society governance. In short, the same actors dominate 'networks' and in much the same way that they dominated 'hierarchies'. In local governance, for example, public administrators often seek to silence or otherwise exclude

off-message community activists, who behave 'inappropriately' or dissent from pre-given policy goals and norms. The discourses of network governance are also widely used in higher education. But, critics find it inauthentic, perpetuating 'an illusion of participation that obscures institutionalized power relationships'. The *Time Higher Education Supplement* went further (Mroz, 2010), arguing that the British university system is engulfed by 'hyper-bureaucracy', a 'nightmare' of rankings, managerialism and audit overload.

The same challenge has been put to the OWS movement by sympathetic activists and critics, who argue that the horizontalist culture and its refusal of 'leadership' undermine transparency and democracy. Like it or not hierarchy persists in OWS, sometimes subtly, sometimes not. Failure to acknowledge this is to give up on democratic accountability. Moreover, despite claims to the contrary among network theorists, the extent to which networked resistance can overcome hierarchical power is debatable. Despite the heroism of the Arab Spring, OWS and other movements against austerity, capitalist elites and neoliberal ideologues, while certainly rattled, have retained or even enhanced their grip on power. Colin Crouch (2011) calls this phenomenon 'The Strange Non-Death of Neoliberalism'.

In short, wherever claims for the novelty or redemptive potential of networks are made a counter-argument seems to arise suggesting that they exaggerate or misrepresent social trends. Some academics, who were once part of the networks movement, now recognize this, conceding that it has not lived up to extravagant claims for a world transformed. How, then, might we explain this apparent asymmetry between the visionary ideals of the network society and the banal realities of intractable hierarchy?

A Marxist-Gramscian Perspective on Horizontalism

Perhaps the most provocative answer is to blame post-structuralism. Because it maintains there is no reality

independent of our ideas about it (or at least no reality we can grasp), post-structuralism tends to shun questions about the relationship between ideas and discourses on the one hand and social and natural structures on the other. If network society discourses dominate, as they do, their provenance cannot be questioned because discourse itself is the only means of evaluating them. Critical realists, on the other hand, argue that social structures do exist beyond discourse and that their nature can be grasped through empirical inquiry. From a critical realist perspective, the underlying reason for the persistence of hierarchies is that the conditions of their abolition do not exist: neither in the realm of power, nor in the domain of resistance. Why should this be?

Karl Marx saw the hierarchical relationship between state and civil society as one of the most striking features of capitalism. He wrote (1871): "The centralized state machinery ... entoids (inmeshes) the living civil society like a boa constrictor". Marx's insights were further developed by the Italian Marxist Antonio Gramsci (1971) in his theories of 'hegemony' and the 'integral state'. According to Gramsci, the ruling class of capitalists and state managers uses the governing apparatus to try and cultivate 'hegemony' in civil society, meaning widespread social assent for its ideas and activities. To the extent that hegemony is maintained, the state can govern at a distance using light-touch techniques like networking. However, like Marx, Gramsci saw that capitalist societies are inherently unstable and prone to ever-deeper and more contagious crises. This instability means that capitalism needs a strong state capable of exercising coercive power over unruly citizens to maintain social order. Social consensus (hegemony) is difficult to sustain and however sincerely politicians might want to govern with a light touch, such as through networks, they cannot do it. Slashing public services to deal with an economic crisis does not mean the state simply disappears; rather, it tends to become more authoritarian, as we have seen throughout Europe during the present crisis. Markets have to be regulated and contracts enforced. The

iniquitous and polarizing outcomes of economic competition have to be managed too. Government has to intervene to maintain social stability and order. Pickets and rioters have to be policed and imprisoned. OWS camps have to be removed and order restored. The mortgage companies must be paid, defaulters evicted. Put simply, swingeing cuts today bring the coercive 'strong state' to the fore and render the 'network society' utopian.

Gramsci's concept of the integral state therefore explains how states are compelled to apply 'consensual' and 'coercive' governing techniques simultaneously and why the celebrated shift from hierarchies to networks has not occurred. From this perspective, the ideology of networks can be seen as the vague premonition of a possible post-capitalist society, mistaken for reality. Some critics call this tendency to make extravagant claims about social transformation 'epochalism'. It is belied by serious empirical investigation into real-world governing practices.

Researching the 'Governance Genome'

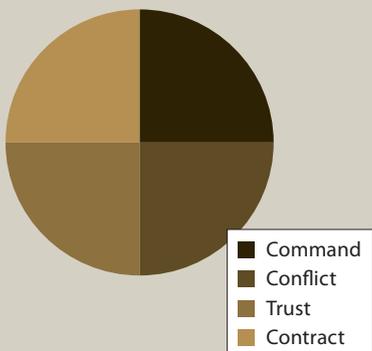
The implications of this perspective for governance research are considerable. On the one hand, it suggests that most or even all governing institutions are likely to embody multiple modes of coordination. That is, they are simultaneously hierarchy, market and network, not one thing or the other. On the other hand, it encourages us to abandon simplistic formulae associated with network theories: hierarchy = command, market = competition, network = trust. As forensic empirical analyses have demonstrated, it is far more complicated than that. Markets can be based on command, networks on competition and hierarchies on trust. There is no linear or necessary relationship between coordinating mechanism, actor motivation/disposition and institutional form. By incautiously raiding the vocabulary of biological science it is possible to re-imagine governance as a 'genome' consisting in a variety of coordination

mechanisms and subsisting in numerous configurations, with many possible outcomes. But, hierarchy is integral to each. Figure 1 illustrates possible varieties of the 'governance genome'.

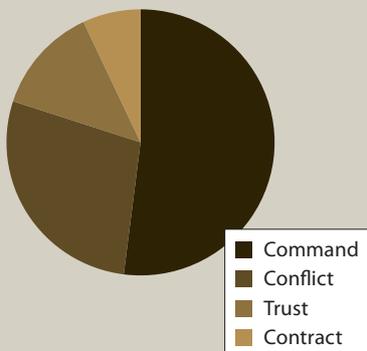
My research suggests that we are less in an era of network governance than of contested hierarchical governance. To paraphrase Giovanni Arrighi (2005), we are moving from a period of limited hegemony to one of domination without hegemony, alongside and in response to growing resistance. However, this perspective is open to debate and the research challenge from a critical realist perspective is not simply to categorise, but also to explain different configurations of hierarchy, market and network and, crucially, grasp the direction of travel.

Why might governance be becoming more hierarchical? Where is it becoming more networked, if anywhere? What are the conditions in which particular configurations,

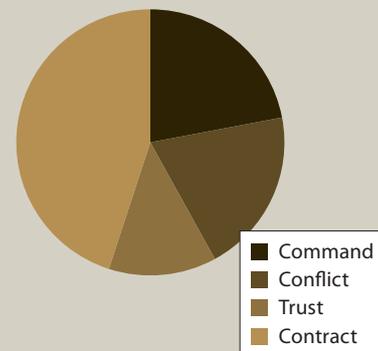
The Governance 'Genome'



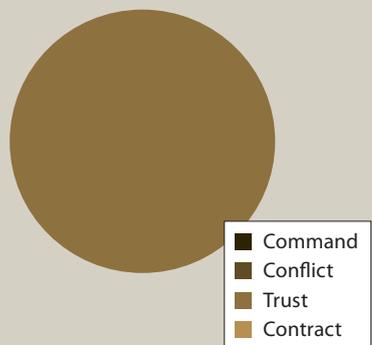
Government Department



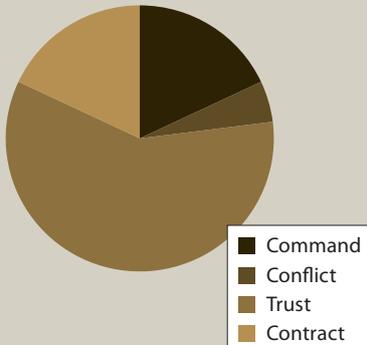
Corporation



Governance Network - Ideal Type



OWS



Governance Network - Real World

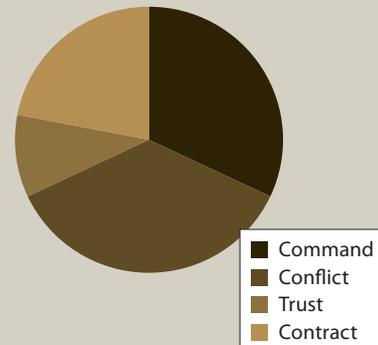


Figure 1: Schematic Configurations of the Governance Genome

including more networked forms, are most likely to flourish? Perhaps most importantly, in what ways is the 'governance genome' evolving in a period of deep crisis and harsh austerity and how does it vary from city-to-city and country-to-country?

For the resistance to neoliberal 'governance', and particularly the horizontalist resistance, the question is whether the movement can embrace the reality and necessity of hierarchy. This is not a counsel of despair. Hierarchy must not be conflated with domination by others. It is also inherent in the self-discipline that makes solidarity effective. At its simplest, 'hierarchy' refers to the ordering of priorities fundamental to democratic rule. If we hold a democratic debate about priorities, agree them, and mandate leaders accordingly, we have established a hierarchy. If we honour those priorities, and not others, we have subordinated ourselves voluntarily to hierarchical rule for the common good. Arguably, the greatest weakness of the horizontalist movement is what many regard as its greatest strength; the lack of cohesion and organisational unity in pursuit of clear goals. Further progress in 2012 and beyond may depend on the capacity of the movement to combine its undoubted flair for networking with the discipline of a democratically agreed hierarchy of goals, strategies and tactics. Defeating an integral state will surely require an integral resistance.

These questions, and others, were part of the discussion at the second Critical Governance Conference at the University of Warwick from 10th -12th December this year. See <http://go.warwick.ac.uk/orthodoxies>. Please email critical.governanceconf@wbs.ac.uk for further information. Colleagues and students are very welcome to join the Critical Governance listserv at <https://www.jiscmail.ac.uk/CRITICAL-GOVERNANCE-STUDIES>.

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One consequence of economic austerity has been ongoing cuts in the funding of public services, together with the insistence that front line services must be maintained. This latter injunction has put pressure on service providers to find innovative strategies to save money and with no loss of provision. One measure that claims to resolve the difficulties faced is attracting increasing interest - the adoption of Lean (Radnor and Broaden 2008) – and no more so than in the Civil Service and particularly HM Revenue and Customs (HMRC). A team, comprising **Professor Bob Carter at Leicester Business School** and colleagues in other Business Schools (Professor Phil Taylor, Strathclyde, Professor Debra Howcroft, Manchester, Professor Andy Danford, Bristol, Dr Helen Richardson, Salford and Dr Andrew Smith, Bradford), have completed research into the implementation of Lean which calls in to question the claims of its proponents.

The central idea of Lean, derived from Toyota and popularized by Womack et al (1990), is the elimination of waste whether it be of space, time, materials or human effort through inefficient practices. Proponents claim that it provides more interesting and challenging work and is not about cutting jobs. However, with HMRC on schedule to have shed over 30,000 workers by 2014, and stating that Lean could produce 30% efficiency savings, these claims perhaps ignore the real context and effects of implementation. Some results of implementation of Lean at HMRC have been subject to employer commissioned research (Radnor and Bucci 2007) and promulgated at numerous conferences. What has been lacking is any reflection of the affect on employee experience, an absence that the research below carried out from 2008-11 tried to fill. The research covered 6 major processing sites involving 36 interviews (with managers and local trade union representatives and national lay officials) and an 11-page survey distributed to 15 % of the workforce at each site (1650 in all) resulting in a response rate of 51 % (840 returns). The results were analysed via the SPSS software package.

A number of issues were identified and are outlined below: the degradation of work, the increase in employee stress and sickness, and the changing role of front line managers. Other findings, not reported here, describe deterioration in public service and the relative ineffectiveness of union opposition to change. Because of the scope of issues arising, descriptions are general and summary: full details all of the findings can be found in the listed publications.

Culture change in HMRC

HMRC was formed in 2005 by the merger of the Inland Revenue and Customs and Excise. Bringing these departments and 90,000 employees together provided further impetus to make organizational and personnel changes in line with both the growing influence of what has become known as New Public Management and the Gershon Report (2004) on the imperative of efficiency savings. The first chief executive, David Varney, recruited from the private sector, set about radically changing the organizational culture. One national lay-officer summed up the impacts of reorganization:

- The old Inland Revenue regional management structure was abolished overnight . . . There was the cultural shock that for the first time ever we had a non-career civil servant in charge. Regions were abolished - we ended up with 37 separate business streams. He brought in far more outside consultants, outsiders onto the management board, he deliberately put managers from within the business in charge of things that they didn't have any empathy or sympathy with.

One of the consultants, McKinsey, was charged with the design and implementation of Lean processes at HMRC's Lothians offices in Scotland with a view to extending it throughout all HMRC offices.

The degradation of work

In planning the Lean reorganization of production the consultants utilized workstudy techniques associated with

'scientific management' or Taylorism (see Braverman 1975). Detailed time and motion studies were used to codify tasks into standard operating procedures, allowing individual and team targets to be set. As a consequence workers lost a great deal of autonomy and control over their work. The earlier establishment of contact (call) centres had already taken away the need to deal with routine enquiries, now work was further simplified, standardized and fragmented, with tax returns, for instance, no longer being the responsibility of a single officer. Instead of whole-case working, parts were completed and passed to someone responsible for the next element in a fictive producer/customer relationship. The results on workers were profound:

I used to have great pride in the job. I was very good at it, very experienced and enjoyed helping trainees . . . Now I feel like a cog in a machine. The standard of work at HMRC is now desperately poor. (Administrative Officer, Site A).

Workers were particularly upset by hourly targets that they considered arbitrary, as the mix of work meant that in practice there was wide variance in its complexity and completion time. Moreover, hanging over them was the threat of disciplinary procedures for failing to achieve them. The use of white boards to display hourly outputs added insult to injury. Contrary to some claims about Lean, job quality was lowered. Over three-quarters of staff felt that prior to Lean, they set their own pace of work, decided when to take a break and planned how they carried out their work either 'quite a lot' or 'a great deal'. The post-Lean experience was a mirror image of this. Other indicators of job discretion also declined. For instance, a substantial proportion of staff felt that their ability to control their working hours had declined after Lean's introduction while the monotony of work increased, and the capacity of staff to use their own personal judgement and initiative decreased significantly.

While work was simplified the targets increased its intensity. When asked

to compare the extent to which they felt pressurised as a result of work patterns before and after Lean, just 1% of respondents indicated 'very pressurised' before whereas 63 % felt 'very pressurised' after. Over 80 % of staff felt that the volume, pace, intensity and pressure of work had all increased. Large proportions indicated that these had increased a lot. At the same time, individual control over work (which includes the ability to counter those factors that can contribute to work intensity) had decreased—78 % of staff indicated that this had decreased a lot.

Sickness at work

Most studies of health and safety at work tend to concentrate on manual workers in manufacturing but there is ample evidence that the social relations at work affect white-collar workers in the same way and that the intensification of work has a deleterious affect. The technology at work, work organization and the environment can individually and collectively cause serious damage from repetitive strain injuries to severe stress. Earlier claims that Lean breaks from Taylorism and provides more challenging and satisfying work (Womack et al. 1990) have been challenged by amongst others Lewchuk and Robertson (1997) and the results here similarly show a sustained impact on employees' health.

Two notable findings emerge regarding self-reported symptoms/complaints. First, there is the marked increase in the frequency with which administrative grades and front-line managers reported symptoms (including mental fatigue, physical tiredness, stiff shoulders and necks and backaches) following Lean's introduction. The pre-and post- contrast is most notable amongst those experiencing symptoms/complaints either daily or several times a week. Secondly, greater proportions of administrative grades experience symptoms/complaints than do supervisors. Findings also highlight some distinctiveness in women's experience in HMRC. Controlling for grade, women were more likely than men to report symptoms/complaints daily/several times a week. Moreover,

in the context of increased disciplinary and absence management procedures women were more likely to attend when unwell: 9.4% of women came to work unwell daily/several times a week, and only 2.6% 'never' came to work unwell compared to 8.2% of men.

The changing role of front-line managers (FLMs)

Changes to the organization of production had a significant affect on the work of FLMs. The introduction of Lean into HMRC, alongside ICT developments, was part of a long process of reformulating both accountability and the nature of work, moving HMRC closer to a culture of command and control. Several related changes in the work and orientation of FLMs were symptomatic of this process: the loss of roles associated with knowledge of tax issues, reflecting their transition from experts and managers to a narrower focus on statistics gathering and monitoring; increased friction with employees; the attempts by some FLMs to maintain discretion and older traditions of work; and the effect of changes on FLMs' trade union orientation.

From expertise and management to statistics and control

Traditionally, FLMs were experienced employees who had expertise in the substantive issues concerning taxation. They conceived themselves as managers, confident of their abilities, exercising discretion, having a degree of autonomy, and taking pride in their work and performance. Knowledge of individuals in their sections was important to them, allowing them to utilise different aptitudes. Before Lean, supporting staff was a key aspect with time spent 'coaching, assisting staff, actually dealing with work issues, staff issues, and being what's classed as an old fashioned manager' (FLM Site 1). In contrast, under Lean, their work was dominated by the hourly collection and collation of output statistics that were then displayed on whiteboards and then reported to more senior managers. As a consequence, they have substantially less control over

their work as measured by perceived power to decide the pace and planning their work, when to take breaks and so on. Moreover, the gathering and collating information, and producing large volumes of statistics, enabled the monitoring of the performance of their teams but also the effectiveness of their own managerial performance. The system of collecting hourly output statistics, for instance, was designed to tighten the demands on FLMs to pressure employees to raise productivity. Notwithstanding that targets were frequently unachievable, FLMs were expected to ensure that they were met, and failure resulted in pressure on them that they in turn were expected to transfer to their team.

Increased friction with employees

Monitoring by supervisors was a significant cause of much higher rates of disciplinary action instigated by Early Management Action against individuals over issues such as performance, working patterns and attendance. Despite negotiated flexible working arrangements, for instance, at site level HMRC were attempting to curtail them as incompatible with Lean working. Increasingly punitive action is also being taken over sickness and absence. Managers' discretion had been removed not so much by changes to the content of rules (although were drastically tightened in 2011), but in senior management's insistence that FLMs responded in a standardised way when absences reached a particular number.

Resisting reforms and maintaining traditions

Managers' judgement . . . is something that doesn't really exist any more . . . they want you to be exactly the same as the next person in the next city in the next county as if everybody is managed exactly the same (FLM Site 2).

The same standard operating procedures that governed tax handling under Lean were applied to the supervision of tax labour. FLMs found themselves unable to influence implementation and to address

problems within the workforce. FLMs indicated that Lean had made their jobs less interesting and managers had reduced their ability to manage with discretion.

Experienced FLMs found some of the demands on the workforce incomprehensible. Demanding standardized output figures, for instance, when there are seasonal variations in the types and complexities of work. In their eyes they were confronted by more senior staff that no longer understood the work. Certainly, many of the older FLMs were unhappy with the changes but resistance was never organized. Nevertheless, resistant attitudes have not gone unnoticed by senior management and FLMs were themselves open to disciplinary action for poor performance if they stepped too far out of line. By insisting on FLM action against staff, there has been a conscious attempt to break the ties between FLMs and lower grade employees.

Collective resistance was also undermined by the changing nature of those promoted to FLM. A large number of vacancies had arisen as a result of many opting to take early retirement in part at what they conceived as the deteriorating quality of their jobs under Lean. Their replacements were very different. At all sites, interviewees remarked on the changing demographic of FLMs: 'They've come from Customs, they've come from Tax Credits, they've never done the job, they've never read a technical memo' (FLM Site 6). Internal recruitment within tax processing had also changed. Young staff were promoted whose only qualifications were perceived to be enthusiasm for Lean initiatives.

FLMs, the labour process and trade unionism

The attitudes of newly appointed FLMs were very different from many of the older ones who were much more sympathetic to the trade union and in some instances were former or practicing representatives. The fact that training of new managers is minimal colours relations with both those they

supervise and their superiors. Their lack of substantive knowledge of the work being supervised placed managers in an invidious position. Lacking confidence, more FLMs were reduced to invoking, and mechanically following, procedures even where they were inappropriate. The resulting hostility and lack of support from their teams, in turn, increased some FLMs' reliance on the delegated authority from higher management, and as a consequence, in one manager's judgement 'They just do as they're told' (FLM Site 6). Nor did these developments pass unnoticed by the wider workforce that at separate sites caricatured managers as 'Lean zealots' and 'Lean robots'. FLMs work has effectively been deskilled but at the same time their roles have been tied more closely to the objectives of senior management.

Summary

Despite the continuing extension of lean to all business streams of HMRC and other sections of the Civil Service there is little evidence that the efficiency of customer service has improved, or that employee satisfaction and morale are higher. What the implementation of Lean has left in its wake is an embittered workforce, subject to higher levels of stress and ill-health under a more authoritarian workplace regime.

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Further reading

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Carter, B., Danford, A., Howcroft, D., Richardson, H., Smith, A. and Taylor P. (2011) 'All they lack is a chain': Lean and the New Performance Management in the British Civil Service, *New Technology, Work and Employment*, 26(2): 83-97

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PARTNERSHIP IN THE HEAVY ENGINEERING SECTOR

Within the field of human resource management the related topics of partnership working and high performance work systems (HPWS) have received considerable academic and practitioner attention. Standard definitions of partnership cite consensual managerial-labour relations and a commitment to mutual gains, as core principles. Given the history of fractious managerial-trade union relations within the UK, this is an important area of study; one that has attracted significant public policy funding. HPWS are typically regarded as comprising three basic components: opportunities for employee participation in decisions, training and selection policies that guarantee a skilled workforce and appropriate incentives (Appelbaum 2000). This 'bundling' of practices purportedly creates the climate for increases in discretionary effort and hence productivity. Given the current emphasis on boosting productivity in 'UK PLC' compared with its major international competitors this is a fertile, dynamic and crucially important field of study.

Researchers from Leicester Business School, **Dr Linda Glover** and **Dr Peter Butler** working with **Professor Olga Tregaskis** (University of East Anglia), are contributing important data to this vibrant area based upon research undertaken in a blue chip, heavy engineering organization. The study company is a subsidiary of a major multinational company employing 84,000 workers across five countries worldwide. This is an ideal research location — reflecting much of the wider UK manufacturing sector.

Performance at the study site has historically been poor when compared to comparable overseas facilities. Indeed, at the onset of research there was a belief that the plant was at a critical juncture with downsizing and even closure distinct possibilities.

Longitudinal research has been tracking the organizational outcomes of a change management programme that sought to utilize both partnership working and the use of HPWS to reinvigorate company fortunes. The overall aim was to 'unfreeze, change and refreeze' behaviour to achieve a performance more conducive to a competitive, quality-focused business strategy. The research commenced in 2006 and to date has involved in excess of 200 interviews with managers and employees at all levels, including trade union representatives. An additional feature of the research is an ongoing employee survey. Together these techniques have provided invaluable data, allowing the senior managerial team to track the effect of the cultural change programme, the potential barriers to success and the degree of employee 'buy-in'. Here we report briefly on some recently published findings.

The Productivity Challenge - High performance work practices (HPWP) and firm performance

There is accumulating evidence that the adoption of HPWP is related to organizational performance. This evidence base is however limited insofar that it relies generally on retrospective data. This component

of the Leicester Business School study made use of longitudinal data derived from managers, employees and unions. The results indicated that the implementation of a HPWP intervention was associated with sustained and beneficial changes in productivity. Importantly, and in contradistinction to much extant sociologically based research, the study indicated the positive effects of HPWP for productivity need not come at the expense of safety for workers. We certainly found some evidence of work intensification, but overall the higher internal validity of this study showing the beneficial effects for both productivity and safety, weaken arguments based on survey data that HPWP are necessarily associated with an increase in work intensification. This is a significant breakthrough as it indicates such managerial techniques can give rise to positive sum outcomes that benefit all parties. Tentatively, we may suggest that following the introduction of HPWS, improvements in working conditions are followed by improvements in motivation, which lead to enhanced skill use and productivity, and skill use then leads to dissemination of knowledge. Enhanced skill use and dissemination of knowledge specifically concerning an organisation's operations may be processes by which firms generate inimitable knowledge resources and innovations. The data suggest that contextual variables, including how management-union relations are handled, represent supportive conditions. As such there are evident synergies to be derived from combining HPWS with workplace partnership. This is a noteworthy finding given the public policy support for partnership that emerged during New Labour's term in office. The Partnership Fund,

for example, was particularly influential in showcasing a burgeoning number of partnership agreements, many of which were to be found in organizations undergoing substantial restructuring. The research hence suggests such highly targeted public funding may yield tangible returns.

Further reading

Tregaskis O, Daniels, K., Glover, L., Butler, P., Meyer, M. (2012) High Performance Work Practices and Firm Performance: A Longitudinal Case Study, *British Journal of Management*, 20 January

'When the going gets tough': The implications of the economic downturn for management-trade union cooperation

It has long been accepted by academic commentators that workplace partnership may not be compatible with neo-liberal systems of corporate governance i.e. those that operate in countries such as the UK, Ireland and USA. Thus, the German academic Wolfgang Streeck (2008) has argued that short-term economic contingencies typically create temptations for employers to defect from long-term beneficial arrangements in such settings. An important issue at both public policy and organisational level concerns whether partnership working is sustainable in the UK during difficult economic times. Under the normal course of events it might reasonably be expected that retrenchment would trigger reactive managerial responses including labour shedding through redundancies — a scenario likely to undermine the trust regarded as essential to the development of workplace collaboration.

The Leicester Business School research is ideally positioned to explore this issue as the field work spanned the period of the last recession, 2008-9. Indeed, within the study organisation customer demand fell by some 40% during the 'credit crunch'. Notwithstanding the challenging economic times, management-trade

union partnership survived and today the plant actually has a stronger footing within the wider group. The data suggest the fusing of factors pertaining to union power and business strategy exerted a significant influence on the resilience of management-trade union cooperation. An important bulwark was provided by the presence of strong trade unions – during the recession managers had one eye on the recovery of business confidence and there was an acceptance that ongoing union cooperation would be required if the plant was to obtain the world class standards of productivity and quality necessary to reap the benefits of an economic upturn. Over and above such concerns, the managerial desire to avoid redundancies was born of a wish to retain the key skills necessary for the anticipated upsurge once demand increased. Hence, a business strategy focused on sources of competitiveness such as quality, innovation and service was crucial, as was the development of trust. While research exists exploring the links between partnership and trust, there is relatively little coverage of how the development of trust might influence the stability of partnership. As such, the findings are of significance for both the practitioner and academic communities.

Further reading

Butler, P. Glover, L. and Tregaskis, O. (2011) 'When the going gets tough...: recession and the resilience of workplace partnership', *British Journal of Industrial Relations*, 49,4, 666-687.

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Threat or opportunity?: High Performance Work Systems, partnership and the working lives of HR professionals

High performance work systems and workplace partnership have generated immense academic and practitioner

interest in recent years. However, little is known about how combining them affects the working lives of human resource (HR) professionals. This represents a significant omission as HR practitioners are closely involved in developing and implementing such systems. Leicester Business School research sought to address this gap, examining how HR practitioners experience these interventions and the consequences for their working lives. The findings point to a mixed set of outcomes, as illustrated by the following examples. Firstly, there was a belief amongst the HR community that the experience of working on a 'cutting-edge' change management program in an MNC environment enhanced the individuals' employability. Indeed, there was evidence of 'poaching' by other companies. However, other outcomes were less positive. For example, the initiative sparked a concerted drive to improve plant performance, which in turn meant a considerable increase in workload for HR. Indeed, many reported that their working lives had become more stressful since its inception. Secondly, relationships with trade unions had shifted from 'traditional adversarialism' towards new forms of co-operation. On the one hand this meant that certain aspects of HR work (e.g. securing flexibility agreements) became much smoother. Nevertheless, the study indicated that such benefits were partially neutralised by an increase in the complexity of HR decision making (e.g. formulating HR decisions with one eye on maintaining partnership relationships). Thirdly, there were consequences for their role with the shop floor. HR practitioners reported a shift away from a traditional employee welfare role towards a more business focused approach, which some found uncomfortable. Indeed, this view was corroborated by employee accounts of instances where HR were perceived to have adopted a more hard-edged, managerial approach. The evidence suggested that that performance outcomes could be undermined if employees begin to feel that HPWS are too 'one-sided' and this in turn affects levels of discretionary effort (Appelbaum et al., 2000). Overall, the study supports the

view that HR issues are fundamental to the progress of HPWS and that a high-performance paradigm can offer the HR function a route into strategic-level work with increased visibility and influence. Indeed, a range of welcome opportunities may open up that can offer the HR function (especially senior practitioners) a significant boost. However, these positive headlines may mask uneven and complex outcomes for the HR function as a whole.

Further reading

Glover, L. and Butler, P (2012) High-performance work systems, partnership and the working lives of HR professionals, *Human Resource Management Journal*, 22, 2: p199-215.

Future Leicester Business School Research – work in progress (mutual gains and shop stewards

The research is ongoing and the LBS team are focusing on the development of further high quality research outputs. One area of scrutiny concerns what workers gain from partnership. Initial findings indicate worker outcomes may be far from clear-cut – a central argument being that extant approaches are overly polarized. During the period of study there was evidence of a 'win-win' scenario, in that partnership working saw improved organizational performance (meeting targets and improved productivity) allied to positive outcomes for employees e.g. an increase in permanent headcount, no compulsory redundancies and a reduction in accidents. However, there was also some support for the pessimistic scenario in that concerns around notions of fair treatment and inconsistencies in management style emerged periodically; inconsistencies that did not fit with the expectations of fairness underpinning partnership. Ongoing analysis involving the use of software tools including SPSS and NVivo will seek to explore the factors determining where the 'balance of advantage' lies. Finally, research is underway evaluating the implications of an approach founded on cooperation and consensus for the shop steward

movement. While scrutiny of trade union activists has been a longstanding feature of sociological analysis, few studies have explored the changing social dynamics of the shop steward's role under systems of partnership and the resultant challenges and tensions. More elusive still are data exploring the issue of interconnectivity i.e. how the changing nature of relations with managers impacts dealings with the shop floor. Preliminary analysis of the data indicates the contradictory position of shop stewards as they seek to navigate the tension between resistance (their traditional position) and cooperation with their managerial counterparts. A noteworthy finding suggests the demands and challenges will be significantly driven by the stewards' position in the local union hierarchy. The formal dissemination of findings will occur via conference presentations and further publications.

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Centre for Research in Ethnic Minority Entrepreneurship (CREME)

CREME has transformed the perceptions of ethnic minority entrepreneurs by working with business policy-makers and influential organisations to engage collaboratively with overlooked or disregarded business communities.

Headed by Professor Monder Ram OBE, CREME has built up an enviable reputation regionally, nationally and internationally for its pioneering research and business engagement activities, promoting diversity and enterprise. Based in the De Montfort University's Faculty of Business and Law, CREME delivers leading-edge expertise on business support for ethnic minority entrepreneurs. The Centre's mission through its work is to 'make diversity and enterprise everyone's business'.

Our work is governed by three guiding principles:

1. Engaged scholarship – Applying the insights and findings from our high quality, internationally recognised research to 'real' business issues, such as capital and finance, supplier diversity, wages, migration policies, technology and social inclusion.
2. Transforming ethnic minority practice – Working with a whole host of stakeholders to influence policy and practice, including the private sector (large corporate, trade and professional), local and national government funded agencies.

3. Outstanding engagement and dissemination – Organising events to bring together local entrepreneurs, business policy-makers and academics, to encourage networks and disseminate valuable information. The Annual Ethnic Minority Business Conference is the highlight of CREME's year, bringing together key stakeholders to discuss key issues on diversity and enterprise. CREME delivers workshops, seminars and briefings throughout the year.

CREME has been awarded funding by the Economic and Social Research Council (ESRC) to promote innovation and knowledge transfer in the field of ethnic minority entrepreneurship. The Centre together with the University of Birmingham has established the Enterprise & Diversity Alliance (EDA). The EDA is a unique collaboration of private and public sector organisations which will pioneer new ways of promoting development and growth of diverse SMEs through imaginative and productive relationships with large firms and private and public business service and finance providers. The project builds on the experience of a number of initiatives around enterprise and diversity delivered over a number of years by CREME and partner organisations.

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The Local Governance Research Unit

The Local Governance Research Unit, based at Leicester Business School, is an internationally recognised centre of excellence for theoretically informed, robust and rigorous policy relevant research into British and comparative local governance. Our work focuses on community cohesion and local citizenship, neighbourhood governance, local democracy and local politics. We also have a broad research interest in all aspects of local governance. Our high-quality research meets the needs of academics, policy-makers and practitioners at the international, national, regional and local level. We are committed to providing a strong and vibrant link between academic research and the needs of the research user. The Unit undertakes research for a wide variety of bodies, ranging from the Economic and Social Research Council (ESRC), the Joseph Rowntree Foundation, and pan-European bodies such as the Council of Europe, through to government departments, such as the Department of Communities, and local government. We have recently been successful in obtaining two Arts and Humanities Research Council (AHRC) funded research projects as part of the connected communities programme. We also provide consultancy, research and policy-advice to individual councils and others concerned with aspects of local governance. The Unit is developing its expertise and provision for health and well-being boards and the new relationship between local government and the health service.

The Unit continues to organise a series of highly successful research events throughout the year and we are committed to bringing academics together to explore policy, practice and academic inquiry. Examples of the events we have organised over the year include seminars and workshops exploring: The Big Society; Community as a Social Fix; Why did Communism end in Europe and mutate in Asia; Connecting Communities? Learning from the AHRC scoping studies; Critical Local Governance; the comparative European constitutional status of local government; and, the third sector and third party local government. In addition we organised a highly successful series of seminars through the Department of Politics and Public Policy with a range of prominent visiting academic speakers.

A new Professor, Jonathan Davies, has joined the Unit. Jonathan's expertise is in the field of critical approaches to governance, public policy and urban studies and he has recently published a book entitled: *Challenging governance theory*. Dr Steven Griggs has continued to develop the Unit's strong links with the Association of Public Service Excellence (APSE) and is the academic lead on an innovative Knowledge Transfer Partnership with APSE which has developed the 'Ensuring Council' model currently being debated among policy-makers. Steven is editor of the journal *Critical Policy Analysis*. Dr Melvin Wingfield has been working with the Unit's Director, Professor Colin Copus, on a research project exploring the role of independent councillors and small parties in local government; and, working together on a comparative project exploring the developing role of the councillor across 17 European countries. Dr Wingfield has also worked closely with academics in Europe on developments in e-government. Professor Copus has been working as an advisor to the Political and Constitutional Reform Committee

of the House of Commons on the codification of relationships between local and central government. He has researched and published widely on the subject of local politics. Colin is editor of the journal *Local Government Studies*.

The LGRU has strong research links with other leading universities in the UK and across Europe and the USA. We are key participants in a number of international research projects and research networks. Members of the Unit are editors of international journals, members of editorial boards and of international and national expert advisory committees and directors and convenors of academic committees. Unit members are regular presenters at a range of academic and policy conferences and are at the forefront of academic and policy debates.

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Centre for Comparative Housing Research (CCHR)

Research and consultancy expertise in the Centre covers a range of issues. The team often work in partnership with other organisations to deliver projects on the following themes:

Choice-based Lettings
Comparative Housing Research
Gypsies and Travellers
Housing and an Ageing Society
Housing and Local Policy Making
Housing and Urban Regeneration
Housing and Vulnerable Groups
Housing Customer Insight
Private Rented Sector
Theoretical Approaches to Housing

Our research and consultancy activities have an international reputation. We are strongly involved with the European

Network for Housing Research (ENHR) – the leading international housing research organisation. We undertake research and consultancy for a range of local authorities and housing associations in England as well as the Joseph Rowntree Foundation, the Chartered Institute of Housing and Government Departments.

Dr Peter King's book on the Coalition government - *'The New Politics'* - was published by The Policy Press in May 2011 and was launched at events at both the Institute of Economic Affairs and Institute for Public Policy Research. In addition, Peter also published *'Reaction: Against the Modern World'* in April 2012.

Dr Tim Brown was appointed in early 2012 to the Government's Panel on 'Reviewing the Barriers to Institutional Investment in the Private Rented Sector'. This builds on the Centre's research on 'learning the lessons of investment in the private rented sector from other countries'. The Panel's activities include a call for evidence and the cross-examination of expert witnesses. Its summer 2012 report is likely to be influential in the development of housing policy in England.

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Health Policy Research Unit (HPRU)

The HPRU is a joint venture between the Leicester Business School and Faculty of Health and Life Sciences. Since its creation in 2000, the Unit has grown and developed, generating over £5 million in external income. The Unit has secured research and consultancy income from a range of international bodies, research councils, government departments,

the NHS, local government and the voluntary sector. Members of the Unit have produced over 350 publications, including some of the leading books and journal articles in the field. Some of our publications are cited and used by researchers and practitioners around the globe, including the World Health Organisation. Our research interests are mainly in the following areas: public health, diversity and inequalities; health professions; health policy and management, and public and patient involvement. Examples of recent work include: a project to improve health promotion in pharmacies, an international study of healthy lifestyles, an evaluation of public involvement in health service reorganisation, a project to improve hospital hygiene and a study of patient groups' campaigning activities in public health. The HPRU has a good working relationship with other research groups at DMU (such as the Mary Seacole Research Centre, the Centre for Social Action, the Unit for the Social Study of Thalassaemia, the Local Governance Research Unit, Centre for Comparative Housing Research and Centre for Social Action). We have also built links with researchers across the university in areas such as healthcare acquired infection, pharmacy and communication technologies. The Unit has excellent links with government agencies, NHS bodies, and research funders. It also has links with other universities, not just in the UK but in other countries. For example, HPRU members are part of an international research network on the study of patients' organisations. Further details of our work are available on the website (see below).

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Rochelle Haynes, Doctoral Student

The Role of Institutional and Organisational Factors in Shaping the Functions of Expatriate Managers within Multinational Companies

I came to England from Barbados to gain a Master's Degree in Human Resource Management at De Montfort University on the recommendation of a friend back home. At the time, I had never considered doing a PhD. However I found the course particularly intriguing especially the module on International Human Resource Management that looked at how management practices are transferred abroad. So naturally when an opportunity arose to pursue a PhD in this area, I couldn't say no.

My current research focuses on expatriate managers and their functions in overseas branches of multinational companies (MNCs). I am examining how various institutional and organisational factors influence such roles in MNCs from different parent countries in the hope of furthering theoretical development within the expatriate literature. To do this, I am employing a qualitative research design using multiple matched cases to compare the differences in operations across the various countries. I am currently in my second year and have started interviewing

managers from various MNCs that are based in the United Kingdom. By my third year I should have interviewed managers in six MNCs from various countries including Germany and the United States. It is my hope that the results of this study will inform how expatriate programs can be used more strategically by the various parent companies amidst increasing global competition.

Being a research student at DMU comes with great opportunities. When not researching I am given the opportunity to lecture on various Human Resources modules which is excellent for my professional development. As I'd like to become a full-time lecturer upon completion, teaching allows me to gain much needed experience and more knowledge of teaching methods and innovation. I also attend various training courses aimed at developing my Information Technology skills along with courses geared towards improving my ability to undertake both quantitative and qualitative research. As a researcher, I am also able to present various aspects of my work at conferences both in the UK and in other parts of the world. These conferences provide opportunities to network with other researchers, as well as outside perspectives and additional feedback on my research ideas, all of which will definitely benefit me as my final year approaches.

Qing Shan Ding, Doctoral Student

Cash rich Chinese consumers love you or hate you. The effects of country of origin, consumer ethnocentrism and consumer animosity on product preference and willingness to buy.

I once said 'I'd rather die than do a PhD' so electing to do one seemed very unlikely even when I graduated with my first degree. However, after I worked part-time at the university, a PhD became an increasingly attractive option. The remarkable journey finally started in October 2008, when I was granted a PhD studentship from the Faculty of Business and Law to study the behaviour of Chinese consumers.

As China's economy continues to grow rapidly, it has developed into one of the world's largest consumer markets. My research focuses on Urban Adult Chinese Consumers' (UACCs) preference for either foreign or Chinese products. There is a divide in current literature on this particular issue. One camp argues that Chinese consumers for a number of reasons overwhelmingly favour foreign products. On the other hand, the contrary camp suggests that Chinese consumers prefer local products. The core concepts in my study are: Country of Origin, Consumer Ethnocentrism and Consumer Animosity.

The data collection for my study was extremely challenging. After initial online survey failed to deliver sufficient responses, I eventually ended up travelling all the way to China. I visited 2 Chinese cities, one in Northern China – Shenyang - and one in Southern China – Shenzhen - to conduct street surveys and face-to-face interviews. A number of significant findings are emerging from my study. First of all, UACCs cannot be simply considered as either pro-foreign or favouring Chinese products: their preferences remain divided. The symbolic benefits of foreign products have faded in China with very few Chinese consumers still treating foreign products as status symbols. Instead, it is quality and design that attracts some Chinese consumers to foreign products. On the other side, consumer ethnocentric preference amongst UACC is generally low, which means there is no strong bias against foreign products. They do not support protective trading measures, such as curbs on imports or higher tariffs. However, the exception to this general picture is strong consumer animosity towards Japanese products. This animosity could result in UACC boycotts or reluctance to purchase Japanese products. Experiences of war and invasion as well as economic factors are essential causes of the antagonism uncovered in this study, suggesting influences that are deep-rooted, historical, social and cultural.

During the process of study I have benefited from an excellent supervisory team that is experienced, dedicated and flexible, as well as other forms of support. The Doctoral Support Fund enabled me to attend my first conference and supported my field data collection. Alongside my PhD research, I was also able to gain considerable teaching experience at both undergraduate and postgraduate levels. Finally, the Faculty's Research Training Days provide a solid platform for research training and engaging in academic debate and development.

JOIN US

Leicester Business School has a dynamic, thriving research community whose work has an international reputation in a number of fields. Why not join us as a PhD student?

Research degree applications are welcomed from students working in a wide range of Business School disciplines including Accounting and Finance, Human Resource Management, Marketing, Politics and Public Policy, and Strategic Management.

Much of our work is focused in three areas of expertise and we particularly invite applications within these fields:

- Public policy, including research in the fields of local governance, health and housing
- Human resource management and organisational behaviour, especially in the management of organisational change and employment relations in multinationals
- Small business and ethnic minority enterprise, covering such themes as entrepreneurship, access to finance, small firms and the environment, supplier diversity and employee relations.

The International PhD Programme

The International PhD allows students based outside the UK to register with DMU for a PhD but to undertake the majority of their studies in their home country

Full details of the International PhD can be found at: dmu.ac.uk/intphd

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