HUMAN RESOURCE MANAGEMENT PRACTICES AND PERFORMANCE LINK: APPLYING CRITICAL REALIST META-THEORY

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Declaration

I declare that this research thesis is my own unaided work. It is submitted in partial fulfilment for the requirement for the degree of Doctor of Philosophy at the University of the West of England.

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Abstract

Many of those who conduct empirical research in the field of human resource management (HRM) believe that a quantifiable and statistical, relation, association or link exists between HRM practices and organizational performance, and can be discovered using 'scientific' (looking) methods and the `usual´ statistical techniques. I refer to this as *empirical research on the HRM-P link*. The results have been poor – in two senses. First, the evidence of the link is, at best inconclusive, and at worst casts doubt on its existence. But, second, even if this was not the case, even if a statistical link or association between HRM and performance could be shown, this empirical research cannot *explain* it. It cannot tell us *why* HRM practices are linked to performance.

Fleetwood & Hesketh (2010) have diagnosed these problems as rooted in meta-theory – i.e. ontology, epistemology, aetiology and methodology. More specifically, they see the fundamental problem as the commitment by empirical researchers to some version of positivism, or `scientism´ as they prefer to call it. In addition to their critique, they have gone on to advocate an alternative meta-theory for research on the HRM-P link, namely, *critical realism*. This thesis takes Fleetwood & Hesketh´s work as its starting place. It accepts their argument that evidence of the HRM-P link is problematic; accepts that empirical research cannot *explain why* HRM practices are linked to performance; accepts that positivist/scientistic meta-theory is the problem; and accepts that critical realism might have more to offer in terms of meta-theory.

But, and this is important, this thesis goes beyond Fleetwood & Hesketh´s work. It re-describes and re-*theorises* HRM practices to develop the concept of an `HRMechanism´ - i.e. HRM practice + causal mechanism. This allows us to use critical realism´s meta-theoretical ideas of causal mechanisms in general to understand HRMechanisms specifically. It uses critical realism as a meta-theoretical basis to conceive of, and apply, *qualitative research techniques* to investigate what would commonly be considered a *quantitative* research programme. It conducts empirical research into the HRM-P link without falling back on the `usual´ statistical research techniques that have, hitherto, failed to offer evidence either way. This thesis is, therefore, a (meta) theoretically informed piece of empirical work.

The empirical research consists of qualitative research into six HRMechanisms (and their associated sub-HRMechanisms) in operation at *Aero Ltd,* namely: team working, corporate culture, empowerment, work-life balance, performance appraisal and reward. Interview data reveals two things. First, that team working, performance appraisal and work-life balance generate powers/tendencies to *increase* organizational performance; whereas corporate culture, empowerment and rewards generate *neutral* powers/tendencies vis-á-vis organizational performance. Second it generates *causal-explanations* of exactly what these HRMechanisms do to generate these

powers/tendencies. In conclusion, this qualitative research is able to do what quantitative empirical research on the HRM-P link cannot, namely, *explain why* HRM practices are linked to organizational performance.

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CHAPTER 1: INTRODUCTION

Many human resource management professionals, many of those who study human resource management (henceforth HRM), and many of those who conduct empirical research in the broad field of HRM, believe that a quantifiable, measurable, and statistical link, connection, relation or association between HRM practices and organisational performance, can be discovered using 'scientific' (looking) methods and the `usual´ statistical techniques - such as regression analysis, factor analysis or structural equation modelling. Henceforth, I refer to this specific paradigm of research as *empirical research on the HRM-P link*. Note well that I do *not* include, within this paradigm, other research on the HRM-P link that is non-quantitative, does not use statistical techniques, and does not seek a statistical link. I will mention this again in a few moments, but next I would like to locate the current paradigm within an historical context.

Brief history of research on HRM (and variants) and performance

This HRM-P link is sometimes referred to as the link between *High Performance, High Commitment* or *High Involvement Work Systems* or *Work Practices,* and performance. The HRM-P link comes in many guises, but always with the same basic theme, namely, to postulate a relationship between High-Performance Work Systems, High-Performance Work Practices, Performance-Enhancing Practices, High-Performance Work Organisation, New Forms of Work Organisation, High-Involvement Work Systems, High-Involvement Work Practices, and organisational performance and such like. In much of this empirical research on the HRM-P link, three important ideas are taken pretty much for granted. First, that such a relationship exists and second, that its existence can be established using `typical´ quantitative research techniques. Third, that the relationship is positive and flowing from HRM practices to organisational performance. The first idea legitimised the use of *quasi-positivism*[1] as the underlying, and unquestioned, meta-theory. The second and third ideas legitimised the HRM function itself – although I will not be pursuing this line of enquiry. This research was not exclusively US based but it was, largely, US based research that drove and established these ideas as part of the dominant paradigm. However, to be able to understand the issues surrounding the HRM-P link, an excursion in the antecedents to the 'High Performance´ (HP) paradigm is vital.

Historically, empirical researchers operating within the HP paradigm were influenced by several different perspectives such as *General Systems Theory, Resource Dependence Theory, Human Capital Theory* and *Resource-based Theory*. For example, building from *General Systems Theory*, Katz and Kahn's (1978) book *The Social Psychology of Organisations* highlights the idea of HRM being a subsystem embedded in a larger organisational system. Wright & Snell (1991) developed this

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[1] The term `quasi-positivst´ implies that this is a version of positivism.

idea by assuming skills and abilities as inputs and employee performance as outputs. Osterman (1994) on the other hand, was guided by *Resource Dependence Theory* which emphasises resource exchanges that take place within organisations. According to the proponents of such a theory, organisation members gain power over each other by controlling valued resources. This idea, that HRM practices reflect a distribution of power within organisations, guided researchers like Osterman and Pfeffer. *Human Capital Theory*, based upon the productive capabilities of people (Becker, 1964) guided empirical researchers who investigated how organisations come to increase their human capital. Last, but by no means least, *Resource Based Theory* highlights how competitive advantage is gained by implementing a value-creating strategy that competitor's cannot copy and sustain (Barney, 1991). Wright and Snell (1994) use such a model to guide their empirical investigation. In sum, theories like these guided the HP paradigm and went a long way towards establishing the dominant paradigm.

More recently, empirical researchers on the HRM-P link were also influenced by what I will refer to, loosely, as *Mainstream Management Studies* and *Critical Management Studies.* The former were influential because they contained ideas about how HRM might work to influence organisational performance. The ideas I have in mind are: *Sociotechnical Studies, Human Relations, Japanese Management,* the *Humanisation of Work* programme, *Employee Involvement* or the *Human Relations* approach, and the *Quality of Work Life* movement. The latter were influential because they contained *different* ideas about how HRM might work, but more importantly, they contained ideas about how HRM might *not* work to influence organisational performance. I will elaborate more fully on these themes in chapter two.

Moreover, the HRM-P paradigm was also heavily influenced not only by developments in theory, but also by developments in political economy and developments occurring in the workplace. One example of the latter was what is often referred to as `Japanese´ work and production practices (Danford et al., 2005 Lauder, 2001). To Godard and Delaney (2000), Japanese work and production practices were a product of *strategic* HRM. Strategic HRM is rooted not in theories but rather in practices. The political-economic context within which this HP paradigm developed is related to the 'crisis of Fordism' and/or the decline of Taylorist labour practices. Fordism was advanced as one of the many reasons for economic decline in the late 70's. To Piore and Sabel (1984), the prevailing production systems could not meet and match new customer demands. Fordism, with its mass production of standardised products, was seen as outmoded and unresponsive to new differentiated customer demands. The rigidities of Fordist production systems and the labour management practices associated with them had, allegedly, to be revised to meet the new demands of the more volatile market. Thus, post-Fordism saw the light of day, characterized by more flexible production and labour practices, which were designed as strategies to increase organisational performance. The new

production systems which were influenced and imported from Japan such as '*Just in Time', 'kaizen'* and other '*lean*' production methods had to be supported with a new set of flexible labour management practices which could foster innovation, variety and quality. Some HRM practices, if appropriately 'bundled' or combined, could, it was argued, provide the performance so much sought after (Delery and Shaw, 2001).

The table below, shows at a glance the way the lexicon of the High-Performance paradigm has broadened to accommodate different types of human resource practices and the proponents associated with them – it is an indicative, not exhaustive list.

Terminology	Examples	Focus
High-Performance Work Systems	Appelbaum et al. (2000); Becker & Huselid (1998); Huselid (1995); Danford et al. (2004); Farias (1998); Harley (2002); Kling (1995); Ramsey et al. (2000); Takeuchi et al. (2007); Way (2000) Guthrie et al. (2009)	Production Management
High-Performance Work Practices	Combs et al. (2006); Handel & Gittleman (2004); Huselid (1995) Snape & Redman (2010) Boselie (2010)	ditto
Performance-Enhancing Practices	Delaney & Huselid (1996)	ditto
High-Performance Work Organisation	Ashton & Sung (2002); Blasi & Kruse (2006); Lloyd & Payne (2006); Osterman (2000)	ditto
New Forms of Work Organisation	Edwards et al. (2002)	Work organisation
High-Involvement Work Systems	Edwards and Wright (2000); Felstead and Gallie (2002; 2004); Harmon et al. (2003)	ditto
High-Involvement Work Practices	Pil & MacDuffie (1996a, 1996b); Fuertes & Sánchez (2003) Camps et al. (2009)	ditto
High-Performance Practices	Godard (2004) Gurbuz & Mert (2011)	ditto
Human Capital-Enhancing Practices	Youndt et al. (1996)	ditto
High-Involvement Management	Forth & Millward (2004)	ditto
High-Commitment Management	Wood (1996); Geare et al. (2006)	ditto
Innovative Human Resource Practices	MacDuffie (1995)	ditto
High-Commitment Work Practices	Iverson & Zatzick (2007) Marti-Audi et al. (2013)	ditto
High-Performance Employment Systems	Brown & Reich (1997)	ditto
High-Commitment Human Resource Policies	Green (2004)	ditto
High-Commitment Management	Baird (2002); Whitfield & Poole (1997)	ditto
High-Commitment HRM	Bryson et al. (2005)	Employee relations

Table 1: Lexicon of the High-Performance Paradigm (Table adapted with permission of Butler et al. 2004)

It is important to single out the following researchers from the above table: Danford et al (2004), Lloyd and Payne (2006), Edwards et al. (2002), Edwards and Wright (2000), Godard (2004), Baird (2002)

and Whitfield & Poole (1997). These empirical researchers are `exceptions´ in the sense that their interests do not stem from a belief in the existence of a quantifiable, measurable, and statistical link, connection, relation or association between HRM practices and organisational performance. Indeed, their work is considered as evidence supporting the thesis´s claim that the HRM-P link can, and should, be investigated using a different meta-theory (perhaps critical realism) and qualitative research techniques. *This thesis is not, however, concerned with these exceptions. This thesis is, by contrast, concerned with critically evaluating only that empirical research on the HRM-P link (or variants in the HP paradigm) rooted in quasi-positivism and employing solely quantitative, statistical research techniques.* Why? Because, in a nutshell, the above type of empirical research on the HRM-P link has led us up a `blind alley´. Let me explain.

It is precisely this belief in the existence of a quantifiable link between HRM and organisational performance that has encouraged a small army of researchers who, armed with the very latest 'scientific' (looking) methods and statistical techniques, seek to specify the link with ever more precision. For example, Combs *et al.* (2006) concluded from their meta-analysis, that the mean effect size for the HPWS-Performance link is approximately 0.14, implying that a one standard deviation increase in the use of High-Performance Work Systems is associated with a 4.6 per cent increase in return on assets. Current HRM and related journals bulge with empirical studies, each one investigating a slightly different HRM practice, or bundles of practices, including this or that intervening variable, using slightly different measures of performance, and each one coming up with slightly different results – e.g. Gurbuz & Mert (2011); Snape & Redman (2010); Hyoung *et al.* (2013); Sirca *et al.* (2013); Shaw *et al.* (2013); Marti-Audi *et al.* (2013), Boselie (2010); Li-Yun & Pan (2011); Guthrie *et al.* (2009); Katou & Budhwar (2012) and Camps & Luna- Arocas (2009).

This research constitutes a `blind alley´ in two senses. First, the evidence of the link is, at best inconclusive, and at worst casts doubt on its existence. But, second, even if this was not the case, even if a statistical link or association between HRM and performance could be shown, the empirical research on the HRM-P link cannot *explain* it.

Consider the first problem. Guthrie *et al.* (2009: 122) conclude that 'we cannot claim that the use of particular HR practices causes employee or organisational outcomes'. They raise a number of doubts about the relationships between the use of High Performance Work Systems and organisational effectiveness. They add:

> Recently, however, a number of authors have raised doubts as to the efficacy of these
> systems, noting that performance effects may be less robust than previously claimed. In

a related manner, authors and research have suggested that high performance work systems may negatively impact the work experience of employees (ibid).

In the same vein, Katou & Budhwar (2012: 806) conclude that they cannot generalise their findings for a number of reasons, one of them being the measurement of certain latent variables such as attitudes. If such variables are important and still cannot be measured, what about other more complex variables such as culture?   Camps & Luna-Arocas (2009: 1071) come to a similar conclusion, writing: 'our work does not support the causal relationship between HIPWs and performance'. They recognise the limitations of measuring the variables involved and the complexity of variables such as culture.

Furthermore, the problem with such inconclusive evidence is that it leads us to draw two conclusions, both of which *could* quite easily be incorrect. On the one hand researchers might conclude that there is *no* link between HRM practices and organisational performance. Just because empirical researchers cannot find a quantifiable or measurable link using 'scientific' (looking) methods and the `usual´ statistical techniques does not mean there is no link. Maybe a link exists, but it requires different methods and techniques to discover it. On the other hand, researchers might conclude that, although they have not yet discovered a quantifiable or measurable link, there is one, and they will eventually find it if they keep on trying harder and harder with the same methods and techniques.

Now consider the second problem, namely, that even if a statistical link between HRM and performance could be shown, the empirical research on the HRM-P link cannot *explain* it. That is, the best empirical research can do is tells us *that* there is a link between HRM practices and organisational performance; but it cannot tell us *why* HRM practices are linked to performance. It is hard to over-estimate the damage this does to the entire HRM-P paradigm. An approach that, literally, *cannot explain* the statistical associations it discovers is deeply problematic.

In sum, then, the evidence of a HRM-P link is not only at best inconclusive, and at worst casts doubt on its existence, even if the existence of a statistical link could be shown, this empirical research cannot *explain* it. Incidentally, I have analysed more recent research (cited above) and drawn the same conclusion.

Fleetwood & Hesketh (2010) have diagnosed the many problems with empirical research on the HRM-P link, especially its lack of explanatory power, as rooted not in theory but in meta-theory – i.e. ontology, epistemology, aetiology and methodology. More specifically, they see the fundamental problem as the commitment by empirical researchers to quasi-positivism, or `scientism´ as they prefer to call it – elaborated upon in chapter three. In addition to their critique, Fleetwood & Hesketh have

gone on to advocate an alternative meta-theory for research on the HRM-P link, namely *critical realism*. These terms will be elaborated upon in chapter two.

This thesis takes Fleetwood & Hesketh´s work as its starting place. It accepts their argument that evidence of the HRM-P link is, at best inconclusive, and at worst casts doubt on its existence. It accepts their diagnosis of just what is wrong with the scientistic meta-theory underlying most empirical research on the HRM-P link, especially the lack of explanation. And finally, it accepts their argument that critical realism might have more to offer in terms of meta-theory - i.e. it may offer a way out of the `blind alley´.

But, and this is important, this thesis goes beyond Fleetwood & Hesketh´s work in an important way. This thesis explicitly uses critical realism´s meta-theoretical `toolbox´, but in *addition it makes use of qualitative research techniques to investigate what would commonly be considered to be a quantitative research programme.* Whilst this is rarely done, I have found at least one precedent – albeit in the discipline of Labour Economics. Bewley's (1999) book, *Why Wages Don't Fall During a Recession?* provides very interesting insights into this fundamental question. Whilst his answers need not detain us, the point is, he shows use of qualitative data to *explain* why wages don't fall – a matter always considered to be entirely quantitative.

Few, if any, have tried to explicitly use critical realist meta-theory as a basis for investigation. More importantly, no one (to my knowledge) has tried to use qualitative techniques to investigate what would be usually considered quantitative phenomena – i.e. the HRM-P link. It uses critical realism, therefore, as a basis to conceive of, and conduct, empirical research into the HRM-P link without falling back on the `usual´ statistical research techniques that have, hitherto, failed to offer evidence either way. This is what critical realism can add to the paradigm today.

The key concept here is `*explanation*´. If empirical research using 'scientific' (looking) methods and the `usual´ statistical techniques cannot explain why HRM practices influence performance, are there other ways of conducting empirical research, using other methods and techniques that can? This thesis argues that empirical research can be conducted using methods and techniques rooted in critical realism that can explain why HRM practices influence performance. This thesis is, in this respect, completely original and a contribution to knowledge.

Some caveats

First, most PhD theses tend to be either `theoretical´ or `empirical´. This thesis aims to be both. Better put, this thesis is a theoretically informed piece of empirical work. There are advantages and disadvantages associated with this. The main advantage is this. Typical empirical theses often lack sufficient theoretical grounding, and often end up being described as `measurement without theory´, or perhaps more charitably, `measurement without *good* theory´. Typical theoretical theses often lack sufficient empirical grounding - but provided they avoid becoming works of fiction (as in the case of much economic theory) this is less of a problem. A theoretically informed piece of empirical work, by contrast, avoids these problems, and allows theory and empirics to inform one another, thereby creating a more sophisticated, balanced, thesis. The main disadvantage is this. Word and time limits mean that such a thesis can never be *as* theoretical as a typical theoretical thesis, or *as* empirical as a typical empirical thesis. This runs the risk of being interpreted as either theoretically weak or empirically weak. I can, however, do no more than simply flag up this point, and ask the interpreter to consider the thesis *as a whole* – i.e. as a theoretically, or more accurately, meta-theoretically informed piece of empirical work.

Second, this thesis is not an attempt to `prove´ the existence, or the non-existence, of an HRM-P link. In this sense, the thesis is agnostic. Before we can even consider setting out to `prove´ the existence of a causal relation between HRM practices and organisational performance, however, we need a far more sophisticated understanding of meta-theoretical issues such as the nature of causality, what constitutes `proof´, and what research techniques are appropriate to investigate a causal relation like this.

Third, this thesis consciously abstracts from `context´ - i.e. the environment external to the organisation wherein HRM practices are in operation. I choose this option not because HRM practices are not influenced by context: they are, and often in significant ways. I choose it, quite simply, because it would extend the boundaries of the thesis beyond what is `doable´. Future empirical research on the HRM-P link would, however, need to pay more attention to context, treating it as an external causal mechanism – see 4.4 below.

Fourth, this thesis makes an original contribution to two bodies of literature: meta-theory and HRM – although the contribution is not equal. It contributes to meta-theoretical knowledge by showing how one particular meta-theoretical approach (critical realism) can be used to `retro-fit´ a piece of empirical work. It contributes to knowledge of the HRM field by *explaining* exactly what HRM practices, and the human beings that interact with them, actually do that might influence organisational performance.

And this brings us to the point of the thesis. It is an attempt to use critical realism to develop a more sophisticated understanding of meta-theory and appropriate research techniques, and then apply the latter in an attempt to explain why HRM practices influence performance.

Format

Apart from this introduction, the thesis has another six chapters. Chapter two reviews the literature on HRM practices. It does not, of course, review all possible HRM practices, but concentrates solely on the literature relevant to the six HRM practices that were in operation in *Aero Ltd* – i.e. a pseudonym for the organisation where I carried out the empirical research. Breaking the order of chapter progression for a moment, chapter five sets out the methodological approach, research design and techniques adopted to carry out the empirical research into the six HRM practices. Chapters three and four are dedicated to meta-theory and theory respectively, and chapter six `retro-fits´ the findings of the empirical research to the critical realist-oriented theory. Let us consider this in a little more depth. Chapter three has four sections. Section one sets out the meta-theory that underpins quasi-positivism, or scientism, and then provides a critical realist critique. Section two provides a critical realist alternative to scientism's flawed meta-theory, and goes on to show how this can add more fruitfully to the investigation of the HRM-P link. Section three begins the transition from meta-theory to theory by setting out the problems associated with 'theory' within scientism. Section four completes the transition from meta-theory to theory, introducing, and exploring, the limitations of mechanism-based approaches. Chapter four, now entirely devoted to theory, carries on from where chapter three on meta-theory left off. It explains how HRM practices might usefully be re-described and re-*theorised* using critical realism, and develops the concept of a `HRMechanism´ - i.e. HRM practice + causal mechanism. Chapter six does not merely report the empirical findings of the qualitative research on the six HRM practices, but `retro-fits´ the findings of the empirical research to the theory of HRMechanisms developed in chapter four. This provides an in-depth explanation of what these six HRMechanisms do to influence performance – if and when they do. Chapter seven concludes.

CHAPTER 2: LITERATURE REVIEW OF HRM PRACTICES

1.0 Introduction

From preliminary enquiries, I already knew that six particular HRM practices were in operation at *Aero Ltd,* namely: team working, corporate culture, empowerment, work-life balance, performance appraisal and reward. In order not to arrive at *Aero Ltd,* lacking an understanding of these HRM practices, I turned to the existing literature to establish what we already know about these particular practices. This gave me some insight into how HRM practices might or might not, work to influence organisational performance; helped me interpret my findings; and alerted me to empirical evidence vis-à-vis the link between these particular six HRM practices and performance. The following chapter consists of six parts, each part discussing one of these HRM practices in turn, followed by a conclusion.

When it comes to (a) understanding how HRM practices operate, and (b) influence organizational performance, there are two broad views to consider: *Mainstream Management Studies* (MMS); and *Critical Management Studies* (CMS). The MMS view is rooted in ideas of unitarism and managerialism. The CMS view is rooted in a mixed bag of ideas, including Marxist ideas such as Labour Process Theory, and neo-Marxist ideas often associated with postmodernist and poststructuralist ideas. I do not wish to push these categorizations too far, and ask the reader to use the labels `MMS´ and `CMS´ rather loosely. I suspect the meaning will become clearer in use.

On the MMS view, the operation and the influence of HRM practices are analyzed, typically, uncritically and in `textbook´ fashion. The MMS view is that, when initiated, HRMechanism M will operate in manner P, as intended and will probably bring about an increase in performance. The MMS view tends to `turn a blind eye´ to potential negatives, and perhaps unintended consequences of the introduction of some HRMechanism.

On the CMS view, by contrast, the operation and influence of HRMechanisms are analyzed, typically, critically and not in `textbook´ fashion. The CMS view is that, when initiated, HRMechanism M could operate in several ways. Whilst it might, or might not, operate in manner P, it might also operate in manner Q, R or S. Moreover, given that it may not operate as intended, there is no reason to believe it will bring about an increase in performance. If, however, it does bring about an increase in performance, this could well be for reasons unassociated with M, but associated with Q, R and S. In other words, HRMechanism M could increase performance, but not necessarily in ways understood or offered by MMS. The CMS view encourages us to consider positive and negative consequences of the introduction of some HRMechanism, – i.e. not simply turn a blind eye to the harmful aspects.

It follows, then, that any analysis seeking to explain how HRMechanisms *really operate*, as opposed to how they are intended to work, must adopt a CMS view – or something like it. In the following six sections, the MMS view will be used to identify how each of the six HRM practices is `supposed´ to work; and the CMS view will be used to show how they actually work. Let us now turn to the first HRM practice which is team working.

1.1 Team working

Team working has been widely implemented and debated since the early 20th century (Capelli *et al.* 2001: 742, Delbridge 2004). Team working can be defined as: 'a group of employees normally between 3 and 15 members, who meet regularly and interdependently on fulfilling a specific task' (Mueller *et al.* 2000: 1399). Teamwork takes different shapes and forms and has different scope and degrees. For example, teamwork scope can consist of work allocation, work pacing, appointment of team leader, recruitment and staffing issues as well as training, quality control and improvement to the production process. Team member's degree of involvement can range from simply being given an instruction, via meaningful task advice, through to being given full control. Team work is, typically, adopted to meet organizational objectives chosen by management – e.g. increasing ability of employees to participate in problem solving. The primary objective, even if rarely stated, of *all* management techniques, including teamwork, is *to maximize profits*. Teamwork has secondary objectives such as: reducing alienation, increasing autonomy; increasing organizational performance through worker self-regulation; increasing skill levels; and conveying critical management values (Knights & McCabe 2000). Secondary objectives are, however, a means to an end, the end is profit maximization.

Team working came to the notice of Western managers via `Japanisation´ in the 1980s (Womack *et al.* 1990). Teamwork has captured the interests of scholars associated with one of four main schools of thought: *Sociotechnical Studies, Human Relations, Japanese Management* and the *Humanization of Work* programme in Germany (Mueller *et al*. 2000).The contemporary concept of team working dates from the 1950's and the work of the *Tavistock Institute of Human Relations*. Although the *Tavistock* consultants recognized, documented and publicized team working they did not invent it. Indeed, it was initially developed by coalminers in Durham as a response to the existing dangerous working conditions, and known as the 'Manly Innovation' (Buchanan 2000: 27). The self-organization of work allowed workers to meet some of their psychological and task-based needs whilst generating gains in performance. It is worth noting that teamwork was, and still is, a technique readily appropriated by consultants as a recipe for business success. Advocates of The Humanization of Work movement that followed in the 70's wanted to replicate the successful humanization strategies pursued as a result of the threat posed by Japanese manufacturing. The *Employee Involvement* or the *Human Relations* and the *Quality of Work Life* movement marketed the use of autonomous work group or self-directed work

teams as the solution to improve conditions of work. The *Human Relations* movement highlighted the importance of attending to the intrinsic needs of workers such as the need for interactions and communication – including that with managers (Blyton *et al.* 2007). On the other hand, Quality of Work Life deals with the issue of how rewarding or satisfying the time spent in the workplace is. As such, it may reflect working conditions and contextual issues such as relationships with work colleagues and the intrinsic satisfaction of the job itself. Both movements saw team working as a panacea to the problems faced within the workplace (Hales 1987).

During the 80's, the concept was 'rediscovered' as the discourses of employee involvement and culture management were in full swing. Team working was seen as a major pillar within the latter two discourses and was applied differently across the continents. The rationales for the adoption of team working in the UK, US or European companies are different from their Japanese counterparts on account of the different economic, social and cultural settings (Mueller *et al.* 2000: 1398).   Within Western management, especially in manufacturing, attempts have been made to implement some variant of the *Toyota Production System* built on team working and *Kaizen* - a Japanese term, meaning the adoption of '*a concept towards gradual, but orderly, continuous improvement'* (Sutherland *et al.* 2004: 165). These are the techniques of waste reduction and especially 'human waste' (i.e. staffing levels). Thus team working was based on job rotation and task enlargement processes. With heavy doses of direct management control, and only limited 'team autonomy', therein lay the 'efficiency' of teams and lean management (Danford 1999). Central to the *lean* management approach is waste reduction and high levels of commitment of all the employees in implementing the business processes. In the spirit of *Kaizen,* Japanese managers built their production around *quality circles*, a variant of teamwork. Quality circles are small groups who meet regularly and often voluntarily in order to discuss and propose improvements to the production process. Team working took a different dimension within UK/US companies as they joined the 're-engineering revolution'. The newly 're-engineered' Anglo-Saxon company was alleged to have new features: flat structure; empowerment rather than control; coaches rather than managers; and process teams rather than final work units. Teamwork became the central pillar of the new *lean* organization.

Womack *et al*., contrasted team work to the Taylorist assembly line in mass production. They claimed that whilst the central principle of lean was the removal of all slack in the system, it allowed workers to overcome the 'mind-numbing stress' of mass production assembly lines by granting them a new 'creative stress', a new right to participate in problem-solving environments aimed at optimising the rhythm of production, its flow, efficiency and output quality. Thus the mantra, 'working smarter not harder' took hold in the managerial lexicon of the workplace (Danford 1998).

Garrahan & Stewart (1992: 87) confirm this view when they state that 'teamwork, as operated by management, is just another trick to get workers to work harder by giving them less space to object (via management by stress) and by eliciting their consent'. Comparing team working with Taylorist modes of production and neo-Human Relations, they further argue that 'nor can it be doubted that it reinforces neo-Taylorist (separation of execution and design) and neo-Human Relations forms of control too (reconstitution of the work group around social and organzational imperatives which legitimate this separation' (1992: 90 ibid). This view is shared by others such as Graham (1995).

Organizations have tended to adopt either a 'high road' or a 'low road' approach to teamwork. The 'high road' refers to teamwork associated with High Commitment and High Involvement models and the 'low road' refers to teams delivering high performance via a low skilled wage strategy (Bacon *et al.* 2000: 1429). Call centers are good examples of 'low road' team work strategy. The strategy adopted is highly likely to have an impact on outcomes such as performance or job satisfaction.

What of team workings' potential link with organizational performance? To the extent that there is a link, what causes it? How can it be explained? To understand how and why teamwork does whatever it does, it is vital to uncover the agents involved, the mechanisms they draw upon, the conscious deliberations they make and the unconscious (i.e. habitual) actions they take. To understand teamwork, then, we need to understand what '*a team does, how it does it and what outcomes are observed*' (Delbridge 2004: 259). It is also worth looking at management's rationale for implementing team working as Bacon *et al.* (2000) point out. The following section then will look at the MMS literature, empirical evidence, and then the CMS literature.

1.2 MMS view of team working

According to MMS, team working is supposed to operate in the following ways. It is, according to Batt *et al.* (2001), a reversal of Taylorism and promises mutual gains to employees and employers, in terms of performance gains and benefits that accrue to workers. For Ichniowski *et al.* (1996) workers tend to work smarter rather than harder as a result of team working and instill new work principles within the workplace. For many others it enhances autonomy (Jackson *et al.* 2000; Wood & De Menezes 1998; and Applebaum *et al.* 2000). For Cohen *et al.* (1996) it increases organizational performance through self-regulation.

Although there are many more objectives to team working, MMS has two important limitations. First, limited attention is given to the experiences of team workers. Second, there is an overriding focus on positive, as opposed to negative employee attitudes (Harley 2001). Let us now turn to the empirical evidence on team working and organizational performance.

1.3 Empirical evidence of team working

After considering the research on HRM and organizational performance as a whole, Fleetwood & Hesketh concluded that the empirical evidence of a link between HRM practices and performance was, at best, inconclusive. They did not, however, refer specifically to the link between *teamwork* and organizational performance. The following section will, therefore, evaluate the empirical evidence of this link.

Numerous studies report a 'significant association' between team working and performance. For example, Delarue *et al.´s* (2008: 139-142) review of 31 empirical studies on the impact of team working on performance reveals a 'positive relationship' between teamwork and performance, and that 'adopting team structures can yield positive outcomes for organizations'. However, other empirical research shows '*no statistically significant association* between team membership and any of the outcome variables' (Harley 2001: 721, emphasis added). There are also a number of empirical studies looking at HRM practices that include team working (e.g. Marti-Audi *et al.* 2013) or implications of information sharing and team performance (e.g. Magnus & De Church 2009) or team learning activities and team performance (e.g. Van Woerkom & Croon 2009). Magnus & De Church´s (2009: 541) meta-analysis claims that 'our results confirm that IS (information sharing in a team) is a clear driver of team performance and that although the effect is moderated, the relationship remains positive across levels of all moderators'. They are, however, aware that there is 'causal ambiguity in some of the relationships' they examined. What they offer is correlation, but very limited other evidence of a link. More importantly, they offer no explanation for any of the relationships they find.

Van Woerkom & Croon (2009: 569) report 'positive' relations between information processing and acquisition and team performance, using correlational analysis. But, they go on to conclude that 'we cannot draw conclusion about the causality between our variables'. However, and importantly, the authors acknowledge that quantitative studies have certain limitations. For Delarue *et al.* (2008:145) such empirical studies should be complemented with case studies that 'can observe hard-to-quantify data and shed light on crucial details of how the implementation of team work leads to success'. This is, of course, precisely what I seek to do in this thesis – for teamwork, and other HRM processes.

What about empirical research based upon quantitative measures of *qualitative* data? Research into things such as multi-skilling, training, skill advancement opportunities and off-line problem solving are replete in the literature – e.g. Batt (2001); Cappelli *et al.* (2001); Zwick (2004); Becker *et al.* (1996); Cohen *et al.* (1996). Indeed, much of this literature can hardly be described as `MMS´ and some of it could be described as `CMS´. The point is, however, at the end of the day, this empirical research ends up searching for statistical associations between variables measuring (aspects of) team working and performance. It ends up using exactly the same scientistic approach, and suffers from the same

shortcomings. As a result, they offer little in the way of explanation as opposed to those who departed from scientism such as Danford (1998); Delbridge (1998, 2004) and Edwards *et al.* (1998).

The question that still remains which begs an answer is: What are the causes, or more precisely, what are the causal mechanisms by which team working increases or decreases organizational performance? What are the powers/tendencies, if any, that result from the application of team working in the workplace?

Let us now turn to the CMS accounts of how team work operates.

1.4 CMS view of team working

According to Sewell (1998: 397), reality does not reflect the optimism associated with 'messages of empowerment, devolved responsibility, and the widespread reversal of repressive workplace control structures that are now commonly found in popular management books'. Instead, he argues, teams are in effect taking on the responsibilities for rationalizing and intensifying their own work activities. As Managers realized that Tayloristic models cannot find purchase within the new workplace, where direct control is no longer the most effective way to meet goals, they found that it is better to increase worker autonomy, so that teams can exercise a degree of discretion in applying their knowledge and ingenuity to the determination and distribution of work tasks. For Barker (1993: 411) 'team working involves the replacement of bureaucratic control with normative concertive control that employees themselves establish'. That is a shift from 'bureaucratic hierarchical control towards autonomy, responsibility and self-discipline' (Knights & McCabe, 2003: 79). 'Concertive control' involves employees in teams, monitoring their own and each other's behavior, to an extent that it constrains their behavior far more than traditional managerial control. According to Barker, post bureaucratic organizations have successfully shifted the locus of control from management to the employees themselves who 'now collaborate to develop the means of their own control where workers achieve concertive control by reaching a negotiated consensus on how to shape their behavior according to a set of core values, such as the values found in a corporate vision statement' (Barker 1993: 411).

Space does not permit a discussion of all the many ways that team working can operate, so allow me to present two examples of the way team working *actually* works to increase performance. The first example is that of peer pressure or peer policing. If team working can be considered a potential causal mechanism, then peer pressure can be considered as a potential sub-causal mechanism. But peer pressure works by implicitly replacing management control with a form of inter-agential control. Workers end up pushing each other to complete work, to complete work within an allocated time, to motivate co-workers and discipline co-workers in case of recurrent mistakes, lateness, absenteeism or whatever (Procter *et al.* 2000). Peer pressure, instigated via team working, then, is a new technique of

concertive control used by management to tighten their grip over labour. Moreover, workers themselves are often relatively unaware of how the team working system actually controls their actions and helps to intensify their work. Thus, the new normative managerial discourse of team working is not a radical break from the exploitative excesses of Taylorism (Barley & Kunda 1992).

Moreover, many labour process theorists, operating within a broad Foucauldian framework, have recently considered the connection between surveillance and team working. Indeed, they have questioned the MMS view that with team working, workers work 'smarter rather than harder'. The MMS , and arguably the incorrect idea that workers work 'smarter rather than harder' is represented by the fact that they are enabled by 'disciplinary practices' such as surveillance. Foucauldians are right to point to the fact that organizations can be likened to Jeremy Bentham's panopticon where workers are constantly under the gaze of their employer. With peer pressure, team members are often constantly under the surveillance of each other. Such subtle forms of control tend to intensify the work pace. As Sewell (1998: 405) argues, 'surveillance is important because surveillance helps identify not only those who are failing to achieve production targets but also those who exceed them, revealing instances in which continuous improvements are being made'. Electronic monitoring, for example, through surveillance and lateral or horizontal control via peer pressure, meets the conditions of Foucault's panoptic organization. That is, in addition to supervisory control, workers also participate in their own control, horizontally or laterally, by keeping a close and tight control on each other's work. It is possible to accept a great deal of these arguments, without accepting it all – especially its conclusions about the perfection of control. Even if surveillance tightens control, control has not been 'rendered perfect' as workers are reflexive beings who can, and do, resist such oppression.

The second example of the way team working *actually* works to increase performance is that of employee autonomy within teamwork (Jackson *et al.* 2000). Team working is seen as an extension of employee involvement strategies, reflected by the fact that employees have a greater degree of control over the decisions regarding their working lives. Indeed, the idea that satisfaction derived from greater involvement through teamwork is linked to performance is common within MMS as noted earlier. But, do employees really feel 'more involved' and 'autonomous', and if they do, does it lead to increased performance? Paradoxically, such autonomy seems to be 'controlled'. As Delbridge *et al.* (2004: 132) argue, 'autonomy remains relatively restricted in the extent to which they can take decisions and influence their own work experience'. Many other CMS researchers share the same concerns – e.g. Procter *et al*. (2000); Townsend (2007) and Van Broek *et al.* (2004, 2008).

Such involvement poses serious problems as the 'intrusiveness of team working leads to problems, rather than to empowerment as the proponents suggest' Marchington (2000: 61). To MMS commentators, 'team work presented a different picture where employees preferred to work as part of

the team compared with less who were happy to work on their own'. The fact that whole teams are now more accountable to management than individual members does not mean that job satisfaction regarding team working is higher. In fact, workers often prefer to be loyal to a team than to management. For Marchington (2000: 70) team working 'may only serve to make work more stressful and intrusive, and add nothing to skills level or initiative that workers are able to deploy' – a process he refers to as 'adding zero to zero'. Given that most workers have such low discretion at work, there is little in the technical process that enables them to exercise much responsibility in terms of work design, allocation and pacing.

In sum, team working is used as a new, and more subtle, form of concertive control. Moreover, many employees do not always realize the subtleness of team working within the modern organization. Team working has, to varying degrees, allowed management to transfer the locus of control from line-managers to teams, whilst simultaneously, maintaining the balance of power and, importantly, maintaining profitability. To the dismay of the *Human Relations School,* team working has not improved the conditions of labour. Rather, it is a subtle tool used to intensify work. As Danford (1998) argues, the removal of all 'slack' in the Taylotistic system allowed workers to overcome the stress of mass production assembly lines by granting them a new 'creative stress', a new right to participate in problem-solving environments aimed at optimising the rhythm of production, its flow, efficiency and output quality. Allow me to summarise this as follows:

- The evidence of an empirical association between team working and performance is inconclusive. But even where evidence of such an association exists, it does not constitute a *bone fide explanation*.
- A small number of researchers recognize this, largely because they are not committed to scientism and quantification and adopt qualitative approaches.
- From the perspective of MMS, team working *appears* to increase performance by being a causal mechanism, empowering workers and making them feel autonomous and involved through self-regulation.
- Going beyond appearances, however, CMS reveal that any increase in performance might actually be due to a different set of causal mechanisms, namely, peer pressure, loyalty to team members as well as causal mechanisms that makes it difficult for workers to actually see the new and subtle forms of control they now face, such as surveillance and cultural or normative forms of control.
- CMS shows, therefore, how team working really operates as opposed to MMS that shows how it is (uncritically) believed to operate.

2.0 Performance appraisal

Before engaging with the workings of performance appraisal (PA), it is vital to define it - despite the fact that for (Torrington *et al.* 1998) PA remains beyond definition and Doyle (2003) sees it as more of a philosophy than a set of procedures. PA can be defined, loosely, as a formal process of collecting information from and about employees in order to inform decisions about their future management. Historically, PA was first used in the US War department at the turn of the 19th century to evaluate soldiers through 'efficiency ratings' (Weise *et al*. 1998: 235). The objectives of the PA at the time were to help with decision making, regarding selection, retention and promotion. Following World War Two, a plethora of new techniques were designed with the help of psychologists. Following Rodger's motto 'fitting the man to the job and fitting the job to the man', some occupational psychologists saw a way to break into the `organizations´ market, via selling applications of psychology to organizational problems (Holloway *et al.* 1984). Thus, a succession of techniques such as efficiency/merit ratings, global ratings, global essay, man-to-man ranking, graphic/trait rating, forced choice, critical incident methods, MBO, upward, downward, peer review, 360 degree appraisal and the latest, balanced scorecard came into being (Weise *et al.* 1998).

2.1 MMS view of performance appraisal

MMS portrays PA as an effective tool that, if designed and administered properly, can facilitate decision making regarding promotion, development, training, layoff and reward, amongst many other strategic objectives (Grote 2000; Longnecker *et al.* 1999). To Longnecker *et al.* (1991: 41) PA promises to increase motivation, foster productivity, improve communication, encourage employee growth and development and help solve work-related performance problems. PA, then, is a process. Let us consider the process itself.

PA is an on-going process whereby raters summarize the overall progress made by an employee over a time period. According to Latham *et al.* (2008: 365) there are 4 major steps which are involved. Firstly, job performance must be defined. Secondly, individual performance on the job is subjected to observations. Thirdly, feedback is given to ratees and specific targets are set as to what a person should or should not do. Finally, a decision is made following the overall review of performance against targets. The PA is made following the overall review of performance against these targets. However, despite the fact that the process seems so systematic, it is far from being effective. As Grint (1995: 75) argues, 'rarely in the history of business can such a system have promised so much and delivered so little'. As time evolved, PA techniques were adopted and then discarded in turn on account of the following reasons: lack of objectivity; difficulty of use; complexity; cost and bias. For others, PA is beset by its validity, relevance and effectiveness   (Fletcher 2001). Others point to problems with the application of PA, namely, its biases or distorting effects (Townley 1993). Redman (1991: 161)

identifies effects or biases that plague PA such as: the halo, doppelganger, crony, Veblen and impression effects. Let us turn to empirical research on PA and performance.

2.2 Empirical research on performance appraisal

Many empirical researchers add PA as another independent or `explanatory´ variable, allegedly to `explain´ the HRM-P link – e.g. (Den Hartog *et al*. 2004; Guest *et al*. 1997; and Purcell *et al*. 2009). For example, Lawler *et al.* (2012) use the following 'independent variables': jointly set performance goals, competency models that are based on business strategy, measures of how individuals achieve their results, training for managers doing appraisals, leadership by senior management, with the 'dependent variable', organisation's performance. They go on to claim that there is a 'strong correlation' between dependent and independent variables (*ibid* 199). Smither *et al.´s* (2005: 54) meta-analysis of 24 longitudinal studies and reviews of empirical evidence of feedback ratings and performance improvement, make similar claims – e.g. there are 'positive gains' in performance when feedback is used.

Let us look a little closer at a recent example. Abdulkadir *et al.* (2012: 129) construct the following models:

> (1) Organizational Commitment = *f* (Performance Appraisal, Career Planning, Employee Participation)
>
> (1a) OC = *f* (PA, CP, EP)
>
> (2) OC = β_0 + PASβ_1 + CPSβ_2 +EPβ_3 + e

Their findings confirm that there 'is a significant positive relationship between performance appraisal system and organizational commitment with a zero-order correlation of 0.57'. What passes without comment in this, and other similar studies (e.g. Ahmed *et al.* 2010), is the fact that even if there is a significant positive relationship between PA and a performance measure, what researchers really need to know is *Why*? That is, what causes and, thereby, explains this relationship? The association or relationship itself is neither causal nor explanatory.

This is, of course, recognised by some researchers. Hall (2004) warns that any significant relationships found should be treated with caution as statistics do not provide any evidence of causal relationships. Hall claims that this is due partly to methodological issues and partly to factors such as firm size, age, sector, and other variables that make the relationship very complex. For Winstanley & Smith (1996: 68) 'there is no conclusive evidence that the use of performance management system results in improved performance'.   They go on to argue that many researchers focus overly upon the 'design of performance management and measurement systems' (ibid: 67). That is, many writers focus on the difficulties of setting performance objectives and the extent to which such systems reflect

intangibles of performance. This shows that empirical researchers are more concerned with measuring than explaining. Winstanley & Smith (1996: 68) arrive at their conclusions because they are aware of the methodological problems in demonstrating cause and effect, and the difficulty of 'extrapolation of conclusions from the regression analysis data may reflect spurious correlation or correlation due to a non-causal relationship'.

Whilst there is some empirical evidence of an empirical link between PA and organizational performance, this evidence is, at best, inconclusive. . The question that still remains which begs an answer is: why do they exist? What are the causes, or more precisely, what are the causal mechanisms by which PA increases or decreases organizational performance? What are the powers/tendencies, if any, that result from the application of PA at the workplace?

2.3 CMS view of performance appraisal

One strand of argument within CMS stems from Foucault's ideas on *information panopticon*, *taxonomy* and *mathesis* and the power/knowledge discourse (Townley 1994). For Foucault, knowledge is inextricably linked to power – although it should be recognized that Foucault´s and Foucauldian ideas on power, and related concepts, are extremely ambiguous and slippery. For Foucault, power is not repressive, as is sometimes portrayed by some Labour Process Theorists and/or Marxists, but rather is productive. For Foucault, power is not a possession but is distributed in all social networks – it is relational (Townley 1993: 94). Power is thus in practices, techniques, procedures and discourses. Such power produces subjects - i.e. individuals. In fact, according to Townley 'power produces: it produces reality; it produces domains of objects and rituals of truth' (Ibid). Power operates through *discourses* rather than through individuals. Discourses are defined by Thompson *et al.* (2009: 130) as 'the practices of talk, text and argument that continuously form that which they speak'. Townley (1994: 2) defines discourse as 'the underlying rules, the *a priori*, assumed parts of knowledge which limit the forms of the 'sayable'. As I will note in chapter 4, I consider discourse to be *conceptually real*. Townley reframes HRM as a power/knowledge discourse.

For Foucauldians, power and knowledge are two sides of the same coin. Foucault's concept of power/knowledge highlights the importance of knowledge of the individual. Foucault argues that in order to have control over individuals, knowledge over individuals is crucial. Referring to the disciplinary techniques that were in existence in late eighteenth century prisons, Foucault claims that to control criminals, certain disciplines or practices were created which, when applied, created both knowledge of, and power over, criminals. Thus, disciplines are techniques that are 'designed to observe, monitor, shape and control behaviour' (Townley 1994: 5). Let us turn to the example of the discourse of PA and see how its operation helps explain the functioning of PA and describes its link to performance.

Using Bentham´s panopticon as a metaphor, Foucault explains the workings of disciplinary power in terms of its necessary disciplinary character. O'Neill (1986: 51) exemplifies the idea when he adds 'in the bourgeois social order the prison, the factory and the school, like the army, are places where the system can project its conception of the disciplinary society in the reformed criminal, the good worker, student, loyal soldier and committed citizen'.

In modern organisations, PA is an example of such disciplinary techniques and is described as an information panopticon. PA data produces knowledge that helps construct individuals, relationships and practices in a certain way. For example, the power/knowledge relations produce certain sorts of identities, or subjects' selves. This is often referred to as the `construction of the employee´. According to Townley (1994), HRM organizes time, space and movement within an organization: it categorizes and measures tasks, behaviour and interactions. PA is the example *par excellence* where worker´s subjectivity is measured, and made knowable, hence becoming more governable, controllable or 'docile'. To Miller *et al.* (1990: 5) employees become a more 'knowable, calculable and administrable object'. How does PA help produce knowledge; render employees more measurable; render employees more knowable; render employees more 'docile'; and render employees more controllable and easy to manage? Let us turn to these questions.

First, PA acts as a mechanism for differentiating between employees via the collection of information or knowledge. The use of Likert scales, graphic rating, critical incidents, 360 degree appraisal and BARS are examples of practices that makes the individual's employee-measurable and knowable. As they become more measurable and knowable, they become more 'docile' or controllable – that is, their performance becomes known and thus amenable to control. They are also supposed to perform to the highest standard as their work is under 'perfect' control. The panoptic power of PA can be observed in the performance measurements just noted. PA, whether conducted via observational methods such as peer reviews or the information panopticon, renders employees constantly visible (Zuboff 1988). Knowing that they are constantly under the gaze causes employees to perform. Foucault sums up the operation of such gaze when he adds that it helps

> to quantify, measure, appraise, hierarchize, rather than display itself in its murderous splendour: it does not have to draw the line that separates the enemies of the sovereign from its obedient subject: it effects distribution around the norm.

Thus, power/knowledge discourses such as PA render employees more measurable and knowable, more 'docile' or controllable and easy to manage. It is conceivable, then, that these discourses are the mechanisms that might cause increased performance.

However, these Foucauldian conceptions are not without problems, and are, perhaps, exaggerated. For example, it is difficult to agree with the privileging of such power/knowledge discourses without taking into consideration the vested interests and conflicts that exist between the agents that make up the organization. It is not within the scope of this thesis to deal with them.

For Foucauldians, power has been rendered 'perfect' and employees rendered 'docile'. Although there are elements of truth to this, it is difficult to agree that this 'makes it possible to perfect the exercise of power'. This exaggerates or overstates a point, and understates the intricacies of the employment relationship.

Foucauldians also tend to gloss the fact that employees are reflexive beings, have the ability to resist in multiple ways, and often do. Workers can, for example, fake performance (Ferris 1990; Goffman 1969). Ferris *et al*. (1990) argue that impression management by subordinates could increase their liking by appraisers, which could lead the latter to rate subordinates higher. Impression management occurs when workers put over an impression of themselves which is consistent and appropriate with what organization wants, rather than what it gets. For Feldman *et al.* (1990), merit alone is insufficient for advancement in organizations. Creating the appearance of being a winner or looking 'promotable' is as important. These are good examples of how workers get round or circumvent the 'perfect' disciplinary practices adopted by organizations. I prefer not to exaggerate these claims, and so will argue that there is a *tendency* for PA to render employees: more measurable; more knowable – and visible; more 'docile'; and more controllable and easy to manage.

The CMS view goes beyond appearances and reveals that any increase in performance might actually be due to a different set of causal mechanisms, namely, the power/knowledge discourse, appraisal technology or monitoring, and the disciplinary practices that encourage workers to perform better.

Allow me to summarise the above as follows:

- Evidence of an empirical association between PA and performance is inconclusive.
- The MMS view is that PA is a causal mechanism that increases performance by facilitating the collecting of information from and about employees for decision-making; measuring employee behaviour and attitudes against standards of acceptable performance; increasing motivation, fostering productivity, improving communication, encouraging employee growth and development, helping to solve work-related performance problems; and providing a basis for compensation, promotion, transfer and training and development.
- The CMS view goes beyond appearances and reveals that any increase in performance might actually be due to a different set of causal mechanisms, namely, the power/knowledge

discourse, appraisal technology or monitoring, and the disciplinary practices that encourage workers to perform better.

- The CMS literature shows, therefore, how PA really operates and not just how mainstream commentators (uncritically) believe it to operate.

3.0 Corporate culture

What is referred to as the 'cultural turn' took place in the late twentieth century. It has been associated with the decline in socialism, the rise of neo-liberalism and the emergence of postmodernism. For Ray *et al*. (1999: 5) 'common to all uses of 'culture' is a concern with practices and relationships to which meanings, symbols or representations are central'. This 'cultural' turn has important implications for organizations. The late 70's also coincided with the global rise of Japanese companies and their associated 'culture management' techniques. What concerned Western academics was the ability of Japanese companies to unleash workers' productivity and efficiency through cultural commitment. The central idea was to emulate such practices to gain competitive edge (Hancock *et al*. 2001). Thus, the interests in culture caught Western academics' attention. 1979 proved to be the year where the corporate culture (CC) concept was born. The publication of Pettigrew's article 'On studying Organizational Cultures', and the subsequent publication of *In Search of Excellence* in 1982, by Peters & Waterman (which sold more than 5 million copies globally), compelled academics and consultants alike to take the concept very seriously (Rhodes *et al*. 2008; Hancock *et al*. 2001). CC was, according to Peters & Waterman, one of the key attributes 'Excellent' companies have to possess in order to survive the business world. But what is culture and where did the concept originate? Borrowed from social anthropology, CC found an easy application into the world of practicing management. Consultants realized that such a recipe of success could be sold to business leaders who were, as ever, ready to buy the latest fads or HRM techniques. However, as Anthony (1992: 22) argues, the transposition of the concept from anthropology to organizational studies meant that something was lost in translation. The central point about CC is, allegedly, that communities who go through economic hardships survived through patterns of beliefs, values and meanings which were transmitted through trans-generational traditions, storytelling etc. CC was sold to organizational leaders as a solution to their perennial problem of commitment. CC is conceived of as the 'corporate glue' that maintains different parts of the organizational system in equilibrium. It is assumed that if workers 'share' the same values (Wilkins 1983; Ouchi 1983), beliefs (Tichy 1982: 63) and perceptions (Deal *et al.* 1982) then the organization can achieve strategic advantage. How is the concept of CC perceived by mainstream writers? Let us turn to this strand of arguments.

3.1 MMS view of corporate culture

Peters & Waterman (1982: 103) recommended that organizations should be 'hands-on and value driven' or have 'a dominant and coherent set of shared values conveyed by such symbolic means as stories, myths, legends, slogans, anecdotes and fairy tales'. The central thrust of their thesis is that US companies should embrace the 'art of Japanese management', where employees sharing a set of organizational values would be vital for organizational success. If CC is strong, staff will identify and share the corporate values and beliefs and will behave in a way consistent with organizational purposes. Therefore, they can be trusted (or 'empowered') to work without supervision. Strong culture also facilitates the alignment between individual and organizational interests.   The result is an increased sense of ownership and belonging. As a result, there is less internal conflict, more efficient production and productivity (should) rise. It is incumbent upon senior managers to manage and promote strong CC in addition to other managerial functions (Guest 1992; Pascale *et al.* 1982).

Using a psychological perspective, with respect to CC, Golden (1992: 17) argues that individual action follows some kind of pattern: first, unequivocal adherence; second, strained adherence; third, secret non-adherence, and finally overt non-adherence. The types of adherence will dictate the type of conformity to culture. Although such psychological perspectives are interesting, this approach remains silent about the reasons for such types of adherence. Another controversy linked with the cognitive framework is the fact that organizational culture's success is measured through the organizational commitment yardstick. For Allen *et al.* (1990), employees display three components of commitment, namely: affective components, that is, the   emotional attachment to and involvement in the organization;   continuance component, that is, commitment based on the costs of employees associate with leaving the organization; and finally, the normative component, that is, to employees' feelings of obligation to remain with the organization. For Allen *et al.* (1990: 1) the psychological states are experiences at varying degrees, which means that all employees, inclusive of management, experience different levels and degrees of commitment to the organization. The authors also point to the methodological problems associated with measuring the 'net sum' – i.e. of commitment (ibid: 4). No conclusive evidence between CC and the level of commitment has been found.

Thus, one can conclude that the mainstream view is unitarist and presupposes a conflict-free, homogenous CC shared by employees and managers. However, as will be seen, the CMS view adopts an entirely different view. Before this, however, let us now turn to the empirical evidence on the CC-performance link.

3.2 Empirical evidence of corporate culture

The creation and management of CC has been promoted as the new 'holy grail' within the business community. Many mainstream writers, who bought uncritically into the idea, went on to study culture.

Hofstede, for example, found 'solid' evidence that strategic advantage was directly linked to the successful management of CC, as did other mainstream writers (Kotter *et al.* 1992; Deal et *al.* 1982; Pronjoro *et al.* 2011). Did the 62 'excellent' companies that Peters & Waterman studied improve their performance following the adoption of their so-called recipe for success? Many of the 62 'excellent' companies ceased trading within a year, allowing *'In Search of Excellence'* to be dubbed a 'book for juveniles' by Peter Drucker (cited in Grey 2009).

Gordon *et al.* (1992: 792-4) claim that the strength of CC is 'predictive of short-term performance'. Their independent variables are: the strength of culture, the relative value placed on adaptability and the relative value placed on stability with the dependent variable, firm's performance.   They conclude that 'strong culture, measured as consistency of survey responses within organizations, is related to organizational performance in ensuing years' (ibid: 793). Using structural equation modelling, Pronjoro *et al.* (2011: 725) measure and correlate product and process quality performance with four types of culture, namely: group, developmental, hierarchical and rational culture.   They report 'significant results' and identify a 'positive relationship' between culture and performance. Another regression analysis on the CC and performance link by Hau-Siu Chow (2012: 3124) reveals that 'the results…. confirmed the mediating role of implementation in the relationships between HR and firm performance', 'confirmed that the effect of HPWS on performance may be because of the existence of intermediate variables that are affected by HR practices, which, in turn, influence organizational performance'. CC is one of the main HR practices used as the mediating variable. Similar results can be seen within the empirical study on culture and performance by Arazpour *et al.* (2013). Jacobs *et al*. (2013: 119) make similar claims but are more cautious about their statistical analysis as they recognise that their results 'suggests an association between performance and culture, but do not imply causality'.

Furthermore, changes in values among employees are often limited (Ogbonna 2001; Legge 2005). Employees and managers all share different values and these do not necessarily change as a result of CC. The main argument is that CC change is associated with those companies that can easily change their values, beliefs and basic assumptions. But, as Ogbonna argues, these changes are rare and they do not change on account of the management of CC.

For some researchers, management of CC is associated with the management of commitment. For Legge, very little research has been carried out on the link between commitment and CC, and of this research the evidence is inconclusive due to methodological and conceptual problems. For her, worse still, such commitment could also be interpreted in a different way. For example, in times of economic downturn, with companies cutting costs and the pursuance of flexible working arrangements, workers could be 'keeping their heads down' and that the 'low levels of labour turnover and absenteeism and

lack of industrial action reflect fear of job loss and plant closure rather than commitment to managerial values' (Legge 2005: 239). Thus, if there is an increase or decrease in performance, it could be due to factors other than organizational culture.

The question that still remains which begs an answer: Why does CC exist? What are the causes, or more precisely, what are the causal mechanisms by which CC increases or decreases performance? What are the tendencies, if any, that result from the application of CC in the workplace?

3.3 CMS arguments on corporate culture

According to Van Maanen *et al.* (1984) there exist different social worlds within organizations with different subgroup cultures and with differing loyalties. Whilst this is true, two categories or subcultures are, arguably, *fundamental* and based upon socio-economic class - i.e. management and employees, each sharing a different set of values and beliefs. The individual can choose to show their loyalties to either one or the other. By assuming that organizations have homogeneous cultures, MMS overlooks the role of individuals as reflexive agents.

From a CMS perspective, employees are not seen as passive agents and do not always buy into the managerial discourses. Thompson *et al.* (2012) claim that workers can also perform as a result of their loyalty to their profession rather than the managerialist discourses they are encouraged to believe. Although this is not directly related to culture, it shows that managerialist discourses, and CC is a discourse, are not internalised as is assumed in MMS. However, given that managers and employees do rarely share commonality of (important) interests, such an assumption should be contested. The moment we recognize the existence of a plurality of interests, we can also start to see that this very often gives rise to tensions. There is, arguably, a plurality of different subgroups, with differing loyalties – i.e. to the profession, the workgroup, the product and so on. This does not alter the fact that, when we accept the existence of culture *and* class, we have to recognize the existence of two fundamental classes - i.e. management and employees, as manifestations of labour and capital. This can give rise not only to all kinds of *culture–based* tensions; but also to *class-based* tensions. This complexity (of culture and class) makes the internalization of managerial discourses very difficult, if not impossible.

However, Smircich (1983: 347) notes a dichotomy in the literature, where CC is seen as something about what an organization 'is' or 'has'. For Smircich there are those who use culture as a root metaphor, view organizations as culture (i.e. culture is something an organization 'is'); and those who adopt a functionalist paradigm or systems perspective, who portray culture as a variable (i.e. culture as something an organization 'has'). If organization culture is a variable then it can be subject to manipulation. Smircich points us to the two existing camps. In the first camp are those who see CC

as a variable, i.e. many prescriptive practitioners and mainstream academics who also found ways of how to cash-in on the idea. Academic researchers wedded to 'scientism' are still trying to find the 'independent variable' that is supposed to explain the CC-performance link. In the second camp, are cognitive organization theorists for whom organizations are systems of thoughts, that is, people working together in a certain way. This is what is meant by the phrase, something the organization 'is'. Theorists in this camp try to 'chart the understandings or rules by which organization members achieve coordinated action in order to diagnose and intervene in organized settings' (ibid 354). Such theorists have been dubbed 'cultural purists' by Willmott. To these researchers, CC is not amenable to manipulation but as Thompson *et al.* (2009: 167) point out, it is something that is 'continually being creatively remade by all participants, rather than fixed'. CC is not fixed but rather constantly remade. CC cannot be managed because meanings are embedded within the culture of the organization, thus external to management manipulation and influence (Ackroyd *et al.* 1990). The implication for the CC-performance link is that if culture is not amenable to management, then it can only be interpreted and described – not created or manipulated. However, such a perspective overlooks the potential of CC being seen as a form of normative control to elicit performance.

Winning 'hearts and minds', that is, appealing to the affective domain of the employee through CC, raises other issues with respect to its link with performance (Thompson *et al.* 1998). Noting the Thatcherite deregulation and privatization project, Willmott (1993: 519) suggests that the concept of 'enterprise culture' has strong ties with the policies at national level. The 'enterprise culture' launched in the period of Thatcher and Reagan, and deepened under the current neo-liberal agenda, had as its key principles, capital accumulation through cost cutting and was short-termist in scope. What ends could CC serve under such regimes? When we consider and locate the discourse of CC within a neoliberal context, we are bound to question CC's link with management control and cost cutting strategies. Thus, what lies beneath the discourse of culture?

Unlike the 'cultural purists' such as prescriptive practitioners, who regard CC unproblematically, CC has also been examined from a Foucauldian perspective, with some serious analytical implications. For Willmott (1993), the CC concept has to be taken seriously as it has the potential for identity and internal regulation. The central Foucauldian tenet is that organizations are moving away from overt forms of bureaucratic control to the internal regulation of behaviour. This internal regulation then transforms the identity of people at work. Willmott draws important parallels with the totalitarian Orwellian regime of the novel *Nineteen Eighty Four.*

To Foucauldians, CC is a new form of normative control that has succeeded bureaucratic and humanistic forms of control. Bureaucratic forms of control based on rules and hierarchical forms of control have, arguably, failed (and continue to fail) to elicit the sought-after commitment of employees

to organizations. According to Ray (1986) the failure of bureaucracy rests on two reasons. Firstly, its failed promises to provide incentives in difficult economic times. Secondly, on account of the increased automation, bureaucracy fails to enable employees to climb the career ladder, again failing to bind employees to the organization as a whole. Bureaucratic controls thus cannot be likened to what Etzioni refers to as 'moral involvement' (Ray 1986: 291). On the other hand, humanistic controls which emphasized the 'human side of the organization' and which succeeded bureaucratic forms of control were also plagued with difficulties. The ideas of indirect (lateral) forms of control such as team working, which were meant to meet the social needs of employees, also failed to secure commitment. For example, although employees interact, or are more involved at work, humanistic forms of control still do not promote any sense of collectivity. To Ray (1986: 294), humanistic controls do not enhance loyalty or increase productivity. Thus, CC succeeded these two forms of control and was seen as a new moral order and propounded as a new form of control. CC was, therefore, to act as a form of normative control that would not only bind workers together but also bind them to the CC. With workers sharing the same values, managers expect that the locus of control will be transferred from them to employees themselves, thereby, resulting in more emotional attachment to the organization. Yet, as with the other forms of control that preceded CC, it is highly problematic.

Do workers truly share the same values as managers? Or is it yet another example of wishful thinking on the part of Unitarist-oriented commentators? To Foucauldians, CC as a form of control took another dimension as managers sought to manage the subjective understanding employees have of their work roles and of the unclear significance they have to the success of the organization. However, managers seem to take a unitarist view of the organization by neglecting the wider socio-political environment in which such policies are embedded.

Because CC discourses are little more than normative forms of control, organizations lack what it takes to persuade employees of the benefits of CC. It takes more than CC to gain the emotional attachment of employees. CC promises a lot but delivers too little in that respect.

Allow me to summarise this:
- Some Empirical researchers have tried to find an empirical association between CC and performance, but the evidence is inconclusive.
- On face value, the MMS view is that CC *appears* to increase performance by being a causal mechanism that helps employees share the same values about quality; elicit commitment; increase motivation, foster productivity, meet social needs, encourage employee growth and development.

- Going beyond appearances, the CMS view is that *in those instances where CC does cause an increase in performance*, it almost certainly does so via a different set of mechanisms, namely through the internalization of values which then acts as a form of normative control.

- The literature shows, therefore, how CC really operates and not just how it is (uncritically) believed to operate.

4.0 Work-life balance

In the early 1980s, the first signs of the neo-liberal agenda started to be felt, especially a new culture of long hours and job intensification. Many employees started feeling the pressure at work spilling over at home, thereby, causing work-life conflicts. According to Schor (1991), the `overworked American´ started experiencing high levels of work-related stress and this was reflected in performance levels. Paradoxically, because globalization and neo-liberal policies are designed and implemented by organizations themselves, many organizations have to deal with the unintended, negative consequences of their own policies. The negative consequences stemming, for example, from a work-life *im*balance can have a direct, and negative, impact on the levels of performance of employees. How so? The timing of workers working hours can have a serious impact on their health, satisfaction, well-being and family life. For example, the consequences of long hours' culture are stress, absenteeism, employee withdrawal, emotional exhaustion, head and backaches, absenteeism and consequently a reduction in productivity (Deery *et al.* 2002; Green 2001).   Businesses were not happy with this state of affairs, despite the fact that they had been (perhaps unknowingly) in the driving seat of the neo-liberal agenda. Despite the fact that these problems were (again perhaps unknowingly) self-inflicted, many businesses began to recognize that such problems could be a major impediment in their quest to create sustained and appropriate levels of profit. Unable to tackle the root causes of the problems (because they probably did not, and do not, see that they are the root cause) they tried to tackle the symptoms. Consequently, what started as a discussion about `family-friendly working´, gradually merged into a discussion around `work-life balance´ and eventually, a number of work-life balance (hereafter WLB) policies came into existence.

Greenhaus *et al.* (2003: 513) define WLB as 'the extent to which an individual is equally engaged in (and equally satisfied with) his or her work role and family role'. WLB policies are policies designed by organizations, and governments, allegedly to assist employees to have better control over 'the scheduling of work hours and the location of work. As such, they come under the rubric of *flexible working practices*, such as, compressed workweeks, job sharing and teleworking' (Walsh 2005: 156) along with annualized hours, compressed hours, homeworking, job sharing, shift working, staggered hours and term-time working. There is, however, a serious problem rooted in the terminology. The generic term `flexible working´ can refer to practices associated with *increased* WLB *and* practices associated with *decreased* WLB. These terminological issues cause a great deal of theoretical and

practical confusion because a great deal depends upon which kinds of flexible working practices are under discussion. A working mother, for example, is quite likely to benefit from, and to request, term-time working or flexible start and finish times, both of which are flexible working arrangements. She is, however, most unlikely to benefit from, and request, Annualized Hours or call out arrangements, both of which are also flexible working arrangements. A firm on the other hand, is quite likely to benefit from, and to request, Annualized Hours or call out arrangements, but not term-time working (unless it just happens to be connected with the education system) both of which, are flexible working arrangements. It is, therefore, easy to get confused about whom wants what and why. Hence, it is often necessary to refer to `employer-friendly´ and `employee-friendly' kinds of flexibility and WLB practices in order to differentiate clearly between them.

The right to request flexible working is now enshrined in European legislation. As such, eligible employees can request a change to the hours they work, or a change to the times when they are required to work. Some research points to the fact that, where employees have discretion over starting and finishing times, it has proved to reduce WLB problems White *et al.* (2003: 191) and Lewis *et al.* (2001). Let us now turn to the MMS view.

4.1 MMS view of work-life balance

There are, according to Thompson *et al.* (2009) three theories that help conceptualize WLB or 'work-home interface'. These are as follows: First, compensation theory which assumes an inverse relationship between work and life balance, where involvement in one (work) leads to deprivation or spillover on the other variable (life). Second, spillover theories which posit that favourable or adverse effects in one can have the same effects on the other e.g. intensification of work can possibly lead to anxiety at home. Finally, WLB conflict theories emphasize role-based stressors and inter-role conflict. Thompson criticizes these theories as lacking conceptual depth, as they tend to have unidirectional influence (e.g. in conflict theories). WLB has also been feminized and, therefore, treated as a `women's issue´. It also raises issues concerning the *boundaries* between work and home (Bunting 2004). There is an implicit, never fully articulated, presumption that 'balance' is achievable when in fact, there are many role conflicts which makes obtaining this balance unlikely. Let us turn to empirical work on the WLB-performance link.

4.2 Empirical evidence of work-life balance

White *at al.* (2003: 191) attempted to measure the effects of high-performance management practices and working hours on WLB. It revealed that hours worked are the largest influence. However, they go on to claim that 'we find clear evidence that high-performance practices are an important, if previously ignored, source of negative spillover, even after controlling for working hours'.

Lee & Kim (2010: 473) report different claims from their study in Korea on the effect of family-friendly programmes on organizational performance. Using ordered logit regression analysis, they report that:

> family-friendly programmes, particularly dependent care assistance, are incompatible or in conflict with HPWS practices because such programmes represent additional burdens in terms of extra costs and the absence of skilled personnel, which would, in turn constrain the operation of HPWS practices. This finding contradicts existing literature that presumes a complementary relationship between family-friendly management HPWS practices in the enhancement or organizational performance.

Konrad *et al.´s* (2000: 1235) empirical research on WLB-productivity link suggests that firms employing higher percentages of women and professionals appear to achieve higher productivity:

> firms employing a larger percentage of professionals would show a stronger relationship between the extensiveness of their work-life programs and productivity. The interaction between WLI [work-life initiatives] and the percentage of professional employees was positive and significant.

They go on to suggest the same positive direction of causality between WLI and productivity. However, despite their attempts to measure such causal relationships, they recognized their 'failure to directly measure the underlying mechanisms through which work-life programs increased productivity' (2000: 1235). This illustrated the fact that empirical research is frequently unable to measure many of the causal mechanisms believed to be influential.

Batt *et al*. (2003: 216) attempted to measure the impact of a set of work-life policies on employees' intentions to quit. They claim to have provided empirical support for the idea that work-family policies provide a mechanism for positive outcomes for both firms and employees. In a review of the empirical literature, Beauregard & Henry (2009: 9) write that 'there is insufficient evidence to support the notion that work-life practices enhance performance by means of reduced work-life conflict'. Without longitudinal data, they conclude that 'it is impossible to ascertain whether work-life practices contribute to organizational performance, or whether organizational performance contributed to the existence of work-life practices' (ibid: 17). They point to the perennial problem pertaining to the direction of causality. And without this we are not in a position to even begin to explain the operation of WLB policies.

The question that still remains which begs an answer: Why do they exist? What are the causes, or more precisely, what are the causal mechanisms by which WLB increases or decreases performance?

What are the tendencies, if any, that result from the application of WLB in the workplace? Let us now turn to the workings and features of WLB. What of CMS studies?

4.3 CMS view of work-life balance

WLB policies can be a very complex and contested matter. The concept of a `business case´ is one such matter. On the one hand, many businesses are quick to put forward a 'business case' for example, to deny a request for flexible start and finish times by making a business case that this would cause disruption to tasks in cases where the employee worked as part of a production line. This shows that ensuring the WLB of their workforce is, at best, a secondary interest for businesses: WLB of their workforce is a means to an end. The ends can vary, such as retaining valued staff, or increasing productivity. Clearly, retaining valued staff, and increasing productivity are ways of reducing costs, and meeting the primary end or objective of profit maximization. Profit maximization and cost reduction, therefore, still drive the business agenda and decisions rather than welfare, even if it is related to performance (Lewis 1997).

That said, it is not always easy, even for progressive employers, to provide employees with the kind of employee-friendly flexible work arrangements that are likely to increase employees WLB. Organizations are constantly driven to implement the kind of employer-friendly flexible working arrangements likely to meet their commercial interests, arrangements that their competitors might have implemented already. This means that employers are not driven to offer employee-friendly flexible work arrangements to increase employees WLB (e.g. term-time working) if there is the slightest chance of it damaging their commercial interests. They are, however, far more likely to offer employer-friendly flexible work arrangements that will decrease employees WLB (e.g. annualized hours). So, given the fact of competition, and given the fact that the provision of working practices that increase WLB are not statutory, there is an inbuilt pressure for employers not to offer employee-friendly flexible work arrangements and, therefore, not to decrease employees WLB.

However, it has to be stressed that much depends partly on national/sectoral context. In the EU, legislation has been passed that gives employees the right to request flexible working. This of course is not forced on employers but there is some evidence that *some* employers accept *some* of these requests. Many public sector organizations have stronger flexible working, which does not necessarily mean they are employee-friendly.

It is widely accepted that the level of commitment of employees is reflected (perhaps incorrectly) by the amount of time spent or expended at work, especially so called `face–time´. According to Starkey (1989) those employees who do not give maximum time to their company are (often implicitly) viewed as less committed and productive. The discourse of time and productivity is very often put forward and

manipulated by management, to get the best out of employees. Take working mothers as an example. Like men, women's commitment is often measured by the amount of time spent within organizations. As women are more prone to take leave such as maternity leave, of to take time off to look after sick children or elderly relatives, they are more likely to be seen as less committed than men.

Recalling a concept discussed in section 3 above, managers often use the discourse of CC to create an 'idealized image' of the workplace. For example, workers are every often inculcated with norms and values such as 'work hard, play hard', thereby replacing thoughts about intensive, perhaps long, or inflexible hours, with thoughts of intensive recreation - as if the latter cancels out the former They are also expected to live up to such expectations of 'achieving the unachievable' Caproni (2004: 214). By doing so, management tries to get the best out of its employees by pushing the limits of productivity. Those who cannot live up to such norms have to face the consequences.

Furthermore, it seems that not all workers benefit from such 'work hard, play hard' discourse. In many organizations, ´work hard and play hard' values are not shared by all employees. Some employees cannot work as hard as management wish on account of their various life and family commitments – especially working mothers.   Thus, the mainstream assumption that working long hours benefits everyone and should be shared by everyone is a fallacy and a misconception. That is why the unitarist assumption underlying WLB policies taken by management to support a long hours' culture and the ensuing work life balance policies should be questioned Ramsay *et al.* (2000).

 So, if the use of flexible work arrangements tends to increase the WLB of no more than a small number of employees, then what purposes are they actually serving? Fleetwood (2007: 394) argues that work-life balance policies only help mask the realities of the workplace through the discourse of flexible working arrangements, where managers extoll the virtues of freedom in the labor market. Flexible working arrangements, which have now been rebranded as arrangements to promote WLB, are now being presented by management as a better alternative, when in fact nothing much has changed. This, of course, requires us to be aware of the terminological confusion noted above. Fleetwood (2007: 392) neatly summaries the idea when he affirms that:

> Whereas employee-friendly flexible working practices and work-life balance would have
> been anathema to the ruling class war of the Reagan and Thatcher's era, today they
> form part of a new class strategy: to wrap the iron fist of a renewed ruling class offensive
> in the velvet glove of freedom, individualism and, above all, flexibility.

Hyman *et al*. (2004) expose the WLB discourse by noting that despite 'flexible working regimes, hours of work are increasing'.

In sum, work-life balance policies seem to provide more hype than hope to employees. Work-life balance policies only affect a small number of employees in some organizations. With the growing outsourcing and the importance of non-permanent contracts, it is difficult for employees to feel secure about managing their work-life balance. It tends to point to more of old wine in a new bottle where flexible policies have been rebranded as work-life policies.

Allow me to summarise this section:

- Empirical researchers have tried to find an empirical association between WLB and performance, but the evidence is inconclusive.
- On face value, the MMS view is that in those instances where WLB does affect performance, it is via the choice of flexible work arrangements.
- Going beyond appearances, the CMS view is that in those instances where WLB does affect performance, it is via flexible work arrangements and enlightened management and the 'work hard, play hard' discourse.
- The CMS literature shows, therefore, how WLB really operates and not just how it is (uncritically) believed to operate.

5.0 Empowerment

Empowerment is regarded as a result of the 60's and post 60's social movements and is associated with *Organization Development* research programmes which were embedded within the *Humanistic or Human Relations* school (Prasad *et al.* 2001). The *Human Relations School* reacted to the low-trust employee relations of *Taylorism* and argued that workers could go unsupervised, and be self-motivated, if given the chance to be involved in organization decision making. From then onwards, empowerment has kept the attention of academics across disciplines such as cognitive psychology and organization studies. The interest has been fuelled by the possibility that it is one of the variables in the link with organizational performance (Huselid *et al.* 1997). What is empowerment? How did it come about in organizations? Why should we be interested in such a concept?

Conger and Kanungo (1988: 474) define empowerment from a psychological perspective, as:

> a process of enhancing feelings of self-efficacy among organizational members through
> the identification of conditions that foster powerlessness and through their removal by
> both formal organizational practices and informal techniques of providing efficacy
> information.

Here, empowerment is linked to motivation and the concept of power – or its absence. That is, empowering workers implies enabling them or delegating (some) power to them. It implies participation and moving or shifting the locus of power downwards. By relating the concept to self-

efficacy, the authors are also emphasizing the indispensable need for employees to understand that their self-efficacy is enhanced (ibid: 475). Let us turn to   MMS views on empowerment.

5.1 MMS view of empowerment

Tied to the notions of job enrichment, intrinsic motivation and industrial democracy, empowerment emerged in the 80's as a new initiative to enhance productivity (Wilkinson 1998). However, it has to be noted that similar to the CC discourse, empowerment was another initiative championed by management gurus such as Peters, Waterman and Kanter. If companies were to be 'excellent', they had to promote autonomy (Peters *et al.* 1982). For many mainstream researchers, empowerment if adopted leads to a spectrum of benefits such as motivation; responsiveness from staff; retention of staff; increases in performance and profits; higher customer loyalty; increased quality and better use of employees' skills (Mullins 2005).

There is, however, a lack of agreement about the definition of empowerment. For Huselid *et al.* (1997) empowerment is viewed as an HRM practice. To Psychologists, empowerment is viewed as an employee perception or a cognitive state (Spreitzer 1995). The generation of non-union direct voice is also viewed as one way for employees to be empowered. Employee voice involves a two-way dialogue between management and employees over issues such as organizational performance (Bryson et al. 2007, 2013).   What about the empirical evidence on empowerment?

5.2 Empirical evidence of empowerment

For psychologists, empowerment affects tasks, behaviors and performance (Thomas *et al.* 1990; Spreitzer 1995, 1996; Schwartz 2000; Kirkman 1999). For psychologists, empowerment is considered either as a motivational/psychological state or a set of practices associated with enabling employees with decision-making power.   Thus, many psychologists try to measure the different cognitive components that supposedly make up empowerment such as: impact; competence; meaningfulness and choice Thomas *et al.* (1990). Others such as Mathews *et al.* (2003) have attempted to measure the factors that help organizational empowerment such as: organizational structural framework; control of workplace decisions and employees access to information. In the same vein, Kazlauskaite *et al.* (2011: 152) tested the association between empowerment, as a bundle of HR practices, and commitment using statistical analysis. They reported on:

> the relationships between organizational empowerment and three work-related attitudes, job satisfaction, affective commitment and psychological empowerment. Our findings confirmed the following assumptions. Organizational empowerment has a statistically significant impact on job satisfaction, affective commitment and psychological empowerment.

Bryson *et al*. (2013: 212) report similar results when looking at the impact of employee voice on performance when they state that 'we find that union voice is associated with higher conflict and lower quits, confirming previous findings'. Non-union voice, however, is associated with better climate and, in some instances, with better financial performance. There is thus some limited evidence of an incentive for employers to invest in non-union voice mechanisms such as empowerment.

Hashemi *et al.* (2012: 1363) report that

> the two independent variables accounted for 22% of the creative performance variance among agricultural personnel. Overall the results of the structural equation modeling procedure showed significant effects of antecedents of perceived organizational support and psychological empowerment on agricultural personnel's creative performance

Note well that even when independent variables account for 22% of some performance variable, this does not 'explain' the relation between the variables. These above mentioned studies point to the same conclusion: not only do none of them explain the mechanisms associated with empowerment that cause performance to increase or decrease, this kind of empirical research will never explain them.

The question that still remains which begs an answer: Why do they exist? What are the causes, or more precisely, what are the causal mechanisms by which empowerment increases or decreases performance? What are the tendencies, if any, that result from the application of empowerment in the workplace? Let us now turn to the workings and features of empowerment. What of CMS studies?

5.3 CMS view of empowerment
Empowerment is also associated with another discourse, that of the customer. (Dugay *et al*.1992) builds from the premise that radical organization change is being prompted by modern day customers who, unlike their Fordist counterparts, are now more 'active, enterprising: searching, innovating, forcing change and movement upon producers' (ibid: 617). The central thrust as they put it is:

> to improve the model of the customer–supplier relationship on internal organizational relations, so departments now behave as if they were actors in a market, workers treat each other as if they were customers, and customers are treated as if they were manager (ibid 1992: 619).

The point is, customer-focused strategies for survival cannot succeed if employees are not empowered. Furthermore, what this means is that an organization´s internal relations are converted to

market relations, all driven by the customer. An empowered employee is supposed to become more spontaneous and responsive to customers´ demands and, therefore, to the demands of business. However, as argued earlier, such presumptions are contentious given the conflictual nature, and power imbalance, of the employment relationship.

Moreover, as Argyris (1998) points out, should we be concerned about empowerment? His paper entitled 'Empowerment: the Emperor's New Clothes' shows a different side than the one sketched in MMS. Argyris points to the many contradictions inherent in empowerment programmes such as: the mixed messages that are sent by Change consultants which create doubts amongst employees and CEO's ambivalence towards the empowerment plans. As Argyris (1998:101) puts it: 'CEO's work against empowerment consciously and unconsciously; executives do not always seem to want what they say they need'. On the other hand, Payne (2000: 224) points out, 'very often short termism, short-term financial pressures, managerial norms and being tough and analytical, failure to delegate' are the main barriers to empowerment. Is empowerment another mirage?

Applying Maslow's concept of Eupsychian management to modern day organization, Payne (2000) argues that employees can self-actualize if conditions are right. Eupsychia is defined by Maslow as 'the culture that would be generated by 1000 self-actualizing people on some sheltered island where they would not be interfered with'. To Maslow, initiatives such as empowerment are steps taken to move towards such management practice. But, do such practices exist as Maslow claims? Or is empowerment yet another ploy by management to intensify jobs of workers?

Empowerment is also associated with the notion of power. As Niehoff *et al.* (2001: 96) point out, empowerment 'is a set of activities and practices of managers that give power, control and authority to subordinates', it is not about sharing, but distributing, power within the organization. The simple idea is that employees reciprocate with acts of loyalty to the organization only if they perceive that: first, work has personal meaning; second, they feel competent in the ability to perform the task; thirdly, they have a degree of self-determination in their ability to choose and regulate task action, and finally, the work has impact beyond the immediate job (Spreitzer 1995: 1445). However, Spreitzer (1995: 1444) also argues that empowerment is not a permanent personality trait but a 'set of cognitions shaped by work environment'. Thus, people's empowerment depends on the conduciveness of the work environment to be enhanced or to be affected. For example, if trust is not present, empowerment fails (Rothstein 1995).

Are modern organizations high-trust organizations or still low-trust ones? Actually, the reality is almost certainly to be a mixture – albeit with less high-trust (Fox, 1985). Unfortunately, it seems that with the McDonaldisation of many companies and the increasing surveillance that characterize such

organizations, 'high-trust' workplaces as depicted in mainstream literature are rare (Lyon 1994; Ritzer 1993). For example, the operation of quality monitoring systems that exists within many call centers reflects how empowerment exists in a highly circumscribed form. The operation of a whole spectrum of controlling devices such as team working, electronic surveillance and direct monitoring, amongst many others, leaves us wondering whether employees can claim to have any 'power' as they are under such tight controls.

Thus, when one empowers, one gives or delegates power to people in lower ranks in the hierarchy. Empowerment ranges from encouraging suggestions, to taking ownership of certain types of issues, or developing of problem-solving skills. One interesting point is that for empowerment to succeed and improve productivity, employees must be given `enough´ power. Power is itself a contentious issue and has been conceptualized by many mainstream, critical, and Foucauldian researchers.

Power, although multidimensional, is often used in the face of conflict such as in an industrial relations context. Hardy *et al.* (1998: 452) apply Luke's concepts of power and argue that there are three dimensions of power. Firstly, the ability to use resources to influence the outcomes of decision-making processes. Secondly, by controlling access to those processes. Thirdly, through hegemonic processes which legitimates power through cultural and normative assumptions (Lukes 1974: 462). Applied to empowerment practices, it means that so far as the first dimension of power is concerned, resources need to be transferred to employees. They should also be able to secure access to some decision-making which is the second dimension. Finally, employees should be helped so that they can have power over significant aspect of their jobs and enabled to have a sense of pride and ownership over resources. The third dimension is hegemonic.

However, as Hardy *et al.* argue, managers often keep such ownership to themselves. The same applies to accessing decision-making processes. As Hardy (1998: 465) puts it, 'the ultimate control of these processes usually rests with senior managers, who set the parameters within which subordinates may operate'. It is more of a 'controlled transfer of power' to employees. For example, empowerment programs are effectively used by managers to reduce the need for visible forms of oppressive bureaucratic controls which reduces the likelihood of resistance and makes it much easier for managers to delegate power.

Dugay *et al.* (1992) extend the discussion, and argue that, the rebranding or relabeling of job titles such as 'associates' 'team members' or 'leaders' reinforces consensus and cooperation thereby looking as if conflict has been reduced within organizations. Empowerment through new titles is supposedly beneficial to them on account of this identity transformation process. Additionally, and related to the above noted point about team work, as a new 'team member', the latter can also perform

acts of surveillance which hitherto fell under manager responsibility. The workplace gets transformed for the better – from the point of view of management. How successful this re-labeling is, is unknown.

Empowerment is thus a fine example of the creation of false consciousness amongst employees. However, it helps managers achieve their goals of suppressing conflict. As Hardy *et al.* (1998: 467) concludes 'empowerment programs promise employees power, they do not always deliver on these promises'.

For Foucauldians, power is conceptualized as a network of relations and discourses. Power is not a fixed entity but relational. Power is productive and creative and transforms the individual into 'objects who secure this sense of what it is to be worthy and competent human beings' (Knights *et al.* 1991); see also (Hardy *et al.* 1998). Power helps individuals to reconstitute their identity and their self through participating in creating practices such as empowerment.

However, as explained earlier, empowerment seems to have been cleverly appropriated by postmodernists to validate Foucauldian notions of power/knowledge and the panopticon. The Foucauldian notion of power/knowledge contains a number of flaws such as the disregard of agents' ability to be reflexive and resist. Human agents are not necessarily, and not always, 'docile bodies'. Wilkinson (1998: 51) makes it even clearer when he adds that 'employees are not cultural dopes and do not simply buy-into rhetoric in an unconditional way'. This could be said anywhere where power is involved. This means that not all employees will buy-into managerial practices like the re-branding of job-titles.

Empowerment is yet another new fad that has been added to the long line of fads such as industrial democracy, employee involvement, participation etc. Empowerment cannot be successfully implemented if power is still tilted towards management. Worse still, as some organizations tighten their grip over labour, in terms of electronic monitoring and team pressure, employees are likely to find it very difficult to buy into the empowerment discourse. Trust is the mechanism that is the missing link in modern organizations.

Allow me to summarize this section thus:
- Empirical researchers have tried to find an empirical association between empowerment and performance, but the evidence is inconclusive.
- The MMS view is that empowerment increases performance via mechanisms that help employees take more pride and control over work aspects and feel competent in their ability to perform their task.

- The CMS view is that in those instances where empowerment does increase performance, it does so via a different set of mechanisms, namely, managers keeping decision-making ownership, controlled transfer of power, empowerment programs used by managers to reduce the need for visible forms of oppressive bureaucratic controls which reduces the likelihood of resistance and makes it much easier for managers to delegate power, customer-focused strategies and the delegation of power.
- The literature shows, therefore, how empowerment really operates and not just how it is (uncritically) believed to operate.

6.0 Reward

Reward is a much newer concept than 'pay'. Reward and pay differ in that the latter is the amount of money received by an employee for the job, whereas the former is the addition to basic pay and is linked to performance levels. Reward according to Smith (1992: 173) is Thatcher's 'brain child'. Historically, the concept of reward is considered a British phenomenon. As Smith (1992: 171) puts it, 'the term 'reward management' and its practice are unique to the United Kingdom. Despite the American origins of human resource management there is nothing comparable to Reward Management on the other side of the Atlantic'. In line with the neo-liberal economic policies, the point of the exercise was, and still is, to boost productivity through incentive payments. Rewarding achievement has ever since been one of the central pillars of HRM.

Reward has been defined by Bratton *et al.* (2003: 277) as 'a core facet of the employment relationship: it constitutes an economic exchange or relationship and refers to 'all of the monetary, non-monetary and psychological payments that an organization provides for its employees in exchange for the work they perform'. There are two forms of reward: intrinsic rewards and extrinsic rewards. Intrinsic rewards meet Maslow's basic need for survival, security and recognition. These are financial payments and working conditions. Extrinsic rewards refer to the psychological enjoyment and satisfaction of challenge, sometimes referred to as 'psychic income' that meets self-esteem and personal development.

6.1 MMS view of reward

To MMS researchers, reward strategies determine employee attitudes towards their performance. According to Armstrong (2007), the reward package determines: employee satisfaction, engagement, behavior and ability to remain in the organization. Besides being one of the mediating variables between attitudes and performance, reward, once vertically and horizontally 'fitted' to other HR strategies and corporate policies, can then lead to the much sought after strategic advantage. However, the assumption that employee behavior and performance are directly related seems mechanical and deterministic. There are many factors that shape, and impact on, the employment

relationship, highlighting the contradictions and complexity of the employment relationship. Kessler (2007) highlights the need to consider strategic and equity considerations of reward.

Reward has been linked to performance by a number of major theorists such as Taylor, Maslow, Herzberg, Vroom, Porter, Lawler, Latham, Locke and Adams. For many motivation theorists, reward whether financial or non-financial, was seen as helping employees to expend the extra effort or 'go the extra mile'. According to Armstrong (2007: 69) and for Taylor and Skinner, employees only work for money, whereas Maslow was concerned about the needs of employees, such as non-financial rewards which could help with self-actualization. For Cognitive and Process theorists such as Locke, one's behavior is a function of ability and motivation, and since motivation is a function of expectancy, instrumentality and valence, (with valence being the expected value [positive or negative] of those outcomes), one is led to believe that reward plays a significant role in an employee's performance (Gerhart 2010).

The same could be inferred from Equity theorists like Adams. The central thrust of his thesis was how an employee evaluates his/her outcome from work depends:

> On an assessment of how his/her ratio or outcomes (e.g. perceived compensation and rewards) to inputs (e.g. perceived effort, qualification and performance) compares to a comparison standard (e.g. co-worker or peer in another organization). When ratios are perceived to be equal, equity is perceived or no action is taken to change the situation (Gerhart 2010: 212).

According to Pfeffer (1998: 112) there are six myths that exist to explain why reward fails. Firstly, when labor costs and labor rates are assumed to be equivalent; secondly, when one assumes that one can lower labor costs by cutting labor rates; thirdly, when one assumes that labor costs constitute a significant proportion of total coasts; fourthly, when one assumes that low labor costs are a potent and sustainable competitive weapon; fifthly, that individual incentive pay improves performance and finally when it is assumed that people work for money. If managers espouse such myths then reward has certain perverse effects on competitive advantage. Thus, Pfeffer advocates that breaking with such myths can lead to higher performance. Yet he also argues that pay 'cannot substitute for working environment, high trust, fun and meaningful work' (Pfeffer 1998: 119). However, it has to be noted that there are other factors which affect the relationship between effort and reward such as social and political issues, individual and group goals, skills and knowledge required, opportunities for advancement and as expectancy theorist claims, the perceived value of financial reward. Many such factors are hard to control or to manage (Perkins *et al*. 2011). Let us now turn to empirical evidence on reward and performance link.

6.2 Empirical evidence on reward

The link between monetary rewards and performance has also been empirically researched. For example, Van Jaarsveld *et al.* (2011: s19) attempt to measure the impact cash levels have on worker performance using multivariate analysis. They conclude that 'CSR [Customer Service Representative] cash pay is significantly associated with two workforce performance measures: call abandonment rate and meeting the target time'. Another empirical study by Kim *et al.* (2013: 45) on group-based pay-for-performance and firm performance report that:

> We found that a one standard deviation increase in empowerment practices and group-based pay-for-performance plans resulted in an increase in both gross margin and net income per person by $27,821 and $44,489 respectively. Total gains in gross margin and net income at the firm level were estimated at $24.5 million and $10 million, which represent significant financial amounts for organizations. Thus the impact on financial incentives and empowerment practices seems to be practically significant in terms of actual dollar value.

The same positive relationship can be said to have been observed in the study conducted by Young *et al.* (2012) on financial incentives and performance. They reveal the same statistical significance as evidence.

The main point to take from this research, however, is that reward is the alleged mediating mechanism between motivation and performance. Other research, however, comes up with very different conclusions. According to Guthrie (2008: 347), so far as motivation and rewards are concerned, evidence seems to be 'limited and circumscribed'. Poole *et al.* (1998: 242) share the same pessimism as their survey revealed 'less evidence in support of the 'new pay' thesis despite the emphasis laid upon merit and individual performance'. Wood (1996) claims that there is little evidence to connect reward with performance. More evident was that firms who paid or increased wages permanently displayed better results than those that paid rewards as a bonus.

The question that still remains which begs an answer: Why do they exist? What are the causes, or more precisely, what are the causal mechanisms by which reward increases or decreases performance? What are the tendencies, if any, that result from the application of reward in the workplace? Let us now turn to the workings and features of reward. What of CMS studies?

6.3 CMS Arguments about reward

For Marsden *et al.* (1994) the poor design of the reward system; feelings of unfairness of the system; the determination for the working environment and its impact on staff morale resulted in a small motivational effect on staff. For Lewis (2004) an excessive focus on financial rewards, inadequate

salary differentiation, and too much emphasis upon individual's performance over a short time scale are the major difficulties faced by firms who implement reward systems.

For Guthrie (2010: 218), a major problem is the fact that employees' performance is assumed to be easily 'measured'.[2] The subjective aspect of many jobs makes it difficult to relate to reward. Matters worsen when it comes to team or collective performance. For Kovach (1987) managerial and employees' views differ regarding what motivates - i.e. managers feel that pay is the major motivator whilst to employees not only is pay considered to be the fifth of all factors of motivation but what really mattered to them was intrinsic motivators.

Let us turn to the major causes of why reward systems have failed so far - despite the fact that many workers are still reported to be in favor of them (Marsden *et al.* 1994). Firstly, the cost leadership strategies, increasing flexibility in staffing levels; reducing labor costs and the capitalization of economies of scale pursued by managers can only mean that 'reward' is only seen as an instrument to reduce costs rather than to motivate. Call centers are perfect examples of how companies reduce their labor costs through outsourcing their activities. Outsourcing is synonymous with cost reduction (Van Jaareveld *et al.* 2011), (Henning *et al.* 2009), (Srivastava *et al.* 2012). The same could be said about the internationalization or globalization of activities. Secondly, the major factor driving firms overseas is the potential for massive reduction in labor costs. Associated with cost reduction strategies, Poole (1998: 242) and Smith (1992: 179) argue that HRM and reward management have been linked more directly to low rewards in a 'lean and mean' environment than they have to the provision of largesse in a purposive, performance-based environment. Given these developments and the kind of figures that obtain in many of the new strategies for reward management, it is perhaps reasonable to ask whether or not reward management and indeed current government policy is not aiming at minimizing labor costs rather than increasing labor productivity. Smith (1992) rightly concludes that reward strategies are no further away from the 'muddling through' of the 60's and 70's. Worse still, 'motivation may well have taken a back seat, as far as HRM and reward are concerned' (Smith 1992: 180). Furthermore, as Legge (2005: 35) points out, the employment relationship being already conflictual cannot be improved if organizations emphasize rewarding individuals and expects the same individuals to work as part of teams. See also Drucker (2009). The fundamental problem seems to be that pay seems to be a very poor motivator, so changes to pay systems have little impact on motivation and, thereby, on performance.

Allow me to summarize this section:

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[2] Incidentally, this is a problem that affects all six HRMechanism's.

- Some researchers have simply tried to find an empirical association between reward and performance, but the evidence is inconclusive.

- On face value, reward *appears* to increase performance by being a causal mechanism that helps employees feel motivated, meet their basic needs and have a sense of distributive justice.

- Going beyond appearances, however, reveals that any increase in performance might actually be due to a different set of causal mechanisms, namely, the fairness of the system, and the working environment and the focus on cost reduction.

- The literature shows, therefore, how reward really operates and not just how it is (uncritically) believed to operate.

Conclusion

This chapter has used MMS and CMS literature to identify how each of the six HRM practices is `supposed´ to work and how they actually do work. This will help to inform the theory chapter and the methodology chapters that follow. The rationale behind this chapter has been to gain some insights into how these HRM practices work and what might conceivably constitute an explanation in so far as the HRM-P link is concerned. This chapter has also noted that empirical research on the links between the six HRM practices and performance has not found any solid evidence of such links.

CHAPTER 3: FROM SCIENTISM TO CRITICAL REALISM AS APPROPRIATE META-THEORY

3.0 Introduction

From 1995, and especially the publication of Huselid's seminal paper on the HRM-P link, there have been many attempts by researchers from various academic orientations to provide an explanation of this link. However, the fact is, empirical research is dominated by statistical analyses on this link, which adds very little to our existing knowledge, and fails to deliver the much needed explanation. To obtain an explanation means that we need first to accept that there are some serious limitations that underlie existing empirical work on the HRM-P link. Breaking away from the stasis that has shrouded such empirical work also means that we will have to locate the limitations of empirical work - *so that we do not commit the same mistakes*. This will require in-depth consideration of those limitations and their implications, in so far as the explanation of the HRM-P link is concerned. Fleetwood & Hesketh (2010) have already provided us with a research agenda that could shed much light on this research, departing radically from the existing empirical work on HRM-P link and taking us onto a more fruitful meta-theoretical route. This chapter is, essentially, a summary of Fleetwood & Hesketh's (2010) work, although it also uses work from other critical realists such as Archer and Sayer.

This chapter is hard-going but worth every effort. This meta-theoretical journey will be necessary because the limitations of the empirical work stem from the inadequacies and flaws of its own meta-theory. This chapter will thus be devoted to the limitations of scientism and the implications that such a meta-theory has on the empirical work on HRM-P link. The chapter has four sections. Section one sets out the meta-theory that underpins quasi-positivism, or scientism, and then provides a critique. Section two provides a critical realist alternative to scientism's flawed meta-theory, and goes on to show how this can add more fruitfully to the investigation of the HRM-P link. Section three starts the transition from meta-theory to theory by setting out the problems associated with 'theory' within scientism. Section four remains with theory, to introduce, and explore, the limitations of Mertonian-inspired mechanisms-based approaches, reflects upon their inadequacies, and notes that despite moving in a critical realist direction, these approaches lack the meta-theoretical sophistication to make them entirely suitable.

Part I. Scientism

Section one of this chapter provides a critical realist interpretation of the meta-theory underpinning empirical research on the HRM-P link, namely, quasi-positivism or scientism. Let us start by explaining the term `scientism´.

3.1.1 From positivism to scientism

I have been following Fleetwood & Hesketh (2010) in preferring the term `scientism´ over `positivism´. Allow me to explain. Scientism has been defined by Brown (1992: 74) as 'the making of exaggerated claims for the sphere of competence of scientific procedures, often involving the inappropriate use of natural scientific methods and imagery in the study of the social world, and necessarily entailing the privileging of science in an uncritical fashion'. As a result of the obvious success of classical physics, and the mistaken belief that it is rooted in positivism (or scientism), many social scientists argue that social science should also be rooted in the same method `scientism/positivism'[3] (Sayer 1992; Davison 2000). This appears to be the case with researchers on the HRM-P Link. My concern is legitimated by the fact that much of quantitative, empirical research on the HRM-P link grounds itself in scientism/positivism as its meta-theory – and this remains the case even when researchers do not mention their underlying meta-theoretical commitments. According to Fleetwood & Hesketh (2010), many empirical researchers make extensive use of statistical techniques with very little knowledge or mastery over meta-theoretical issues. Claiming that their research is 'scientific' (and failing to recognize that 'scientistic´ is a better description), these empirical researchers argue not only that they have the backing of science, but also that their findings are generalizable. Fleetwood & Hesketh (2010) caution these researchers against the un-reflexive use of this type of empirical research.

Let us fully elaborate on scientism/positivism's meta-theory. Some critics prefer to refer to adherents of positivism as advocates of scientism/positivism on account of their fetishism of the so called `unity of method´ thesis or 'methodological monism'. The unity of method thesis postulates that theories across natural and social sciences should not contradict each other. The method that is almost always put forward to be adopted universally, however, is one based upon (classical) physics (Hesse, 1997). This is given credibility by the idea that the social sciences are underdeveloped and inferior relative to (classical) physics precisely because they do not use its method. Whilst empirical researchers on the HRM-P link do not explicitly claim to be adherents of methodological monism, the fact is they are exclusively using something like a meta-theoretical approach, and the methods and techniques developed by natural scientists for use in natural science. Indeed one of Fleetwood & Hesketh´s reasons for referring to the meta-theoretical practices of these empirical researchers as `scientism´ is precisely because it implies a lack of clear understanding of their own practices.

Some critics of ontological monism suggest that scientism/positivism is appropriate for natural science, but not for social science. There should, therefore, be two different methods: one for natural science and one for social science. Critical realists do not believe this, but it is important to know why. They do not believe it because they argue that scientism/positivism is not appropriate for natural science either.

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[3] Most social scientists don´t use the term `scientism´. I will use the term `scientism/positivism'

The reason for this mistake is that classical physics can, very often, be applied in *closed systems* (which we will explore later). Explanation, not prediction, is actually the goal for most natural scientists – and the same is (or should be) true for social scientists. In short, many simply do not understand what method physicists actually use (and many physicists don´t understand it themselves) and so we get the mistaken conflation where scientism/positivism is seen as appropriate for classical physics. This appears to be the case with researchers on the HRM-P Link.

Since much of the empirical research in the HRM-P paradigm has so far been predominantly grounded in scientism/positivism, it is vital that a thorough examination of its meta-theoretical implications be carried out, which we turn to next.

3.1.2 Scientism/positivism´s ontology

Fleetwood (2013) points to three existing ontologies that researchers are able to adopt – even if they do so unconsciously or implicitly. These are the following:

a) An ontology of observed, atomistic events, associated with positivism or scientism/positivism.

b) An ontology of entities that are stratified, emergent and transformed (by agents) in open systems, associated with critical realism.

c) An ontology of entities that are entirely socially constructed via discourse, language, signs, symbols and texts, associated with idealism.

In this thesis, I will have little to say about `idealism´ because scientism/positivism is the meta-theory that underpins much of empirical research on the HRM-P link. Advocates of scientism/positivism presuppose an ontology of *observed and atomistic events.* For Sayer (1994: 155) atomism has two branches –ontological and epistemological. The former holds that the world 'consists of discrete, distinct atomistic elements existing at discrete, distinct points in time and space'. The latter depicts observation as 'fragmented into simple, unproblematic, indivisible 'readings'.

Observed events are the building blocks of scientism/positivism. They are the things about which data is collected – e.g. the introduction of team working; socialization as a way to manage culture; bonuses to reward efforts; peer pressure and policing to enhance performance. When events are experienced or observed (or proxied) in terms of quantity or degree they become constructs or variables. Variables are *quantified* events. Thus, the ontology consists of observed events that are unique, unconnected or atomistic. They must be atomistic, since any connection between them would be impervious to observation, otherwise the nature of the connection would require prior explanation, thus undermining the centrality of the observable. Moreover, being atomistic, these elements have no internal mechanism and no causal powers/tendencies – elaborated upon in chapters 4 and 5

That part of the world which is amenable to 'scientific´ enquiry is exhausted by observable phenomena. Simply put: 'what one sees is what exists'. Scientism/positivism sees the observation of events as a reliable pathway to knowledge. This ontology is referred to by critical realists generally, as 'a 'flat' ontology partly because of the fusion of the empirical and actual domains and partly because it lacks 'depth' as portrayed in Table 1 below:

Domain	Entity
Empirical	Experiences & observations
Actual	Events & actions

Table 1: Flat ontology

Critical realists go further and argue that a third layer exists at the level of the 'deep'. But, this will be discussed in section 1.10, where we will go `below´ the level of events and try and understand what happens exactly at the level of the 'deep' and how important it can be to explicate the HRM-P link. Let us turn to scientism/positivism's epistemology.

3.1.3 Epistemology and aetiology

Particular knowledge is gained through observing events, but more general or 'scientific' knowledge is gained only if these events manifest themselves in some kind of pattern: a flux of totally arbitrary events would not result in knowledge. The pattern in question is one of event regularities. Thus in the case of the HRM-P link, knowledge hinges on the observations of regularities. This can, for example, be styled as: 'whenever event x (e.g. introduction of a reward), then event y (change in performance); or $y = f(x)$. Simple functions like this can be made far more complex with the addition of variables and, of course, an error term, perhaps giving something like: $y = f(x_1, x_2, x_3, \varepsilon)$. What is important to understand, however, is that the concept of causation at work is not altered by this complexity: it is causality as event regularity. Even if empirical researchers are completely un-reflexive, totally oblivious to the subtleties of causality, the fact is they are preoccupied with seeking regularities in their data which they end up, one way or another, interpreting as causal.

It is worth noting that many researchers on the HRM-P link, including those who would almost certainly reject labels like `positivism´ or `scientism´, nevertheless presuppose causality as regularity. Any empirical researcher that hypothesises about, and/or tests for the existence of, a relationship between dependent and independent variables, such as HRM and organisational performance, is presuming that changes in HRM are associated with changes in organisational performance. This much would be agreed. But the presumption actually goes further. They are presuming that changes in HRM are

regularly associated with changes in organisational performance. If changes in HRM are *not* understood to be *regularly* associated with changes in organisational performance, then they must be *non*-regularly or *ir*regularly associated. But an *ir*regular association between variables is not an association at all. Indeed, when a researcher concludes that there is no *significant* relation between variables, what they mean is there is no regular association. It is of course true that when a (regular and significant) association is found between a bundle of HRM practices and organisational performance, researchers never refer to this as the `law of HRM´ or some such, and nor do they refer to it as a `law-like´ relation. But this is, essentially, what they have found. Incidentally, referring to this as a `tendency´ does not alter the matter, if, that is, the term is used simply to mean a regular association expressed probabilistically – i.e. a statistical law of the kind used in the I-S model – discussed in a moment. On this see Fleetwood (2010).

The actual method at the centre of scientism/positivism is a combination of deductive-nomological (D-N), inductive-statistical (I-S), hypothetico-deductive and/or covering law model, which I will refer to as the 'covering law' method – explored in section 1.5. These are rooted in the notion of causality as mere *event regularity* or *constant event conjunctions*, and the notion, deriving from the philosopher David Hume, of *Humean law*. But how did the concept of Humean causation enter into social science?

According to Giddens (1976), the founding Fathers of Sociology, Durkheim and Comte, shared the view that (what they referred to as) positivism could be applied unquestioned within their cherished area vis-à-vis sociology. To them, 'social facts' required explanation by causes – and causality was exclusively Humean. The scientific method was believed to be the way forward to understand society and its social objects as was the case for physics within the natural sciences. Durkheim himself espoused the principle that explanation of social facts should be tested on the assumption that there exists a constant conjunction of events, though the causal relationships could be more complex within the social sciences. He further asserted that the constant concomitance of two factors were sufficient to establish a Law. He emphasized the importance of establishing and seeking-out these laws and patterns in society. This goes some way to explaining how sociological analysis is rife with statistical analysis to establish, for example, causes for suicide. Hughes & Sharrock (1990: 103) summarises the idea when he asserts that:

> These 'objective manifestations' according to the principle of correlation to establish
> causal connections, the sociologist was thereby able to exhibit previously undetected
> patterns of causal order beneath the appearances of everyday social life.

The Humean notion of constant conjunctions of events, or event regularities is (largely implicitly and uncritically) accepted among advocates of scientism/positivism and forms the basis of laws and law-like relationships.

Scientistic-led researchers seek (i) event regularities in the form of statistical relations between variables for HRM practices and organization performance: and (ii) these relations imply causality – even if they don´t explicitly say this, or even if they add the usual caveat about correlation not being equal to causality.

Let us look closer at event regularities. Event regularities are defined as 'well corroborated or confirmed statements about universal empirical regularities of the type 'if C, then E' and causation is understood as regularity in the sequence of events', Sayer (1994: 125).   To advocates of scientism/positivism, if a match lights because it is struck, striking causes lighting and the observed event of striking is considered as the explanation. This striking gains epistemic strength as the cause of the lighting if the event of striking *regularly* precedes the event of lighting. Cause is therefore understood to be the succession of one event following another.

It has to be noted that there is no need for extra effort to be expended, as for example, in critical realist-orientated research, to investigate any underlying causal mechanisms such as the match´s chemical properties, as a way of explaining the match lighting. For Fleetwood & Hesketh (2010: 234), if the ontology is of observed events, then causality cannot be conceived of in terms of anything other than events and their regularity – anything else that enters the account is 'window dressing', that is, is not strictly necessary for the attribution of causality. As in Humean causality, the cause of event *x* must be conceived of as being preceded by event *y*. From the scientistic perspective, causality is synonymous with event regularity. On the one hand, once such regular patterns are observed, advocates of scientism/positivism conclude that causality is present. On the other hand, if such event regularities are *not* observed, the conclusion is that causality is not present. From a scientistic perspective, then, when one event succeeds another in a regular manner, a causal relationship is thus believed to have been established. Let us turn to the methodology underpinning scientism/positivism.

3.1.4 Methodology

According to the 'covering law' model, to explain something is to predict a claim about something as a deduction from a set of initial conditions, assumptions, axioms, and law(s) or some other event regularity (Outhwaite 1987). Developed by Carl Hempel (1965), the covering law model is supposed to provide an account of scientific explanation. His example of immersing a thermometer in hot water provides a typical example of a scientific explanation. The explanation is presented as a logical argument which consists of: (i) antecedent conditions e.g. a glass tube thermometer which is filled with

mercury and which is then immersed into hot water; (ii) a statement that expresses certain general laws such as Thermic Laws; and (iii) the two set of statements once properly formulated are supposedly adequate as scientific explanation. Hempel argues that the combination of antecedent conditions and general laws provides the description of an event to be deduced, and by the same token, explained. This type of explanation assumes the form of a logical argument. The conclusion being the event which is to be explained. The conclusion is termed 'the explanandum statement' whilst the premises are termed `the explanans statement'. Here is a diagrammatical representation of an explanation within scientism/positivism.

Explanans { Always, if A occurs then B occurs: Law

A occurred (Antecedent conditions) }

Conclusion: therefore, B occurred (explanandum event)
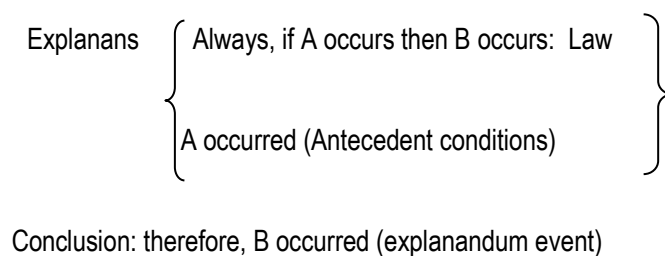
Diagram 1: Explanation within scientism/positivism

Hempel argues that the premises not only function as a basis for explanation, but can also be used as a basis for prediction. This summarises Popper's view about what an explanation should be. In *The Logic of Scientific Discovery*, he writes 'to give a *causal explanation* of an event means to deduce a statement which describes it, using as premises the deduction of one or more *universal laws*, together with certain singular statements, *the initial conditions*' (cited in Johnson & Duberley 2000: 11).

Several criticisms have been made against the covering law method. For example, Hempel himself later agreed that the conditions underlying his scientific explanation model were not sufficient for a valid explanation despite the fact that it enabled predictions to be supposedly made. Koplic spots on the face, for example, predict measles, but they don´t explain measles.

Fleetwood & Hesketh (2010: 121) show how ideas developed by the likes of Hempel, and later Popper, are used, perhaps implicitly, by advocates of scientism/positivism, who apply the covering law model in their endeavour to investigate the HRM-P link. They exemplify the point as follows:

(a) Bundles of HRM practices are regularly conjoined and statistically associated with increased organizational performance (event regularities, laws or theories).
(b) The HRM bundle consists of work teams and a performance related pay scheme.
(c) Increased organizational performance is explained and predicted as a deduction from (a) and (b).

(d) Theories or laws are often tested via their predictions.

Empirical researchers are very much interested in the last stage (i.e. with testing their theories), but they appear relatively unconcerned with the initiation of the research cycle in theory. In the scientistic approach, it is the theory that is supposed to generate hypotheses which are then tested via empirical data. The theory is then either abandoned, modified or re-visited depending upon the empirical results. So far as research on the HRM-P link is concerned, it is worthwhile noting that, as Fleetwood & Hesketh (2010: 122) point out, 'there simply is no theory (or too many poorly elaborated ones) for empirical research', which could initiate the research cycle. Worse still, the fact that advocates of scientism/positivism have a much distorted picture of what constitutes a theory adds more confusion. Theory is elaborated upon in chapters 4 and 5.

The point to note is that the covering law method *only* works if there is some kind of law-like event regularity, and (just to emphasise the same point) the covering law method does *not* work without some kind of law-like event regularity. But, there is no such law-like regularity between HRM and performance. Let us now turn to their mode of inference.

3.1.5 Mode of Inference

What about the other mode of inference that is used by scientism/positivism, namely, induction? Induction according to Chalmers (1980: 5) is the kind of reasoning that takes us 'from a finite list of singular statements to the justification of a universal statement'. For that to happen however, there are certain conditions that need to be met such as: the number of observations need to be large; the observations need to be repeated under different conditions and finally, no observation should contravene the universal statement. Those three criteria have been under attack from philosophers of science, particularly from Popper, who advocated his falsification thesis. Popper saw the inductive principle advocated by the Vienna Circle as dogmatic. His scepticism was motivated by the fact that scientific activity can never be certain. That is, no amount of empirical testing can ever provide certainty. Science cannot prove a knowledge claim by induction but it can, importantly, *falsify* a knowledge claim. That is, a theory can be proven true if it cannot be falsified by empirical tests. His falsification thesis has survived until now through the testing of hypothesis, a practice that is widely applied throughout natural and social sciences - and in particular within the HRM-P link. According to Popper, science is 'a sequence of conjectures and refutations, revised conjectures and additional refutations which deductively proceed from the universal to the particular through the elaboration of predictive hypotheses' (Johnson & Duberley 2000: 29). Thus, only good theories will survive and weak ones will be discarded. The point is that Popper´s addition of the falsification criterion does not avoid the necessity of setting out predictions and hypotheses as event regularities, laws or law like

relations and then trying to falsify them. Let us now turn to another major assumption within scientism/positivism which is closure.

3.1.6 Open and closed systems

Systems wherein event regularities occur are referred to by critical realists as closed systems. For a system, like a workplace, to be a closed system, it would have to be characterized by event regularities, which I styled above as `whenever event *x* (e.g. introduction of team-working), then event *y* (e.g. change in organisational performance)´. To establish a closed system, there must be: (i) no *internal* change or qualitative variation (e.g. impurities) in the causal mechanisms; and (ii) the relationship between the causal mechanisms and its *external* (to the system) conditions which make some difference to its operation and effects must be constant. The above two conditions are referred to as *intrinsic* and *extrinsic conditions of closure*. Although no system is ever perfectly closed (even an electronic [closed] system will eventually cease to be closed when one of the component parts fails), experiments exploit the possibility of something approximating a closure. Under such experimental conditions, we could expect a constant conjunction of events. Indeed the objective in conducting experiments is to engineer such constant conjunctions. Closure is not, therefore, natural but humanly created. This begs an important question: What happens in cases where experimental closure is not possible – i.e. in open systems such as a workplace? In systems like workplaces, one cannot perform experiments; one cannot isolate a mechanism, or small number of mechanisms, set these mechanisms in operation and observe their effects. This is impossible because organizations are far too complex to engineer closed systems - like in laboratories. Researchers on the HRM-P link can, of course, resort to closing the system *theoretically*, but this is another matter entirely.

What type of system, then, is the workplace? As noted in the previous section, evidence of a link, in the form of event regularities, between HRM and organizational performance is, at best inconclusive, and at worst casts doubt on its existence. This lack of evidence can be taken as evidence that the workplace is indeed an open system. As noted in the previous chapter, no studies have yet been able to identify event regularities with regards to HRM practices and organizational performance. The fact that the evidence does not support this, gives credibility to the claim that the workplace is an open system as will be seen in chapter 3. The workplace, wherein HRM systems are in operation, is far from being a closed system. It is rather an open system.

Let us consider *intrinsic conditions*. It is important to look at intrinsic conditions because empirical researchers on the HRM-P link often make use of this type of assumption. Whilst most empirical researchers on the HRM-P link never mention the nature of the human being who populates the workplace they are researching, for reasons I will give in a moment, they *must* be presupposing something like *homo economicus.* Those empirical researchers with an economics (and related)

background, will almost certainly have been taught to assume this. So, given *that homo economicus* is never mentioned, how can I claim that it 'must' be presupposed in empirical research on the HRM-P link?

Suppose an empirical researcher is interested in an alleged link between performance related pay (PRP) and performance. The idea, perhaps even the hypothesis, is that the introduction of PRP *regularly* leads to increased effort and this, *regularly* leads to increased organizational performance. Unless the researcher is prepared to admit to using `measurement without theory´ then some theory must be presupposed. The theory that is most readily available comes from economists for whom a rational individual would respond to a utility maximizing situation such as increased pay by increasing effort. Unless something like this is presupposed, then pay could increase and the agent might do anything – including unpredictable things like being outraged at the idea of PRP and choose to provide *less* effort. Presupposing something like *homo economicus* rescues the notions of regularity and predictability, thereby meeting the intrinsic closure condition.

Outside of economics (and related disciplines) most social scientists accept that humans in organizations act unpredictably. This does not mean they act entirely on whim, or capriciously, but they are not predictable in the sense that the behaviour of molecules are. This creates problems for empirical researchers who seek event regularities. In order to deal with this, a presupposition must be made. And it is. Humans are 'theoretically emptied of all intrinsic mechanism and re-programmed with a new, very simple programme, so that when acted upon by a causal influence, the individual will initiate a predictable and constant course of action' (Fleetwood & Hesketh 2010: 147). In this way, human beings who do not, typically, behave in predictable ways have their intrinsic constitution re-engineered (in theory only), along the lines of *homo economicus* re-establishing predictability and, thereby, event regularity.

What about extrinsic conditions? The extrinsic conditions are satisfied by assuming (a) that all external causal factors are included as control variables; or (b) that what is not included cancels each other out and so has no overall effect. This is further complicated when closed system modelling is applied. When statistical associations between variables turn out not to exist, researchers often turn to either adding more variables, or disaggregating existing variables, in the (mistaken) belief that enough variables will, eventually, result in a statistically significant relationship between dependent and independent variables. Researchers end up with an infinite regress. Let us now turn to prediction.

3.1.7 Prediction as explanation within scientism/positivism

What constitutes an explanation varies from one philosophical position to another. Advocates of scientism/positivism argue that the ultimate aim of research is prediction – although this is almost

always confused with explanation. Unless empirical researchers on the HRM-P link are to admit that they cannot explain any of the statistical associations they (allegedly) find, then they must believe they are offering some kind of explanation. Many researchers appear to believe that (somehow) an explanation emerges through the provision of a series of statistical associations. Let us unpack scientism/positivism´s conceptions of explanation and prediction.

Within scientism/positivism, to 'explain' is often to cite the explanatory variables as accounting for the change in the dependent variable. For example, Shaw *et al.'s* (2013: 577) empirical research on HRM investments and organizational performance provides an 'explanation' when they state that:

> In Model 3, the quadratic voluntary turnover rates term was significant (b=0.55, p<0.05), *explaining* an additional two per cent of the variance in workforce productivity (emphasis added).

Another study by Sirca *et al.* (2013: 376) makes use of the same conception of explanation when they add that:

> The quality of each structural equation model is measured with an evaluation of the R^2 fit index.   The factors of HRM *explain* approximately 43 per cent of the variance in job satisfaction and approximately 37 per cent of the variance in job involvement. Job satisfaction and job involvement with both HRM climate dimensions *explain* almost 60 per cent of the variance of perceived organisational performance (emphasis added).

Whilst this notion of `explanation´ has a meaning amongst statisticians, it is not what most of us would consider to be an explanation at all because it does not explain *why* changes in independent variables account for the variance in the dependent variable. Our knowledge of *why* performance actually improves is not improved by a statistical association – no matter how strong. We cannot, for example, explain why the bus was late by showing statistically that the bus is always late. At best, all it can do is show *that* certain variables are statistically associated, but it does not explain why the association occurs. What of prediction?

According to Sayer (1994: 130), advocates of scientism/positivism hold a number of mistaken assumptions regarding prediction which are as follows: First, that predictive success is the ultimate goal of any science. Second, that prediction and explanation are symmetric i.e., prediction can serve as explanation. Finally, that predictive ability is the most stringent test of theory and a measure of the maturity of the sciences. By implication then, the social sciences are viewed as inferior sciences on

account of the lack of predictive ability as they deal with social objects (which are intrinsically unpredictable) and have not yet developed theory and scientific methods.

Some time needs to be spent unpacking these misconceptions about explanations because these same misconceptions litter research on the HRM-P link. Most researchers who apply some version of scientism/positivism are busy testing predictions, typically, in the form of hypotheses. For example, Kaufman *et al.* (2011: 536) claim that their model not only can be generalizable but has predictive abilities when they assert:

> We would not be surprised if many of the implications and *predictions* of the model also apply to non-profit organizations (emphasis added).

Or Shaw *et al.* (2013: 581) who add:

> In model 3, voluntary turnover rates squared was significantly related to workforce productivity, as *predicted* (b=1.71, p< 0.01), explaining an additional one per cent of the variance in workforce productivity (emphasis added).

Most researchers, however, avoid the term `prediction´ whilst implying it. For example, Kling (1995: 32) concludes that 'taken together, the studies reviewed show that specific practices such as training, alternative pay systems, and employee involvement often are correlated with higher productivity. These and other practices are associated with even greater improvements when implemented together in systems'. Another example is that of Pfeffer (1998: 32) who claims that 'substantial gains, on the order of 40% or so in most of the studies reviewed, can be obtained by implementing high performance management practices'. Although these authors do not use the term `prediction´, phraseology like `are associated with´ and 'substantial gains can be obtained', clearly imply that they are implicitly referring to some kind of predictable relation.

Equally important is the treatment of causality by empirical researchers on the HRM-P link. As noted in section 1.4, causality is symmetrical with event regularities. Once event regularities are observed, it is assumed that causality is present. The Humean conception of causality can be detected in the theoretical models of empirical researchers on the HRM-P link. Functional relations such as $Y=F(x_1 + x_2 + x_3)$ are good examples of cases where changes in x_1, x_2 and x_3 are associated with regular changes in Y. However, empirical researchers on the HRM-P link (e.g. Kling and Pfeffer) often `smuggle´ the issue of causality into the analysis without actually ever using the word `causality´. It is, of course, implied, presupposed or presumed. For example, Combs *et al.* (2006: 518) concluded, from their meta- analysis, that the mean effect size for the HR-Performance link is approximately 0.14, implying

that a one standard deviation increase in the use of high-performance work systems is associated with a 4.6 per cent increase in return on assets. They go on to show how 'relevant' this association can be when they write:

> Huselid (1995) reports means of 5.1 and 18.4% and standard deviations of 23 and 21.9% for gross ROA (i.e., returns plus non-cash items) and turnover, respectively. In this sample, a one standard deviation increase in the use of HPWPs translates, on average, to a 4.6 percentage-point increase in gross ROA from 5.1 to 9.7 and a 4.4 percentage-point decrease in turnover from 18.4 to 14.0%. Thus, HPWPs' impact on organizational performance is not only statistically significant, but managerially relevant.

Terminology like `is associated with´, `translates to´ and `relevant´ all strongly imply causality whilst not actually using the term `causality´. The issue of causality is, of course, implied, presupposed or presumed in research on the HRM-P link. Indeed, if the implication is *not* that introducing some bundle of HRM practices *causes* increased performance then there is no point in conducting empirical research in the first place. The whole point of this research is based upon the belief that there exists a statistical association between a set of variables measuring HRM and another set measuring performance, so that a *causal* claim can be made, to the effect that these HRM practices cause this performance. Research, then, tests a prediction or hypothesis to the effect that these HRM practices are associated with increased performance. If causality and prediction are not implied here, then the whole point of the exercise starts to unravel. Why does it not make sense to predict within social sciences?

First, forming inductively based predictions, setting them up as hypotheses, and then attempting to corroborate or falsify them becomes pointless if there are no event regularities upon which to base a prediction. Furthermore, as Fleetwood & Hesketh (2010: 165) point out, despite some authors elevating HRM to a position of scholarly importance in terms of its 'predictive powers', successful predictions are non-existent – at least so far.

Secondly, despite the fact that empirical researchers such as Huselid presuppose prediction, noted above, they hardly enlighten the reader about prediction at any moment. For example, Huselid (1995: 658) in his seminal paper on the HRM-P link claims that 'one standard deviation increase raises sales an average of $27,044 per employee'. What is clear here is Huselid's flirtation with the idea of prediction. Although he does not openly state that he can predict, he seems to presume that prediction is a possibility.

Moreover, scientism/positivism suffers from another problem, which Fleetwood & Hesketh (2010: 170) point out thus. Whilst 'practicing the discursive power of prediction', empirical researchers also fail to meet science's criteria for scientificity by not being able to *replicate* their results. As will be explained in section 1.11, social objects, and the stratified and complex nature of the social world, do not lend itself to replication. Replication is an accepted and, in many cases, perfectly legitimate criterion within natural science, but within social science it is problematic. Fleetwood & Hesketh (2010:176) nail the point when they state that for 'an attempt to replicate earlier findings to make sense and to be worthwhile, nothing (of significance) would have had to change in the HRM-P system under investigation'. It is pointless trying to replicate findings in a system wherein the findings will almost certainly keep changing – i.e. within open systems. Assuming that the social world operates as in a closed system is the Achilles heel of scientism/positivism.

Some researchers go even further by assuming that they can generalize their empirical results – e.g. Huselid (1995); Schuler *et al*. (2005); Wright *et al*. (2003); Kauffman *et al*. (2011) and Shaw *et al*. (2013). This will be developed in chapter 3.

Part II. Critical realism as an alternative meta-theory

This section provides an alternative to scientism's flawed meta-theory and offers a more fruitful meta-theory with which to investigate the HRM-P link.

The originator of critical realism, Bhaskar, claims that: 'scientifically significant generality does not lie on the face of the world, but in the hidden essence of things' (1978: 227). He joins Kant's arguments that the world is 'not transparent to us but needs to be discovered, and that it can be made to yield up its secrets' (Ibid).The Kantian transcendental argument 'what must be true in order for x to be possible?' is thus the starting point of realist research. Science is possible despite the fact that our knowledge of it could be fallible. Let us now turn to critical realism's ontology and its chain of meta-theoretical conceptions.

3.2.1 Stratified reality, causal mechanisms and powers

For critical realists the social world is ontologically stratified, that is, the social world is irreducible to that which is observed or experienced; and that which is experienced is not fused with events and actions. The gist is that since social reality is not 'flat' (as in Table 1, p3), we cannot restrict our investigation at the level of the empirical or actual. We need to go further. To the critical realist, there are three ontological domains expressed in the following oft-used table representing a stratified ontology.

Domain	Entity
Empirical	Experiences and observations
Actual	Events and actions
'Deep'	Structures, mechanisms, rules, norms, regulations, conventions, (non-human) powers/tendencies, etc.

Table 2: A layered ontology

Critical realists make a clear distinction between the three ontological domains: the empirical, the actual and the (metaphoric) `deep´. The empirical domain consists of experiences we undergo directly or indirectly. Within the actual domain, events happen. The actual refers to what happens if and when causal mechanisms' powers/tendencies are exercised and actualised. The 'deep' is where events are produced and mechanisms are at play (Danermark *et al.* 2006). Digging beneath the surface is a highly relevant metaphor within the social sciences. Since reality is stratified, and since key causal mechanisms lie beneath the surface, it makes sense to probe at that level, and results can be rewarding if one wishes to investigate causality beyond the level of events and to come up with a more nuanced explanation.

The term `mechanisms´ can be used in several ways – the main one being as a generic term to encapsulate `deep´ causal phenomena like social structures, rules, norms, institutions, conventions, powers and tendencies and so on, or a specific causally efficacious thing like a job interview, or an HRM practice. According to Bhaskar (1978) `generative mechanism´ is a technical term designating a real something over and above, and independent of, patterns of events generated. Another central idea is that a generative mechanism endures. It will operate if it is triggered. According to Collier (1994) critical realism´s use of the term `mechanism´ cannot be compared to the way the term is used in Newtonian mechanics. It is worth noting that the social world in general and workplaces in particular, are characterized by an array of mechanisms that operate conjointly, sometimes even offsetting each other. Those same mechanisms can, under certain conditions, generate a series of events. Like empiricism, critical realism maintains the importance of observation. Yet, due to its recognition of the domain of the `deep´, what exists cannot be reduced to observation of phenomena at the empirical level. Thus, to gain knowledge it is vital that knowledge about mechanisms, their properties and their typical ways of acting, be ascertained. With a stratified ontology, it makes sense to look for causal mechanisms that operate concurrently. However, to fully understand how mechanisms operate, it is vital to understand the properties of mechanisms, in terms of their powers/tendencies.

In much scientistic-oriented empirical research, little attempt is made to seek out the *underlying* causes of events other, that is, than another event or events. If a match lights because it is struck, striking is said to cause lighting and striking is considered as the explanation of lighting. This striking gains epistemic strength as the cause of the lighting, if striking regularly precedes lighting. With Humean causality, the properties of the causal mechanism do not matter.

For critical realists, Humean causality, expressed in constant conjunction of events, is inadequate in terms of an explanation. Rather than satisfying themselves with an explanation such as `the match lit because it was struck, critical realists would look for a fuller or richer causal explanation at the level of the deep. That would entail describing the properties of the match's head in terms of its generative mechanisms. Following Kant, critical realists thus emphasise the concept of natural necessity.

3.2.2 Mechanisms, things, properties, powers and tendencies

I follow Fleetwood and distinguish between classes of real things such as *physically* real things (planets and oceans); *artefactually* real things (e.g. Customer Service Representatives´ (CSR) headsets and IT systems); *socially* real things (e.g. organizations) and *conceptually* real things (e.g. discourses and ideologies). Mechanisms, could be artefactually, socially, or conceptually real things, depending upon context.

Mechanisms cause events. Mechanisms have certain properties, and by virtue of their properties, they have certain causal powers/tendencies to cause certain events. But mechanisms often exist as complexes or ensembles, meaning events are caused by ensembles of mechanisms.

Following Fleetwood (2010), I use the term powers/tendencies as I consider them to be the same. The term `powers/tendencies´ can be thought of as something that 'forces, drives, propels, presses, shoves, thrusts, exerts pressure and so on', (2009: 15). A power/tendency can be (causally) in play and yet not manifest itself in an event, or event regularity. Fleetwood defines a power/tendency 'as the transfactual way of acting of things with properties and powers'.

For Fleetwood (2009: 358), 'things have properties, these properties instantiate transfactually acting powers, and this ensemble of things, properties and powers cause events that might occur'. Things such as mechanisms, with their properties, have powers/tendencies to bring about certain events. When things such as mechanisms co-exist in ensembles their powers/tendencies intermingle. This inter-mingling means that a mechanism's powers/tendencies to bring about certain events act *transfactually*. That is, the powers or tendencies always act, but their action can be negated by other powers or tendencies, so that the events in question actually do not occur – even though they tend to.

Identifying the right causal mechanisms, and their powers/tendencies constitute the most fundamental task of the causal–explanatory strategy put forward by critical realists. Let us unpack these terms as they can be confusing and ambiguous.

The term `powers´ is used interchangeably with other terms such as `capacities´, `dispositions´ and `liabilities´. Although some authors reduce powers to properties (Elder-Vass, 2010), others have made powers redundant depending whether they hold powers or properties to be primary. Fleetwood argues that 'things, properties and powers cannot be ontologically disaggregated because they form a unity'. He explains this unity as follows:

> Things, properties and powers are emergent from, but irreducible to other things, properties and powers. Things have properties, these properties instantiate transfactually acting powers, and this ensemble of things, properties and powers cause events that might occur (Fleetwood 2009: 358).

Powers/tendencies can be exercised, exercised without being actualised, or exercised and also actualised. Fleetwood & Hesketh (2010: 223) explain this: 'A power is *exercised* by an entity in virtue of its internal make-up, and this power endures whether or not it is actualized and, therefore, endures irrespective of any outcomes it generates. When a power/tendency endures in this sense, it can be said to act *transfactually'*. For example, a match has the power/tendency to light. But when it is not struck, the power/tendency does not `go away´, but endures, it remains exercised, but unactualised. Take another example. Workers have the power/tendency to disrupt the activities of a company through strike action although they rarely actualise it. When they do not actualise it, however, it does not `go away´, but it remains exercised. Badly designed HRM practices, for example, can actualize those same powers/tendencies.

Understanding powers/tendencies is crucial. Workers have powers/tendencies such as creativity that may, or may not, be unleashed. Workers possess certain powers/tendencies such as self-motivation and high-performance work. Many HRM professionals, and researchers of HRM, believe that it is only through HRM practices that such powers/tendencies might be unleashed. Indeed, the `Holy Grail` of HRM is to unleash these powers/tendencies through appropriate HRM practices. Understanding these powers/tendencies and describing them is the basis of a *bona fide* explanation.

Since mechanisms are often not observable, and their powers/tendencies never are, how do we ascertain the powers/tendencies in play? To reach beyond the empirical level, critical realists often resort to a differentiation between mechanisms, powers/tendencies and events. The starting point might be a rough pattern in the flux of events - `demi-regularities´ as Lawson calls them. But a *bona*

fide explanation entails describing what mechanisms cause this flux of events, not seeking regularities in this flux.

To theorise causal mechanisms and their powers/tendencies, one also needs to understand that, the activation of any mechanism depends on certain conditions. For example, gun-powder can only explode in the presence of sparks. Sayer (1992) illustrates how events are triggered in the following diagram:

Object	Causal powers	Conditions (other objects with powers)	Events
		C_1 ———————————	E1
X ———————	P_1, P_2, P_3 }	C_2 ———————————	E2
		C_3 ———————————	E3

Object X, having properties	necessarily possessing causal powers(p)	Under specific conditions (c) will : (c_1) not be activated hence producing no change – E_1 ; (c_2) produce change of type – E_2; (c3) produce change of type E3 etc.
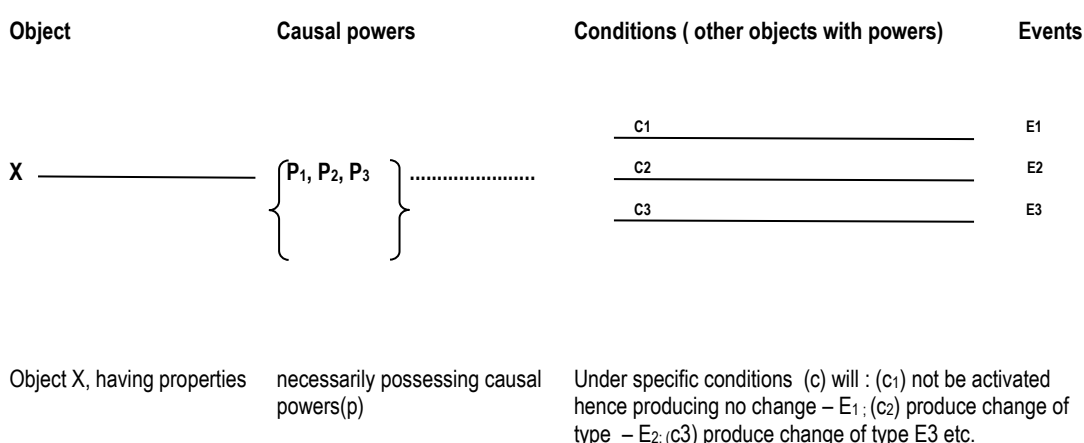
Diagram 2: The structures of causal explanations (Diagram used with permission of Sayer 1994)

Object X has certain properties and, therefore, certain powers/tendencies. X can be activated under different conditions. These different conditions cause different events. X is, therefore, the cause of events, but because of different conditions, there is no straightforward cause-effect relation between X being activated and some event E. Causality is not, therefore, understood in terms of constant conjunctions of events.

The abstract view proposed by Sayer shows how powers interact with conditions and the possible events that arise. Sayer provides a causal explanation not in terms of constant conjunctions of events. But rather, he explains that object X has certain properties and powers/tendencies, when activated under certain conditions, generate different events. The diagram gives an abstract view of how events are generated under different conditions. Sayer (1994: 117) gives another excellent diagrammatical representation of how events are generated in the following figure.
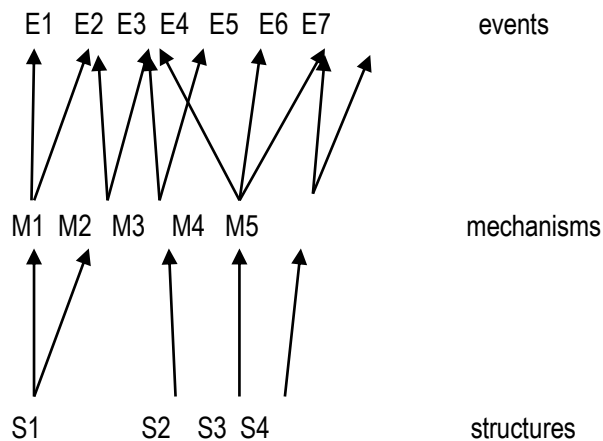
Diagram 3: Structures, mechanisms and events

The diagram illustrates two things. First, it illustrates the stratified nature of the world and how events are governed by mechanisms *and* structures. Second, it illustrates the complex nature of the links between any particular mechanism (or combinations of mechanisms); a structure (or a combination of structures); and various events.

The diagram illustrates the existence of a number of structures and mechanisms working conjointly and concurrently. This suggests that there is no one-to-one association between one structure, one mechanism and one event. Rather, several structures and mechanisms all converge in space and time to govern an event. Any one event, therefore, is governed by several mechanisms and several structures, and these mechanisms and structures can be, and often are, intermittent – i.e., sometimes they work like this, and sometimes they work like that. There is, then, no direct or one-to-one relation between structures, mechanisms and events – it all depends. It is this `out of phaseness´, as it were, between structures, mechanisms, and the events that they govern that explains the lack of event regularities and, therefore, the lack of laws in the social world.

Unless the events that we, typically, observe are entirely random, and there is no reason to believe this, then these events must be systematic – which does not, of course mean they manifest themselves as regularities. If they are systematic, then, is it sensible to believe that their systematicity is governed by something. So what might this governing thing be? Critical realists argue that the underlying thing is a causal mechanism with powers/tendencies. The flux of events is governed, then, by causal mechanisms with powers/tendencies. On this basis, critical realists replace the concept of (causal) law as event regularity by the concept of (causal) law as power/tendency. For the purpose of this thesis, I will abstract from structures to focus on mechanisms.

Let us look a little closer at the concept of `power/tendency´. For critical realists, powers/tendencies refer to the 'force that caused the outcome or result and most definitely not to the outcome or result itself' (Fleetwood & Hesketh 2010: 228). They further add, for emphasis, that 'tendency has *nothing* to do with empirical observation; it has *nothing* to do with events; it has *nothing* to do with probabilistic or stochastic law/tendency'. Tendencies are attached *not* to the empirical domain but to 'that of the deep, to the mechanisms, institutions, mechanisms, rules, conventions, resources etc. (2009: 16).

For critical realists, the central idea is this: when a causal mechanism has a power/tendency to x, it does not mean that it will x. A thing by virtue of its structure possesses certain powers/tendencies. These powers/tendencies endure whether or not those powers/tendencies are exercised or actualised and irrespective of the outcome it produces vis-á-vis events. A power/tendency therefore acts transfactually. Whilst there are few, if any, event regularities within the open social world, there are powers/tendencies. For example, HRM practices have the power/tendency to increase, decrease or even do nothing to organizational performance. Because these powers/tendencies act transfactually, and in conjunction with other powers/tendencies, the relation between them and the events they govern is unlikely to be one of simple cause-effect - i.e. HRM (cause) and organizational performance (effect). This is why there are no law-like relations and no laws as event regularities. Rather, one should expect to see laws as powers/tendencies. For critical realists, the concept of laws as powers/tendencies replaces the scientistic concept of laws as regularities. Let me summarise this as follows:

> *A tendency/power is the transfactual way of acting of mechanisms with properties. In an open system, a mechanism could be in play, but not bring about the events that it has a tendency/power to bring about, because it is being affected by other tendencies/powers generated by other mechanisms.*

Let us put all this in the context of my analysis of the HRM-P link and say:

> *A tendency/power is the transfactual way of acting of HRM techniques with properties. In an open system, an HRM technique could be in play, but not bring about the events that it has a tendency/power to bring about, because it is being affected by other powers/tendencies generated by other HRM techniques - or indeed, other non-HRM techniques – e.g. financial techniques leading to fears of redundancy.*

The objective of causal explanatory models is thus to identify and explain those powers/tendencies in operation. As I will elaborate upon fully in chapter five, an HRM practice such as reward could be thought of as a mechanism – a HRMechanism. Thus we could re-write the above, as follows

A tendency/power is the transfactual way of acting of HRMechanism with properties. In an open system, a HRMechanism could be in play, but not bring about the events that it has a tendency/power to bring about, because it is being affected by other powers/tendencies generated by other HRMechanisms - or indeed, other non-HRMechanisms.

A HRMechanism might have the power/tendency to improve performance. Yet, such a power/tendency could be offset by other HRMechanisms with their own powers/tendencies – e.g. the HRMechanism of job intensification. And so on. The more HR practices in operation, the more HRMechanisms and, therefore, the more powers/tendencies, and the more complex the interactions between them will be.

Phenomena like organizations, workplaces or departments can be conceived of as combinations of mechanisms - or causal ensembles.   These causal ensembles, typically, have several powers/tendencies at work. It is, however, 'the causal configuration as a totality, and not any of its individual components that generate the power, and therefore, the tendencies the causal configuration has' (Fleetwood & Hesketh, 2010: 229). Investigating the HRM-P link thus involves deciphering those causal ensembles of HRMechanisms and their powers/tendencies. Let us now turn to causality and explanation.

3.2.3 Causality and causal explanation

In open systems we find laws as powers/tendencies, not laws as event regularities. Fortunately, laws as regularities are neither necessary nor sufficient for offering an explanation. For critical realists, explanation of some event entails providing an account of the mechanisms with their powers/tendencies governing that event.

3.2.4 From thin to thick explanation and causation

Fleetwood & Hesketh (2010) have four related concepts: *thin and thick causality*, which can be mapped onto *thick and thin explanation*. According to Fleetwood & Hesketh, there are two conceptions of causality. Thin causality refers to a situation where the cause of an event is assumed to be merely the event(s) that preceded it – i.e. causality as event regularity. For example, the cause of the metal's expansion is the heating of the metal. However, it is vital to note that thin causality maps onto thin explanation, if and when causality is reduced to thin causality – i.e. if explanation of a phenomena is nothing more than a succession or conjunction of events.
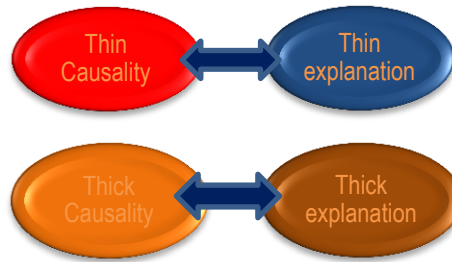
Diagram 4: Causality and explanation

Thus, explanation becomes thin in that respect. In the example, then, every time a metal is heated, it expands. A salient feature of this explanation is that it ignores the properties of the metal or anything else which could have led to the metal expansion. Many questions still remain unanswered when it comes to the 'why?' of the expansion. Our understanding of the metal's expansion is reduced to only a succession of events.

Thick causality refers to a situation where the cause of an event is not assumed to be just the event(s) that preceded it, but rather is the wider conflux of interacting causal phenomena. Here, allusion is being made to the entire causal ensemble which causes an event. For example, the cause of workers' performance is the web of interactions between agents and many mechanisms. Workers interact with managers, other workers and the mechanisms and HRMechanisms in the workplace. This causal ensemble of mechanisms generates powers/tendencies that influence performance. In this case, when thick causality is mapped to thick explanation, then explanation goes beyond patterns of events to a causal account of the totality of interacting causal phenomena.

Note well that researchers who adopt scientistic modes of explanation all too often fall into the trap of (inadvertently) collapsing or reducing thick causality to thin causality, and then mapping this onto thin explanation. Thus, they end up with a thin explanation of what should be thick causality without ever spotting the problem – they do not of course use this terminology. Humean causation, that is, causality as event regularity, is (incorrectly) advanced as explanation. Worse still, some researchers attempt to add more causal factors to their equations in the form of independent variables, in the belief that they are providing some kind of more sophisticated explanation. Adding more variables does still not illuminate or tell us anything new about causality or for that matter explanation. As we have seen, if researchers remain at the level of the empirical, and do not venture into the level of the `deep´, they will unfortunately be left with only a number of succeeding events as 'explanation'.

Thick explanation entails more than regression analysis. According to Fleetwood & Hesketh (2010: 233):

A thick explanation would offer some understanding of the phenomena it is purported to explain and will not restrict itself to simply giving information about a succession of events. Thick explanation will endeavour to provide information about the wider conflux of interacting causal phenomenon beyond that captured even by sophisticated techniques utilised in the multiple analysis of variance (MANOVA)

A thick explanation probes further into the level of the 'deep' as it seeks to explain the mechanisms and their powers/tendencies in operation. As we will see in chapter 6, this is compatible with the method preferred by critical realists, namely, the causal explanatory method which seeks to both explain and provide a causal account.

Let us now turn to the notion of agency and mechanism which is either ignored or neglected within empirical research on the HRM-P Link.

3.2.5 Agency and mechanism

It is vital to point out that the *agency-structure* approach is, quite rightly, given a prominent place within the social science literature. Although agency-structure is the normal way of phrasing things in wider social science, `structure´ is a place holding term, a kind of dustbin category into which we stick anything that is non-agential – e.g. mechanisms, institutions, rules, conventions, etc. For critical realists, almost anything we say about agents reproducing or transforming structures, we could equally say about agents reproducing or transforming mechanisms, institutions, rules, conventions, etc. etc. What matters is the transformational principle or the Morphogenetic/Morphostatic processes – not necessarily the actual things that are reproduced or transformed. Thus, for the purpose of this thesis, *the term `mechanism' is substituted for the term `structure´.* It is, then, plausible, albeit not common, to use the phrase `*agency-mechanism´* to mean, essentially, the same as agency-structure. Where necessary, and to remind the reader of this substitution, I will refer to the agency-structure [mechanism] or the agency-mechanism [structure] framework.

Explaining the mechanisms (or HRMechanisms) that give rise to organizational performance requires that some attention be directed towards first, the major organizational actors i.e. workers or agents and the mechanisms that enable or constrain them. Knowing the social world of the employees is a daunting task for social scientists. It is as intricate a task as uncovering the laws of nature for natural scientists. One has to concede that not much has been written insofar as agency and mechanism issues pertaining to the HRM-P link. Agency and mechanism seem to be either neglected by those operating from a scientistic perspective or denied importance by (some) interpretivists – for reasons that will become clear in a moment. Generally, there exists a spectrum of opposing theoretical

positions with differing analytical implications regarding the social world. For instance, different accounts can be found within organization studies from Actor-network theory, post-structuralism and ethnomethodology (Reed, 1997).

The agency-structure [mechanism] debate still occupies a central part of social theory (Archer 2000). According to Reed (1997: 22) 'the agency-structure [mechanism] debate continues to haunt organization studies with ontological, analytical and methodological dilemmas that cannot be simply 'wished away' or contained within a form of philosophical quarantine so that empirical social scientists can be set free to get on with the business of research and analysis unencumbered by epistemological angst´. As Reed (1997: 21) suggests, much of research on organization studies has retreated 'back into a golden age of philosophical innocence and/or empirical pragmatism'. One consequence of this is a total disregard for the constitution of the subject matter of social science, that is, the social properties of agency and mechanisms. Because critical realism has been at the forefront of developing the agency-mechanism approach, it offers much in the way of explanation by engaging with agency and mechanism, i.e. their social properties. This engagement can prove to be very fruitful. Let us first consider what social life consists of.

3.2.6 The social world

Conceptualizing the social world entails, first, apprehending its very nature. The social world as opposed to the natural world consists of 'intentional human beings who act as agents on that world and confer meaning on it' (Layder 1990). It also comprises of phenomena referred to, generically, if not entirely unambiguously, as mechanisms. Explaining the social world entails conceptualizing the relationship between agents and mechanisms. Agents as opposed to mechanisms have intentions. Not only do agents have intentions but they can also act. This is the most important difference between agents and mechanisms. Are mechanisms a product of human action or vice versa? Do they form a duality? Or are they reciprocally related, that is, does agency produce mechanisms and these in turn provide the context and conditions for human action? Do mechanisms have emergent properties? Let us dwell upon some of those different accounts of the agency-mechanism relationship. There exists within the social sciences, various accounts, namely: reductionist, determinist, conflationist and critical realist.

According to Archer (2000), with the exception of the critical realist account, the rest suffer from ontological epiphenomenalism or methodological reductionism. Ontological epiphenomenalism occurs whenever causal primacy is given to either mechanism [structure] or agency as the ultimate explanation of social life and methodological reductionism as the means of explanation in terms of whichever of the two was held to be primary (Archer in May *et al.* 1998). Both epiphenomenalism and reductionism suffer from a lack of explanatory power on the ground that they ignore the interplay

between the two. The same allegation could be leveled at conflationism. In other words, as Archer (1998: 75) puts it, 'conflation is the basic error and epiphenomenalism represents two directions in which it can occur – downwards and upwards'. To which we now turn.

3.2.7 Problems with conflations

Archer (1995) refers to such reductionism as 'upward conflation'. Here, mechanisms are reduced to, become mere epiphenomena of, or the result of, agents' actions. As such they cannot be distinguished as independent phenomena with autonomous and independent powers/tendencies. Mechanisms are, thereby, explained as nothing more than agents´ actions. This creates a distorted picture of the 'human' because it does not leave room for 'resistance to change, the influence they exert on attitudes to change, and crucially, the delineation of agents capable of seeking change, and endowed with a heritage of vested interests which prompt them to do so' (Archer 1995: 77). Upward conflation has two main problems. First, it disregards the subjective and non-deliberative (i.e. habitual) elements of agency.   Second, the assumption that 'every individual is an independent centre of rational calculation' (Barnes 2000: 17) is abstracted from all relations and the social complexities they generate. In sum, the error of upward conflation is to reduce mechanism [structure] to agency.

Downward conflation works, not unsurprisingly, in the opposite direction. According to determinists or downward conflationists, causal primacy goes to mechanisms [structures]. Carter *et al*. (2004) mentions cultural codes, relations of production, discourses, system needs and socialization processes as examples. The genuine subjectivity of the human is expunged from as emphasis is laid totally upon the role played by mechanisms. Little scope is given to the agents to modify the mechanisms. As Reed (2003: 294) puts it:

> agency is, literally, emptied of any remaining connotations of proactive deliberation, choice and intention, on the part of individuals or groups. Structural conditions have the upper hand over agency. To the latter, it favours a social ontology and explanation in which autonomous and inexorable logic of structural causality or determinism is imposed on social actors, irrespective of their aspirations, calculations, and intentions.

Reed (2003: 295) goes on:

> agency is not only denuded of its internal powers and reasons, but it is also robbed, ontologically and methodologically any remaining capacity to generate emergent organizational systems or to sustain the institutionalization processes through which they become re-utilized and objectified as social entities.

Thus, structures [mechanisms] entirely determine agency. As Walsh (1998: 11) puts it 'the only agent of social action is structure itself'. Structures [mechanisms] have a strong hold over social life and entirely determine the range of action available to actors. These structuralist accounts thus deprive agency of its irreducible properties and capabilities. Such accounts can be found in *some* version of the postmodernism and post-structuralism of Michel Foucault.

Central conflationists reject both upward and downward conflation. Giddens's structuration theory is a very good example. Central conflationists believe in the mutual and equal determination of agency and mechanism. Giddens, for example, rejects the idea of subject-less structures [mechanisms] and also he dismisses the subjectivist account that reduces the whole of social life to the actions of individual agents or groups, their actions, interactions, their goals, desires, interpretations and practices. Drawing from the best of both subjectivist and objectivist accounts, he stresses the centrality of human social activity and inter-subjectivity. The idea of duality thus emerged out of his structuration theory where he defines structure's duality as:

> The essential recursiveness of social life, as constituted in social practices: structures [mechanisms] are both medium and outcome of the reproduction of practices. Structure [mechanism] enters simultaneously into the constitution of the agent and social practices and 'exists' in the generating moments of this constitution (Giddens 1979: 5).

Structures [mechanisms] thus, serve as both the 'medium' and 'outcome' of the social action. The creative and constraining components of agency and structures are thus both recognized. A number of criticisms have been levelled at conflationist accounts.

First, as Archer (1995) suggests, the inseparability of agency and mechanism results in the inability to examine the interaction of agency and mechanism. The fact that both mechanism and agency are entangled allows for confusion to settle in and replaces an adequate explanation. Archer argues for a *dualism* as opposed to a *duality* between agency and mechanism. She emphasizes the separation between action and the conditions in which action takes place rather than their conflation. The idea is to separate mechanism [structure] from action itself. This separation would allow investigation of the interplay between agency and mechanism. As Stones (2005: 53) mentions that 'this would allow us to trace the linkages and interconnection between:

1. Structural conditions, with their emergent causal powers/tendencies and properties;
2. Social interaction between agents on the basis of these conditions;
3. And subsequent structural changes or reproductions arising from the latter.

Secondly, the inseparability also denies the emergent properties and powers of both agency and mechanisms. Emergence as defined by Elder-Vass (2007: 28) is:

> The idea that a whole can have properties (or powers) that are not possessed by its parts - or to put it more rigorously, properties that would not be possessed by its parts if they were not organized as a group into the form of this particular kind of whole. Such properties are called emergent properties. Emergent properties also known as the causal powers of an entity arise from the organization of the entity.

Archer (1995) argues that structures [mechanisms], although the products of human action have *sui generis* causal powers that cannot be reduced to that of individuals. The same applies to human agents who have some powers of their own which cannot be reduced to their biological parts. In sum, the error of central conflationism is neither to reduce agency and mechanism, or to reduce mechanism to agency, but to conflate agency and mechanism in ways that make it impossible to understand the causal properties of each, and therefore, the causal properties of the agent and mechanism.

Critical realism offers a radical alternative to that proposed by conflationist accounts. Critical realists advance a concept of the interplay between agency and mechanism which takes into account the creative and constraining components of both agency and mechanism. Realists do not reduce agency to mechanism, or vice-versa, or collapse both within a middle range concept. They recognize the *sui generis* properties and powers/tendencies of agency and mechanism. Mechanisms pre-exist any particular action. Not only do mechanisms pre-date particular social world actions, they also endure, constrain and enable these actions.

The *sui generis* properties of agents are: intentionality, self-consciousness, reflexivity, cognition, emotionality and habit. These defining features, i.e. such powers/tendencies and properties of mechanisms and agency are irreducible to each other. Critical realists reject those structuralist and post-structuralist notions of structure [mechanism] that expunge genuine agency from its logic of explanation. According to critical realists' accounts, agents reproduce or transform mechanisms through their conscious and unconscious acts. One important point to note is that people or agents are not reducible to relations just as societies are not reducible to conscious agents. Post-modernists on the other hand, expel the self 'to the point where there is no self, and in the process reduced human beings to bloodless entities that simply internalize linguistic or discursive scripts' (Fleetwood & Hesketh 2010: 208).

Critical realists clearly reject such accounts because, within their analysis, agents cannot be conceptualized as passive agents. In fact, agents possess powers/tendencies. Mechanisms rely

upon human agency for reproduction or transformation. But as mentioned earlier, human action pre-supposes the existence of mechanisms. Thus, the argument that mechanisms are a mere creation of human agency is untenable. Critical realists avoid both determinism and voluntarism because as Lawson (1997:168) puts it, 'if individuals are reduced to social structure [mechanism] and social structure to individuals all that is achieved is an inappropriate, quasi-dialectical, account which fails to sustain the insight that structure and agency are distinct, albeit highly inter-dependent, things'. This begs the following important questions: First, how do mechanisms endure and get reproduced or transformed? And how does this interplay between agency and mechanisms occur? The realist view that is advanced is one in which the interplay between pre-existent mechanisms, possessing causal powers/tendencies and properties, and people, possessing distinctive causal powers and properties of their own lead to certain intended or unintended outcomes (Carter *et al.* 2004).

3.2.8 A social ontology

To explicate the link between agency and mechanism, critical realists start by asking one fundamental question: 'what properties do societies and people possess that might make them possible objects of knowledge for us?' To exist at all, whether in the natural or the social world, any object of study must possess certain properties and powers/tendencies. Critical realists tend to be very cautious with terms such as properties and powers, and clarification is vital to understand the interplay between agency and mechanism. Human agents have certain physical and biological properties. The mind is said to have physical and biological properties, but it cannot be reduced to them (Mutch *et al.* 2006). Agents have powers/tendencies. It is by virtue of those powers/tendencies and properties that agents and mechanisms are what they are. Besides powers and properties, it is vital to understand also that what constitutes social life are relations and relata. In *Grundrisse*, Marx (1972: 265) refers to these relations when he states 'Society does not consist of individuals, but expresses the sum of interrelations, the relations within which these individuals stand'. Bhaskar (1989: 30) shares the same viewpoint when he mentions that 'the material presence of society = persons and the (material) results of their actions'. Thus, a relational analysis could be a rewarding consideration when an attempt is made to explicate the agency-mechanism link.

3.2.9 Relational analysis

For Archer, being in the world necessarily brings agents into contact with (i) structures [mechanisms] that constrain and enable their intentions and (ii) the natural, practical and social orders, which give rise to concerns about physical well-being, performative achievement and self-worth respectively. Agents, knowing their own minds, take these factors into consideration when they reflexively deliberate upon the course of action they feel they ought to take. This reflexive deliberation occurs via the *internal conversation* whereby agents literally talk to themselves (and sometimes others) about their needs, concerns and the things that might constrain or enable them. They then formulate (fallible) courses of

action, or agential projects, they think might result in these needs being met and concerns being addressed. Archer is also keen to establish the existence of a genuine interior, a domain of mental privacy where this process happens. In short, reflexive deliberation via the internal conversation is the mechanism linking *social structure* [mechanism] to agency.[4] Agents interact consciously with mechanisms such as regulations, procedures, agreements, codes, laws and directives. Examples of this are procedures for managing wrap-up times and legal instruments like Health and Safety laws at work. This interaction is conscious and occurs via the internal conversation

What of institutions? Institution is another term that is used interchangeably within social sciences. (See (Fleetwood 2008 for further elaboration). For Fleetwood & Hesketh (2010: 215), 'institutions are systems of established rules, conventions, norms, values and customs; institutions consist of, or are constituted by, established rules, conventions, norms, values and customs'. Both mechanisms and institutions have an ontic similarity in that they are both drawn upon, reproduce and transformed by agency. Whereas mechanisms are linked to agency via reflexive deliberation, institutions are linked to agency via habit. In a nutshell, agents embody or internalize rules, norms, conventions, values and customs. The process of this embodiment or internalization is referred to as habituation. Agents also interact unconsciously with mechanisms such as rules, norms, mores and values. Examples of this are rules governing information sharing with team members. This interaction is unconscious and occurs via habits. Habits are the result of the internalization of rules and norms. This will be explained in chapter further in chapter 4.

3.2.10 A transformational and stratified social ontology

Critical realists and fellow travelers are committed to a stratified and transformational ontology. Bhaskar (1989) proposes a transformational model of society. His transformational model of social activity (TMSA) takes into account an interactionist account of purposive agency and structural causality (Collier 1994). His interactionist account of the relation between agency and mechanism makes an analytical distinction between two aspects of each. This is clear when he suggests that 'society is both work, that is, conscious production, and (normally unconscious) reproduction of the

conditions of production that is society' (Bhaskar 1989:34). Basically, agents do not create mechanisms but rather they recreate, reproduce or transform a set of pre-existing structures [mechanisms] and or institutions' (Fleetwood & Hesketh 2010: 207). Thus, society continues to exist as a result of the reproduction of those mechanisms through their social actions. This also implies that for action to be initiated, the pre-existence of mechanisms is fundamental. Critical realists base themselves upon the transformational principle which Fleetwood & Hesketh clearly explain when they assert that it 'centers upon the structure [mechanism]… that are the ever-present conditions, and the continually reproduced and/or transformed outcome of human agency' (ibid: 207). The reproduction of mechanisms is done consciously as well as unconsciously. Bhaskar gives the example of the nuclear family where he explains that people do not marry to reproduce the nuclear family but it is nevertheless the unintended consequences (or inexorable result) of such an activity (Collier 1994). A graphical representation of the TMSA is given below:

Social structures [mechanisms]

Enable/constraint

reproduction/transformation
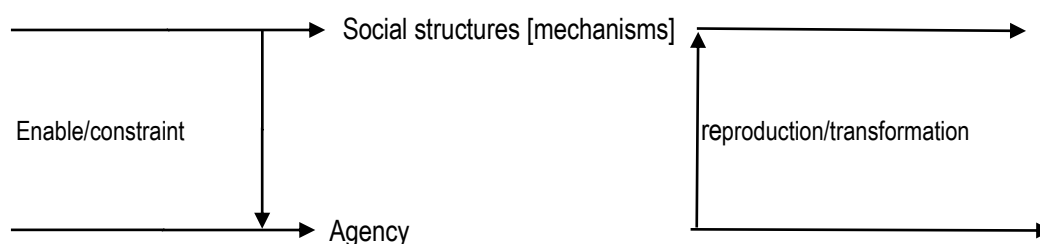
Agency

Diagram 5: The Transformational Model of social activity

The model reflects the stratified nature of social life. That is, mechanisms and agency are different phenomena with different emergent properties and powers. It is by virtue of these powers/tendencies and properties that social interaction occurs. Mechanisms/institutions also constrain and enable the actions of agents. Drawing consciously or unconsciously on those same mechanisms/institutions, agents reproduce and transform those mechanisms and institutions. With such a transformational ontology in mind, let us now further explore this very interaction between agency and mechanisms from a critical realist viewpoint.

3.2.11 Agency and mechanism: the interplay

To explain the agency-mechanism link, it is vital that the following ontological claim be made. Mechanisms pre-date actions which lead to its transformation or reproduction in time. This assumption draws on a transformational and stratified social ontology. The interplay between agency and structure [mechanism] has been conceptualized through the morphogenetic model propounded by Archer. It has to be noted that both Bhaskar's TMSA and Archer's morphogenetic model are the same

concepts but with different terminology. However, Archer elaborates further by giving more analytical insights than Bhaskar. For Archer (1998: 22), morphogenesis refers to the 'complex interchanges that produce change in a System's given form, mechanism and state'. Archer describes the three part cycle that constitutes morphogenesis. The first stage is called structural conditioning. This phase refers to the pre-existing social structures [mechanisms] that have a causal influence but yet do not determine any social action. Basically, social structure lays down the conditions, in the form of constraints or enablements, for subsequent actions' of agents. She explains it clearly when she mentions that 'they are in no sense dependent upon contemporary agential 'instantiation', since their active dependence is past tense' (Archer 1998:83). This is referred to as T^1. The next part of the cycle is called social interaction. As the name of the cycle implies, actions arise from actions oriented towards the realization of interests and needs emanating from current agents (New *et al*. 2004). The social interaction leads to the structural [mechanistic] elaboration part. Here, the mechanism is being reproduced or transformed. As this is a cycle, the elaborated structure [mechanism] becomes the condition for the next interaction. Structural [mechanistic] elaboration basically post-dates those actions (Archer 1995:90). Her theory of morphogenesis rests upon the separability of structure [mechanism] and agency. This allows the examination of the interplay between agents and mechanisms. The theory dismisses reductionism and determinism from its logic of explanation. But how are mechanisms linked to agency?

According to Archer, this is done via the internal conversation. Fleetwood & Hesketh (2010: 221) explain this as follows: 'agents literally talk to themselves (and sometimes others) about their needs, concerns and the things that might constrain or enable them. They then formulate (fallible) courses of action, or agential projects, they think might result in these needs being met and concerns being addressed'. It is via the internal conversation that agency and structure [mechanism] are linked. Although critical realists do not pretend to have the final answers to the agency-mechanism debate, they firmly believe that their logic of explanation can pay more dividends than others.

3.2.12 Sub-conclusion.

The first two parts of this chapter have highlighted the inadequacies of empirical, quantitative research on the HRM-P link, and showed how they are rooted in scientism It then offered a critical realist meta-theory that can, arguably, be used to underpin more fruitful empirical work on the HRM-P link. Allow me to summarize.

The inadequacies:
- Empirical, quantitative research on the HRM-P link presumes the existence of a statistical association between HRM and performance.
- It uses the covering law method, which (only) works with quantitative research techniques.

- This method, and these quantitative research techniques, is rooted in a meta-theory of scientism/positivism.

- Scientism/positivism presupposes an ontology of observed, atomistic events, a conception of causality as event regularity and a concept of law as event regularity.

- Knowledge comes from observing these events and their regularities.

- Causality takes the form of one event regularly succeeding another event.

- If causality is mere event regularity, the concept of causal law takes the form of law as event regularity.

- Because event regularities are rare, they have to be `engineered´ generating (theoretically) closed systems.

- The objective of scientism/positivism is prediction – albeit conflated with explanation.

- Scientism/positivism and, therefore, quantitative research on the HRM-P link, lacks genuine theory and, therefore, lacks explanatory power.

The critical realist alternative:
- Critical realism offers an ontology of entities that are stratified (i.e. into the empirical, the actual and the `deep´) emergent and transformed (by agents) in open systems.

- With the recognition that the social world is open and event regularities rarely if ever occur, investigation must switch to the domain of the 'deep' where mechanisms operate.

- Knowledge is obtained from investigating the 'deep' mechanisms and their transfactually acting powers/tendencies.

- A notion of law as tendency as opposed to notion of law as event regularity.

- In open systems prediction is impossible; but explanation is not. The goal of social science shifts from predicting events to explaining mechanisms.

- A 'thick' notion of causality as opposed to the 'thin' notion of causality as event regularity is adopted.

- A 'thick' notion of explanation as opposed to a 'thin' explanation is adopted.

- The method is causal-explanatory. Its aims are to explain and provide a causal account.

- The ontology consisting of agents and social structures and mechanisms – as well as other phenomena like rules, norms, regulations and conventions.

- The ontology is transformational or morphogenetic-morphostatic. Agents interact with, and thereby reproduce or transform pre-existing structures and mechanisms.

- Theory consists of providing a causal explanation of events by identifying the mechanisms and their powers/tendencies.

I will return to this critical realist meta-theory in part four of this chapter where I will elaborate upon mechanisms.

Part III. Theory

In the previous two sections, I elaborated upon the ontology-aetiology-epistemology-methodology chain, but did not indicate where *theory* fits into the picture. This third section now adds a further link to the chain in the form of `theory´, extending it thus: ontology-aetiology-epistemology-methodology-*theory*. It shows that the failure to explain the HRM-P link is inextricably bound up with a rather distorted expectation of what theory is and the important ontological considerations that are ignored whilst building any theory.

3.3.1 What are theories?

Theories are fundamental to researching any field, in part because they guide us in narrowing down, and ultimately selecting, the parts of the world we need to focus attention on and collect data on; and in part, because it is theory where explanation is located. Without theories all we have is a kind of naïve empiricism, and, at worst, measurement without theory and, therefore, without explanation. As I also noted in chapter 2, empirical research on the HRM-P link has problems vis-à-vis theory. In some cases there is *no* theory, resulting in measurement without theory and, therefore, without explanation. In most cases there is *some* theory, but it is very weak - resulting in `measurement with very weak theory´.

Empirical researchers make three illegitimate conflations.

- Unaware that there is another concept of causality (i.e. as powers) they conflate causality with event regularity.
- They conflate this conception of causality as event regularity with explanation.
- They conflate explanation (now as regularity) with prediction - i.e. the symmetry thesis mentioned in the previous chapter.

These conflations combine to encourage researchers on the HRM-P link to (inadvertently, and implicitly) conceive of theories as statements designed to deliver predictions, not statements designed to deliver explanations. The first part of this chapter will elaborate upon this, as well as considering the problems these researchers run into vis-à-vis their understanding of what a theory is – and is not. The second part of the chapter will demonstrate the possibility of creating theory as a set of statements designed to deliver a causal-explanation. In this context, this means a causal-explanatory account of a bundle of HRM practices that act tendentially on organizational performance. However, before turning to what theories are, using critical realism meta-theory, I will highlight the mechanisms and 'mechanism-based' approaches, and look at their inadequacies. Many of these inadequacies stem

from the problems of scientism. Although their arguments seem to move in a critical realist direction, these approaches lack the meta-theoretical sophistication to make them entirely suitable. Here again, there are some vital flaws which need to be dealt with. However, critical realism can overcome them by providing a more sophisticated meta-theoretical tool-kit. All this makes a foray into philosophy of science necessary – even if many find this a little `dry´. After all, it is arguable that the lack of familiarity with meta-theory is one of the reasons for the ultimate problems affecting empirical research on the HRM-P link.

3.3.2 The absence of theories

Much scientistic-based empirical research on the HRM-P link suffers from the problem of *under*-theorisation. Guest´s (1997) appeal for more theory-led research seems to have been taken-up by exceptionally few researchers. This is, arguably, because much research on the HRM-P link is still being carried out using quantitative methods with scant attention being given to theory or theory development. For Fleetwood & Hesketh (2007: 1977) 'empirical work has multiplied with little or no theoretical development'. A few researchers are aware of how deep the problem runs. Wright & Nishii (2006), Paawe (2009) and more recently Purcell *et al.* (2009) share Fleetwood & Hesketh's and Guest´s concern with the problems of under-theorisation. Purcell *et al.'s* (2009: 8) worries are clear when they state that:

> even if robust causal relations are found between the adoptions of certain mix of practices and performance we do not know why this occurs. We have no evidence on the nature of any intermediary processes that need to occur to produce such relationships. For this reason this is referred to as the 'HR black box'. Indeed we found plenty of acknowledgements of the existence of the 'black box' and some speculation on its possible contents, few studies tried to look inside.

However, unlike Fleetwood & Hesketh, the other authors just mentioned do not write about the importance that meta-theory plays in forging one's theory. Although researchers like Purcell, Wright & Nishii depart from the classical 'scientific' empirical research tradition by adopting a more interpretivist stance, they lack the meta-theoretical rigour necessary to really open the black box and explain what is going on therein – i.e. explain what exactly it is about certain HR practices that might influence organizational performance.

What, then, are theories? In ordinary English, the term 'theory' has come to mean very little. Very often it means little more than a hypothesis that is doubtful, for which there is as yet little evidence. Economists talk about 'game theory', physicists of 'quantum theory'. In natural science, 'theory' sometimes means a body of explanatory hypotheses for which there is strong empirical support.

Amongst scientists, far from suggesting tentativeness or uncertainty, the term is often used to describe an established sub discipline in which there are widely accepted laws, methods, applications and foundations (Rosenberg 2000). In social science the term has been (mis)interpreted in several different ways and these misinterpretations have sometimes had significant bearings upon subsequent empirical social research. Merton (1967: 140) summarises the six types of work which are often lumped together as encompassing theory: '(1) methodology (2) general sociological orientations (3) analysis of concepts (4) *post factum* sociological interpretations (5) empirical generalisations in sociology (6) sociological theory'. However, theory is still mistakenly associated to mean other things which we now turn to.

3.3.3 What theory is still not!

Empirical research on the HRM-P link suffers from another handicap: the different and often mistaken association of theory to mean references, data, lists of variables, diagrams, hypotheses (Sutton *et al*, 1995). This misconstrual begs some clarification.

In management and organization literature, the practice of building theory by describing past empirical findings is quite common. As Sutton *et al.* (1995) point out data by themselves are not theory. Weick (1995: 387) uses an interesting medical analogy to explain that researchers who use data rather than theory are like medical doctors who are treating symptoms without carrying out a diagnosis. Worse, such researchers would even go further by prescribing solutions - to organizations. Starbuck (1993: 91) nails the point when he argues that 'academic research is trying to follow a model like that taught in medical schools'. Researchers using scientistic perspectives are translating data directly into theory. Data are like symptoms, theories are like diagnoses and prescriptions like treatments. Are not organizations as dynamic as human bodies and similarly complex?

Lists of variables are also sometimes used as theories. As Whetten (1989: 492) points out, no theoretical contribution is made by adding more variables to an existing list but rather in explaining, in terms of causal mechanisms or some such, how the variables connect, and altering our understanding of the phenomena.

Bacharach (1989: 497) adds that metaphors are not theory either. Metaphor, which is widely (and legitimately) used by researchers in organization, is used to 'show the phenomenon is similar to another (often unrelated) phenomenon´. Although metaphor is accepted and viewed as a powerful tool, metaphor must go beyond description. In fact, references, diagrams, lists of variables, metaphors, and data are all interesting and quite useful tools in theory building but researchers need to be cautious not to reduce theories to them. References, diagrams, metaphors etc. can only answer the question of what rather than the more theoretical how, why and when (Bacharach 1989: 497).

Good theory, according to Van de Ven (1989: 486) 'advances knowledge in a scientific discipline, guides research toward crucial questions, and enlightens the profession of management'. But what makes good theory? Tsoukas (1989: 551) argues that ideographic studies are very useful for providing valid knowledge where they are concerned with identifying generative mechanisms and the contingent factors that are responsible for observed patterns. According to the latter, good theory goes beyond establishing correlations and tries to explain what caused them. Valid knowledge is generated by inferring and explaining what causal mechanisms operate in particular circumstances – i.e. explaining the empirical events that were observed to occur. This is the only way to move away from theories built upon `shifting sands´ to what Weick (1989: 519) calls a 'disciplined imagination'.

It is worth reflecting upon the plasticity of the term 'theory' as used under such a research paradigm. According to Sayer (1994: 50) theories are attributed the following three meanings:

1. Theory as ordering framework which allows sense-data to be used for predicting and explaining events at the empirical level;
2. Theory as conceptualisation in which to 'theorise' means to prescribe a particular way of conceptualising something and;
3. Finally, theory is often used interchangeably with 'hypotheses or 'explanation'.

Scientistic-oriented researchers in general tend to equate their 'theories' with ordering framework and lists of hypotheses as in 1 and 3. The above warrants some unpacking. However, before unpacking such terms, theory suffers from other handicaps, which we now turn to.

3.3.4 The scientistic view of theories: the inadequacies of shallow realism[5]

Theory development is (via the `meta-theoretical chain´ noted in chapter 2) heavily influenced and shaped by commitment to our ontology. Because events and their regularities are given a greater importance within the scientistic tradition, most researchers operating within this perspective, implicitly adhere to a view of theory which reflects an ontology of observed, atomistic events coupled with an aetiology of event regularities.

Given this ontology and aetiology, the more events manifest in the form of regularities, the stronger are the claims about causality that can be made. It is no surprise then, that researchers' operating from a scientistic perspective base their (implicit) conception of a theory upon events and their regularities. This remains the case even when the language of events and event regularities gives way to a language of variables (quantified events) and statistical associations of various kinds between variables (constant conjunctions between events).

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[5] Shallow realism or actualism denies the transphenomenality or transfactuality of the objects of knowledge, denying the reality of inner structure and consequent latent powers.

As I noted in chapter 2, empirical researchers seek a particular kind of pattern in their data, a pattern of event regularities, which I styled: 'whenever event x (e.g. introduction of a reward), then event y (change in performance); or y = ƒ(x). If this is not to be mere measurement without theory, then theory must underlie empirical research. From a scientistic perspective, this theory must be such that it delivers statements in a form that can be tested. Thus, theory must deliver statements couched in terms of events and their regularities, so that these event regularities can then be presented as predictions or hypotheses. Theory, therefore, is driven, ultimately, by ontology and especially aetiology – although this often goes unrecognised.

To understand the process of theory building within scientism, it is vital to shed some light upon another link in this chain which is fraught with ambiguity: *explanation*. According to Sutton *et al* (1995: 376) 'a good theory explains, predicts and delights'. Although any good theory should explain, scientism's view of what constitutes a good explanation is somewhat different from other research traditions. For researchers operating from a scientistic perspective, causal explanation (which is legitimate) collapses into explanation in terms of causality as regularity (which is illegitimate). In this way, the term `explanation´ is retained, but it has little in common with what many would want the term to mean. Below we will see how this can be thought of in terms of two conceptions of explanation: `thin´ and `thick´.

If the task of theories is to predict, then, theories are reduced to 'a set of statements that deliver the sought after prediction' (Fleetwood 2011: 12). The literature bulges with examples where researchers claim to have tested their 'theories'– i.e. Huselid (1995); Chin–Su *et al.* (2010); Petrescu *et al.* (2008).

In sum, then, researchers operating from the scientistic perspective, make three illegitimate conflations. First, unaware that there is another concept of causality (i.e. as powers) they conflate causality with event regularity. Second, they conflate this conception of causality as event regularity with explanation. Third, they conflate explanation (now as regularity) with prediction - i.e. the symmetry thesis. These conflations combine to encourage researchers on the HRM-P link to (inadvertently, and implicitly) conceive of theories as statements that deliver predictions. Moreover, these conflations are rooted in an ontology of observed, atomistic, events. In this way we can see how the ontology-aetiology-epistemology-methodology chain extends to incorporate theory too. Let us now turn from theory to aetiology and see how scientistic-oriented researchers fetishize causal modelling.

3.3.5 The fetishization of causal modelling and regression analysis

Within scientism, theories are often (mis)understood to involve, empirical generalisations. Thus, it is crucial to uncover the process that leads to such generalisations. Merton (1967: 149) draws our

attention to such generalisations which, he argues, are assimilated to theories. An empirical generalisation is 'an isolated proposition summarising observed uniformities of relationships between two or more variables'. Notice that this is a reference to law-like relations without using the term `law´.

Regression analysis is routinely used by empirical researchers as a way to establish statistical associations. What is regression analysis? According to Ron (2002: 120) it 'refers to various mathematical methods that aggregate observations in which a dependent variable is a mathematical function of independent variables $Y= F(x_1+x_2+...X_n)$, often in a way that allows a statistical inference regarding the parameters of the function outside the specific sample'.

The justification for its use in empirical research on the HRM-P link seem to stem from the fact that statistical analyses can prove the existence of a statistical association between HRM practices and organizational performance and, thereby, establish what is (mis)understood to be an `explanation´ – the status of which is never really made clear. Most empirical researchers on the HRM-P link know that such a statistical association does not prove causality – this is why, as noted in chapter 2, they fudge the issue or smuggle causality in without using the term `causality´.

To design a statistical model of social phenomena, researchers quantify social phenomena, or more accurately, the events they experience or observe, and these observations eventually become the data for the model´s variables. Then they come up with a set of hypotheses that specify the dependent and independent variables, their causal interconnections, and the functional forms of the relationships. These hypotheses, interconnections and functional forms may be based upon some existing theory, but (as noted above) very often this theory is extremely weak. Indeed, in some cases, the theory is so weak the subsequent research can be described as little more than `measurement without theory´.

Although regression analysis is extremely common in research on the HRM-P link, it is dogged by a series of problems. Some of these are what might be referred to as `technical problems´ with metrics, measurement, estimates. However, the main issues remain unsolved, namely, the serious meta-theoretical concerns that have been brushed aside. These problems pass without comment in the HRM-P literature. Let us consider some of them.

Consider the following transcendental question about the possibility of quantifying social phenomena: `what must objects be like for it to be possible to quantify them´? When referring to event regularities, Fleetwood & Hesketh (2010: 157) identify two conditions that must be met: First, events that are translated into variables must be identical. For example, whenever event *x* (say change in reward) occurs, all events of the same kind (*x*) must be identical. Second, events are highly likely be affected by quantification and measurement in space and time. That is, the variables must possess 'one, and

only one, common and unchanging dimension – i.e. number, quantity or magnitude. It must also have a stable reference to some real object or feature'. The idea that is disputed relates to what happens when the variable undergoes a qualitative change in its nature? Let us take team working as an example. Although scientistic-oriented researchers can try to quantify various team working processes, and translate them into variables, it cannot be disputed that team working, by its very nature is always undergoing change. For example, a process such as team engagement, operating effectively in one time period, could be stifled by lay-offs at a later period. The problem, then, is that the nature of the team engagement has changed between the periods, but the variable measuring team engagement has not. If the variable was accurately measuring team engagement in the first period, it is no longer accurately measuring it in the later time period. Ichniowski *et al.´s* seminal (1997: 302) article recognises practices that 'switch' in technique. They claim that:

> The fixed-effects estimators will be inconsistent if the adoption of innovative HRM practices is correlated with changes in productivity, such as declining productivity prior to adoption. For example, lines that experience a period of below-average productivity growth may be more likely to adopt new HRM practices. In this case, the estimate of y in the equation (4) fixed-effects model would measure only the effects of adopting new HRM systems for those low-growth lines, and not the effects of new HRM systems for all lines. To control for this possibility, we expand the fixed-effects model to allow the growth rates in uptime to be different for lines that *switch* HRM systems…where the two variables… are equal to the line age and line age-squared variables for changers measured prior to their HRM change, and are equal to zero at all other times. Thus, coefficient vector P" represents the differential growth rate in productivity for changers, relative to the base-level productivity growth rate for non-changers.

Put simply, ontologically speaking, the world has changed; epistemologically speaking, the variable has not changed. Despite advances that have been achieved in statistical techniques recently, scientistic-oriented researchers will have a daunting task trying to incorporate such changes in their measurement, because these changes are almost certainly ubiquitous.

Moreover, empirical researchers might find it difficult to answer this kind of transcendental question when dealing with inherently qualitative social phenomena such as attitude or culture. Many of the HRM practices I will investigate in later chapters (e.g. such as CC, team working, performance appraisal, work-life balance, reward and empowerment) are what Fleetwood and Hesketh (2010: 160) describe as having:

inherently complex, evolving, multidimensional qualities, often with a subjective dimension to them. And whilst phenomena of this kind can often with difficulty, be *understood*, this does not mean they can be measured, or at least *meaningfully* measured.

Unfortunately, this does not stop empirical researchers on the HRM-P link trying. Indeed, it cannot stop them once they have decided to use regression analysis. They simply have no choice but to assume they can quantify *all* the phenomena that might be causally efficacious. Measurement might be acceptable whenever we can count performance-related phenomena such as sales numbers. But, what happens when we are dealing with phenomena that have a qualitative dimension to them, making them difficult, or in many cases impossible to quantify. Fleetwood & Hesketh (2010: 160) note that, whilst almost anything could be quantified and reduced to a variable, 'would the resulting variable mean anything? Would the resulting variable meaningfully capture, reflect or express the phenomenon under investigation?' The problem, then, is that when we are dealing with qualitative social phenomena a great deal of it simply cannot be meaningfully measured. It is either non-meaningfully measured, or it is ignored. Either way, because of the problems of quantification, regression would yield much in terms of explanation and truly capture what actual practices represent.

Obviously, the same criticisms could be levelled at critical realists in so far as measurement of many HRM-related phenomena is concerned. Because critical realists are not committed to using quantitative techniques such as regression, their response is simple: if phenomena cannot be measured because they are inherently qualitative, then don´t try: find another technique to investigate them. Indeed, this provides the rationale for my entire thesis!

A further problem faced by scientistic-based researchers is the way they tackle the black-box problem (Katou 2011; Gerhart 2005; Paawe 2004: 56). Empirical researchers on the HRM-P link face such a problem when they try to measure what goes into the box (HRM practices), and measure what comes out of the box (performance). Very often, we are left with very little in the way of an explanation as to what happen between the input and output stages – i.e in the black box. The 'solution' for some empirical researchers is to add more variables between the input stage and the output stage, known *as intermediate variables* that condition the HRM-P linkage. Katou´s (2011) empirical work on the HRM-P link is a good example. She gives us a good idea of what she considers to be direct, indirect and mediating-moderating variables.   By simply adding more mediating variables, however, the explanation does not get any better. As Fleetwood & Hesketh (2010: 75) note, this 'does not solve the black box problem, rather it simply adds more black boxes'. The problem of causality remains. They add that 'many empirical researchers on the HRM-P link misunderstand the problem, because they conceive of it in terms of a *lack of variables at intermediate stages between input and output*'

(emphasis added). In sum, adding more or better variables to establish an association between variables in the regression equation is not only insufficient but unnecessary for establishing scientific explanation.

Rather than emphasising theory, statistical techniques are fetishized. Guest (1997: 263) notes this by observing that 'statistical sophistication appears to have been emphasised at the expense of theoretical rigour'. This is part of a more general fetishization, stemming from `the belief that finding a way of calculating something is necessarily the same as giving a causal explanation of what produced it is endemic in disciplines such as economics which use mathematical modelling widely' (Sayer 1992: 179).

3.3.6 Sub-conclusion

For scientistic-oriented researchers, their primary objective is transposing HRM practices into variables and then seeking statistical associations between them. If they can do this, they have 'done' their science. The fact that they end up not really knowing what these HRM practices actually do, does not alter their conception of science. It might be nice to know what HRM practices do, but for them it is not absolutely necessary. Empirical researchers can live without knowing what causal mechanisms do. What they cannot live without, however, are the statistical associations. Because scientistic-oriented research has no particular need for the domain of the `deep´ or the causal mechanisms therein, attention is not directed to this domain and, to the extent that causal mechanisms are conceived of at all, they are not conceived of adequately. This is why empirical research on the HRM-P link ends up treating the workplace as a black box. The black box contains what I described above as HRMechanisms, but the investigation is never really about the HRMechanisms themselves, merely about the events that these HRMechanisms generate. And here comes the crucial (ontological) hammer blow. If one operates (implicitly) with a `flat´ ontology, one has no `deep´ domain and, therefore, no way to conceive of, or theorize about, HRMechanisms: one cannot conceive of, or theorize about, a domain of reality one is unaware of – or perhaps vaguely aware of.

In sum, then, empirical research on the HRM-P link is never clear about its underlying theory. It is never clear about what theory is or ought to be, and theory is at worst absent or, at best, weak, making much of the research little more than measurement without theory; in practice, theories are conceived of as statements designed to deliver predictions, not statements designed to deliver explanations. It is, therefore, hardly surprising that empirical research on the HRM-P link fails to explain the statistical relations it investigates.

Part IV. Theorising mechanisms

The final section of this chapter introduces, and explores the limitations of, Mertonian-inspired mechanisms and 'mechanism-based' approaches, reflects upon their inadequacies, and notes that despite moving in a critical realist direction, these approaches lack the meta-theoretical sophistication to make them entirely suitable. The section, then, moves from meta-theory to theory to show how critical realism offers a more sophisticated meta-theoretical and theoretical tool-kit for thinking about mechanisms.

Let us now start to make sense of mechanisms. Like many theories, the concept of `mechanism´ has suffered from 'under theorisation' and is ill-understood. Let us begin with the following questions: What are causal mechanisms? How did the term come about in academic literature? Also, what were its precursors and the different models of mechanisms that exist? To fully understand the concept of `mechanism´ it is vital to go to its roots and precursors. The concept of `mechanism´ has its roots in social theory, namely, the middle-range theory of Robert Merton. Let us now immerse into sociological theory for a while.

3.4.1 Mechanism's Sociological Roots in Mertonian Middle-Range theory

Merton´s middle range theory is a response to what he considered to be two existing, but problematic, theoretical forms. At one extreme are highly abstract, grand, theories such as Parsons theory of social systems, or Durkheim's theory of social solidarity (Burrell & Morgan 1979). The problem with grand theories is that they 'are too speculative and without anchorage in empirical data' (Danermark *et al.* 2002: 125). They are also particularly difficult to test. At the other extreme are highly concrete working hypotheses, sometimes even bordering on measurement without theory, sometimes referred to as naive empiricism. To Merton, both were essential to investigate complex social phenomena. Despite these two extremes being very different, they both share one serious limitation: they do not highlight the mechanisms and underlying processes that are in operation (Tilly 2001). To bridge the massive chasm that separates grand theory and naive empiricism, Merton (1967) came up with his theory of the middle-range or MRT. Merton defines MRT as 'theories that lie between the minor but necessary working hypotheses that evolve in abundance during day-to-day research and the all-inclusive systematic efforts to develop a unified theory that will explain all the observed uniformities of social behaviour, social organisation and social change' (ibid: 39). Merton's self-fulfilling prophecy is an example of how a run on a bank can help explain the causes of a bankruptcy. MRT should be abstract enough to enable it to be applied to different social phenomena, but concrete and specific enough to permit testing against empirical data (Danermark *et al.* 2001: 126).

Although Merton drew attention to underlying processes, he was silent on mechanisms. As Pawson states, 'whilst this view of inquiry persuades us to look beyond correlations between variables, it

named no names in terms of the underlying atoms of empirical inquiry' (Pawson 2000: 292). Merton flirts with realist/Kantian notions when he urges researchers to understand the nature of social objects. Yet he also fails to discriminate between the different domains of reality. It is not until much later that 'the blueprint for a middle-range hypotheses is captured perfectly by realism's basic explanatory strategy of positing how social regularities are constituted by the action of underlying generative mechanisms' (Pawson, 2000: 295).

It is vital to note that there exist different schools of thought or intellectual movements seeking to conceptualise mechanisms. Although mechanism and 'mechanism-based' approaches are welcomed in attempting to provide a causal explanation of events through mechanisms, there are important differences. Let us turn to those mechanism-based approaches.

3.4.2 Mechanisms and 'mechanism–based' approaches

According to Tilly (2001), there are competing definitions and practical proposals for the analysis of mechanisms and processes that have proliferated recently (Bunge 1997, 1998, 2004; Elster 1999; Tilly 2006; Hedstrom 2005; Hedstrom & Swedberg 1998; Little 1991; Stinchcombe 2005). Despite these competing definitions, no conceptual, theoretical or methodological consensus has so far emerged. The different definitions given in the table below reflect the different ways researchers conceptualise the idea. The following is a table adapted from Hedstrom *et al.* (2010: 51).

Author	Definition
Bunge (1997; 2004)	A mechanism is a process in a concrete system which is capable of bringing about or preventing some change in the system.
Craver (2001); Machamer *et al.* (2000)	Mechanisms are entities and activities organized such that they are *productive of regular changes* from start to finish.
Elster (I) (1983; 1989)	A mechanism explains by opening up the black box and showing the cogs and wheels of the internal machinery. A mechanism provides a *continuous and contiguous chain of causal or intentional links* between the explanans and the explanandum.
Elster (II) (1998; 1999)	Mechanisms are frequently occurring and *easily recognizable causal patterns* that are triggered under generally unknown conditions.
Hedström & Swedberg (1996; 1998)	A social mechanism is a precise, abstract, and action-based explanation which shows how the occurrence of a triggering event regularly generates the type of outcome to be explained.
Little (1991)	A causal mechanism is a series of *events governed by law-like regularities* that lead from the explanans to the explanandum.
Stinchcombe (1991)	A mechanism is a piece of scientific reasoning which gives knowledge about a component of another, ordinarily higher-level theory.
Glennan's (1996: 52)	A mechanism underlying a behavior is a complex system which produces that behavior by of the interaction of a number of parts according to direct causal laws.
Tilly (2001: 25)	Mechanisms form a delimited class of events that change relations among specified sets of elements in identical or closely similar ways over a variety of situations.

Table 4: Different descriptions of mechanisms

Apart from Bunge and Stinchcombe, the common denominator in all these conceptions of `mechanism´ seems to be the emphasis on *regularities* being observed and how these come about.

Before putting forward a critical realist conception of causal mechanisms, it is very important to highlight a number of issues pertaining to the mechanism-based approach advanced by the above researchers. Firstly, a critical evaluation of the above models will be provided. Secondly, the extent to which such models can explain social phenomena will be given. Thirdly, some of their inadequacies will be highlighted in the following section.

3.4.3 Mechanistic models: an evaluation

Most of the authors mentioned in table 1 share some assumptions and differ on others. To exemplify: they are all agnostic to the explanation given by scientistic-driven empirical researchers. Bunge and Stinchcombe reject event regularities; most reject covering-law accounts – with the exception of Little, Craver, Machamer & Darden, Hedstrom & Swedberg.

Elster is a positivist who goes for closed system modelling so he accepts covering law accounts – and his comment about easily recognizable causal patterns is a definite hint about regularity. One has to be cautious with Elster's treatment of causal mechanisms. For example, sometimes he emphasizes a move towards mechanism-based explanation when he states that 'to explain an event is to give an account of why it happened'. Usually, this takes the form of citing an earlier event as the cause. But, this is not enough, as he argues `the causal mechanism must also be provided, or at least suggested' (Elster 1989: 3). However, at other times, he still favours explanation by laws when he states that he is 'not advancing explanation by mechanisms as an ideal or a norm. Explanation by laws is always better' (Elster 1999: 10). For Glynos & Howarth (2007: 91), Elster conceives of mechanisms as: `stunted or 'proto' causal laws rather than as alternatives to causal laws'.

Hedstrom & Ylikoski (2010: 55) point out that 'the covering law approach is a failure as a theory of explanation'. Most of the researchers of the mechanism-based approaches reject the symmetrical idea that causal inference is the same as statistical inference. However, despite hinting at the untenability of statistical associations, it is very important to look at the implications of these researchers when they reject statistical associations. They could still gain in explanatory power if they depart from scientism/positivism. Although it makes sense to reject covering laws, one has to be careful when using the concept of causal mechanism. This is because the concept of causal mechanism has different meanings to different researchers.

Elster is also a methodological individualist who cannot, therefore, conceive of mechanisms as anything other than the outcome of individuals acting – i.e. not *bone fide* mechanisms. Elster (1983:

20-24) confirms his position when he states that the most basic element of explanation in the social sciences 'is the individual action guided by some intention'. He goes on further and explains that mechanisms are 'understood broadly, to cover intentional chains from a goal to an action as well as causal chains from an event to its effects'. The concept of `causal law´ still exerts a major influence over Elster's conception of causality which he draws from the natural sciences.

In a similar vein, Glennan uses the term 'laws' in conjunction with his concept of causal mechanism. He makes it clear when he adds that 'relations between parts must be governed by causal laws because otherwise the parts could not be said truly to interact' (Glennan 1996: 55).

Hedstrom (2009) goes on to explain that it is not the relationships between variables, but rather actors, their relationships and the intended and unintended outcomes of their actions that need to be considered. Properties of actors and/or their social environments often influence the outcomes of individual's actions – (not for Elster). To the former, these properties as well as action outcomes can be measured and represented in the form of variables, but the causality does not operate at the variable level.

The above statement by Hedstrom also reflects the partial influence of critical realist meta-theory. That is, the important role of agents and properties of mechanisms. As Hedstrom & Yikoski (2010: 56) declare 'the critical realism movement… has convinced many of the importance of mechanisms in social scientific explanations'. This influence is very limited, however, given mechanism-based researcher´s lack of engagement with critical realist meta-theory.

But, the major issue that remains is the extent to which their concepts of `mechanisms´ can be adopted within social science in general, and in particular on the HRM-P link. Hedstrom & Swedberg's concept seems to have attracted more followers than others, reflected by the number of researchers which seem to use or refer to their model. Hedstrom & Swedberg (1996) identify 3 types of mechanism which they feel are of particular importance for sociological theory. Taking their cue from Coleman's macro-micro model of social action, these mechanisms are:

- The situational mechanism. Influenced by Erving Goffman's (1963) work on public places and Popper's (1994) form of situational analysis, Hedstrom & Swedberg (1996) build their concept of `situational mechanism´. The assumption is that macro level events affect individuals. The gist is to link social structure or other macro sociological states to the beliefs, desires and opportunities of actors. This is an emphasis upon `structure´.
- The action formation mechanism (micro-micro level). This is also known as the individual action mechanism. That is, through their interactions and a combination of individual desires,

beliefs and actions, individuals are led to specific actions. At this level, the operation of a plurality of psychological or social psychological mechanism is assumed to operate. This is an emphasis upon `agency´.

- The transformational mechanism (the micro-macro level). Here a number of individuals interact with one another and the transformational mechanism describes how these individuals´ actions are transformed into collective outcomes, sometimes unintended and unexpected by all actors. This is an emphasis on agency-agency or interagency or even inter-subjectivity.

However, although these mechanism approaches break from scientism, there are some major weaknesses from which they suffer. As Hedstrom *et al.* (1996: 298) acknowledge, their models are characterised by three core features:

1. The principle of direct causality
2. The principle of limited scope
3. The principle of methodological individualism

With regards to principle one, one has to concur with them. The principle has to do with prising open the black box. They put it thus: 'a mechanism-based explanation seeks to provide fine-grained and tight coupling between explanans and explanandum' (Ibid). This is a principle which is in line with critical realism and constitutes no major problem whether at ontological, theoretical or methodological levels although much depends upon the meaning of `fine-grained´ and `tight coupling´. Advocates of the D-N model would claim to do this, using a concept of causality as event regularity.

Regarding the second principle, Hedstrom states that 'it captures the essence of middle-range sociology and expresses the idea that sociology should not prematurely try to establish universal social laws which are unlikely to even exist – but should instead aim at explanations specifically tailored for a limited range of phenomena'. Here again, middle-range theorising is valuable and, as explained earlier, searching for 'laws' should not be the objective of social research.

But, the third principle seems problematic. As Hedstrom *et al.* (1996) state 'methodological individualism – captures the idea that in the social sciences, actors and not variables do the acting. A mechanism-based explanation is not built directly to causes and consequences of individual action oriented to the behaviour of others'. Adhering to the concept of methodological individualism is problematic. As pointed out in chapter 2, methodological individualism is a form of conflation where structures become merely epiphenomenal. Methodological individualism is one of the core features as Hedstrom highlighted above. Let us now turn to the inadequacies of the 'mechanism-based' approaches.

3.4.4 Inadequacies of the 'mechanism–based' approaches

Although researchers such as Hedstrom, Elster, Stinchcombe, Little and Tilly all subscribe to the fact that the world is stratified and that investigation should focus below concrete events to articulate the mechanisms at work, they fail to provide a clear distinction between the empirical, the actual and the deep. Their problems seem to be far more fundamental.

From their comments, it seems reasonable to conclude that reality has a dual character: in critical realist terminology, they recognise the deep and the empirical. Although not much is said about the actual, it is assumed or taken for granted. This conceptual blurriness has certain epistemological and methodological implications. To have an all-rounded picture, all domains need to be distinguished. However, although theorising mechanisms are advocated as a better alternative than brute empiricism, we need to be sure of the ontological basis of such an adoption. The move away from simple statistical association to a more sophisticated casual analysis that explains why what happens actually does happen, is a laudable move – but note, what if the explanation is one that simply attributes ultimate causality to some `given´ yet under-elaborated preferences or tastes. Moreover, associated with an unclear ontology about the domains of reality is the ignorance of the fact that mechanisms could operate at different levels.

Another important aspect found wanting is the fact that for many of the commentators mentioned in table 1, mechanisms are conceived of as synonymous with event regularities and other kinds of law-like relations. For example, Little (1991) states that mechanisms are a 'series of events governed by law-like regularities that lead from the explanans to the explanandum'. See also Persson (1999). Glennan's (1996: 52) definition of mechanism captures this state of confusion: 'a mechanism underlying behaviour is a complex system which produces that behaviour by the interaction of a number of parts according to direct causal laws'. The problem with this is as simple as it is devastating: there are few, if any, event regularities and law-like relations in the social world in general, and the workplace in particular. Indeed, this is the starting point of this thesis. This is a major inadequacy of the models proposed by researchers who mistakenly associate mechanisms with laws and are 'wedded to a mechanistic causal account modelled on Newtonian physics' Gerring (2007: 163).

In sum, mechanism-based approaches, although important milestones on the road to uncovering what lies beneath the black box of causation, still suffers from serious limitations. The root cause of these limitations is lack of ontological rigour. Let us turn now to an ontology that is, arguably, more adequate: the ontology advocated by critical realists.

3.4.5 From Ontological confusion to ontological renaissance: the critical realist turn

As explained above, the current scientistic-oriented empirical research has thus far failed to offer explanation for the HRM-P link. Critical realism differs from scientism in terms of its ontology, epistemology, aetiology and theory. One major concern is to set out a theory that explains the HRM-P link, one rooted in causal mechanisms. Pawson (2000: 284) claims that 'the blueprint for a middle-range hypothesis is captured perfectly by critical realism's explanatory strategy of positing how social regularities are constituted by the action of underlying generative mechanisms'. This is compatible with critical realism except that for the latter, `social regularities´ are few and far between and better referred to as demi-regularities if they must be referred to at all. Thus, the final part of this chapter will be an attempt to conceptualise causal mechanisms from a critical realist's perspective.

To fully grasp what occurs at the deeper level, it is vital to sketch briefly the ontological principles manifested by those who share the critical realist tradition. Reviewing these meta-theoretical assumptions is necessary to understand how casual mechanisms operate. It might be a good idea for the reader to have another look at the summary on p 41, to refresh their memory vis-à-vis the main features of critical realist meta-theory.

3.4.6 Causal mechanisms and the three domains of reality

One of the foremost claims of critical realism is that social phenomena cannot be theorised successfully without considering one's ontological position – which may be explicit principles or implicit presumptions. As Elder-Vass (2007: 232) puts it, 'social ontology and social theory are inextricably interwoven'. The theoretical starting point prompts us to take a look at the nature of social reality. Given critical realism's stratified, emergent and transformational ontology, it opens the possibility to recognise, and therefore, to theorise, the underlying mechanisms that operate at the level of the 'deep' – see chapter 2, p 15. The layered social ontology consists of 3 domains: the empirical, the actual and the deep.

Critical realism makes such a distinction in order to draw researchers attention not only to the existence of mechanisms, but also to the location of mechanisms and to illustrate that mechanisms should not mistakenly be assumed to operate at the level of the empirical or actual. Explanation of events requires an investigation at the level of the 'deep', wherein the mechanisms that govern these events are to be found. Events, and any patterns they might manifest, have to be explained by examining the causal phenomena, such as causal mechanisms, that generate those events. What, for critical realists, are causal mechanisms?

3.4.7 Critical realist conception of causal mechanisms

Different critical realists define causal mechanisms differently than those inspired by Merton. New (2000: 45) highlights this imperative when she states that 'mechanisms are often conceived as operating repetitively in the same way whenever triggered' – although she obviously means `misconceived´. Moreover, not only are the boundaries between mechanism and context unclear, it's unclear how we recognise its singularity – when do we have one mechanism, and when an ensemble of interactive causal mechanisms? What is the relation between mechanisms and processes? And how do we know?' Reed's (2011: 432) call for:

> identifying those mechanisms is clear when he states that 'it is this deeper level of social and organisational reality, not readily available to direct observation or description, the level of the generative mechanisms or structures that produce, reproduce and transform particular organisational forms and managerial processes, that remains central to the kind of explanatory knowledge that realist-based researchers seek.

Elder-Vass (2007: 230), who emphasises an emergentist ontology, defines causal mechanisms as 'processes that depend on interactions between parts, interactions that only occur when those parts are organised on the particular *relations* that constitute them into wholes that possess this emergent property'. Danermark *et al,* (2002: 55) on the other hand, defines causal mechanisms as those which 'can cause something in the world to happen'. However, although such definitions add a better understanding than mechanism-based approaches, there is much more to causal mechanisms than reducing them to processes.

Let us try and get some clarity into the use of terms. The term `mechanisms´ or sometimes `causal mechanisms´ crops up occasionally in literature on the HRM-P link and is used specifically by critical realists. It tends, like `structures´, to be used as a *portmanteau* term to refer to any (non-agential) phenomena that has causal power. In a sense, then, an institution, social structure or organization could be a causal mechanism. I avoid this usage and use instead the term `mechanism´ to refer to a wide range of things that are *not* institutions, structures or organizations, such as legislation, devices for recruiting such as interviews or psychometric tests (which occur inside organizations), implicit employment contracts, strikes, information and so on. In sum, I opt for the following definition of mechanism as defined by Fleetwood (2013) as consisting of *conscious* and transformed social phenomena (e.g. rules). I use the term mechanisms to include HRM practices, but differentiate it from institutions, organizations and (importantly) structures.

Conclusion

The first section of this chapter provides a CR interpretation of the scientistic meta-theory underpinning empirical research on the HRM-P link. Section two sets out what critical realism has to offer as a meta-theory with which to investigate the HRM-P link. Section three shows that the failure to explain the HRM-P link is inextricably bound up with a rather distorted expectation of what theory is and the important ontological considerations that are ignored whilst building any theory. The final section introduces and explores the limitations of 'mechanism-based' approaches, before moving on to show how critical realism offers a more sophisticated meta-theoretical and theoretical tool-kit for thinking about mechanisms. The next chapter takes these critical realist ideas on mechanisms and combines them with ideas on HRM practices discussed in chapter two.

CHAPTER 4*: CRITICAL REALIST THEORY: RE-DESCRIBING HRM PRACTICES AS HRMECHANISMS*

4.0 Introduction

Whilst this chapter is entirely devoted to theory, it builds upon the critical realist meta-theory developed in the previous chapter. It re-describes and re-*theorises* HRM practices using critical realism, and develops the concept of a `HRMechanism´ - i.e. HRM practice + causal mechanism. In this way, we can use our meta-theoretical knowledge of causal mechanisms in general to understand HRMechanisms specifically. It also allows us to bring the full force of critical realism's understanding of theoretical/meta-theoretical chain of conceptions. The objects of study are, therefore, not simply HRM practices, but practices re-conceptualised as HRMechanisms. The chapter draws upon critical realism's understanding of agency and structure - with a slight twist. It is well known that the term `structure´ is used to include things like mechanisms, rules, norms, institutions and so on. The twist, then, is the development of what I have termed an `*agency-mechanism´* approach. This allows me to use critical realism's insights into agency and structure, but transposed into the specific context of agency and mechanism. It also ensures that human agency is not neglected.

The chapter will start by developing the concepts necessary to understand that HRMechanisms have properties, these properties instantiate transfactually acting powers/tendencies, and ensembles of HRMechanisms with their powers/tendencies cause any events that might occur. It will also consider the morphogenetic and morphostatic causes that bring each HRMechanism into existence and sustain their existence. Ultimately, the chapter will show that agents interact with an ensemble of six HRMechanisms to generate powers/tendencies to increase or decrease organizational performance. The final section uses a sequential set of diagrams to gradually build up a picture of how HRMechanisms, and their associated sub-HRMechanisms, interact to form the ensemble that causally influences organizational performance. Let us now put critical realism to work.

4.1 HRMechanisms

Causal mechanisms are located in the domain of the `deep´, where they, almost always, interact with other causal mechanisms to produce events which then occur at the level of the actual. However, although ontological depth adds much in terms of analysis, stopping in this domain is not the objective of critical realist-led research. The objective is to provide a causal explanatory account of the events that the HRMechanisms cause, events that might (or might not) manifest themselves at the level of the actual and often empirical. To provide such a causal explanatory account requires identifying causal powers/tendencies – not event regularities, laws or other law-like associations.

My starting point is Fleetwood´s (2010 & 2011) definition of *mechanisms, properties and powers or tendencies* – although I join powers and tendencies, and refer to *powers/tendencies, because powers and tendencies are the* same phenomenon. HRMechanisms generate powers/tendencies, for example, the power/tendency to increase, decrease or even do nothing to organisational performance. Paraphrasing Fleetwood, and changing the terminology from powers and tendencies to powers/tendencies, gives the following:

> Mechanisms, properties and powers/tendencies are emergent from, but irreducible to other mechanisms, properties and powers/tendencies. Mechanisms have properties, these properties instantiate transfactually acting powers/tendencies, and this ensemble of mechanisms, properties and powers/tendencies cause events that might occur. Powers/tendencies are the way of acting of a mechanism's properties; powers/tendencies are a mechanism's properties/tendencies in action.

In the specific context of HRM, we can write:

> HRM practices, properties and powers/tendencies are emergent from, but irreducible to other HRM practices, properties and powers/tendencies. HRM practices have properties, these properties instantiate transfactually acting powers/tendencies, and this ensemble of HRM practices, properties and powers/tendencies cause events that might occur. Powers/tendencies are the way of acting of HRM practices' properties; powers/tendencies are HRM practices´ properties in action.

Using the concept of HRMechanisms developed in chapter 3 gives:

> HRMechanisms, properties and powers/tendencies are emergent from, but irreducible to other HRMechanisms, properties and powers/tendencies. HRMechanisms have properties, these properties instantiate transfactually acting powers/tendencies, and this ensemble of HRMechanisms, properties and powers/tendencies cause events that might occur. Powers/tendencies as the way of acting of HRMechanisms' properties; powers/tendencies are HRMechanisms´ properties in action.

An ensemble of *HRMechanisms'* properties and powers/tendencies, then, causally governs any events that might (or might not) occur, such as, an increase or decrease in organizational performance. It is important to remind ourselves that the HRMechanisms (e.g. team working and performance appraisal) are made up of sub-HRMechanisms. Team working for example, comprises of sub-HRMechanisms such as team briefing and peer pressure amongst others. There are also mechanisms in operation

other than HRMechanisms – e.g. normative control mechanisms and intensification mechanisms, not to mention technological, political and ideological mechanisms. All have their own properties and powers/tendencies. HRMechanisms, then, consists of sub-HRMechanisms and exist alongside other HRMechanisms with their associated sub-HRMechanisms.

Let us take team working as an example of a HRMechanism and look at the processes involved. HRMechanisms consist of rules and norms. But, non-HRMechanisms also consist of rules and norms. Agents can only act by interacting with, and thereby reproducing or transforming, this complex set of rules and norms – i.e. from HRMechanisms and non-HRMechanisms.

Let us look at the following examples: of rules and norms associated with HRMechanisms; and rules and norms associated with non-HRMechanisms. For example, peer pressure which acts as a norm or normative control alongside traditional supervision mechanisms and job intensification mechanisms. That is, peer pressure as a sub-HRMechanism interacts with other non-HRMechanisms such as workplace mechanisms; supervision mechanisms, job intensification mechanisms.

Powers/tendencies are fundamental to critical realism´s causal analysis because these are the generating forces of events. Unsurprisingly, powers/tendencies act tendentially, that is, they can be exercised or actualized. This was spelt out in chapter 2 where I noted that a power/tendency, once exercised, can endure irrespective of any outcomes it generates. A worker has the power/tendency to work hard or to slack. The power/tendency endures whether or not the worker works hard or slacks and, therefore, actualises the power/tendency. When a power/tendency endures, it is said to act transfactually. When the worker works hard, or slacks, then the power/tendency is said to be actualised.

For example, team-working is a HRMechanism and peer pressure and group-think are sub-HRMechanisms. It is possible for peer pressure to generate a power/tendency to increase performance, and group-think could work in another direction – i.e. decrease it. HRMechanisms can, therefore, work in `either direction´, as it were. This complex interaction between HRMechanisms could augment (i.e. by `pulling´ in the same direction) or counteract (i.e. by `pulling´ in different directions) the powers/tendencies to increase organizational performance.

There are, almost always, other HRMechanisms at work besides team working, and its associated sub-HRMechanisms. For example, team working could be in operation alongside performance appraisal or empowerment. Furthermore, team working, performance appraisal or empowerment each has their respective sub-HRMechanisms. It is easy to see how complicated this can get. The main point is, however, that one event (i.e. an increase in performance) could be the outcome of several

HRMechanisms, sub-HRMmechanisms and non-HRMechanisms all generating their own powers/tendencies. This event would, therefore, be the outcome of several powers/tendencies, acting to augment or counteract one another. A diagrammatical representation (Diagram 11) will be given later in the chapter.

Not only might these transfactually acting powers/tendencies pull in different directions with differing degrees of causal efficacy, they may also be `strong´ or `weak´. It is clearly difficult to ascertain the relative strengths of powers/tendencies, but the notion itself is entirely plausible. The overall outcome is therefore one of HRMechanisms, plus its associated sub-HRMechanisms, exercising and perhaps actualizing powers/tendencies to influence organizational performance.

Add to this, the fact that these six HRMechanisms and their associated sub-HRMechanisms and non-HRMechanisms exist within an external environment that exerts an influence upon them all, perhaps differentially, and we can see how complicated things can get. Given this complexity, the outcome will almost certainly not be some form of event regularity, law, or law-like pattern in the flux of events. This is why systems like workplaces are almost certainly open, not closed, systems. This warrants some explanation which we now turn to.

4.2 HRM / Organizations as open systems

In non-experimental situations (i.e. the day to day reality of organizations) a HRMechanism such as team work can augment or counteract the effects of other HRMechanisms such as reward and empowerment. Moreover, external influences such as economic recession, size and type of industry, influence many HRMechanisms, sub-HRMechanisms and non-HRMechanisms in the workplace. Organizations are open systems and this is depicted in the following diagram:
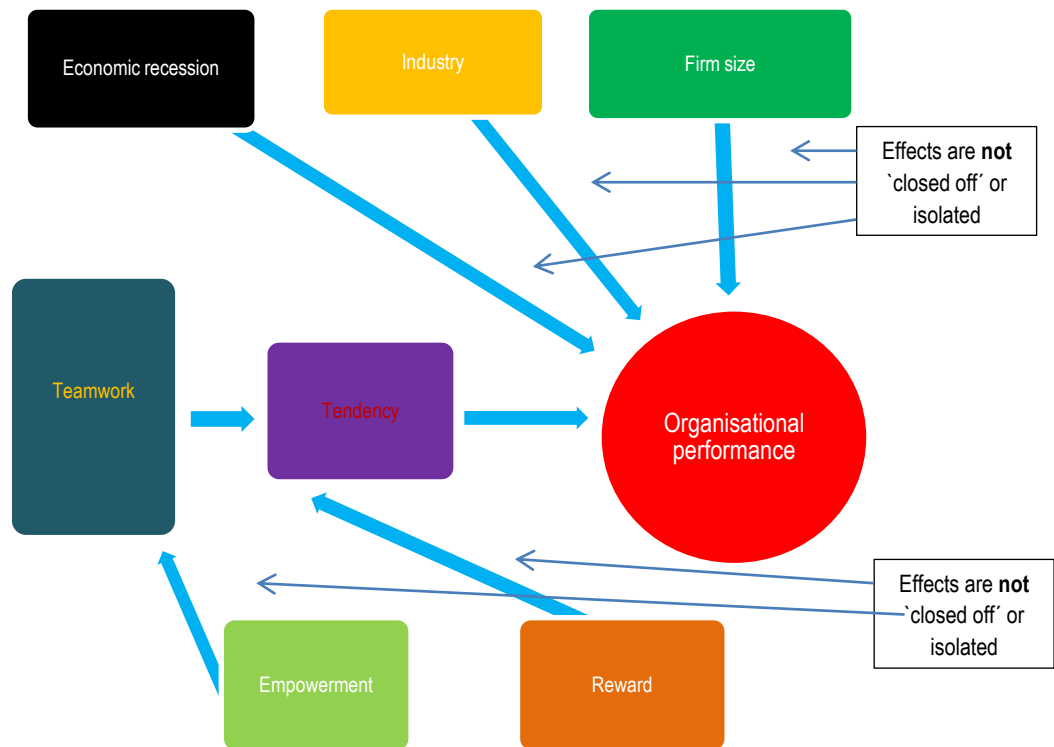
Diagram 6: open system

I noted in chapter 3 that advocates of scientism presuppose an ontology wherein the social world is reduced to atomistic events; knowledge is reduced to identifying event regularities; and methodology is reduced to engineering closed systems, so that event regularities can be presented as functional relations, such as regression equations. The following diagram depicts a closed system:
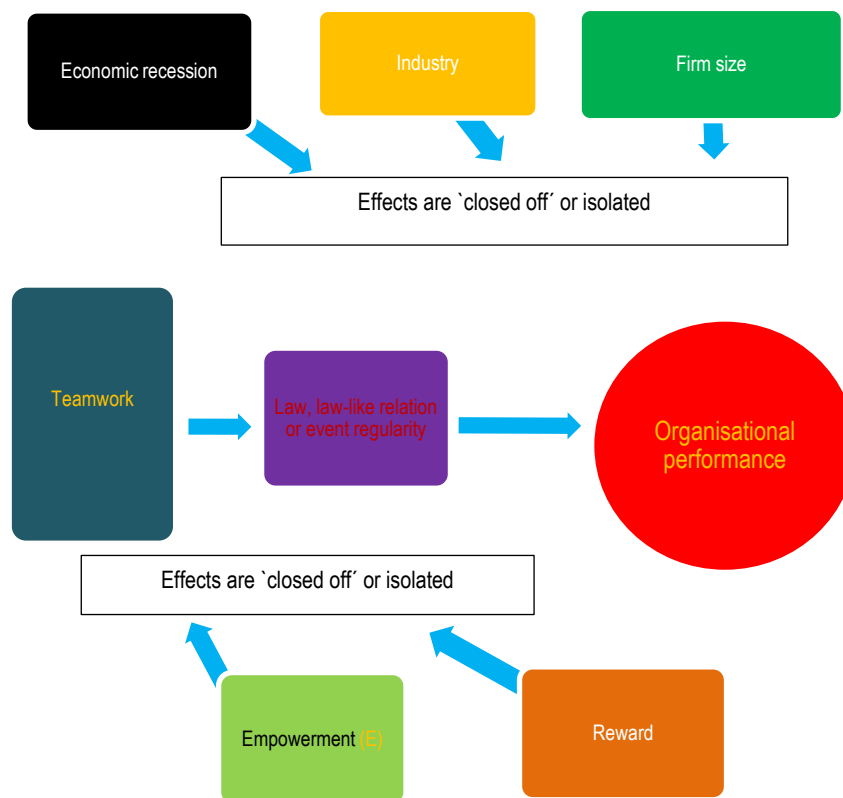
Diagram 7: Closed system

4.3 Actualist views of causation and closure

Empirical research on the HRM-P link presumes a closed system where all other potential causal factors are closed off, isolated or assumed constant – although this isolation is, of course, only in theory; the real system remains exactly as it was. This is depicted in Diagram 7. Empirical researchers on the HRM-P link never use the term `closed system´. This does not, however, mean they do not presume closed systems. The moment they single out (say) six variables (and associated sub-HRMechanisms) they have isolated all the mechanisms from the multiplicity of other potential HRMechanisms. Sometimes, especially those with more of an econometrics background do mention isolating their model, but often they just do it without commenting upon it. They do, however, presume that a change in organizational performance is regularly conjoined with the introduction of some HRM practice or practices. If a statistical association could be found, it would constitute evidence that organizational performance is regularly conjoined with the introduction of some HRM practice or practices. A system wherein event regularities (regularly conjoined events) occur is, by definition, a closed system. Empirical researchers on the HRM-P link presume event regularities and, therefore, presume closed systems.

Bhaskar (1979: 77) points out that to achieve total closure and, therefore, event regularity would not only require knowledge of all other potential causal factors that can influence an object, it would also require that these other causal factors had no influence on the object, or that their influence (a lucky accident) just happened to cancel one another out. Thus, since this is not possible, the decision on when a closed system is achieved is an arbitrary one. Suppose we know 6 causal factors, denoted via 6 variables. We would then have to assume that *all* other potentially causal factors were not actually causal factors at all, so they have no influence on the 6 variables that constitute the model to be estimated. Or *all* these other potentially causal factors would simply have cancelled one another out, so that, in a different way, these causal factors have no influence on the 6 variables that constitute the model to be estimated. This refers to *extrinsic* closure. When the 6 HRMechanisms and their associated sub-HRMechanisms are closed off or isolated from potential causal factors in the external environment, the extrinsic conditions for closure are said to be met.

There is also, however, an *intrinsic* condition that must be satisfied to close the system. What is the intrinsic condition? The intrinsic condition is met when there is no change or qualitative variation in the object possessing the causal powers/tendencies/tendency. For example, a work team must be assumed not to change its composition. If it does, it becomes another, different, work team and changes also. In other words, in closed systems the HRMechanisms´ powers/tendencies must be assumed to be unchanging or constant.

The explicit assumption that the social world is a closed system means that there is no change or qualitative variation in the HRMechanisms' powers/tendencies. In other words, in closed systems team works' powers/tendencies are held to be constant. In this way, the intrinsic condition is met.

Bear in mind, intrinsic conditions refer to constancy in all the internal structures of (say) the organization of a workplace – i.e. the agents, plus the HRMechanisms, plus the sub-HRMechanisms, plus relevant non-HRMechanisms, all internal components that empirical researchers might take as `control variables´ such as technology. Bear in mind also, a key causal power of agency is the ability to learn, develop, be imaginative, creative or entrepreneurial, and/or change one´s mind. These are causal powers/tendencies that are (virtually) self-evident and undeniable; they are, in part, what makes human beings human beings. And yet to ensure predictable, regular behaviour, the closed system approach must presume that human agents' don´t change. Thus, they presume an account of human agents which is almost certainly empirically false. It might, of course, be possible to reply that in the context of a workplace under investigation, human agency does not change `that much´ so it cannot be thought of as causally efficacious enough to violate the intrinsic condition and, thereby, violate closure. But then again, the introduction of things like team-working probably brings about a change in

human agency (for good or evil) within a few weeks or months – and this certainly is within the time frame of social science research.

Now, when HRMechanisms influence organizational performance, they do so within a context that we have not said a great deal of yet – aside from mentions of extrinsic closure conditions. Let us address this via what is often referred to as the context-mechanism and outcomes (CMO) approach.

4.4 Context-mechanism & outcomes

It is likely that at least some of what are referred to as the extrinsic factors is often referred to as `context´. Fleetwood and Hesketh (2010) refer to some types of explanation being 'thick' in the sense that they require information about the wider conflux of interacting causal mechanisms. And this involves context. Pawson gives us an idea with the diagram below. Although it lacks sophistication, it is our starting point to unravel causal mechanisms. Diagram 8: adapted from source (Pawson *et al.* 1997: 58).
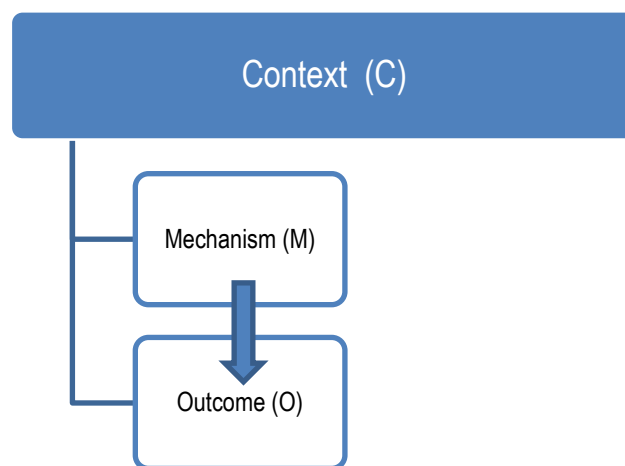
Diagram 8: Context-mechanism-Outcome

An event is said to be caused if its outcome is produced by a mechanism (M) operating in a given context (C). In the case of the HRM-P link, an ensemble of HRMechanisms (M), operating in a context, govern an outcome i.e. alteration in performance (O). However, context and mechanisms are not uniform. Certain HRMechanisms can operate in a specific context to produce specific outcomes whilst the same HRMechanisms can remain unexercised or within a different context. For example, if an organization is pursuing a cost-leadership strategy whereby emphasis is being placed upon the reduction of manpower costs, the full impact of (say) a reward package might not be felt as much as expected because the HRMechanism reward would have been counteracted. In general, depending upon the context, the organization might pursue strategies which can either augment or counteract

the HRMechanisms in place. The operation of HRMechanisms is directly dependent upon the context. Specifying the context and whether or not some HRMechanisms will operate as intended, is an important task of any research. For example, the context that call centres operate within will have an impact on the performance of employees.

The implication is that one should expect that outcomes will vary from context to context and will also be dependent upon the ensemble of HRMechanisms that co-exist within that context. Ackroyd makes the point clearly. For him, research can be

> concerned with generative mechanisms, and just how specific elements and their associated capabilities feature in these; as well as empirical, that is exploring the character of causal processes in particular cases or considering evidence about the extent of such processes in the world at large. It is seldom that empirical research can be thought of as testing the validity of ideas about causal mechanisms – at least not in a direct or definitive way. This is because a failure to show an association between an effect and an outcome may be attributable to peculiarities of the context (Ackroyd 2004: 153).

Failure to show an association between a HRMechanism and an event as an outcome could be due to the peculiarities of the context. Thus it is important to specify the contexts that are likely to exist to find conclusive evidence. What Pawson refers to as `context´, however, can be understood simply as another ensemble of causal mechanisms. As I noted in the introduction, this thesis consciously abstracts from `context´ in the form of the environment external to the organisation wherein HRM practices are in operation – e.g. the financial climate and the industrial relations climate. Let us now turn to the HRMechanisms that have been identified at Aero.

4.5 HRMechanisms in operation at Aero

The *owners/controllers* of call centres often introduce HRMechanisms with a view to enhance organizational performance. The following happen to be just the ones in operation at Aero and they will be used to explain the HRM-P link:

1. Reward in terms of team-based pay for agents
2. Team working
3. Empowerment
4. Mentoring and performance appraisal
5. Work-life balance
6. Corporate culture management

One can think of call centers as a complex web of ensembles of HRMechanisms, sub-HRMechanisms - and sub-sub-HRMechanisms, but I will keep the analysis restricted to sub-HRMechanisms. One HRMechanism is team working. Organizational performance cannot be uniquely attributable to the workings of this one HRMechanism because (i) there are another five such HRMechanisms and (ii) team working itself consists of ensembles of sub-HRMechanisms such as peer pressure, supervision etc. Any tendency for organizational performance to increase, decrease or remain constant at the overall level will depend upon powers/tendencies generated by all six HRMechanisms, their associated sub-HRMechanisms and non-HRM mechanisms.

Consider a hypothetical example. If employees believe that by expending extra effort they will be rewarded, this may generate a tendency for performance to increase. But, the overall performance level will be dependent on the net effect of this and whether or not employees feel that peer pressure is adding to the intensification of their job. If so, they might feel demotivated, generating a tendency for performance to decrease.

The lesson to take is that organizational performance cannot be explained by any one unique HRMmechanism but by the net effect of the ensemble of HRMechanisms, sub-HRMechanisms and other non-HRM mechanisms, generating an ensemble of tendencies. The workings-out of the different HRMechanisms, sub-HRMechanisms, or other non-HRM mechanisms in order to identify aggregate tendencies, is necessary to explain the HRM-P link.

This complex process cannot, of course, be comprehended `in one bite´ as it were. It is only by abstracting each HRMechanism, and its tendencies, that one can begin to understand the chain of processes that eventually make up my theoretical model:

ORGANISATIONAL PERFORMANCE

OVERALL HRM SYSTEM

HRMechanism A ⟷ HRMechanism B ⟷ HRMechanism C

Sub-mechanism A_1 ⟷ Sub-mechanism B_1 ⟷ Sub-mechanism C_1

Non-HRMechanism D   Non-HRMechanism E   Non-HRMechanism F
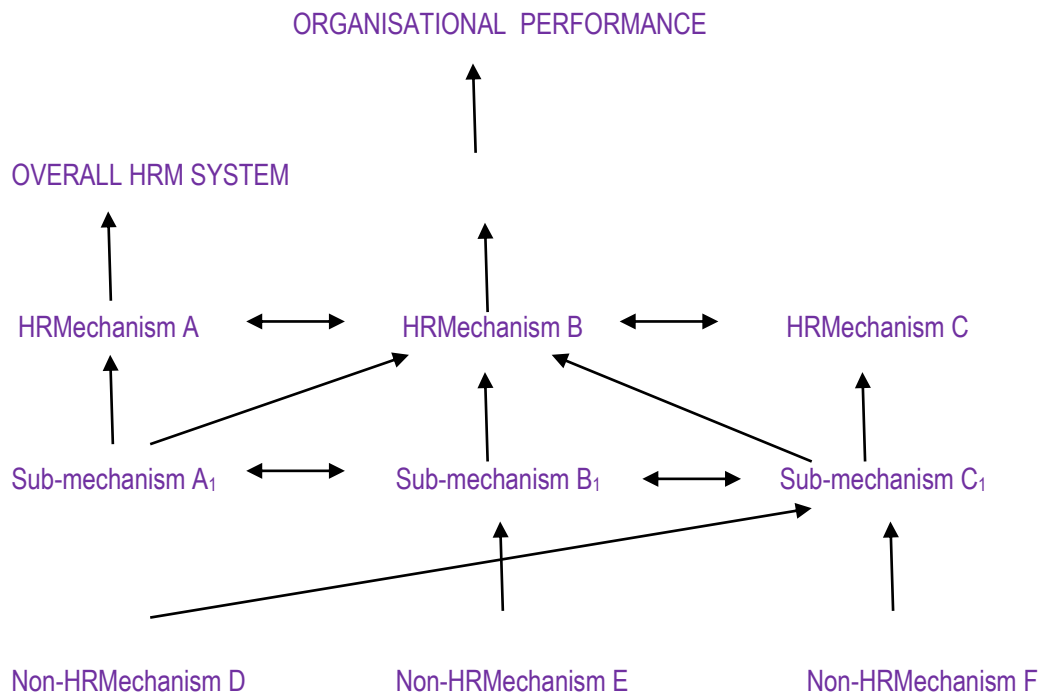
Diagram 9: Ensemble of mechanisms

The most significant part of this re-description and re-theorisation is that each HRMechanism (and associated sub-HRMechanism) has properties, these properties instantiate transfactually acting powers/tendencies, and this ensemble of HRMechanisms, properties and powers/tendencies causally govern organizational performance.   Let us now turn to those properties.

4.6 Properties and powers/tendencies

As mentioned earlier, organizations consist of an ensemble of HRMechanisms, along with the human agents that activate them. In order to understand organizational performance, it is vital to dwell for some time upon the properties of HRMechanisms and the human agents that interact with them.

As noted in chapter 4, HRMechanisms and agents both have certain powers/tendencies, that may be possessed with or without being exercised and may be exercised with or without being actualized. Powers/tendencies possessed by human agents or by HRMechanisms exist in virtue of their internal make up. Human agents, for example, have the power to increase their performance but may choose not to do so if, for example, they feel work is not a self-fulfilling activity. If this power is actualized, however, performance of the agents may rise. However, although such powers/tendencies exist, aggregate performance of individuals is dependent or contingent upon other powers/tendencies that are activated at the same time.   For example, managers may exercise their power/tendency to intensify the work so that employees improve their productivity. Yet, the powers/tendencies exercised through HRMechanisms may result in less productivity if employees feel there is nothing to be gained.

Due to the impact of other exercised powers/tendencies, one can never know for sure what the particular outcome of any exercised powers/tendencies will be.

Human agents are the main catalyst behind organizational performance. This can be understood, for example, through Marxist theory whereby labour is the source of surplus value and profit; or through Resource Based Theory, whereby labour is the one input into production that is inimitable and so cannot be bought `off the peg´ like a hammer or a machine tool. The human is only vaguely accounted for within research on the HRM-P link. But the agents´ powers/tendencies should not be overlooked. Powers/tendencies are possessed by agents/workers in virtue of their psychological, biological, psychosocial and social make up. Workers very often have to actualize such powers/tendencies to carry out their functions - e.g. use their ingenuity, imagination, creativity and engagement, all of which trigger performance on their part. Many HRMechanisms are thus adopted and applied within the organization in an attempt to unleash the creative potential of employees. For example, motivation through team working, job rotation, flexibility, stress management, reward, training and development are designed to unleash the creative powers/tendencies of human agents. All such powers/tendencies need to be accounted for if we are to explain the HRM-P link. But the fundamental question is what happens when such powers/tendencies interact?

HRMechanisms consist of two different sets of phenomena with very different properties. Rules and norms are followed unconsciously and habitually. Regulations, laws, directives are followed consciously and deliberatively. But, the question is this: how do HRMechanisms influence agents?! Do agents deliberate on them consciously; or do they act unconsciously and habitually? Or do they do both? This is crucial. HRMechanisms consist, at least, of:

- Explicitly understood and consciously followed phenomena like regulations, procedures, agreements and codes. For example, workers understand wrap-up times within call centres and the procedures to follow to ensure that the sales are made.
- Explicitly understood and consciously followed phenomena like legal instruments, laws and directives. For example, employees would understand the importance of following Health and Safety laws at work.
- Implicitly understood and unconsciously followed phenomena like rules and norms. For example, workers have to recall the rules at work such as sharing information with teams to enhance productivity.

What really matters is that sometimes agents act consciously on the basis of deliberation and the internal conversation and sometimes they act unconsciously on the basis of habit and the internalisation of rules and norms. The point is, mechanisms generate *both* of these kinds of action

because mechanisms are a combination of, regulations, procedures, agreements and codes; legal instruments like laws and directives; and rules and norms.

4.7 Conscious deliberations and choice

Call centers might be, and/or might be seen as, workplaces with very few career prospects by agents who might respond, by deliberating about this particular feature and eventually choosing to do the strict minimum amount of work. The same might occur if job intensification, further close control and other such practices are implemented. These agential choices affect the performance of call centres. The conscious reflection, deliberation and evaluation of choices are thus important.

Recall from earlier chapters that agents interact with HRMechanisms that enable and constrain their intentions. Such HRMechanisms have an influence over agents but cannot cause them to change their intentions. This is what Archer refers to as structural conditioning, not structural determination, on account of the irreducible emergent properties of agents. For example, HRM practices such as performance management, can lead to frustrations or benefits for a particular group of agents. Agents, thus, can either seek to work with or against management. Such interactions are a direct result of agents deliberating about HRMechanisms. Agents are capable of deliberating about the constraining, and enabling, effect of the regulations that constitute HRMechanisms. This reflexive deliberation occurs via 'the internal conversation'. But, what about the other property of the agent, habit or habitus?

4.8. Unconscious habits and actions

As the human agents interact with HRMechanisms, they internalize their rules and norms, resulting in habits. However, these habits, which become stored in the nervous system over time, not only influence agents' intentions; they can cause intentions to change. Habits, in short, link agents to HRMechanisms' rules and norms. For example, taking up calls within call centers requires the agents to `know´ rules which become habits over time. They follow rules without knowing their contents – e.g. certain rules regarding courtesy, how to make a deal or be persuasive when making a sale over the line. These rules become internalized to the extent that agents over time do not reflect about them. If and when they change, they can also change agents´ intentions and actions unconsciously. There are, however, times when a deviation in the normal routine occurs, and the agent becomes conscious that the rule or norm no longer applies.

4.9 Emergent properties of HRMechanisms

As noted in chapter 2, emergence refers to the properties or powers/tendencies of a whole that are not possessed by its individual parts. This concept finds an interesting application when considering HRMechanisms for two reasons. First, HRMechanisms consist of sub-HRMechanisms. When

investigating the powers/tendencies of any HRMechanism, then, we need to consider it as whole, that is, with all its sub-HRMechanisms. Second, HRMechanisms (and their associated sub-HRMechanisms) almost always come as ensembles. When investigating the powers/tendencies of any HRMechanism (and its associated sub-HRMechanisms), then, we need to consider the ensemble as a whole, that is, *all* HRMechanisms and *all* sub-HRMechanisms. Any powers/tendencies are those of the ensemble. Let us now turn to the next part of this re-description.

4.10. The ensemble of HRMechanisms

A complete causal account of how performance occurs requires different types of information. First, it requires information about an ensemble of interacting HRMechanisms and sub-HRMechanisms through which agents initiate actions. As mentioned earlier it is vital to locate the context which could be the corporate strategy; the level of control; the level of trust/relations between managers and workers. This information is very important to shed light and inform the analysis of the stratified levels.

Second, a complete causal account requires 'hermeneutic information'. That is, information relating to a range of human cognitive activities such as understanding, intention, purpose, meaning, interpretation, reason and so on. Human actions are, typically, the result of human intention, and so intentions are causes. Agents interpret, understand and make sense of the workplace and then initiate action. One does not know what the cause of the action is; one does not understand it, until one knows the intention that underlies it, that is, until one knows *why* the agent did what s/he did. If, to explain an action is to give a causal account of it, then to explain an action is to give an account of *why* the agent did what s/he did. Hermeneutic information cannot be obtained via research techniques such as questionnaires and Lickert scales – i.e. the typical techniques used to measure qualitative phenomena and transpose it into quantitative data, and then into variables in a regression equation. Hermeneutic information is demanded by a thick explanation.

4.11. Morphogenesis and HRMechanisms

It is vital to note that whilst morphogenesis and morphostatic uses the language of agency-structure, in chapter 2 I transposed this into the language of agency-mechanism, whilst preserving the conceptual apparatus of morphogenesis. The analytical dualism that is embedded within Archer's account can also explain how HRMechanisms and agency interact.

Basically, in order to act, agents draw upon pre-existing mechanisms. When agents reproduce these mechanisms without change, this is referred to as *morphostasis*. When agents reproduce these mechanisms with change, that is, with transformation, this is referred to as *morphogenesis*. Thus, each time a HRMechanism (e.g. team working) is reproduced or transformed by agents, this HRMechanism is reproduced or transformed.

4.12 The morphostatic causes that sustain their existence

What sustains a HRMechanism? For example, although team working as a HRMechanism instantiates certain powers/tendencies that cause events that might occur, there are a set of causes that have kept it in its form ever since. These are a set of causal factors that maintain it in its current form. Such causal factors provide a morphostatic causal explanation of the existence of any entity or HRMechanism.

HRMechanisms have certain properties and are made up of certain parts. There are also some external causes that also need to be taken into consideration. For example, the environment, whether social or natural, can have an impact on HRMechanisms.

Morphostatic causes are entirely internal to the entity or HRMechanism. As explained earlier, since HRMechanisms are made up of different sub-HRMechanisms, there will be many or a vast range of morphostatic causes that sustain such HRMechanisms in existence. Hypothesizing the existence of an underlying HRMechanism requires the identification of morphostatic causes at lower levels. Elder-Vass (2011: 35) suggests that only morphostatic causes that have constantly repeated effects and those that are particularly strong need to be taken into consideration.

Let us take the example of an HRM technique, namely, team working. Team working has a number of specific parts: human agents, and other causal mechanisms such as group rewards that sustain team working. Without agents, team working cannot exist. Reward reinforces team working in the sense that if agents are paid and if they can see the benefits of working as an autonomous group they will work as a team. Team working itself, however, has other significant sub-HRMechanisms such as peer pressure and supervision without which team work cannot exist or maintain any stability. Out of those sub mechanisms one can perceive other causal impacts. Finally, let us now turn to the process where the different mechanisms or HRM techniques interact to cause events.

4.13 Building up a complex picture of an ensemble of HRMechanisms and sub-HRMechanisms.

From here until the end of the chapter, I will gradually build up a picture of how HRMechanisms, and associated sub-HRMechanisms, interact to form an ensemble. It is this ensemble that causally influences organizational performance. This is far easier to see via a set of gradually more complicated diagrams.

Diagram 10 is the basic diagram. It illustrates the idea that some unidentified HRMechanisms generate power/tendencies to influence organizational performance.
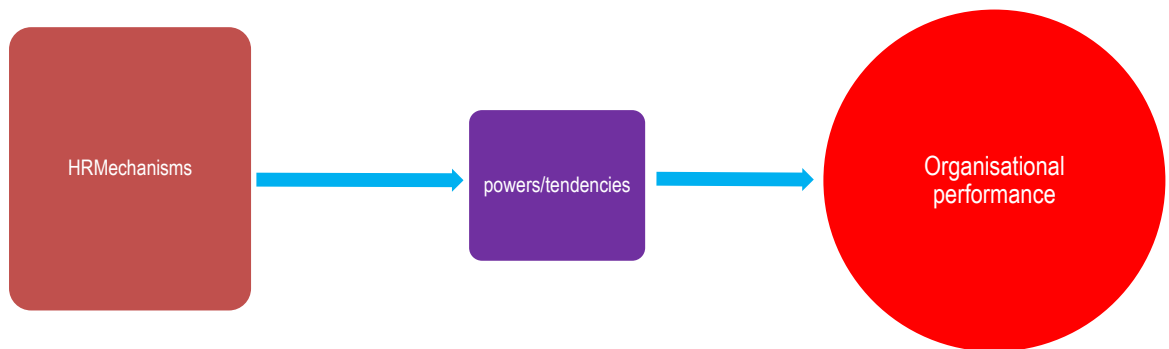
Diagram 10: HRMechanisms and organizational performance

Diagram 11 starts to add complexity. It abstracts from all six HRMechanisms by depicting just two as examples – i.e. team working and reward. It also depicts their respective powers/tendencies. Both could, of course, have different powers/tendencies. For example, team work could have a tendency to increase performance whereas reward could have the same or the opposite or simply it could have a neutral effect on performance. The diagram simply shows an undifferentiated change in organizational performance.

Diagram 11: Two HRMechanisms and organizational performance

Diagram 12 depicts how just one HRMechanism, team working, is constituted. Team working as a causal mechanism is composed of a number of sub-HRMechanisms viz. peer pressure, team-based pay, traditional supervisions, job allocation, institutions' rules regarding the running of team working. The existence and the activation of all such sub-causal mechanisms will lead to different tendencies. If for example, there is significant peer pressure, traditional supervision, job allocation, but, workers cannot see the benefits of reward, then overall tendency to performance can be to decrease

organizational performance. It implies that a HRMechanism can lead to different outcomes, depending upon the existence, and influence, of other sub-HRMechanisms. A HRMechanism does not by itself constitute a unique force that leads uni-directionally to organizational performance. One needs to take a holistic approach of the interaction of all the different HRMechanisms.
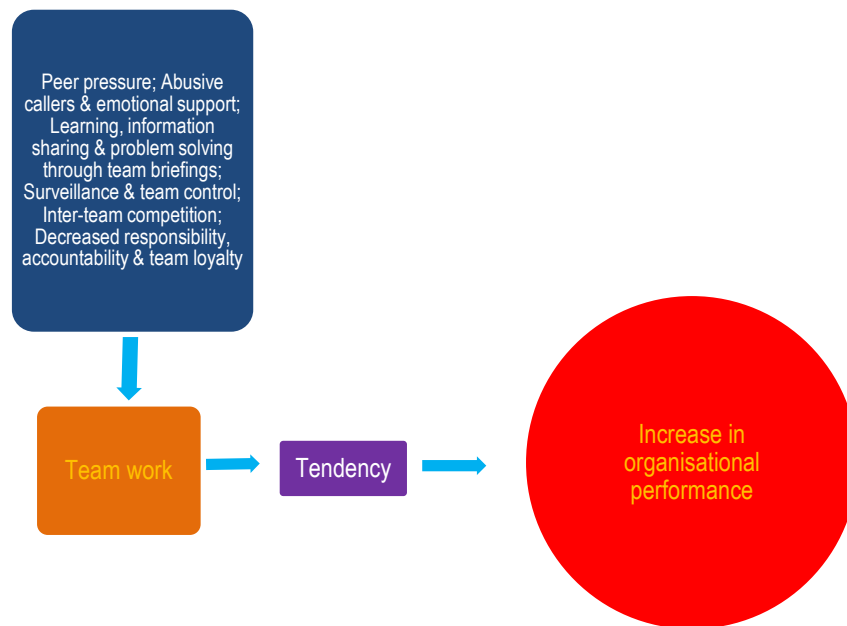
Diagram 12: Team working as HRMechanism and sub-HRMechanism

Diagram 13 depicts a more elaborated view of two HRMechanisms, team working and reward, by adding in sub-HRMechanisms. Team working, for example, could have two (or more) sub-HRMechanisms, such as peer pressure and team briefings. Each can have different tendencies on performance. Similarly, reward could have two sub-HRMechanisms, such as bonuses and non-financial rewards which could both have different tendencies.
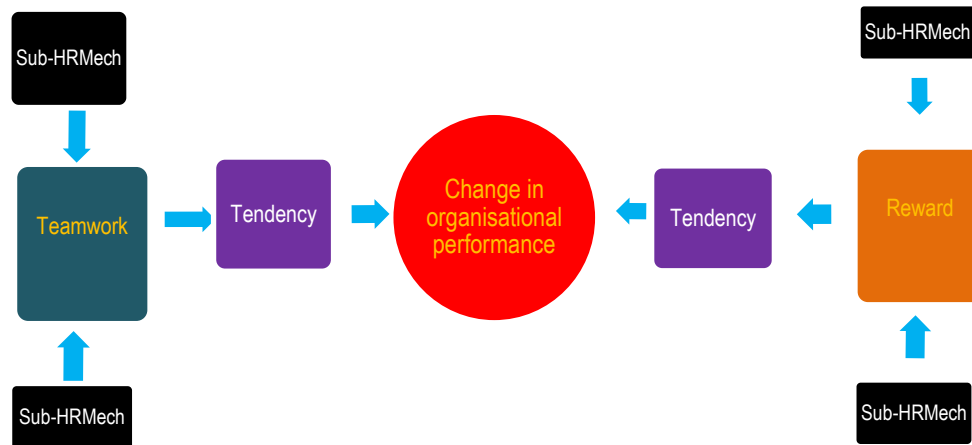
Diagram 13: HRMechanisms and sub-HRMechanisms

Every individual HRMechanism and its associated sub-HRMechanisms generates a different power/tendency – i.e. to increase, decrease or have a neutral effect upon, performance. It is, however, necessary to aggregate all the power/tendencies, from the ensemble of HRMechanisms, to ascertain the overall link between HRM and performance. For example, team-working can have a tendency to improve performance, yet if reward is not properly administered, the activation of reward can lead to a tendency to reduce performance. In aggregate then, if reward has a stronger tendency then the overall tendency can be a reduction in performance. The outcome or overall tendency is thus the result of the aggregate tendencies of all causal mechanisms when activated. However, it has to be recalled that HRMechanisms are made up of sub-configurations or sub-HRMechanisms.

Let us then depict diagrammatically the interaction or the net effect of the causal ensemble for six HRMechanisms – diagram 14.

Diagram 14: Ensemble of HRMechanisms and their sub-HRMechanisms

4.14 Conclusion

This chapter used insights from critical realism to develop the theoretical insights necessary to go beyond existing empirical research on the HRM-P link. The insights from critical realism allowed us to re-describe HR practices as HRMechanisms, thereby, allowing us to use our meta-theoretical knowledge of causal mechanisms in general to understand HRMechanisms specifically. It drew upon critical realism's understanding of agency and structure, albeit by `twisting´ this slightly into an `*agency-mechanism´* approach. This allowed me to use critical realism's insights into agency and structure, but transposed into the specific context of agency and mechanism. It also ensures that human agency is not neglected. It established that HRMechanisms have properties, these properties instantiate transfactually acting powers/tendencies, and this ensemble of HRMechanisms properties and powers/tendencies cause events that might occur. It also considered the morphogenetic and morphostatic causes that bring each HRMechanism into existence and sustain their existence. Ultimately, the chapter showed that agents interact with an ensemble of six HRMechanisms, to generate powers/tendencies to increase or decrease organizational performance.   The final section used a sequential set of diagrams to gradually build up a picture of how HRMechanisms, and associated sub-HRMechanisms, interact to form the ensemble that causally influences organizational performance.

CHAPTER 5: RESEARCH METHODOLOGY

5.0 Introduction

Let me start this chapter by issuing a warning. In a sense the entire thesis is all `about´ methodology (albeit defined widely) – i.e. what is wrong with the methodological approach of empirical research on the HRM-P link, and how a critical realist-oriented methodological approach might be more fruitful. Having a chapter dedicated to methodology, therefore, makes some repetition almost inevitable – e.g. there is a discussion of methodology circa p 50. I have tried to minimize repetition in this chapter by discussing *only* those concepts necessary to explain the methodological approach of this thesis and where repetition is avoidable, I have been succinct.

As noted in chapter 1, the results of recent attempts to demonstrate the existence of a quantifiable *HRM-P link* have been poor – in two senses. First, the evidence of the link is, at best inconclusive, and at worst casts doubt on its existence. But, second, even if a statistical association between HRM and performance could be shown, empirical research on the HRM-P link cannot *explain* it. That is, empirical research cannot tell us *why* HRM practices are associated with increased performance. Chapter 3 not only identified the problem as a (misplaced) commitment by empirical researchers to scientistic meta-theory and its associated quantitative research techniques, it also went on to advocate an alternative meta-theory, namely critical realism. This meta-theory is associated with a different set of research techniques. The challenge for methodology, then, is how to conceive of, and conduct, empirical research into the HRM-P link without falling back on the `normal´ quantitative research techniques that have, hitherto, proved so problematic. This challenge is the subject of this current chapter.

The chapter consists of two parts. After a brief introduction to methodology, part one will review the methodological problems underlying scientistic-orientated research on the HRM-P link. It will then consider how critical realism can offer much to the research programme on the HRM-P link. Briefly, the epistemology and aetiology of critical realism will be considered followed by the main part, which is the justification of the methods used for this thesis. The following section will then consider the mode of inference used, namely, abduction. In the second part of this chapter, we will consider the politics of access and how the interviews were conducted. Finally, this chapter will set out the research ethics that guided this research before providing a conclusion.

5.1 What is methodology?

To avoid any misunderstanding, I use the term `methodology´ to refer to the discipline concerned with the study (i.e. `ology´) of methods. I use the term `method´ to refer to the set of practices involved in

doing research. Thus, one does not use a methodology, one uses a method, and associated techniques: one study's methodology.

Methodology involves an inter-related set of philosophical assumptions about how to understand and how to study the social world. Methodology can be defined as a cluster of beliefs concerning what should be studied, how research should be undertaken and how results should be interpreted (Bryman 1989). For Ackroyd (2004), the role of methodology in research is to assist the search for evidence that establishes, confirms or calls into question, existing concepts and conjectures. It is not a fancy name for a set of data collection and evaluation techniques. Methodology defines a particular approach to understanding the world and therefore doing research. Methodology is primarily concerned with the answers to two philosophical questions (1) 'what is knowledge?' and (2) 'How is it to be uncovered?' Methodology bridges the gap between the philosophy of science and the practice of research. It is, or should be, founded upon, or grows out of, ontology and epistemology and in turn is the foundation for what comes later, the research design, the research techniques, the data collection and the analysis. Once data is collected, the resulting research findings that will be used to test existing conjectures, hypotheses and various other claims. Before explaining the choice of methods, let us highlight the particular methodological problems that underlie scientistic-oriented empirical research.

5.2 Methodological problems underlying scientistic-oriented empirical research

Wright and Gardner (2004: 312) give an overview of the problems involved with evaluating the methods used and the results obtained. Methodologically, they suggest, there is no consensus regarding which HRM practices constitute a theoretically complete set of HR practices; how to conceptually categorize these practices; the relevance of business strategy; the appropriate level of analysis; or how HRM performance and firm performance are to be *measured (italics added).* Gerhardt *et al*. (2000) raise the issue of the directionality of causality involved in the relationship between HRM practices and organisational performance. In particular they question Huselid's (1995) research and add that, although Huselid's work tends to reveal empirical associations, it remains silent so far as the direction of causality is concerned. Despite the well-known fact that statistical analysis alone cannot indicate causality, it is hard not to read Huselid, and other researchers, without gaining the impression that they firmly believe that a causal association runs from HRM practices to organisational performance. Indeed, if such a presupposition is not made, the value of the empirical research is then cast into doubt.

Wright (2005: 411) is skeptical about the level of methodological rigour in much research on the HRM-P link. Boselie *et al*. (2005: 75) highlight the fact that financial performance data are far removed from HRM influence, i.e. are too distal. Finally other researchers such as Godard (2004) and Lepak *et al.*

(1999) are more concerned about the practices that reveal negative associations with performance, or no links at all – i.e. indicating open systems. Now, let us turn our attention to methodology.

5.3 Research methodology: research technique

According to the basic tenets of science, a researcher starts with theory, develops some concepts, uses them to make a hypothesis, and then collects data to confirm or disconfirm it. This basic process is shown in diagram X. As explained in chapter 3, to the advocates of scientism/positivism, the foundation for knowledge is in empirically observed events, and as causality is synonymous with event regularities, the research design leads them to use cross-sectional designs with large samples, which enable the identification of multiple independent variables. Thus, inferential surveys are quite common in organization studies and particularly the HRM-P link. For example, researchers may hypothesize that the independent variables of culture, wages and team working have an impact on the dependent variable, organizational performance. In order to test this hypothesis, it would be necessary to define ways of measuring these variables.

In empirical research on the HRM-P link, however, there seems to be no place for theory or concept formation. Emphasis is placed on identifying appropriate variables, and setting up hypotheses. Thus, empirical researchers seem not to stick to their own criteria for doing science.

Diagram 15 gives a visual representation of how advocates of scientism/positivism pursue their research.
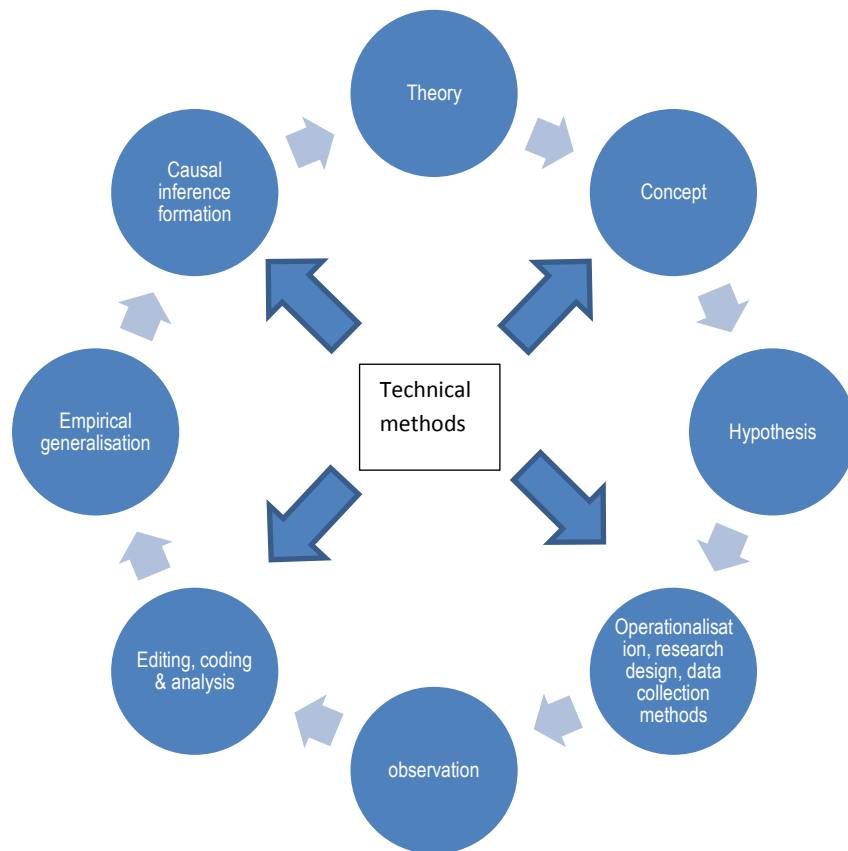
Diagram 15: research under scientism/positivism (Image used with permission of Rose & Sullivan 1996)

Moreover, as prediction and explanation are symmetrical within scientistic circles, predictive ability becomes the most stringent test of theory. Prediction is hypothesized in such a way that a change in magnitude of one of the dependent variables is associated with a predictable change in the independent variables. The hypothesis is then tested using appropriate quantitative techniques. Mathematics and statistical techniques are favoured because, allegedly, they lead to a high degree of precision in formulations. A number of tools have been developed to this end: regression analysis and factor analysis or path analysis. To the scientistic-oriented researcher, such instruments help to decide whether an association should be considered significant or not. Although, correlation or covariation does not explain causality, predictions can only be accurate whenever systems are closed. Some researchers try to improve the predictive success by modeling *all* the variables they believe to be responsible for the events to be predicted. Yet, as Sayer (1994: 133) states such an 'option runs into the problem of representing unknown and unstable contingent relations. Such models can be extremely complex, data-hungry and unwieldy and produce considerable error amplification so that the results may not justify the effort'. The (main) problems with this methodology are listed in chapter 3 and the reader may wish to have a look at chapter 3 to refresh his/her memory.

5.4 Ontology

Before tackling the epistemological commitments of critical realism which will be the focal point of this chapter, it is worth recalling that critical realism gives prominence to ontology and in the same vein argues that the way in which we define the world and how it works has serious implications for how we acquire knowledge about it. Ontology is not an optional extra. Ontology shapes and anchors aetiology, epistemology, methods and choice of research techniques. This implies that the selection of particular methods is based, ultimately, upon one's implicit or explicit ontology. In a similar vein, Knight (2002) points out that the same phenomenon can be investigated from different ontological and epistemological positions. It follows that different ontologies and epistemologies often imply a preference for different methods and techniques. The ontology, therefore, encourages (and discourages) the use of certain methods, and these methods and techniques are then applied to the phenomena being researched - in my case, to the potential existence of the HRM-P link.

With an ontology of entities that are stratified, emergent and transformed (by agents) in open systems, critical realists focus their attention towards causal mechanisms and their powers/tendencies to govern events. The search for causal mechanisms and the powers/tendencies they generate means that they have to adopt different methods, techniques and thought operations to provide an explanation. Critical realists `dig´ below the levels of the empirical and actual into the level of the metaphoric 'deep' to identify mechanisms and understand how they work. With this ontology in mind, let us now turn to the epistemology and research technique adopted for the purpose of this research.

5.5 Epistemology

Critical realism derives knowledge from uncovering the causal mechanisms that generate the phenomena that often (but not always) manifest themselves at the level of the actual and the empirical. For example, we understand why gunpowder explodes when we know that the properties of the chemicals are such that when heat is applied under appropriate known conditions, a violent reaction takes place. Another clear example is one given by Byrne (1998) in the case of tuberculosis in Northern England, where an attempt was made to go beyond event regularities, by providing and identifying the conditions and the process of transmission of TB bacillus.

Similarly, critical realists are interested to look at the HRMechanisms that cause changes to performance. The idea is to understand the properties of such HRMechanisms, sub-HRMechanisms and the other non-HRMechanisms that operate concurrently that could help explain the events at the level of the empirical. It is these HRMechanisms that govern the flux of events, and not 'the patterns in the flux of events' that critical realists are interested in. A great deal has been made of *causal* mechanisms, so it is necessary to say a little more about aetiology.

5.6 Aetiology

Critical realists reject the conception of causality as regularity presumed by advocates of scientism/positivism, as well 'as interpretive models of inquiry that *abjure any concern with causal problems and relations'* Reed (2009: 435). Critical realists postulate a conception of causality as powers/tendencies that replace laws as event regularities, and law-like relations. For critical realists, what causes something to happen does not depend on the succession of events or the number of times we observe the happening of the events. A bus being regularly late does not, for example, explain the cause of the lateness. Rather, we have an explanation when we can identify causal mechanisms, how they operate and the conditions under which they become actualised. For example, we have an explanation of team working when we can identify the different HRMechanisms that make up team working, such as peer pressure, team briefings and surveillance, and controls how they operate and the conditions under which they become actualised.

5.7 Methodology

Irrespective of how common the covering law method and its associated quantitative research techniques are, and irrespective of how much we might like or want to use them, they are unsuitable for explaining exactly what HRM practices do to effect organizational performance. And the inescapable conclusion is that some other method and research technique must be used. The method used in this thesis is the causal explanatory method, and the research technique is the case study.

A variety of research techniques are, of course, compatible with the causal-explanatory method, such as critical discourse analysis, archaeology, action research, case studies and comparative case studies, ethnography, morphological analysis, participant and non-participant observation, textual analysis, archival research, content analysis, longitudinal study or historical method (Ackroyd, 2009). These techniques not only provide different type of data than quantitative techniques, they provide a type of data for the causal-explanatory method. They provide data about how HRMechanisms work, their properties, their powers/tendencies. As the name implies, the causal-explanatory method demands explanation (not prediction) couched in terms of causality (but causality as powers/tendencies not causality as regularity).

Before we turn to the technique used in this thesis, it is vital to note that everything that I have discussed to this point is a prelude to asking the following question: How do we go about giving a causal explanation when dealing with inherently qualitative phenomena like HRMechanisms and open systems? As noted in the introduction, no-one has actually posed the question quite like this because all empirical researchers on the HRM-P link use solely quantitative techniques and presume that an explanation requires event regularities.

Whilst the key to a causal-explanation lies in identifying the HRMechanisms in operation, and explaining how they do whatever it is they do, we do not start from a blank canvass. Existing theory usually has some pointers about the likely HRMechanisms and their likely ways of operating. In this case, we know the six HRMechanisms in operation at Aero, The existing theory, elaborated upon in the literature review, whether CMS or MMS, has pointed to some of the likely sub-HRMechanisms and how they may operate.

Crucially, the causal-explanatory method invokes an agency-mechanism approach i.e. a variant on the agency-structure approach noted above in chapter 2. Central to this is the idea that HRMechanisms cannot do anything until and unless they are acted upon by human agents who reproduce or transform them. Thus, to explain how a HRMechanism works, we need to first identify it and, typically, break it down into its constituent parts (sub-HRMechanisms) and then identify how agents draw upon, reproduce and transform them. The case study is the perfect research technique for this.

Let us consider the example of one HRMechanism, team work. Whilst we know that teams influence performance, and the literature has given us some ideas of how and why, we do not know exactly how or why and we do not have evidence. To know how and why, we have to uncover the HRMechanisms that make up teams and the powers/tendencies that they generate. Recall that powers/tendencies are the transfactual way of acting of HRMechanisms with properties. A HRMechanism could be in play, but not bring about the events that it has a tendency/power to bring about, because it is being affected by other powers/tendencies generated by other HRMechanisms - or indeed, other non-HRMechanisms. Another way of saying this is that we are dealing with an open system.

Case study according to Yin (2003: 13) is 'an empirical enquiry that investigates a contemporary phenomenon within its real life context especially when the boundaries between the phenomenon and context are not clearly evident'. Case studies provide a detailed and rich account of a particular situation.

Case studies are, of course, extremely common – at least outside empirical research on the HRM-P link. But case studies without reflection on meta-theory can easily `import´, as it were, many of the problems associated with scientism/positivism. Some case studies do focus on events and their regularities, do seek to quantify and measure HRM practices, using Likert scales and others techniques such as Semantic differential, Thurstone-type scale, and rating scales. The research starts out looking like a piece of `qualitative´ research but ends up transposing the data into variables, and then using quantitative research techniques on them. A good example of this is Purcell *et al.* who use case studies to obtain quantitative data. Purcell *et al.'s* (2009: 29) investigation of the HRM-P link, for

example, uses quantitative methods to measure variables such as training, career, opportunities and work-life balance. They state that:

> Using more sophisticated statistical techniques of multi-variant analysis which allow the independent effect of each variable or factor (i.e. each practice) to be assessed, we are able to show that in strong share value companies a particular set of practices were especially effective in allowing us to explain 40 per cent of the cause of organizational commitment.

What Purcell *et al.* are able to show is that, in strong share value companies, a defined set of HRM practices explain 40 per cent of the cause of organizational commitment. What Purcell *et al.* are unable to show is exactly what this set of HRM practices do to increase organizational commitment. Moreover, as noted in chapter 3, they use the term `explain´ in a very narrow technical sense. Used in this way, then, case studies provide little explanation. Moreover, they provide no theory either, because quantification has eclipsed theory generation. Theory generation is not the task of statistical techniques. Case studies must, therefore, be grounded in theory otherwise they too end up being *a*theoretical.

Case studies with reflection on meta-theory, however, especially the kind offered by critical realism, can avoid the problems associated with scientism/positivism. Case studies need not focus on events, their regularities, their quantification or measurement, their transposition into variables, and they need not use quantitative research techniques. Case studies that go beyond empiricism, and have a conception of causal mechanisms operating in the domain of the `deep´, need not focus on events. Case studies that go beyond causality as regularity, and employ causality as powers/tendencies need not focus on event regularities. Case studies that remain firmly qualitative, embracing hermeneutic and interpretive techniques designed to recover the meanings and activities of employees and managers and, thereby, explain their reaction to HRM practices, and things like power, need not focus on quantification or measurement. Indeed, it is virtually impossible to (meaningfully) quantify and measure many of the phenomena involved. Case studies that remain firmly qualitative do not require quantitative techniques or the transposition of their findings into variables – even if this could be (meaningfully) done.

Case studies allied to critical realism´s causal-explanatory method focus on two key factors: causes and explanations. Case studies involving qualitative techniques, including interviews, seek answers to `How´ and `Why´ questions. Thus, I asked questions like: `How or why did team working change your working activities?´ - although, of course, I phrased the questions with more subtlety. The explanation comes from providing a *causal* account of, in this case, how and why team working works, or more

accurately, what caused employees to change their activities following the introduction of team working.

Interviews allow the researcher to re-phrase the question if the interviewee seems not to understand it. They allow the researcher to push and probe, to try and tease out `thicker´ explanations from the interviewees – because they are not always immediately aware of the issues that effects them. For example, a CSR is very unlikely to have heard of panopticon power, but they may well have experienced its effects. The researcher needs to adapt his/her terminology, probe and push. Examples are given in the following section on interviews.

What about theory? Any researcher who goes into empirical research `blind´ to theory will, of course, simply smuggle in (presume) his or her own `theories´ - even if they are not well worked-out accepted `theories´. A researcher `blind´ to (say) power, will be likely to presume that lack of workplace conflict is the norm, and adopt a Unitarist position by default. Perhaps more importantly, a researcher who goes into empirical research `blind´ to theory will have very little prior understanding to guide them. To stick with the example of power, a researcher `blind´ to power may be able to spot relatively easy to-observe-displays of power, but not observe difficult-to-observe displays such as those associated with the works of Foucault and Lukes – mentioned in chapter 3.

Case studies have been criticized on many grounds, especially on the grounds that we cannot generalize from them. This is, arguably, a misunderstanding. As Easton argues, 'if we know where to look and if inferences are based 'upon quite different ontological and epistemological assumptions for survey research' then one case study is enough (Easton 2010:2). Easton may be engaging in a little rhetoric with the point that one case study will do, but his argument is more important than the number of case studies he recommends. Case studies allow us to investigate object O, and find causal mechanism C responsible for event E. We can then focus attention on C, with the objective of finding out how it works and thereby explaining it. When we know how C works, and can explain how C works, then we can generalize to any object that can be considered to be *in the class of O that has a mechanism like C*.

Suppose, for example, we investigate a call centre, and find team working as one of the HRMechanisms, and peer pressure as one of its sub-HRMechanisms responsible for influencing organizational performance. We can focus our attention by trying to get a causal explanation of how team working and peer pressure work. When we know this, we can generalize to any object that can be considered in the same class as HRMechanisms of team working and peer pressure as a sub-HRMechanism. There is, actually, nothing particularly difficult about this. Indeed, it is the kind of thing qualitative researchers do all the time.

The difficult part of this, and the part that is rarely considered, is being able to say `this object is an object type O the causal mechanism is type C´.  In our case, the difficult part is being able to say `this workplace W, is like other workplaces W_1, W_2 etc. and mechanisms C is like other mechanisms HRM_1, HRM_2 etc´. If we can do this, then we can generalize – in principle one case study is enough, but we need more, but not to get more observations, only to see if we really are dealing with similar classes of objects.

It is also worth reminding ourselves that even if we are fortunate enough to have found a statistical association between a set of variables, this does not automatically mean we can generalize from it. It is a myth that quantitative techniques generalize. Advocates of scientism/positivism appear to accept quantitative techniques (a) because they use large samples and so their conclusions are presumed to be representative of the population not just the sample; and (b) because they identify event regularities. If they study hundreds of businesses (large samples) and can find a law-like relation between HRM practices HRM_1, HRM_2 and HRM_n, and organizational performance, then they feel confident that they can make predictions about other firms using these practices. But, as I have been at pains to point out in chapter 2, the problem is they have not been able to find a law-like relation between HRM_1, HRM_2 and HRM_n, and organisational performance: generalization has not occurred.

Furthermore, in terms of generalization, it can be said that while many empirical researchers pay lip service to the covering law model and to generalization, they rarely practice what they preach in actual research. To Flyvberg (2010: 425) if theories could predict, then case studies could be used to test these theories. Thus, he re-iterates Easton´s point:

> one can generalize on the basis of a single case, and the case study may be central to
> scientific development via generalization as supplement or alternative to other methods.
> But the formal generalization is overvalued as a source of scientific development,
> whereas 'the force of example' is underestimated.

For critical realists, case studies deliver thick explanation that provide an account of the operation of causal mechanisms, and explanation is not confused with prediction. Case studies are suited to the task of teasing out the interplay between mechanisms, properties, powers/tendencies and agents. At Aero, the case study allowed me to explain how, for example, team working was conducted; how agents consciously and unconsciously drew upon the rules, norms, regulations and laws to ensure the team working exercise; how different sub HRMechanisms such as peer pressure and abusive callers interplayed during their operation; how it led to workers performing and what the powers/tendencies were.

Case studies also can be beneficial to researchers as they help establish causality. Harrison *et al.* (2004: 195) exemplifies this when they add that 'single case studies are, by definition, longitudinal in nature, they provide the ability to examine evolutionary processes, historically or in real time. This is a crucial advantage in being able to assign causality, a central tenet of the critical realist approach´. At Aero, for example managers introduced some of the HRM practices I analyzed a year before the data was collected. The case study allowed me to capture data about the implementation of some of the new HRM practices. It was vital to look at how employees felt after the implementation of such practices, whether those practices were at all impacting on their performance and if they did, then how.

Case studies resonate with critical realism's understanding of causality as complex and contingent. Moreover as Ackroyd (2009: 538) points out 'the limitation on justifiable generalization from case studies is theoretical rather than empirical'. That is, providing a plausible explanation is in itself a contribution to theory. Let us now turn to the mode of inference.

5.8 Mode of inference: abduction

Critical realists adopt abduction as an explanatory logic. The core of abduction rests with what Durkheim refers to as the 'primitive classification' i.e. why we see events the way we do. Given the complexity of social reality, the methodology of the social requires special theoretical efforts from researchers. To prove the existence of mechanisms, they must (initially and minimally) be theoretically inferred. Abduction plays a mediating role between the logical and the empirical. Abduction is thus a creative process in explaining mechanisms. To O'Mahoney and Vincent (2014:17) abduction:

> re-describes the observable everyday objects of social science (usually provided by interviewees or observational data) in an abstracted and more general sense in order to describe the sequence of causation that gives rise to observed regularities in the pattern of events. It involves combining observations, often in tandem with theory identified in the literature review, to produce the most plausible explanation of the mechanisms that caused the events

Abduction aims to generate trans-factual statements as to what would happen, if certain conditions were met. To understand and explain mechanisms, we need both a priori knowledge of observable events and theories in the literature.

For the purpose of this research, abduction was used for each of the six HRMechanisms by asking the following question: What sub-HRMechanisms of the HRMechanism (say) team working might exist

that, when drawn upon by agents, cause these agents to work in ways that influence organizational performance? This helped in setting up the research agenda. It helped in interviewing workers in order to explain what the component parts of sub-HRMechanisms are, how workers draw upon them, and what difference it makes to their performance.

5.9 Explanation and prediction

As explained in chapter 2, a critical realist causal explanatory method makes use of thick explanation. *Explanation*, not *prediction* is the goal. The objective of this research is to uncover and *explain* what makes HRMechanisms (and their associated sub-HRMechanisms) work, and work the way they do.

One technique for doing this is to re-construct the narratives of the agents involved, and to identify the way in which they engage with HRMechanisms. These narratives are interrogated in order to tease out agent's reflection, deliberation and habits. Thus, in order to meet such objectives, critical realist research must as Reed suggests (2009: 437);

> Make a serious and sustained effort to access, describe and re-interpret the processes whereby social actors come to understand the contexts in which they operate and of the extent to which this cognitive and discursive formulation may come to reinforce, facilitate, weaken or block the potential for change opened up by intensifying structural contradictions and tensions.

Taking into consideration the why's of human action is, of course, part of any thick explanation.

In order to fully appreciate the way critical realism´s key meta-theoretical concepts helped me to design and execute empirical research I want to be a little more specific. I will, therefore, elaborate a little upon the following five key ideas:

(i) A social ontology wherein the world is open, layered, transformational and consisting of agents and mechanisms.

> This encouraged me to re-describe HRM practices as HRMechanisms and then to use the concepts of critical realist meta-theory associated with causal mechanisms. Methodologically speaking, this encouraged me to enquire into the emergent properties of each of the six HRMechanisms and sub-HRMechanisms; to identify the powers/tendencies generated by these properties; and to pay attention to the real possibility that individual HRMechanisms act as ensembles.

(ii) A 'thick', as opposed to the 'thin' notion of causality associated with Humean causality; and *a notion of law as tendency as opposed to notion of law as event regularity.*

Taking these together, discouraged me from doing what almost all empirical researchers on the HRM-P link do, namely, presupposing that causality is synonymous with event regularity, and using quantitative/statistical research techniques in order to find event regularities, laws or law-like relations. Methodologically speaking, this discouraged me from employing `traditional´ quantitative, statistical techniques. But matters are more subtle than this. First it discouraged me from doing what even quite sophisticated empirical researchers on the HRM-P link do, namely, using qualitative research, but ending up with quantitative data and applying quantitative/statistical research techniques. Second, it also discouraged me from attempting to use qualitative research and associated qualitative research techniques, alongside quantitative research and associated quantitative/statistical research techniques. This is sometimes done under the guise of triangulation, or multi-methods. Whilst this might sound self-evidently sensible, there is a snag, a snag that this thesis has avoided. Put very simply, and in critical realism terminology, if the workplace is an open system, a system wherein no event regularities, or law-like regularities are found, then attempting to `bolt´ a regression analysis onto the interview data is entirely misconceived.

It also encouraged me to understand causality as power/tendency and, therefore, to understand HRMechanisms as acting transfactually. Methodologically speaking, this alerted me to the possibility that HRMechanisms do not always bring about the events that they were designed to but rather they can generate powers/tendencies.

(iii) An agency-structure, or agency and mechanism framework wherein agents reproduce or transform structures or mechanisms.

This encouraged me to apply the M-M approach to HRMechanisms and methodologically speaking, this encouraged me to ask transcendental questions such as how workers draw upon rules and norms (e.g. regarding closing a sale) to reproduce and transform HRMechanisms.

(iv) A sophisticated notion of agency as, in part, conscious and deliberative; and in part, unconscious and habitual.

This encouraged me to be alert to the fact that CSRs can act consciously and deliberatively *and, more importantly,* unconsciously and habitually. Methodologically speaking, this encouraged me to ask transcendental questions such as: How do workers unconsciously and habitually reproduce or transform HRMechanisms?

(v) A 'thick' explanation as opposed to a 'thin' explanation. A causal explanatory method.

Taking these together, discouraged me from doing what almost all empirical researchers on the HRM-P link do, namely, conflating explanation and prediction and, thereby, assuming that (a) a statistical association is explanatory; and (b) once a hypothesis has been tested, the hypothesis (a form of prediction) is the explanation. Methodologically speaking, this encouraged me to ask transcendental questions such as how do HRMechanisms work the way they do and why? Rather than looking at statistical associations, I looked for an explanation.

In sum, then, critical realism´s key meta-theoretical concepts helped me to design and execute empirical research. Let us now turn to the company profile and the interviews and data collection.

5.10 Politics of Access

Formal access to any company for conducting research is a major impediment (Easterby-Smith *et al.* 2012). To gain access at Aero, I had to engage in a little 'politicking´ where a meeting was held to 'sell' the relevance and benefits of such an endeavor to Aero. Given that Aero is a parastatal body and given that it made the headlines after 2008 due to a massive hedging blunder which cost the company millions of dollars of losses in the fuel market, raising such politically sensitive issues was forbidden.

Aero is a fully owned subsidiary of Air Mauritius Ltd. Access to Aero and its mother company was obtained through the Executive Vice President (EVP) of Air Mauritius - a personal contact. As the members of Aero were not known to me, the EVP provided a list of Senior Managers to be contacted in order to secure a visitor's pass and official permission to conduct the interviews with employees and management staff. I had also been invited to some senior management meetings at the Head Office for independent advice as an academic. This advice consisted of giving independent advice as an academic on issues related to pay. Once at Aero, first contacts were made with managers, Trainers, Mentors and Call Center agents. As the research progressed, a list of the interviewees was drawn up. As the interviews started to be carried out, some of those respondents who accepted to be interviewed had to be chosen carefully to be included in the final list. Some lacked the experience or provided very little relevant information. This led to the search for respondents that could replace the ones that provided unsatisfactory comments. The number was not significant however. Those selected were the employees who are more conversant with the system, and importantly had been with the company long enough to experience HR policies. Trade unionists were also interviewed. The experience of the trade unionists was the key for this research to gather the required data about the HRMechanisms.

The final list of respondents was comprised of employees from different departments and at different levels in the company - i.e. Senior Managers, Supervisors, Trainers, Mentors, Team leaders, Call Centre agents and trade unionists. What of the data collection strategy?

5.11 Data collection and semi-structured interviews

The interview has a long history within social science research in general, and organization and management in particular, where its use goes back to the Hawthorne studies. For Frey (2005: 699), interviews are used to collect 'quality of responses' – i.e. rich information. Its rise throughout the last century has been phenomenal to the point that Denzin & Lincoln (2005: 17) refer to this period as 'the golden age of rigorous qualitative analysis'. Interviews gained their prominent position within the sets of methodological tools on account of the dissatisfaction within positivism's preoccupation with quantification and surveys. As Kvale (2006: 481) confirms: 'qualitative interviews… were regarded as a progressive dialogical form of research that provided a personal alternative to the objectifying positivist quantification of questionnaires and harsh manipulation of behaviourist experiments'. Interviews are used today under different guises.

It has to be noted that interviews can be designed to gather quantitative data like qualitative data. Interviews have a very important goal. The basic point is that the simple qualitative-quantitative divide glosses the following important point. Qualitative techniques like interviews, are often (but by no means always) used simply to extract quantifiable responses which are then translated into the variables of a regression analysis – or some other quantitative/statistical technique. This is important, as many are then led to believe that this would be considered `qualitative research´.

King (1994: 14) clarifies the goals of interviews thus, 'the goal of any qualitative research interview is therefore to see the research topic from the perspective of the interviewee and to understand how and why he or she comes to have this particular perspective'. However, for Kvale (1983: 176) to be able to meet such goals, interviews need to have a 'low degree of structure imposed by the interviewer; a preponderance of open questions; a focus on specific situations and action sequences in the world of the interviewee'. At Aero, the call centre workers were not familiar with the language used by academics about HRM concepts. It was important to design the questions in a way that allowed for some flexibility, just in case the workers found it difficult to understand the concepts and what they were being asked. So, open ended questions were favoured to allow the possibility for some leeway.

King (1994: 14) argues that qualitative research does not 'require researchers to strive for 'objectivity' and to distance themselves from research participants. Indeed to do so would make good qualitative research impossible, as the interviewer's sensitivity to 'subjective' aspects of his or her relationship with the interviewee is an essential part of the research process'.

Interviews can take the form of face-to-face interaction, e-mail, web inquiries, telephone interviewing and video conferencing. There exist two types of interviews, the structured and the semi-structured one. Highly structured interviews are used to collect data from many respondents which can be captured in numerical form and then statistically analysed. Alternatively, interviews can be semi-structured, that is, organized around open-ended questions and have a low degree of structure to them. With semi-structured interviews, respondents are given a choice of open-ended and closed questions. Some questions will be improvised by the interviewer (Cassell & Simon (1994). Indeed, I found myself improvising when some respondents could not understand the question or the language of HRM. The questions then had to be improvised on the spot.

Semi-structured interviews are usually longer. Thus, time taken on interviewing, transcription and analysis tend to limit sample size, as a key indicator of research quality. Remember that interpretive research does not usually take sample size as a key indicator of research quality.

Knight (2001: 63) adds that as interviews are longer and samples smaller, 'opportunity sampling and 'snow balling' are common, as are targeting people in positions that make them likely to be good 'key informants', and simply using whoever can be dragooned into participating.

The objective was not to quantify individual experience, and use this to generate and test a hypothesis linking their experience to organizational performance, but rather to give a causal explanation of the way the HRMechanisms work to elicit performance from workers. I therefore avoided questions like: Are you now working harder? Or `On a scale of 1-5, indicate how hard you are now working´? Instead I asked questions like 'Could you explain how peer pressure caused you to work in ways that improve your performance?'

For the purpose of this thesis, the semi-structured interview was chosen. For that to happen, it was important to follow five steps:

1. Defining the research questions
2. Creating the interview guide
3. Recruiting respondents
4. Carrying out the interviews.
5. Interpreting the findings

The research questions focused upon the following – albeit, not using the term `HRMechanisms´:

- How do respondents make sense of the HRMechanisms they engage with?

- What are the properties and the component parts of those HRMechanisms i.e. their sub-HRMmechanisms?
- How do these HRMechanisms and sub-HRMechanisms work when drawn upon by Call Centre workers?
- What difference do these HRMechanisms and sub-HRMechanisms make to worker's performance?

The interview guide on the other hand, was a list of topics intended to be covered in the course of the interview. The topics had two sources. The first source was the literature review wherein I obtained knowledge of how the six HRM practices are believed to operate from both the MMS and CMS approaches. The second source was the meta-theoretical concepts of chapters 2 and 4 such as the morphogenetic/morphostatic approach, emergence and the theory about HRMechanisms, which were used to design questionnaires and also to make necessary abstractions at the level of the 'deep'.

5.12 Research in practice

I expected the call centre agents to be suspicious and reluctant to give away information given the level of distrust that existed as the company was going through a difficult financial period following the hedging losses. So it was absolutely important to dispel any misunderstanding by emphasizing the objectives and purposes of the research. Time was devoted to meet the respondent during breaks to build a level of trust so they could be more open to answer the questions.

As the research progressed, some questions were dropped and other probes added, which emerged spontaneously as the interviews progressed or when new events happened, for example, after a performance monitoring and feedback session. I had to improvise my questions to take advantage of such events. It required of me to ask questions to the agents about the operation of the HRMechanisms and to probe further when they did not give an adequate answer. During the visit, it happened that sometimes there was an opportunity to witness how a monitoring was carried out. So, such opportunities were seized to better understand the intricacies of the operation and how it affected the workers. Thus, I had to change my initial tasks and improvise questions to get an understanding of the activity underway. The most important thing to note is that questions were sometimes reformulated especially if it was felt that it was difficult for respondents to comprehend. It was necessary to ask subsidiary questions in order to probe further, or in the critical realist lexicon, to probe 'deeper' into the HRMechanisms. Prompts were also used when illustrations were needed.

For example,

Question: 'What is team working for you?

Prompt: Refer to a typical team working session and its component parts.

Probe: Do team working exercises help improve your performance?

If so, how and in what ways?

Probe: Explain how as a result of team working you are working harder?

It was often difficult to present theoretical ideas to participants as many had only secondary school qualifications. Yet, many did understand things like the rationale of team working, performance appraisal and the other HR practices such as reward, WLB, empowerment and corporate culture. The questions were open-ended to elicit as wide a range of responses as possible – and perhaps to raise issues that I had not considered. When the participants could not understand the questions, I had to help them by explaining some terms that were not familiar to them – e.g. the concept of `corporate culture´.

Participants were asked questions about the HRM practices in general to determine their knowledge of the practices in place. Then, they were asked to describe how they think the system worked. If necessary, they were then prompted to explain the link with performance. Obviously, the responses varied according to their experience and knowledge of the system. It took some time to bond with them before they were more open to discuss the realities of their work.

To draw the themes out of the research, a pilot study was conducted. The idea was to see how agents reacted to the survey and whether there was a need to be clearer about the questions or to devote more time whilst conducting the interviews. Some questions which were unclear were thus rephrased. The timing of the interviews was also altered as the agents tend to be busy at specific times of the day.

In terms of reliability, quantitative researchers are often concerned about whether or not the techniques they use will generate the same results when applied to the same subjects by different researchers. That is, it will be considered a flaw if a researcher can influence the way 'subjects' respond to the instruments in a structured interview. I tried to remain objective so that the interviewers could give their own interpretation of how those HRMechanisms work and affect their performance.

In terms of validity, within quantitative research, a valid instrument is one which actually measures what it claims to measure. Similarly, in qualitative research, validity is dependent on the quality of the questions, partly on the creativity of the informant. In other words, a study can claim validity if it truly examines the topic which it claims to have examined. The guiding principle here has been the following: the use of feedback loops; returning to interviewees with interpretations and developing theory; actively seeking contradictions in the data (a process similar to Popper's falsification). As the research spanned over six months, I had the opportunity to return to interviewees when I felt that some

respondents lacked the insight I was seeking about the HRMechanisms and its operation. When managers were interviewed, it was important to cross-check what the call centre workers or trade unionists had to say. For example, issues related to work-life balance were a clear success to management but a flop for employees. This is a typical example amongst many others where, it was necessary to see contradictions in the data collection.

To be able to meet the research objectives, a number of data collection strategies were adopted. First, keeping diary logs, notebooks or files has proved to be useful because much data and reflections were kept in those diary logs. As the research extended over a period of 6 months, interviews were carried out before and following the implementation of certain HR policies to determine and ascertain certain deepest thoughts about whether or not they felt those practices led to increased performance.

However, understanding the causal processes meant that attention had to also be given to work contexts, labour conditions, strategic vision, the labour market and the key players in this segment of the working population. Semi-structured interviews proved their worth as they allowed the possibility to enter the world of the worker. It was important to look at the labour conditions in the market to compare and cross check whether pay was at the market rate or the implications of head office restructuring policies on the call centre operations. Let us turn to the selection of interviewees.

5.13 Selection of interviewees

The study took place between July and December 2011. Interviews were conducted in French, and I translated the transcripts into English. Thirty five semi-structured interviews were conducted with 20 Call center agents, Quality Call Centre Manager, Operations manager, HR manager, Mentors, Quality Assurance Officers, Trainers, team leaders and trade unionists. This is depicted in table 1 below. Interviews lasted between forty minutes to an hour on average. The semi-structured interviews took place in the office of the participant or in a side office where meetings are normally held. For the purpose of this research, interviews were also held off site with the CEO of the group and with some senior managers. Such data is deemed vital as a number of HR policies come directly from the Head Office as a guide although the HR Manager was instructed to tailor make their policies to suit the company's needs and requirements. A number of high profile meetings were attended to understand the vision of senior management and to have an idea about how high executives viewed Aero. For example, meetings about pay were attended whereby Union management and governmental officials attended. This meeting shed much light on pay policies and a lot of historical information was gathered at such meetings.

To obtain data on workplace behavior in ample detail, it was necessary to gain access to the various interactions between call center agents, managers and senior managers. The 6 months allowed me to

gain an in-depth knowledge of the call center working life. It was possible to observe the work very directly, listening to agents discussing their performance, monitoring, being trained and the various formal and informal meetings. Notes, observations were made of work performance. Access was granted to the company facilities and to attend meetings with top management.

The recruiting of respondents was a very important exercise. A list was drafted of those respondents that would suit the research and was submitted to Management as they had to be approved. Although Management tried to influence me by suggesting a list of respondents that would suit the study, I chose to go by my own list to avoid any bias and rejecting the one proposed by Management. Those that were more than willing to participate were chosen.

The interviewees were selected on the basis of the number of years spent at the organization and by virtue of the positions held. As the organization has few Managers, all of them were interviewed. The guiding principle was targeted sampling. The sample was thus a targeted sample. It is not a representative sample of the kind used by scientistic-orientated researchers.   That is, an attempt was made to ensure that interviewees who represented their groups had enough experiences with the HRM practices before being included in the sample. Obviously, some whom the researcher thought had the needed experiences turned out to be reluctant to share information. Thus, as the research progressed, some interviewees were found through a snowball sampling method, that is, whereby each respondent at the end of the interview was asked if they knew anyone who would be available and most importantly to explicate the intricacies between HRM practices and performance. It was effective in that the interviewees themselves were extremely persuasive and encouraged their colleagues to participate. That helped to bridge the trust gap.

Position held	Number interviewed
General Manager/Contact Centre Manager	1
Operations Manager	1
Quality Assurance Manager	1
HR Manager	1
Trainer	2
Mentor	3
Team Leaders	6
Call Centre Agents	20
Total	35

Table 5: List of interviewees

Let us now turn to the research ethics that guided this research.

5.14 Research ethics

I used the (relevant to the organisation) 10 key principles in research ethics as laid out by Bell and Bryman (2007) as a guide. That is in particular:

1. Respecting the dignity of research participants
2. Ensuring the informed consent of research participants
3. Protecting the privacy of research subjects
4. Ensuring the confidentiality of research data
5. Protecting the anonymity of individuals or organisations
6. Honesty and transparency in communicating about the research
7. Declaration of affiliations, funding sources and conflicts of interests.
8. Avoiding deception about the nature or aims of the research
9. Avoidance of any misleading or false reporting of research findings
10. Ensuring no harm comes to participants (not relevant)

As much as possible, most of the principles as laid down in the above list were followed to the exception of the last guiding principle that is ensuring no harm comes to participants, as the research did not involve the use of hazardous equipment. The rest were duly followed. The method I used for accessing call center agents – through their employers, could raise both ethical and data quality issues. Interviewing Call Centre agents was not an easy process as some felt that it was part of their work, some that it was a management ruse to get more inside information to better control them and some who did it voluntarily. Managers were informed that workers must be given free choice to participate and that they had a right to refuse. Given that the research was geared towards understanding performance, it was not easy to convince interviewees that the information gathered will not be used against them. Their anxiety and concerns had to be tackled before getting them to open their hearts and minds. Some of the Call Centre agents were part-time university students and allying with them initially paid handsomely to tackle the problem of trust.

Although Managers supplied me with a list of agents to be interviewed, I went along with the list but then, chose others who were more than willing to participate. Managers mediating the process could be understood as they wanted to avert the possibility of their employees giving a very negative picture of the organization. The organization is also going through a phased outsourcing strategy which meant that employees knew they had to remain in the good books of their managers. Some were not very keen to share information. Whilst others for whom a Call Center job was only a means to get some cash to support their studies and who clearly will leave the organization after their graduation were more responsive. They were the ones that revealed the negative practices and the problems the

organizations were facing. For that I interviewed trade unions directly. My objective in interviewing the Union of Air Mauritius was just to find out about industrial relations issues regarding air mate and the measures that were taken in the past regarding employees.

5.15 Conclusion

This chapter was a response to a methodological challenge, namely, how to conceive of, and conduct, empirical research into the HRM-P link without falling back on the `normal´ quantitative research techniques that have, hitherto, proved so problematic. Part one reviewed the methodological problems underlying scientistic-orientated research on the HRM-P link. It then considered how critical realism can offer much to the research programme on the HRM-P link. The epistemology and aetiology of critical realism were considered followed by the main part, which is the justification of the methods used for this thesis. The second part of this chapter considered the politics of access and how the interviews were conducted. Finally, this chapter set out the research ethics.

CHAPTER 6: `RETRO-FITTING´ THE FINDINGS TO THE THEORY OF HRMECHANISMS

Introduction

This chapter builds upon the theoretical developments of chapter four where I used critical realism to re-describe and re-*theorise* HRM practices as `HRMechanisms´. It would be far too simplistic to say that this chapter reports the qualitative research of the empirical findings. Indeed, this chapter `retro-fits´ the findings of the empirical research on the six HRM practices, to the theory of HRMechanisms, providing an in-depth explanation of what these six HRMechanisms do to influence performance – if and when they do.

The six HRMechanisms in operation at *Aero Ltd,* are: team working, corporate culture, empowerment, work-life balance, performance appraisal and reward. Each of these HRMechanisms, and their associated sub-HRMechanisms, will be dealt with in turn. In each of the six sections, I use interview data to ascertain two things. First, whether the particular sub-HRMechanism under investigation has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does this particular sub-HRMechanism generate this power/tendency? Answering this question generates causal-explanations of the way each sub-HRMechanism works. At the end of the chapter I pull the findings from all six sections together and draw overall conclusion. Let us now turn to each of the HRMechanisms, and their associated sub-HRMechanisms, starting with team working.

1.0 Team working

As widely as team working is applied, our knowledge of exactly how it is linked to performance is relatively limited. The 'explanations' put forward, stem from scientistic-based research claiming that there are 'significant associations' between team working and performance. What did the findings reveal at Aero? How does team working really operate and in what respect, did it influence performance? Let us turn to the sub-HRMechanisms that emerged from the empirical findings.

The HRMechanism of team working consists of sub-HRMechanisms such as peer review, bonding exercises, sharing of information, inter-team competition, loyalty to the team and team–based reward. If any of the teams´ sub-HRMechanisms are not in operation, or not working correctly (i.e. as the managers who designed and implemented them expected), then the team is unlikely to perform as anticipated. However, team working on its own is not responsible for all alterations in performance. Other HRMechanisms such as CC, reward, work-life balance etc. are typically present, interact with it, and eventually will also have to be brought into the investigation as the chapter unfolds.

Let us turn to the properties of the team. Call centres, typically, have different work-teams who specialize in different tasks. At *Aero Ltd*, there are 10 such teams, each consisting of 10-12 employees or CSRs, who work under the supervision of a Team Leader (TL). The Quality Assurance Manager (QAM) of Aero, displaying unitarist and managerialist undertones, explains that:

> *Team working was adopted and adapted to meet efficiency objectives and to ensure synergy of efforts (QAM).*

He adds that:

> *Team work could translate slack time into profits (QAM).*

When teams were set up, they were meant to specialize in different areas and team members were given appropriate training. For example, there are 5 teams specializing in taking inbound calls and 5 teams specializing in taking outbound calls. Team members who deal with outbound calls are sent for training on accent, service and soft skills in order to meet overseas customer service requirements. Those who work on local campaigns (inbound) are not given this sort of advanced skills training but only rather basic customer service training. Management believed that specialization and division of labour into specific business activities was the solution to efficiency problems. The Operations Manager (OP) explains that:

> *The old system wasn't working anymore. CSRs had to master all operations whether inbound or outbound. It took quite a long time for any CSR to be proficient on both campaigns and at all levels. Even if it was possible, it would still take time and resources. With a high rate of staff turnover, we had to do something. Thus, the only way to boost efficiency was to create teams who would specialize in each campaign and share their knowledge. That way, we could achieve our targets and be more efficient' (OM).*

Thus CSRs became divided, and specialized training was given to enhance their skills. Besides efficiency, managers are also concerned with controlling costs. The Contact Centre Manager (CCM) affirms that:

> *We are not on the same level playing field as many other call centres. We are very new in the business and have a number of financial constraints that our competitors don't. Aero Ltd is going through its worst years in history. It is not until 2013 that the debts arising from the hedging will be paid off. This is without taking into account the*

additional impact of the recession on the travel industry. Until then, as the Contact Manager, I have to stick to budgets and control costs as best I can. Obviously, this will have a direct impact on training, wages and the way things are managed here. We will have to be careful with finances. But, the main issues are: to enhance efficiency and control costs' (CCM).

Controlling costs and efficiency is thus the new motto of the house. Managers realize that there is a tension between training and cost minimization, and that it is risky to bring all staff to the same levels of skills. Not only would:

Costs rise but there was no guarantee that CSRs would be performing to the highest level of expectations' (Manager of Operations).

Division and specialization of labour is, therefore, manager's risk minimizing solution, itself a part of cost control. In a harsh economic climate, management's concerns to control their costs, then, led them not only to adopt team working, but also a division and specialization of labour and, therefore, divided and specialized training. They believe this will reduce the *overall* costs of training all the CSRs and hopefully meet their efficiency expectations. Let's now turn to the actualities of team working and its sub-HRMechanisms.

1.1 Peer pressure as a sub-HRMechanism

Pressure enables managers to enhance control by shifting the locus of control from management to team members themselves. Peer pressure acts as a form of lateral control which complements the existing managerial control systems. Peer pressure provides (some of) the coercion necessary to manage workers that was missing under more traditional forms of management. Basically, team members find themselves enforcing the rules and policies of the work place, rules and policies that they did not design or implement and, in many cases, work against their interests. For example, in addition to being accountable to management, team members are now also accountable to their fellow team members, mentors and other supervisors. As one CSR adds:

Before, we had to report to management, now we have to attend meetings where we need to explain ourselves to TLs, team members, QA officers and mentors and CSRs (CSR 1).

At Aero, each CSR forms part of a team and identifies with their team members. The important question, however, is this: How exactly does team work help CSRs in the performance of their duty? As one CSR relates:

We find team working to be helpful in that now we no longer have individual targets set. We have team targets set for us. This means that we have to stick together if are to perform and meet those KPIs [Key Performance Indicators] *that management is so concerned about. All of us have to pull their weight. I admit that it can be tricky sometimes as this adds to more pressure. We all keep an eye on each other especially the new ones who lack the required experience. We have to keep reminding the new ones about the do's and don'ts to meet the targets. We have to step in to help. It requires us to be firm sometimes. But the message gets across easily when it comes from us than form the managers (CSR 2).*

This comment shows the point made above where team members (a) find themselves enforcing the rules and policies of the work place; and (b) are better at getting the message across to their peers than managers.

But peer pressure also works benignly, especially in a Taylorised environment. Knowledge and experience enable workers to help each other out, form bonds and, as an unintended consequence, perform better.

According to CSR 1:

Team working isn't that bad given that we can fall on each other for help. All of us (CSRs) will agree that it is a tough environment to work in. Constant pressure to perform every day can be hard. Doing the same thing and repeating the same tasks day in and day out can wear your motivation out. Having some back up with teams whether through encouragement does help. We all reach a breaking point at some time in this job.

However, what of peer pressure? Although the team was concerned about KPIs, ideas of team solidarity were also evident – i.e. ideas of never letting your team down, and team members sticking together and helping each other out. CSR 2, who has been with the company from its creation, shares her experiences:

Managers always pressure us to meet Key Performance Indicators. Star teams are always rewarded by having some interesting benefits such as a day off or prizes. However, if other teams can make it, we also can. We realized that if team members do not stick together and help each other out, then there is a price to pay. We (Senior

CSRs) have to push each other to make sales and do the admin so that the KPIs are met. We have become obsessed with KPIs. Most of our team members work hard to meet the targets and we try as much as possible never to let our team down. However, it was hard during the start as pressure was taken very personally. But, now everyone seems OK to put the extra effort as they are all very concerned with the prizes (CSR 2).

This reveals a mixture of pressure to meet KPIs. Pressure is initially applied from managers to meet KPIs; this pressure is then felt by senior CSRs, who pass it on `vertically´ down to CSRs, and finally this pressure passes `horizontally´ between peers. Only the last stage of this complex chain of pressure can legitimately be called `peer pressure´.

CSRs are always under the gaze of their peers. All this however, has led to CSRs having their work intensified over time. CSR 3 explains that:

Before team work was adopted, we were monitored by our managers. Now, our team members keep an eye on our performance. We are asked whether we have closed the sales, done the admin bit. We are constantly reminded to perform. The TLs will try to push us to limits before the end of the week to ensure that we do our best. We are constantly monitored. The technology allows them to know exactly where we are being inadequate. Then, once the performance data is published we have to explain why we failed to meet the sales targets. We have the full house to deal with. From Team leaders, managers, QA officers, Mentors to our team members. To us, we are working even more than before and this isn't quite right given nothing has changed in terms of working conditions.

One team leader explains that:

Before the setting of the team targets, it was difficult to manage all CSRs. Each had a specific problem whether it was talk time, knowledge of the Amadeus systems[6], or the ticketing and fares procedures. Now we do not have to deal with it as more experienced CSRs always step in and show the less experienced ones how to deal with these problems. Basically, managers are much more relaxed these days as we are doing their jobs (TL1).

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[6] The Amadeus system is an automated system to handle calls from multiple geographical markets, dynamically accessing both local and central content. Integrated with the telephony system, clients calling in are instantly recognised, making the booking process quicker and simpler. The entire sales process, from reservations through to ticketing and fulfilment, is integrated in the system. It is also integrated with technology that provides analysis of the business processes.

One CSR puts it another way:

> *Before, I had to worry about what to say about my sales figures, now I have the team to fall on to. It makes it easier to deal with managers. It is not our fault if things don't work but that of the team. This does act as a motivation to help out each other (CSR 4).*

Peer pressure also leads to frustration and the latter generates powers/tendencies to decrease CSRs performance. Many new CSRs find it difficult to work in teams because of the contradictory powers/tendencies team working generates. One such contradiction is the pressure to be a team player whilst also having pressure to perform as an individual at all times.

Some CSR´s, however, do not buy into the team ideology. For example, one CSR admits that:

> *I'm a housewife and have kids and I cannot cope with such a work environment. It never stops. Many TLs do not understand that we have family issues and cannot always perform day in day out at the same level. When your team does not meet the KPIs, the TLs are always so critical. So we find that it was easier working on our own. Now we have to report to many more people. Not only do we have to bear with the pressure to meet targets but we also have the pressure to be a 'team player'. I do not believe in teams (CSR 5).*

Another experienced CSR added that:

> *Yes, team pressure can be unbearable for the new ones. But, look at the figures and the KPIs now. We have met and sometimes even exceeded them. Before, the pressure would have been on each individual, now it is shared. So, we have to put up with it (CSR 6).*

Another senior CSR explains how team pressure works when he adds:

> *Through team working and especially through constant reminders to the team members, we (Senior CSRs) ensure that sales and the admin bit are done and that procedures are followed to the letter. This means sometimes that they have no breaks and more work. But, it's rather us putting the pressure than the managers. Some hate us for that. But, now things are getting better as the majority understands that we don't have much choice. But for the few that are unhappy, the quicker the new staff gets this message the better for them (CSR 4).*

Whilst there might be a high degree of doubt about the senior CSR's comment that 'the majority understands', there is far less doubt about his comment 'they have no breaks and more work'. The pressure is one of the other 'costs and risks that often accompany team structures' as Sinclair (1992: 621) put matters. Having peers and managers on their backs constantly, led many CSR to put in more effort, despite the fact that not all share the same feelings. One CSR confesses that:

> *With the TLs and senior team members on our backs means we have very little time to ourselves. The constant pressure from the team members means you can't be seen slacking or staying idle. The pace of work has changed so dramatically that we find ourselves always doing something. For example, we have to do the additional admin now which was not part of our job; helping new members about procedures are part of the new way of working. All these pressures mean we are glued to our screens much more than before (CSR 7).*

In sum, the interview data allows us to ascertain two things. First, whether the sub-HRMechanism managerial and peer pressure has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does managerial and peer pressure generate this power/tendency? Answering this question generates a causal-explanation of the way managerial and peer pressure actually work. Let us consider these in turn.

First, evidence suggests that managerial and peer pressure causes a power/tendency to *increase* performance. This is despite the fact that it also leads to CSRs being emotionally frustrated and drained. The following `snippets´, taken from respondents comments above, are evidence of this:

- *They have no breaks and more work.*
- *Helping new members about procedures are part of the new way of working.*
- *We have to do the additional admin now which was not part of our job.*
- *With the TLs and senior team members on our backs means we have very little time to ourselves.*
- *The pace of work has changed so dramatically that we find ourselves always doing something.*

Second, let us turn to the question: How does managerial and peer pressure generate this power/tendency? The answer, effectively, is the causal-explanation of how managerial and peer pressure generates the power/tendency to increase performance. Pressure from managers to meet KPIs is passed to senior CSRs and TLs, who pass it `vertically´ down to CSRs. From here it passes

`horizontally´ between CSRs as *bone fide* peer pressure, where, for example, peers often monitor and pressurize each other. But peer pressure sometime works benignly when, for example, workers help each other out, form bonds and, as an unintended consequence, perform better. The following `snippets´ are evidence of this:

- *We (Senior CSRs) have to push each other to make their sales and do the admin so that the KPIs are met.*

- *Through team working and especially through constant reminders to the team members, we (Senior CSRs) ensure that sales and the admin bit are done and that procedures are followed to the letter.*

- *All these pressures mean we are glued to our screens much more than before.*

- *Team working isn't that bad given that we can fall on each other for help.*

- *Before team work was adopted, we were monitored by our managers. Now, our team members keep an eye on our performance.*

- *But, it's rather us (senior CSRs) putting the pressure than the managers.*

1.2 Decreased responsibility, accountability and team loyalty

Many CSRs feel that with the advent of team-working, they do not have to face the pressure of bearing all the responsibility for the KPIs. The team is now responsible and accountable to managers. By shifting the accountability to the team, many CSRs feel relieved from such a burden. One CSR admits:

> *Even if we still have to account for the mistakes we make, the pressure regarding the KPIs falls on the whole team. It is one pressure less than before on our back. This does help us to stick together and perform. In a way, we have less responsibility than before. That helps to some extent to stay here and work (CSR 8).*

Another CSR adds that:

> *As the team is responsible for the team's performance, in a way, we are not individually under the manager's radar as before. This allows us more time to help each other out. For example, by helping the new staff about the procedures or the admin that can be seen as a bit technical when you start working. We (the CSRs) make sure that we are going to meet the KPIs and spend more time to talk about the performance results with TLs. The fact that we have less individual responsibility has allowed us to put more effort to work as a team. We are under more pressure but it is a lot easier to deal with team pressure than individual pressure (CSR 9).*

When asked whether decreased responsibility led to an increase in their team performance, one senior CSR adds:

Well, it did allow for more effort to be spent on other areas that we were poor in. For example, our time is better spent doing the extra administrative and coaching parts of our job. It means that we have to put in more effort as before in terms of time and effort. In a way, we are working better than before and the excellent results for some teams speak for themselves (CSR 8).

For many CSRs, the fact that they do not have to explain themselves, as individuals, to the management and supervisory team about the KPIs is a major performance booster. This allows them to work as a team to meet the targets. For many CSRs, team working appears to help them to stick together and perform, to feel less individual pressure, and it reduces turnover.

What of accountability? As CSRs are no longer individually accountable to managers regarding the KPI's, they are more preoccupied with other issues such as helping each other out to meet the targets The absence of accountability acts as a sub-HRMechanism to enhance performance. The fear of meeting individual targets has been lifted from their individual shoulders. With little individual accountability, the team bears the responsibilities for all. If one or two CSRs are not performing, the rest will pull their weight and they now share the benefits of learning more from each other's experiences.

Many CSRs impute their increased effort to team working and this is reflected in the achievement of the KPIs. Many CSRs interviewed agree that they feel more loyal to their team than to management. One had this to say:

Our pressure at work comes from managers. We know for sure they never trust us. All the monitoring devices are there to prove it. They can monitor our voice, our enthusiasm etc. This will never change. The only way we can make it bearable is to work as a team. Our team members are in the same position as we are. So, we are there for each other in difficult times. This is what gets us out of trouble. We cover for each other. We feel more strongly towards the team than to the management team. We even decide what to say before the team meetings to cover each other. In return, our team mates do the same for us (CSR 8).

It seems that the introduction of team working has led to the unintended consequence of dividing loyalties of CSRs and losing loyalty to the management in the process. Given the pressure imposed

by management, the call centre agents tend to support each other to face management. One CSR adds:

> *The fact that we don't have the managers on our backs has allowed us to put more effort to meet or exceed the targets. We are more motivated to work with TLs or team members as they are more understanding than the managers who were cut off from our work. Before, it was hard to take their advice (managers) as it was not constructive. Many took it personally. Now, we can see the difference in our work. Yes, we work harder than before as we have to take note of the mistakes that we have made and the advice on how to tackle them. More of our time is spent to learn and ensure we do not make the same mistakes again. This has to be achieved at the same time that we do other tasks. Also, the expectations are higher than before just like the efforts we put in to achieve them.   It gets very intense at times. But, we know where we are going and the results are there. We don't want to go back to the old days where all advice was taken and given personally (CSR 9).*

But, does new loyalty extract more performance from the employees?

> *Yes, we work harder than before as we have to take note of the mistakes that we have made and the advice on how to tackle them. More of our time is spent to learn and ensure we do not make the same mistakes again (CSR 6).*

In sum, the interview data allows us to ascertain two things. First, whether decreased responsibility, coupled with accountability and loyalty to the team has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does decreased responsibility, coupled with accountability and loyalty to the team generate this power/tendency? Let us consider these in turn.

First, evidence suggests that decreased responsibility, coupled with accountability and loyalty to the team causes a power/tendency to *increase* performance. The following `snippets´ are evidence of this:

- *The fact that we have less individual responsibility has allowed us to put more effort to work as a team.*
- *It means that we have to put in more effort as before in terms of time and effort. In a way, we are working better than before and the excellent results for some teams speak for themselves.*
- *Yes, we work harder than before as we have to take note of the mistakes that we have made and the advice on how to tackle them.*

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Second, how does decreased responsibility, coupled with accountability and loyalty to the team generate this power/tendency? Briefly, with accountability being shifted to groups rather than to individual CSRs, they feel the burden of pressure and responsibility have moved away from them individually to their groups. This means that they do not have to be afraid of meeting individual targets because they have group targets. Thus, they are more able to support their groups and this has the effect of bringing more cohesion to the group. However, this also leads them to consolidate their support and loyalty to their group more than management. Above all, it helps them perform better. The following `snippets´ are evidence of this:

- *The fact that we don't have the mangers on our backs has allowed us to put more effort to meet or exceed the targets.*
- *Introduction of team working has led to the unintended consequence of dividing the loyalties; losing loyalty to the management; gaining loyalty to each other to face management.*
- *More of our time is spent to learn and ensure we do not make the same mistakes again.*

1.3 Abusive callers and emotional support

Abusive callers are not, of course, a HRMechanism. Rather, they are an unintended consequence of the socio-technological system that is a call centre. They cannot be avoided by CSRs. Many CSRs who lack the experience find it difficult to deal with them. One CSR recalls that:

> *It happens any time. When the IT system is slow, the customers are always complaining that they had been in the queue for a long time and that they have better things to do than wait. If we cannot do anything about their complaints, for example, if we can't find them a shorter transit time whilst they fly out, some of them get very nervous. They start abusing the company and you have to listen to them. Sometimes they take it personally on us. This can be very frustrating to perform (CSR 11).*

Team working, however, is a HRMechanism that, amongst other things, enables CSRs to deal with abusive callers and, therefore, generates a power/tendency to increase performance. Let us see how this HRMechanism works by considering how team members provide support to one another when faced with abusive callers. A group of CRSs recall:

> *Before the team working, we were on our own. If we had difficult customers, we had to put up with it, as we were told that 'customers are always right'. This added to the pressure. But, now we support each other. Without each other's support as to how to deal with difficult customers many would have already left given the low wages that we receive. We have some dignity you know (CSR 2, 5, & 8).*

New CSRs are encouraged by their more experienced senior team members to transfer calls from abusive customers to more experienced ones who are more assertive and tactful. One CSR who has been there since the company was created recalls:

> We would sometimes put our headset to mute so the individual caller thinks there is a problem with the line and disconnect by himself (CSR 5).

Abusive callers act as a sub-causal mechanism, one that causes CSRs to feel frustrated and demotivated, generating a tendency to decrease performance. But, team working taps into peer pressure and enables CSRs to redress the situation. This happens very subtly. Despite the fact that putting the head set to mute would qualify as misbehaviour, CSRs still do it because it works. Resistance thus acts as a sub-HRMechanism that binds CSRs, keeps them happy, emotionally stable, and able to perform.

One CSR recalls:

> We are not proud to do that. But, we have our dignity and if you do this job for a long time you end up putting up with such callers. We help each other out and that keeps us going (CSR 1).

One CSR explains that:

> As a result of the technology and monitoring, we sometimes cannot deal with the abusive callers. This wears you out emotionally and many suffer as a result. Having people yelling at you isn't nice at all. We have to put up with so many things in life. At the end of the day, we do pay a price in terms of our health (CSR 4).

What of performance? One CSR adds:

> With the emotional support, we know how to deal with those individuals now. Before, after being abused verbally, we would be very frustrated and the impact reflected straight away on the sales. We would feel bad and very demotivated and it was difficult to put in the extra effort to carry on the day. With the support now in place, we do not have to waste our time with such callers. We can get on with our work and focus on the targets to be met. In turn, we are able to help new CSRs who join to deal with such people. Yes, we do perform at the highest levels when we can deal with these unusual

callers. So, in a way, abusive callers can disallow anyone unprepared to perform at the highest levels (CSR 2).

Another one adds:

We now put more effort to learn how to deal with the unusual callers. It is still very important to learn the tricks as you can never tell when you can get abused. This can be learnt with work mates who have been here a long time. It is vital, so you need to find time. It basically means you need to work more to avoid those nasty experiences (CSR 11).

In a way, the peer pressure associated with team working enhances performance via emotional support when the need arises. As we saw in chapter 2, CSRs are part of an emotional labour process and have to sell their feelings down the telephone line. Call centres are emotional arenas where hatred, feelings, love etc. run high. There are many downsides to exchanging feelings for wages. When such feelings are traded, and a profit motive is slipped under it, CSRs need extra support to carry on working. With team working, however, team members can obtain post-abusive call support from their peers. However, it would be naïve to claim that this support means CSRs do not suffer from stress-related problems. Many CSRs agree that in dealing with abusive callers, and having to continually put on metaphoric smiles and send them down the line, they pay a price in terms of the headaches, migraines, stress, backaches, trouble sleeping, minor depression and other health problems. But it would still be fair to add that peer pressure associated with team working does enhance performance through emotional support.

In sum, the interview data allows us to ascertain two things. First, whether emotional support vis-à-vis abusive callers, enabled by team working, has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does emotional support, vis-à-vis abusive callers, enabled by team working, generate this power/tendency? Let us consider these in turn.

First, evidence suggests that the emotional support vis-à-vis abusive callers, enabled by team working, have a power/tendency to *increase* performance. The following `snippets´ are evidence of this:

- *Yes, we do perform at the highest levels when we can deal with these unusual callers.*
- *We help each other out and that keeps us going.*

- *We now put more effort to learn how to deal with the unusual callers…This can be learnt with work mates who have been here a long time. It is vital, so you need to find time. It basically means you need to work more to avoid those nasty experiences.*

Second, does emotional support, vis-à-vis abusive callers, enabled by team working, generate this power/tendency? Briefly, abusive callers have an immediate impact on CSRs because CSRs are not allowed to voice their opinion to the customers despite being right. They have to put up with the customers as they have to abide by the principle that 'the customer is always right'. This adds to CSRs frustration, and pressure, and many have paid the price by leaving the company. However, emotional support from each other means they are now able to deal with difficult customers rather than remaining emotionally scarred. This allows them to focus on their group targets rather than being bothered by abusive callers, thus performing better. The following `snippets´ are evidence of this:

- *But, now we support each other. Without each other's support as to how to deal with difficult customers many would have already left.*

- *With the support now in place, we do not have to waste our time with such callers. We can get on with our work and focus on the targets to be met. In turn, we are able to help new CSRs who join to deal with such people.*

- *With the emotional support, we know how to deal with those individuals.*

1.4 Learning, information sharing and problem solving through team briefings

Learning, information sharing and problem solving through team briefings are the other sub-HRMechanisms that make up team working. A team briefing is a knowledge sharing exercise that occurs twice weekly at Aero. During the forty-five minute team briefing, mentors discuss the 'grey' areas and the performance results. The team briefing is also a forum where CSRs are free to express their views to Mentors and the difficulties they have encountered. Problems often arise because of the unfamiliarity with the procedures of reservations, the Amadeus system, or other technical issues as highlighted by a mentor:

QAM came up with the idea that the only way teams could benefit from their experiences is to set up a weekly meeting. Ever since, all the teams meet and discuss their concerns from the malfunctioning headsets, the Amadeus system to the procedures, with the supervisors. The meetings are two-way where we listen to the teams and they listen to us. We tend to bring up issues such as soft skills problems e.g. lack of enthusiasm, or accents. Or issues related to the lack of speed, or inadequate knowledge of tariffs and ticketing or reservation procedures. This allows them to share their knowledge with each other and we make sure that all are up to speed if there are

any new procedures in place. This has proved to be a success as we are already reaping the fruits (Mentor 1).

Another CSR adds:

The team briefings are very important if you want to perform and stay in the job. Once told how and why we aren't performing, we have to find the time to sit with the Mentor to learn. It is very stressful to keep up with the pace of the job already. Finding time to learn before the Mentors start making the mock calls means we have to work even more. We have to basically give up on taking days off and get on with work with all the learning and training that exists here at Aero. But then it's not too bad after you get the results. My team has topped the ranking many times. It gets tough but we have a sense of accomplishment (CSR 8).

Team briefings allow the team members to share their knowledge about the system with each other and share the areas where they have difficulties. The meeting acts as a sub-HRMechanism that addresses those issues they face on a daily basis. The meetings thus allow them to complement their existing knowledge which then allows them to perform better. As one Mentor puts it:

CSRs are so busy taking calls they sometimes forget to verify and ensure that the reservation or sales has to be closed properly and sent to other departments for processing. During the meeting, we then emphasize those issues and team members are then aware about them. They then try to avoid making the same mistakes (Mentor 2).

A Trainer adds:

Once the system picks up their mistakes, e.g. misquoting a price or tariff, we pull them and show them their mistakes. They are told how to rectify their mistakes with the help of a mentor. We do some mock up calls to ensure the CSRs get it right the next time. Once they know exactly where they went wrong and learn from their weaknesses, we can see that they meet the sales targets easily. Obviously, they have to put in the extra effort to learn from their mistakes. For example, they have to put more effort and time to learn the tariffs and procedures. But, we can see that many are working much smarter now than before (Trainer 2).

It is clear that team briefings allow for knowledge to be shared and mistakes spotted. Another CSR adds that:

> *I like the briefings as we bring out all our concerns and problems we face whether it is with the systems or with the customers and discuss them with our team mates. It is an excellent opportunity to learn as the soft skills training does not deal with all types of difficult situations we face every day. It is a learning exercise and a break from the high tempo work too (CSR 12).*

In sum, the interview data allows us to ascertain two things. First, whether team working, sharing experiences, learning and interactions via briefings has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does team working, sharing experiences, learning and interactions via briefings generate this power/tendency? Let us consider these in turn.

First, evidence suggests that team working, sharing experiences, learning and interactions via briefings causes a power/tendency to *increase* performance. The following `snippets´ are evidence of this:

- *But, we can see that many are working much smarter now than before.*
- *Finding time to learn before the Mentors start making the mock calls means one has to work even more. We have to basically give up on taking days off and get on with work with all the learning and training that exists here at Aero. But then it's not too bad after you get the results. My team has topped the ranking many times.*
- *Once told where we went wrong, we have to find extra time on top of what we normally do to sit with the mentor to learn and to be trained.*

Second, how does team working, sharing experiences, learning and interactions via briefings generate this power/tendency? Briefly, through the team briefings, CSRs get the opportunity to share their work experiences and the mistakes they make with each other and with their Mentors and TLs. Through these sessions, advice is provided to them so that these mistakes are not repeated. Once they learn about their mistakes, this allows the CSRS to perform better and not to repeat the same mistake. The following `snippets´ are evidence of this:

- *TLs and Mentors are very helpful during the meetings as they provide us with the advice and try to help us locate our mistakes and this really helps us to perform.*
- *The team briefings are very important if you want to perform and stay in the job. Once told how and why we aren't performing, we have to find the time to sit with the Mentor to learn.*

1.5 Surveillance and team control

As noted in chapter 3, call centres have been criticized for their 'oppressive character'. At Aero, teamwork complements the information technology and double listening monitoring devices that are used to ensure staff are working at the set pace. Knowing that they are under surveillance, or perhaps the gaze of their team mates and TLs, means that any CSR cannot slack off – at least not without consequences. Soldiering is thus limited. Surveillance does seem to be central to team working. Although surveillance operates round the clock, it plays an important role when teams are lagging behind. A version of Foucault's panopticon appears to exist in Aero. For example, many CSRs interviewed agree that:

> *We are constantly being monitored by the TLs mentors and the QA team. The double listening technology and voice recording systems are very sophisticated and it monitors every element of our performance. They can even have a look at our screen from their computers and see whether we have already closed and transferred our documents after a sale is made. They know if we didn't show some enthusiasm in the sales or are slow. They have all the wrap up call times. We cannot do anything about them. We are under constant monitoring (CSR 2, 5 & 12).*

Another had this to add:

> *It gets worse when we are lagging behind on targets. Then they closely monitor us. Our every move and action gets monitored. We can hardly relax or talk. Being part of a team means that the senior CSRs of our team keep an eye on the slow ones so that they don't drag the results down. At the end of the day, there is no possibility to take a break. We are captives and this can be very frustrating at times. This gets the best out of us (CSR 14).*

When prompted about the technology, another CSR who has been with the company from its start adds:

> *Yes, with such technology there is no escape. Anyway, we know that if we don't perform, the system will pick it up whether it's our voice quality or whether we were aggressive enough in making the sales. It does squeeze the best out of us in terms of our effort. We have to perform. My team has topped the sales ranking a few times as a result of the system of monitoring apart from our team working. This is only possible if we work relentlessly by taking more calls and closing those sales without making*

mistakes. It requires a lot of extra time besides taking calls to reach the top. However, without the technology, we would not be working as hard as we do normally (CSR 12).

Another CSR adds:

The surveillance does the manager's job. It's even worse as it never tires out. So we have to keep giving our best and working harder. We don't want to be picked up by the system so we have to work harder (CSR 6).

It is clear that CSRs feel they are 'made visible' all the time and this, to a large extent, indicates that Foucault's panopticon is in operation along with direct control by line managers. Lateral control such as peer pressure acts as a sub-HRMechanism that enhances performance. Yet, it also leads to frustrations as remarked by one CSR who reported that:

Who says it is an easy job. Nearly all of us think that it was much better before when we were pulled by managers. Now we have a whole team who sits on you, weighs you down and it becomes very stressful and demotivating sometimes to work here. All we want to do is to get on with the job and leave as soon as possible after the shift is over. It is not the best of places to work. Many have also left because of these additional pressures (CSR 15).

Surveillance and team control act as a Panopticon device to generate a tendency to increase performance.

In sum, the interview data allows us to ascertain two things. First, whether surveillance and team control has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does surveillance and team control generate this power/tendency? Let us consider these in turn.

First, evidence suggests that surveillance and team control causes a power/tendency to *increase* performance. The following `snippets´ are evidence of this:

- *My team has topped the ranking successively as a result of the monitoring that goes on here. Without the technology and TLs yelling, we would not be working as hard as we now do.*
- *We don't want to be spotted by the system so we have to work very hard and be seen as working hard even if we are in no mood to do so.*

- *We have to perform. My team has topped the sales ranking a few times as a result of the system of monitoring apart from our team working. This is only possible if we work relentlessly by taking more calls and closing those sales without making mistakes. It requires a lot of extra time besides taking calls to reach the top.*
- *At the end of the day, there is no possibility to take a break.*

Second, how do surveillance and team control generate this power/tendency? Briefly, surveillance technology and monitoring such as double-listening and web-based monitor control act as a Panopticon device. CSRs are aware that their work is under close scrutiny from TLs, QA and Mentors. Knowing that their sales and/or enthusiasm from their voice tone could be being monitored, they have to put more effort to perform. The following `snippets´ are evidence of this:

- *We are constantly being monitored by the TLs, mentors and the QA team. The double listening technology and voice recording systems are very sophisticated and it monitors every element of our performance. They can even have a look at our screen form their computers and see whether we have already closed and transferred our documents after sales. They know if we didn't show some enthusiasm in the sales or are slow. They have all the wrap up call times. We cannot do anything about them. We are under constant monitoring.*
- *Without the technology and TLs yelling, we would not be working as hard as we now do.*
- *We normally are alerted which team is doing well. That's when we know that we have to put the extra effort to beat them.*
- *It gets worse when we are lagging behind on targets. Then they closely monitor us. Our every move and action gets monitored. We can hardly relax or talk. Being part of a team means that the senior CSRs of our team keep an eye on the slow ones so that they don't drag the results down.*

1.6 Inter-team competition

Another sub-causal mechanism is inter-team competition. By instilling the spirit of competition between teams, managers at Aero aim to improve efficiency. Complementing this competition are incentives to reward top performers. One CSR reports that:

> *TLs are always on your back. If you start absenting even for sick leave they will call you or talk to you to say how your absence will impact on the team and eventually on the KPIs. Sometimes you want to disconnect your phone but the idea that you will let your*

team down makes you think twice as you will have to face them after. You do not want to be seen as the one letting the team down (CSR 16).

Although competition between teams prevails at Aero, not all CSRs share the need to compete. As one CSR put it:

They (Management) only want us to work even harder, that is all. Honestly, it is true to some extent that we do get to learn new things sometimes. But, things have not changed dramatically. The pressure is still there despite the team work. We would have learnt what we were doing wrong eventually. But, the only good thing is that we have the team to fall back on when we are not doing so well. That is all that has really changed (CSR 14).

Another CSR adds:

The team competition is tough if you don't have good team players. To me, if you have a team with a good drive you succeed. It does not come easy as we have to push each other and even be harsh with each other to give that little bit extra to top the rankings. Some take it, some don't and leave. Without the attitude and extra effort, it's impossible to make team work (CSR 17).

Even here there are mixed feelings about the team competition idea. This would imply that CSRs have internalized the managerial discourse and this has led to the creation of a new subject, that of a 'team player'. If it is true, then they have reconstituted themselves with a new identity. That this is not the case is evidenced by the fact that they know that nothing has changed dramatically in terms of the oppressive character of their workplace. A Team leader notes that:

Before they (CSRs) were on their own, now they bond together, they make the place look lively and we get to know each other. It's not all that bad. Obviously some CSRs who dislike working in teams will always complain. You cannot satisfy everybody. Everyone is entitled to their own opinions. QA has the responsibility to think about what's best for everybody here. I have worked in another call centre. Things aren't that different. At least here they are rewarded at the end of the day for putting in more energy (TL 3).

What of performance? One CSR that has been top for successive times explains:

> *As we are pitched against each other, we have no choice than to give our best. The extra effort that is put in is not wasted at all. What we have to do beside our tasks are: to keep our eyes on the targets, to keep pushing each other, to keep the team motivated, to help each other out even if we have other things to do, also above all ,never take days off. Otherwise, sales suffer and you lose to your competitors. Yes, we have to work much more to achieve this result to stay at the top. We are happy as we have made it to the top on many times (CSR 17).*

Many TLs have accepted the team working idea because they believe team working allows teams to perform better, and provides *them* with opportunities to be promoted and assume more responsibilities. Many CSRs do not share the same feelings.

On the one hand, there are those CSRs for whom team working is only a 'back ground noise', as McCabe (2003: 915) puts it - i.e. it is nothing new. These are the ones that are bewildered – i.e. they associate team work with a 'brainwashing' exercise initiated by management. On the other hand there are a number of CSRs for whom team working 'bothered' them. They shared the feelings that one CSR had:

> *At the end of the day, we believe that team working is a new way to get us to do more. We all feel that way given the pressure we go through every day. We are basically doing more and more (CSR 15).*

In sum, the interview data allows us to ascertain two things. First, whether inter-team competition has a power/tendency to increase, decrease or have a neutral effect upon performance. Second, to answer the question: How does inter-team competition generate this power/tendency? Let us consider these in turn.

First, evidence suggests that inter-team competition causes a power/tendency to *increase* performance. The following `snippets´ are evidence of this:

- *Yes, we have to work much more to achieve this result to stay at the top. We are happy as we have made it to the top on many times.*

Second, how does inter-team competition generate this power/tendency? Briefly, inter-team competition acts as a motivator to extract performance form CSRs. Each CSR is made responsible for following each other's targets and meeting them. This allows them to motivate each other and to keep a close watch on each other. It acts as a form of lateral control. The following `snippets´ are evidence of this:

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- *It does not come easy as we have to push each other and even be harsh with each other to give that little bit extra to top the rankings.*
- *The extra effort that is put is not wasted at all. What we have to do beside our tasks are: to keep our eyes on the targets, to keep pushing each other, to keep the team motivated, to help each other out even if we have other things to do, also above all, never take days off.*
- *This requires a lot of determination e.g. not taking time off, helping each other out, training new staff and pressuring others to pull their weight.*

Conclusion to team working

This section offers a causal-explanation of how the HRMechanism of team working, and its sub-HRMechanisms (i) decreased responsibility, coupled with accountability and loyalty to the team; (ii) managerial and peer pressure; (iii) emotional support vis-à-vis abusive callers; (iv) sharing experiences, learning and interactions via briefings; (v) surveillance and team control; and (vi) inter-team competition, generate a power/tendency to *increase* performance. I might have been less inclined to draw this inference if some of those who I interviewed stated, or implied, that CSRs performance had decreased, but no-one did. It has also shown that they do not work as the `textbook´ MMS version suggests. All this is depicted in diagram 16 below:
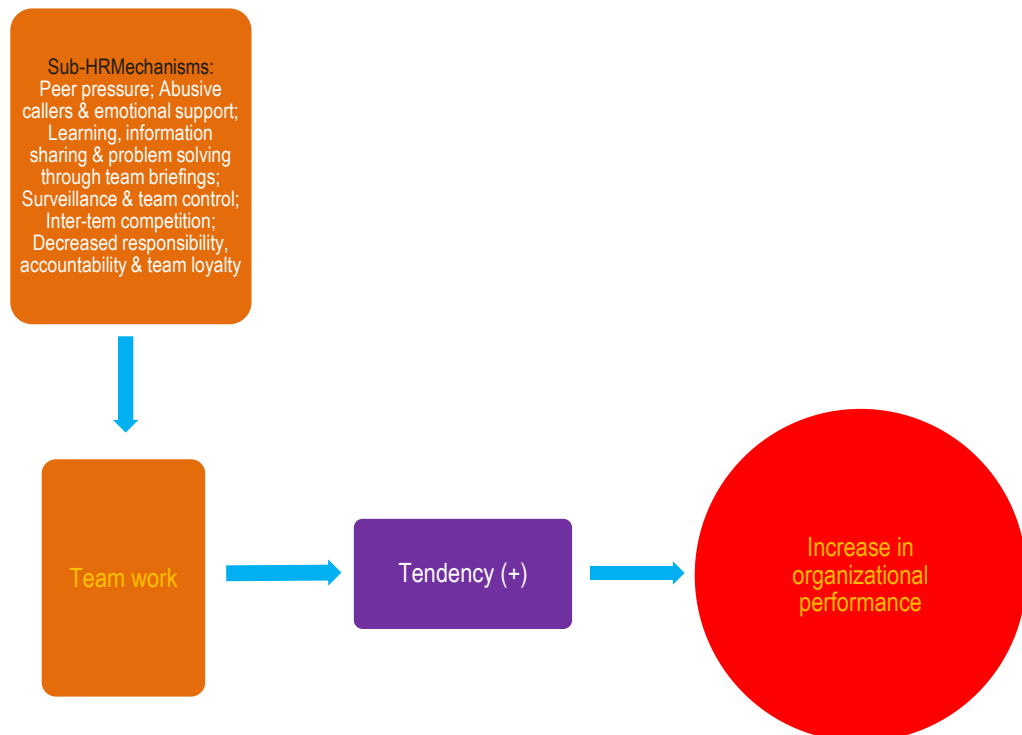
Diagram 16: team-working and performance

2.0 Performance appraisal

Despite criticisms leveled against Performance appraisal (PA), it is still widely applied in modern organizations as a technique intended to improve organizational performance. To fully appreciate the operation of the PA system at Aero, it is vital to provide a brief overview of the actual system before an attempt is made at opening this particular part of the HRM-P black-box.

At Aero, managers realized several years ago that the PA system was ineffective and unsustainable as it could not harness employees' abilities. The old PA system was not designed to meet the needs of the call centre. Basically, managers carried out appraisals not as an end, but rather as a means to an end. When the company was created, it did not have an HR department. Managers had to rely on the general HR Handbook they were handed from the Head Office. The Handbook contains general guidelines on HR issues such as how to appraise staff, etc. The managers thus applied the PA policies without any modification even though it was not suitable. Employees were thus appraised based upon the general administrative criteria of performance which did not reflect at all what their job and tasks were about. It was out of touch with reality. However as the business grew, senior managers decided to design one which would reflect the needs of the call centre. The reason prompting this change was to compete at par with other local and international call centres of the region, whose numbers were growing. The PA system would also, it was argued, serve the dual purpose of retaining the best CSRs and ultimately to beat competition.

Let us turn to the QA manager who was one of the main players in the design of the new PA system. She relates that

> *Before, PA was seen to be very subjective by employees. CSRs were appraised and evaluated based on few criteria that were out of touch with reality. The criteria were either far too general or admin-related so that it was difficult for managers to apply them. But we had to make decisions so we did design a new one. The old system felt more like a burden as it involved a lot of paperwork. But as QA was set up, and with pressure from the Group Internal Quality Auditing team, we had to discard the old one in favour of a totally new one which now would take into account CSRs' targets and our expectations. Now we are very satisfied with the new PA system. The employees know exactly what we expect of them. At Aero we have state of the art technology which supports the PA system. For e.g. the Amadeus system and the new web portal has been designed to integrate not only daily motivational thoughts which are meant to help CSRs, but also to share the same norms and vision as management. The system is supported by double listening technology, voice recording and voice monitoring systems. The IT system generates sales data on the wrap up times of calls answered, sales targets and figures etc. We can easily get an agent's evaluation performance*

report at any time. The CSRs are also happy about the new system as compared to the old one. We realized that if employees were not happy at the end of the day, we could never go places (QAM).

The QAM seem confident that the new PA system is one of the key practices steering the organization towards its goals in terms of performance. How does the PA system work? Although CSRs and managers' opinions differ in terms of its effectiveness and ability to elicit performance, the latter agree that the new PA system far outperforms the old one. In what ways? What are the causal mechanisms that are at play? Let us turn to the sub-HRMechanisms that make up the new PA system, beginning with target setting and clarity of expectations.

2.1 Target setting and clarity of expectations

One CSR who has been working with the company for a long time claims that:

Before, CSRs had a lot of trouble meeting targets. There were a number of problems such as: supervisors were always on our backs and monitoring the quantity of calls and the quality of those calls. Although it is still being done nowadays, now we know how to meet those targets. We know which targets and have them agreed with our TL. We also know which criteria we are being monitored with. Before, it was targets, targets and targets. When we did not meet the targets, we were pulled by the supervisors and the comments we received were not constructive. They focused solely on the mistakes we had made. We were on our own to figure out how to improve. Many took the feedback personally. You cannot blame them because managers never told them the reasons or what or where they went wrong. They would just say that the sales were not done properly and that's it. 'Try harder or you need to put in extra efforts', they would yell. We were disappointed for sure. That's it. But then, we were always wondering how do we put in extra effort if we don't even know where we went wrong? (CSR 18).

Thus target setting and clarity of expectations from supervisors are every important sub-HRMechanisms that help CSRs to achieve their goals. The fact that they know the targets, have clear expectations and know the criteria they have to meet about quality, makes them more able to achieve the KPIs. For example, as sales targets are quantified, the CSRs know exactly the targets set for themselves. One CSR added:

Since KPIs are measures in terms of sales, we have always to bear in mind and be quantity focused (CSR 17).

As I showed in Chapter 2, target setting lies at the heart of organizations such as call centres. However, although quantity is important, quality is even more so. The key areas that managers and TLs are also mostly interested at Aero are illustrated in the following comment from the call centre manager:

We are very demanding with respect to the way the service is provided. That is, the positive attitude, the sense of humour, pitch and tone of voice are also very important to us. These are part of what we expect CSRs to deliver whilst making a sale. We have all the technologies to monitor whether they are meeting our expectations or not (CC Manager).

One CSR confirms that:

It is not always easy to navigate through the system and not making mistakes especially after a long 8 hour shift of work. But we still have to do it otherwise we are pulled and sent to other teams (CSR 19).

So target setting and clear expectations about targets and criteria help establish the possibility for CSRs to perform to the required levels. One CSR relates that:

Before, we knew the sales targets but not the criteria about quality. Since QA was set up we are constantly reminded about quality which is a good thing (CSR 2.)

For the QA manager:

CSRs know exactly which soft skills we want them to enhance, which procedures they need to know and which ones they need to master. For example, fares and ticketing.

Target setting and clarification about targets are very important sub-HRMechanisms that enable performance to improve. This is evidenced by the following CSR when she adds:

The fact that we know clearly about the targets means that we have to find ways to meet them and avoid the mistakes that we made before the team briefings. This means that we have to spend more time perfecting our sales skills. It also means that we have to focus more on our targets. This means we have to find extra time to learn about the areas we are weak to meet those performance targets. This sucks all our time and

mental energy but we have to do it. But we are happy at the end of the day when we have met the KPIs (CSR 19).

In sum, the interview data allows us to ascertain two things. First, whether target setting and clarity of expectations have a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does target setting and clarity of expectations generate this power/tendency? Let us consider these in turn.

First, evidence suggests that target setting and clarity of expectations, cause a power/tendency to *increase* performance. The following `snippets´ are evidence of this:

- *The fact that we know clearly about the targets means that we have to find ways to meet them and avoid the mistakes that we made before the team briefings. This means that we have to spend more time perfecting our sales skills.*
- *It also means that we have to focus more on our targets. This means we have to find extra time to learn about the areas we are weak to meet those performance targets. This sucks all our time and mental energy but we have to do it.*

Second, how does target setting and clarity of expectations generate this power/tendency? Briefly, through target setting and clarity of expectations, CSRs know what is expected of them and the criteria they have to meet about quality. QA's monitoring of the CSRs only reinforces the pressure to meet the quality targets. Thus, CSRs are more focused about their targets, and because they are helped in finding ways to avoid repeating the same mistakes, they learn to work better and thus perform better. The following `snippets´ are evidence of this:

- *We know which targets and have them agreed with our TL. We also know which criteria we are being monitored with.*
- *Before, we knew the sales targets but not the criteria about quality. Since QA was set up we are constantly reminded about quality which is a good thing.*
- *The fact that we know clearly about the targets means that we have to find ways to meet them and avoid the mistakes that we made before the team briefings. This means that we have to spend more time perfecting our sales skills. It also means that we have to focus more on our targets.*

2.2 Constructive feedback, follow up actions and perceptions of fairness

Besides target setting, CSRs agree unanimously that performance has improved as a result of constructive feedback following the evaluation report. To understand this sub-causal mechanism, it is vital to understand the process as it exists in Aero. Once weekly performance evaluation reports are

sent to TLs and QA, and a meeting is convened where teams and individuals who under-performed are invited to discuss the reasons for their under-performance. Prior to this meeting, QA and TLs meet to monitor and listen to the voice recordings and assess the lapses and possible reasons why the CSRs might have failed. CSRs are told exactly where they went wrong and/or a recording is re-run to clarify the mistakes. Employees being subject to surveillance like this is a straightforward case of management control via the uncovering of errors and measures to correct them.

However, besides the technology, the major difference with the old PA system lies with the way the feedback is given. At Aero, managers realized that the previous PA system was a failure because CSRs did not have faith in the system and the validity and objectivity was questionable. For many, there was no perception of fairness in the system. Thus, many took the appraisal very personally, they never liked the criticisms and thus there was no real impact on performance levels. Many CSRs interviewed reckon that:

Before, we were sat down in a room and were told that we under-performed and that we were not putting in enough efforts to meet the KPIs. Many CSRs did not fully understand how the system worked. Many left as they thought the managers did not like them and were always targeting them. I cannot blame them as the CSRs did not know what the criteria were and there was hardly any follow- up to rectify the mistakes (CSR 2, 4 & 20).

Thus not only were CSRs unaware of the criteria such as enthusiasm, clarity of voice etc., they could not see anything from management's side in terms of follow-up. One CSR noted that*:*

Now it's is different. We have the Soft skills Trainer, QA and the TLs who are present and we are sent for further training depending whether we are performing or not. So, the feedback is constructive and it is a motivation to know that the supervisors now take ownership of the process. We are not opposed to the new system as it is not as subjective as it used to be (CSR 18).

Basically during the meeting, the evaluation reports are considered on the following issues: the pacing, average handling time, post call and wrap up times, comfort breaks, communication skills, personality (i.e. positive attitude, humour, enthusiasm. energy, rapport, warmth, energy, pitch of voice etc.). Once CSRs agree with the decision that they have failed, a decision is made to redress the lapses. For example, the CSR might be encouraged to go for soft skills training, which is a 6-day training - or perhaps part of it; or fares and ticketing training which is around 3 days. On top of the training, mentors and supervisors provide full assistance, if required. However many CSRs feel that the feedback is

now more objective, and they agree that much effort is being expended by management to improve their performance. One CSR adds:

> *With the new system of feedback and straight follow-up, we do not have enough time to do much else. We have to reprioritize our work and, work according to the feedback and advice we are given. The mentors can make a mock up call at any time to check whether we have learnt from our mistakes. It means that besides taking calls we have to make sure we are getting things straight as we are under their radar. The quicker we are outside their scrutiny the better for us. So, we have to set some time outside to what we already do to learn the additional bits. So, it is very tough to do so much at the same time. It's like being in a circus here (CSR 17).*

One CSR adds:

> *The results are there and it's clear that we are working as hard as ever here. If anyone does not improve on their mistakes they are sacked. The new monitoring and feedback system is there to ensure that we put in the extra efforts to perform. I have seen that my team mates do not have any time to take a break as before. They are always busy doing some new stuff like learning new procedures, tariffs and being more aggressive when making a sale. This does not happen overnight. We have to work according to the system and follow from the feedback we've been given. This means working a lot harder than before (CSR 10).*

In sum, the interview data allows us to ascertain two things. First, whether constructive feedback, follow up actions and perceptions of fairness has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does constructive feedback, follow up actions and perceptions of fairness generate this power/tendency? Let us consider these in turn.

First, evidence suggests that constructive feedback, follow up actions and perceptions of fairness causes a power/tendency to *increase* performance. The following `snippets´ are evidence of this:

- *The new monitoring and feedback system is there to ensure that we put the extra efforts to perform….my team mates do not have any time to take a break as before. They are always busy doing some new stuff like learning new procedures, tariffs and be more aggressive when making a sale.*
- *This means working a lot harder than before.*

Second, how do constructive feedback, follow up actions and perceptions of fairness generate this power/tendency? The answer, effectively, is the causal-explanation of how constructive feedback, follow up actions and perceptions of fairness generate the power/tendency to increase performance. Briefly, feedback allows CSRs to know their mistakes and the areas they lack specific knowledge. As they view the feedback as constructive and as there is an immediate follow-up, they have the opportunity, once they devote some time to training, they are able to take the advice given to them. This allows them to be more motivated as they feel that their supervisors now own the system and this causes them to perform better. The following `snippets´ are evidence of this:

- *We have to reprioritize our work and, work according to the feedback and advice we are given*
- *Set some time outside to what we already do to learn the additional bits*
- *We are sent for further training*
- *Feedback is constructive*
- *It is a motivation to know that the supervisors now take ownership of the process*
- *The new system… it is not as subjective as it used to be*

2.3 Technology, surveillance and measurement

Aero's technological control system is a state of the art technology that captures data regarding performance. The Amadeus system is a bespoke system designed to meet Aero's needs and requirements: to provide the best service to its clients and internal customers. Performance monitoring involves observation, examination and recording of CSRs' work behaviour. At Aero, despite the existence of CCTV, electronic monitoring systems such as voice recording, double listening technology etc., classic forms of monitoring still exist and complement the technical side of monitoring. For example, direct supervision, observation self-reporting, and listening of calls still exists. To many supervisors, the traditional monitoring is complemented with vital technology. One manager added:

> *CSRs need to know that they are being observed all the time. We have to make our presence felt otherwise, it would be chaos. On the other hand, electronic monitoring involves the automatic and remote collection of quantitative data. That is, key strokes, call time, comfort breaks. The system generates statistical data from the call recordings and remote listening. We then have to analyze this data on a weekly basis and it is important to CSRs as they cannot disagree with such objective content (Manager 2).*

This indicates again that panopticon control is in operation at Aero. Besides, the performance statistics presented in reports give an indication whether KPIs are met or not which then prompts

immediate corrective action. Such performance data exercises an important role so far as control is concerned.   As I noted in chapter 3, Foucauldians would liken such generation of data to the 'technology of power'. One CSR adds:

> *The technology is so well designed that it's very difficult to escape the gaze of QA Officers and TLs. They can know exactly what and how you have handled the calls. When the reports are out we have to be prepared to face the music as we cannot deny that we aren't responsible. They system will pick it up somewhere, somehow. We have no choice, that's how it is everywhere in this sector. What else can we do? (CSR 3).*

The use of rankings to classify CSRs at Aero, as per the performance evaluation report, as 'poor´, `average´,  `good´ or `outstanding´ lends itself to the production of what Townley (1994: 44) refers to as '*a taxinomia and mathesis, a classification and numerical scale which evaluates individuals'*. Although for many post modernists such classification schemes represents power/knowledge practices which render 'power perfect', it can be argued that workers are reflexive and often react when the system becomes oppressive. As mentioned earlier, workers are not always totally subordinated. For example, the fact that CSRs are more loyal to the teams than to Management at Aero cannot be denied. This is a clear example of subtle resistance. Whilst workers are not always under perfect control, as some Foucauldians suggest, they are controlled by surveillance. , . Many of the CSRs interviewed agree that:

> *The technology is our enemy. Whatever mistake we make is picked up by the system. We know it and we have seen it in action when we are briefed. Once we put the phone down, we are immediately sent in the queue for another call. After the call, we have to close the sales and try not to leave any admin work associated with the sales, as the TLs will yell at you. It is relentless. You don't have a breather. It's sometimes hard to even have a break. The system is not equipped with a human heart to understand our feelings. We have to keep working. It was better before as we could catch a break. Now it is impossible to slack off for a few minutes. We are being squeezed to the limits. Managers are only happy about the KPIs. But, we are about our health (CSRs 7, 8 10 & 19).*

One manager adds:

> *The technology is amazing. I cannot think how we would manage this workforce without it. It does our work. It's like auto-pilot. Even if we are not monitoring them, the*

technology takes over. It's great and CSRs know about it. That's why we are not as worried about KPIs as before (Manager 3).

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Not only does electronic monitoring enable management to tighten control, but it also ensures that CSRs put in the extra effort needed. It does strongly work towards improving performance despite CSRs dislike of it.

In sum, the interview data allows us to ascertain two things. First, whether technology, surveillance and fair measurement has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How do technology, surveillance and fair measurement generate this power/tendency? Let us consider these in turn.

First, evidence suggests that technology, surveillance and fair measurement causes a power/tendency to *increase* performance. The following `snippets´ are evidence of this:

- *This means we have to find extra time to learn about the areas we are weak to meet those performance targets. This sucks all our time and mental energy but we have to do it*

- *So, we have to set some time outside what we already do to learn the additional bits. So, it is very tough to do so much at the same time*

- *After the call, we have to close the sales and try not to leave any admin work associated with the sales, as the TLs will yell at you. It is relentless. You don't have a breather. It's sometimes hard to even have a break*

- *We have to keep working. It was better before as we could catch a break. Now it is impossible to slack off for a few minutes. We are being squeezed to the limits*

Second, how do technology, surveillance and fair measurement generate this power/tendency? The technology allows us to capture and measure performance data of CSRs. Knowing that they are constantly being monitored, they have no choice but to work harder and thus, increase their performance. The following `snippets´ are evidence of this:

- *CSRs need to know that they are being observed all the time*

- *On the other hand, electronic monitoring involves the automatic and remote collection of quantitative data. That is, key strokes, call time, comfort breaks. The system generates statistical data from the call recordings and remote listening*

- *The technology is so well designed that it's very difficult to escape the gaze of QA Officers and Team Leaders. They can know exactly what and how you have handled the calls. When the reports are out we have to be prepared to face the music as we cannot deny that we*

aren't responsible. The system will pick it up somewhere, somehow. We have no choice, that's how it is everywhere in this sector. What else can we do?

With respect to the PA system, all these sub-causal mechanisms have to operate for performance to increase whether it is target setting that is agreed; expectations about performance levels; and clarity about expectations and criteria that will be measured up against the constructive feedback that is given and the follow up exercise when CSRs can see the engagement of Soft Skills Trainers and Mentors.

Team leaders and QAs also play a vital role to help improve performance and the electronic monitoring system that ensures that performance is measured correctly. CSRs mostly shared the beliefs that the system is seen as fair and there is a general perception of justice in so far as the evaluation is a real reflection of their performance levels.

Conclusion to Performance appraisal

This section offers a causal-explanation of how the HRMechanism of PA and its sub-HRMechanisms of   target setting and clarity of expectations; constructive feedback, follow up actions and perceptions of fairness; and technology, surveillance and measurement, generate a power/tendency to *increase* performance. I might have been less inclined to draw this inference if some of those who I interviewed stated, or implied, that CSRs performance had decreased, but no-one did. It has also shown that they do not work as the `textbook´ MMS version suggests. All this is depicted in diagram 17 below:
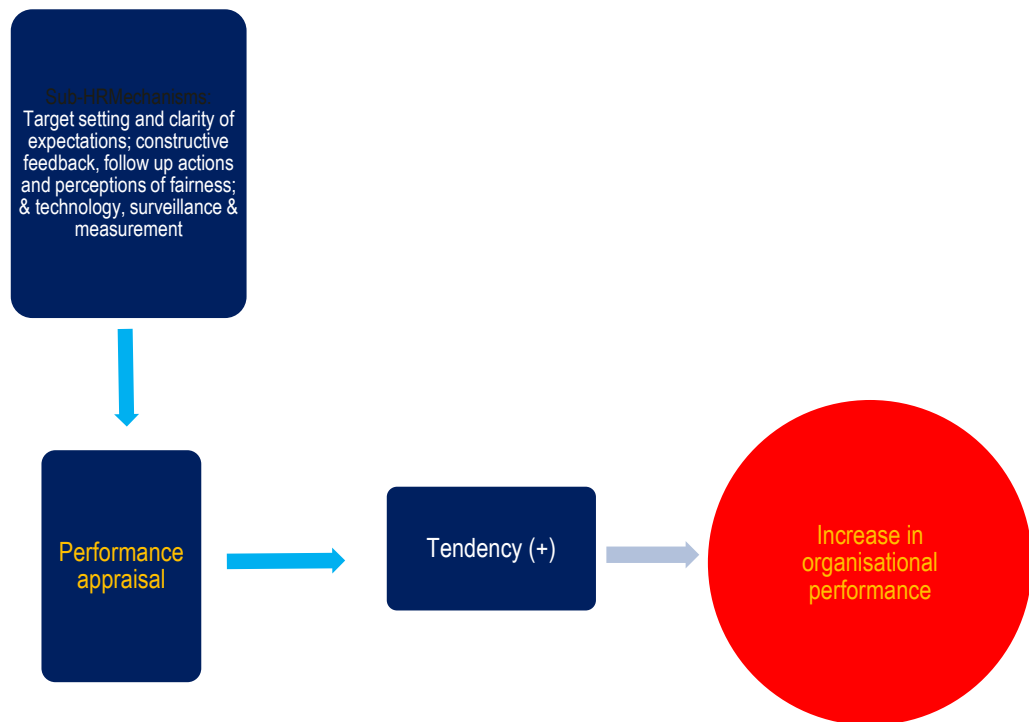
Diagram 17: Performance appraisal and performance

3.0 Corporate culture

Before exploring the impact of Corporate culture (CC) as a HRMechanism, it is vital to understand the nature and context of CC at Aero. The operational context can shed some light on why managers and employees share a totally different picture when it comes to CC.

Although Aero's senior managers pride themselves in their belief that, as the CCM puts it '*despite the different business clusters, we at Air Mauritius, we remain a big family that share a same vision*'. Indeed, the CCM agrees that Aero has its own distinctive CC and that efforts are being made to manage it to secure a sense of belonging. Yet it seems that the reality is totally different. When asked about the vision, values and norms of the head office, many CSRs totally ignore the so-called shared vision, values and norms. When the Head Office made huge losses a few years ago, many CSRs left the organization to join other call centres. One trainer relates:

> *Well, as the CEO was sacked and a new board was appointed, we were told in clear terms that things will change and that we will have to improve our performance if we*

want to stay. Many knew that we will have to work very hard to improve our performance
if wanted to stay. Many knew that they will be the first ones to go as the company was
created to shed the Head Office's costs. It was easy to know as we were not given the
same benefits as the employees of the mother company. Many left as result. Many still
do not believe the 'family of Air Aero's bullshit as we are treated very differently. As a
result of the announcement a few years ago of massive redundancies, many left for
other outsourcing firms. Many managers were very concerned as turnover started
affecting performance (Trainer 4).

Thus, managers have tried ever since to re-gain the trust of employees. Thus, from the year 2006 a campaign was designed to address the labour turnover problems. Managers were very concerned about the old ways of treating employees and a distinctive CC was adopted as a policy to resolve the turnover problems by securing the emotional attachment of employees at Aero. CC is also used to meet wider objectives and, ultimately, to increase organizational performance. Let us now consider the ways in which Aero manage its organizational culture in order to increase performance?

3.1 Inculcation and trust building

The basic idea is to inculcate a specific CC, i.e. a specific set of norms, values and beliefs, within employees, and to have this culture shared, so that all employees pull together as they strive to achieve the same goals. This demands that employees are emotionally attached to the culture and, therefore, to the organization and its goals. The ultimate objective is to get employees to perform at the highest levels.

Managers thought that CSRs had previously left Aero as a result of the lack of commitment to the organization. CSRs were not feeling part of the organization and close enough to share its values. A sense of belonging was to be kindled via organizing year-end parties, casual Fridays, competitions, family days and team building exercises. One CSR recalls that:

We are all invited to competitions and family days so that we can get to know CSRs
from other campaigns which we rarely meet due to the shifts system. I think it is a very
good idea as it brings us together. We can talk about our work problems and also make
a lot of friends. It makes us feel that management care about us as we also deserve to
be treated like humans you know (CSR 3).

Another adds:

> *Working here requires a lot of mental energy. Difficult customers kill all our motivation, but these outings motivate us to get back and face reality. It does help us to think more about the company. Before, they did not care, now you can see the Contact Manager and QA team in a different way. They come out and talk to us and we had some great time at the last family day, last time* (CSR 8).

One manager recalls that

> *CSRs are now more open when it comes to expressing their views about why the system is not good enough. What we feel is that the outings have broken the ice and brought the employees together (Manager 2).*

One CSR confirms this:

> *This is true that before it was us and them. But now we know them more, we try to understand them a bit more. We can easily have a conversation. There is no wall that separates us (CSR13.)*

What of performance? One CSR adds:

> *For us, meeting the performance targets has been possible mainly due to the fact that there is more communication that flows between and across to the organization members. By spending more time communicating and clarifying the expectations and the ways to achieve them we are able to succeed. But, this takes on additional time from us. This is done by talking to Mentors, soft skills trainers and TLs on a regularly basis, whether through team briefings or the social activities, we are able to get the important messages and pass the messages to each other. Without knowledge of how to improve the targets, we would still be struggling. Before, there was a barrier between us and nobody understood each other. Knowing the mentors on its own, half solves our problems to meet those targets. We still have to do it and it helps loads (CSR 19).*

The fact that both could communicate meant that CSRs took on board the advice of soft skills trainers and mentors to improve their performance.

Inculcation does, in a way, facilitate the improvement of trust. However, although CSRs attended social gatherings it does not necessarily mean that they share the same values and goals of the organization. Not everybody buys into the discourse of 'come in and join the family'. As Golden

(1992:17) argues 'secret non-adherence' is a common phenomenon. That is, whilst some overtly adhere to such managerial actions, many 'secretly do not'. One CSR affirms this:

> *It is true that the outings, family days are organized so that we get to know each other. But, this does not mean that we totally agree with management in everything they do. Our work is still very much the same. We still suffer from headaches, back pains and mental minor illnesses related to stress. We think that these outings are a great break from our monotonous work life. Why turn then down? It's a way to get away from here. It's not less than hell here (CSR 17).*

One CSR adds:

> *Before, it was difficult to trust any managers as there was a clear divide. We can't really say we share the same wavelength yet. But, the fact that we can approach them makes it easier to take the feedback as constructive and to work towards achieving the KPIs. We work much more systematically if the message gets across. Their message is always to improve on results. This means more work obviously. We have no choice but to put ourselves to task when we are underperforming. Before, we didn't have much clue about expectations. So, in a way, getting closer to them means that we are working more as we have to agree with them after the briefings on the areas we have to improve. The briefings, the mentors follow up actions etc. are the drivers of performance. Again, this means more intensive work and no rest (CSR 18).*

For many, these special days mean no more than a break away from the daily routine, although many also acknowledge that the outings did improve trust and communication as a result.

The process of inculcation of CC also makes use of artefacts. The management of Aero emphasizes that in order to create a 'family' atmosphere, it was necessary to give away logos of the company, hats, medals, rebate tickets and fuel tax waivers to employees. These artefacts do, according to management, play a very important role to reinforce the 'family message´ across the company. Do CSRs believe the message? Many appear not to:

> *Well, all the logos, t-shirts and medals are very interesting to have. But, we understand what management is trying here. We know their tricks. In Mauritius we have this proverb 'give an egg and get a cow in return', that´s what they are doing to us. That we give them all, we have nothing in return (CSRs 2, 9 & 11).*

One CSR argues that:

We know that management is trying their best to convince us that they care about us. But it is not enough. There are many working mothers here who want something better in life. Even if we want it there is not much prospect here. It is a dead end job at the end of the day. There is not much scope to be around if you are very young. We really don't believe them. It's all about profits. They have to report to top management at the Head office about the results. That's all that matters. It is still us and them. Nothing has changed (CSR 12).

At the end of the day, we know that our role is to provide a service and that the more they can get out of you the better business managers will get in terms of bonuses. I cannot see this changing here in the least (CSR 15).

Another CSR adds:

We can never be united as a family. We do not have any unions here to represent us. If we have any grievances we have to deal with it by ourselves. How can you expect to be a family? We do not have the same rights. For e.g., managers are entitled to more benefits as are the Head office staff, whereas we don't. How can you expect us to believe that the managers really care about us? All they want from us is profits. That's all (CSR 20).

Do family days, outings get us to perform harder? No, it brings us to realize that our colleagues in the other campaigns are going through the same hell. But, I can't see all of us as a 'family'. It's about control, profits and not about our needs (CSR 4).

Comments like these confirm what many researchers about CC believe: employees are not easily fooled by attempts by management at inculcating sets of norms, values and beliefs. To some extent, we can concur with Foucauldians about CC being used as a form of normative control. It is a managerial ideal which falls short of reality.

Moreover, like team work, CC management often brings about a number of unintended consequences. Although CSRs socialize with managers on the special outings, and accept their artefacts, these things do not buy their loyalty. But it does, however, bring CSRs together to discover, and share, their own work related difficulties. CSRs seem able to differentiate between genuine efforts and masked ones, and often play along and also create a false impression of buying into management rhetorical

discourse of CC. Thus, web portal thoughts that are displayed on a daily basis on CSRs computer screen about the vision, mission statements have to be taken with a pinch of salt.

In sum, then, the interview data allows us to ascertain two things. First, whether inculcation and trust building has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does inculcation and trust building generate this power/tendency? Let us consider these in turn.

First, evidence suggests that inculcation and trust building causes a power/tendency to increase performance. The following `snippets´ are evidence of this:

- *All the logos, t-shirts and medals are very interesting to have. But, we understand what management is trying here. We know their tricks.*
- *That we give them all, we have nothing in return.*
- *Do family days, outings get us to perform? No, it brings us to realize that our colleagues on other campaigns are going through the same hell as we are. I can't see us as a 'family'. Aero is about making money, more money. Nothing else.*

Second, how does inculcation and trust building generate this power/tendency? The answer, effectively, is the causal-explanation of how inculcation and trust building generates the power/tendency to increase performance. Briefly, inculcation of trust through outings and other such activities allow CSRs to communicate better with their supervisors and to express their work concerns with them. These activities work as enhancing the communication channels between CSRs and supervisors who can better clarify their expectations and the ways to achieve them. These clarifications and bonding activities cause them to work harder and improve their performance. The following `snippets´ are evidence of this:

- *But these outings motivate us to get back and face reality. It does help us to think more about the company. Before, they did not care, now you can see the Contact Manager and QA team in a different way. They come out and talk to us and we had some great time at the last family day, last time.*
- *I think it is a very good idea as it brings us together. We can talk about our work problems and also make a lot of friends.*
- *This is true that before it was us and them. But now we know them more, we try to understand them a bit more. We can easily have a conversation.*
- *For us, meeting the performance targets has been possible mainly due to the fact that there is more communication that flows between and across to the organization members. By*

spending more time communicating and clarifying about the expectations and the ways to achieve them means we are able to succeed.

It seems to me that these HRMechanisms create a great deal of cynicism and very little trust. The issue is whether the cynicism is sufficient to generate a tendency to decrease CSRs performance. The very least we can say, is that these HRMechanisms do no harm.

3.2 Career prospects, redundancy threats, fear and lean management

There are also major counter mechanisms that work against the inculcation of rhetoric of CC. The 'family dressage' is weakened not only by career management prospects but by a non-HRMechanism, namely, delayering. Many CSRs do not buy into the CC because managers also propagate another message: the lean message – defined and elaborated upon in chapter 3. The Contact Center Manager reckons that he has no choice when he has to announce messages regarding delayering as this is an option he cannot do without. The Head office has been putting pressures on all business units to streamline their costs and go as lean as they can. Threats of losing one's job due to under-performance are not new at Aero. One CSR recalls that:

After the massive hedging losses, we all felt that we would lose our jobs as managers were sent to Madagascar to do some business prospection and feasibility studies about transferring the operations there due to lower costs of labour. But the project did not materialized as there was social unrest and the political risks were considered too high. So they had no choice but to operate from Mauritius. But, the pressure to improve our operations remained (CSR 14).

It is a fact that Head Office has been pressuring managers from different Business units to increase their profitability. Many of them use threats about redundancies to get the message across. This explains, to some extent, the commitment to perform. One TL recalls:

We're constantly told that manpower will be reduced in the future. As a result many CSRs had to put in extra efforts to keep their jobs. Many have a number of financial problems and had to put up with management. They had not many choices. Many working mothers have very little skills and qualifications and scope to move to other companies (TL 6).

As one CSR adds:

We hardly know whether we will still be here next year due to what's happening at the head office. With such uncertainty lurking over our heads, we have to think about our future. We don't believe in management. Some put in extra efforts because they do not have much choice by accepting to work the shifts, even if they aren't happy about them. But many have also left the company. So how can you say we are part of the same family here? (CSR 5).

For another CSR who has been with the company from its creation adds:

For some, Aero is their last hope to get a job so they have no choice but to accept and endure the harsh conditions and unsocial shifts or extra work. For some others with more choices, they just move on to other companies. They just work their shifts and go. The rest who intend to stay have to keep performing. They have to prove their worth by taking nearly no days off, work the odd shifts, or replace their mates. They have some good reasons to back their performance and it is quite right (CSR 3).

Redundancy threats did not, therefore, sit well with the 'family discourse'. Another TL who has spent some years working with the company claims that:

On the one hand, you can see that management organizes family days out with prizes etc. but then you can see that same management who do not hesitate to sack those that do not meet their standards. Many have left the organization to join competitors because of the uncertainty. This does not seem to stop management. We stay or go it does not seem to be a problem. Sometimes we all think that all that talk is just a show. Bottom-line is that: it will always be profits (TL 5).

TLs and CSRs are unsurprisingly not all blindfolded by the CC hype. The mixed messages being sent by management only reinforces CSRs and TL's disbelief in the corporate family discourse. This remains the case for Aero. It seems that organizational rationalization through cost reduction will always pervade modern organizations. This is even more true for call centers such as Aero which were created with such embedded rationales.

Another counter HRMechanism that has been identified is career management: At Aero career management is not a policy that is pursued to retain staff, especially for CSRs. For example, many CSRs find that their job is a dead end job. The only prospect is to become a TL or trainer. Yet these positions are not only limited, but already occupied by young individuals who were recruited from other companies. Aero does not tend to promote internally. One CSR recognizes that:

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Very few TLs are from Aero. They are recruited from other competitors to bring in more dynamism to the team. This poses a big problem for those who wish to pursue a career here. Management does not care so much about our career ambitions (CSR 15).

The Operations Manager had this to say to confirm the CSRs apprehensions:

Most of the CSRs have a few GCSE's or one 'A' level. In terms of qualifications, they have very little to offer. Obviously, you cannot expect to move further up the career ladder when you have the minimum of qualifications. They cannot complain about career prospects as we already are clear that we need GCSE or A levels (Operations Manager).

A CSR adds that:

Career-wise you cannot expect much from Aero. It is dead end. It explains the motivation to stay or to perform. People know no matter what they do, they will be there doing the same thing. If they are lucky they can be promoted to TL but that's not a massive boost in terms of money. Many do not put in the extra effort that is needed and when their performance does not improve, they are sacked or leave by themselves. Many would just keep going absent, making the same tariff mistakes or showing the same lack of enthusiasm when making a sale (CSR 17).

To management, the limited qualifications of its staff are assumed to reflect their implicitly limited career ambitions. Thus not much effort is expended to keep or retain staff by providing them with a career plan. The abundance of cheap labour is a major motivation for managers at Aero. Career limited prospects acts as a counter HRMechanism to productivity and performance. One CSR who has been promoted to TL a year ago had this to say:

Well, even if you do become a TL, it does not mean that it's a big career leap or move. Our benefits or rewards are not much better. Worse still, we are under more pressure as we have more responsibilities to assume than the CSR (CSR 10).

In a way, the limited career prospects reinforce the costs leadership strategies of top management have which makes it difficult for CSRs to believe in the corporate messages about being a 'caring family'. Many share the beliefs that Aero does not have much to offer to its CSRs and that the message of CC is a rhetoric which does not add much to their benefits. However, it would be wrong to

say that CC does not have a positive causal effect on performance. As explained, socialization of employees, the use of technology, web portals, and the distribution of artefacts does help improve communication and break down the management-CSR divide. CSRs can express themselves much easily when they get to know their immediate supervisor. Yet it takes more than socialization to improve other important causal factors such as trust or career ambition. As a HRMechanism, CC does not help improve performance because other causal mechanisms, such as delayering messages, threats about redundancies, management's insistence on costs and targets, limited career prospects, all work towards weakening the tendencies to improve performance. This is without taking into account the macro-economic factors such as neoliberal policies and Globalization which reinforce the possibility of going further 'lean' thus pressuring organizations to keep a strong grip over costs. Consequently, with the redundancy threats, job intensification strategies, reflected in the new forms of control whether normative controls or technical, surveillance became necessary.

We can, therefore, conclude that securing emotional attachment of employees, or Etzioni's 'moral involvement', is still holding managers who have set their heart on improving the 'human' factor from the management agenda. Short-termism is unfortunately a taken for granted fact of modern business life. However, there is a price to pay. In general the price is borne by employees only. In so far as CC is concerned as a HRMechanism, it does help to a large extent in bringing employees together to express themselves. Yet the illusion of working and sharing commonalities of interests is never achieved.

In sum, the interview data allows us to ascertain two things. First, whether career prospects, redundancy threat and lean management has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How do career prospects, redundancy threat and lean management generate this power/tendency? Let us consider these in turn.

First, evidence suggests that career prospects, redundancy threat and lean management causes a power/tendency to decrease performance. The following `snippets´ are evidence of this:

- *Do family days, outings get us to perform? No, it brings us to realize that our colleagues on other campaigns are going through the same hell as we are. I can't see us as a 'family'. Aero is about making money, more money. Nothing else.*
- *The rest who intend to stay have to keep performing. They have to prove their worth by taking nearly no days off, work the odd shifts, or replace their mates*
- *People know no matter what they do, they will be there doing the same thing. If they are lucky they can be promoted to TL but that's not a massive boost in terms of money. Many do not put in the extra effort that is needed and when their performance does not improve, they*

are sacked or leave by themselves. Many would just keep absenting, making the same tariffs mistakes or show the same lack of enthusiasm when making a sale.

Second, let us turn to the question: How do career prospects, redundancy threat and lean management generate this power/tendency? The answer, effectively, is the causal-explanation of how career prospects, redundancy threat and lean management generate the power/tendency to decrease performance. Briefly, limited career prospects due to lean management and redundancy threats mean that CSRs find themselves in dead end jobs. Many find it difficult to work and perform as a result of the impending threat of losing their jobs. The following `snippets´ are evidence of this:

- *We're constantly told that manpower will be reduced in the future. As a result many CSRs had to put in extra efforts to keep their jobs. Many have a number of financial problems and had to put up with management.   They had not many choices. Many working mothers have very little skills and qualifications and scope to move to other companies.*

- *On the one hand, you can see that management organizes family days out with prizes etc. but then you can see that same management who do not hesitate to sack those that do not meet their standards. Many have left the organization to join competitors because of the uncertainty. This does not seem to stop management. We stay or go, it does not seem to be a problem. Sometimes we all think that all that talk is just a show. Bottom-line is that: it will always be profits.*

- *Career-wise you cannot expect much from Aero. It is dead end.*

Conclusion to CC

This section offers a causal-explanation of how the HRMechanism of CC, and its sub-HRMechanisms; inculcation and trust building, career prospects, redundancy threats and lean management, generate a neutral power/tendency towards performance.   It has also shown that they do not work as the `textbook´ MMS version suggests. All this is depicted in diagram 18 below:
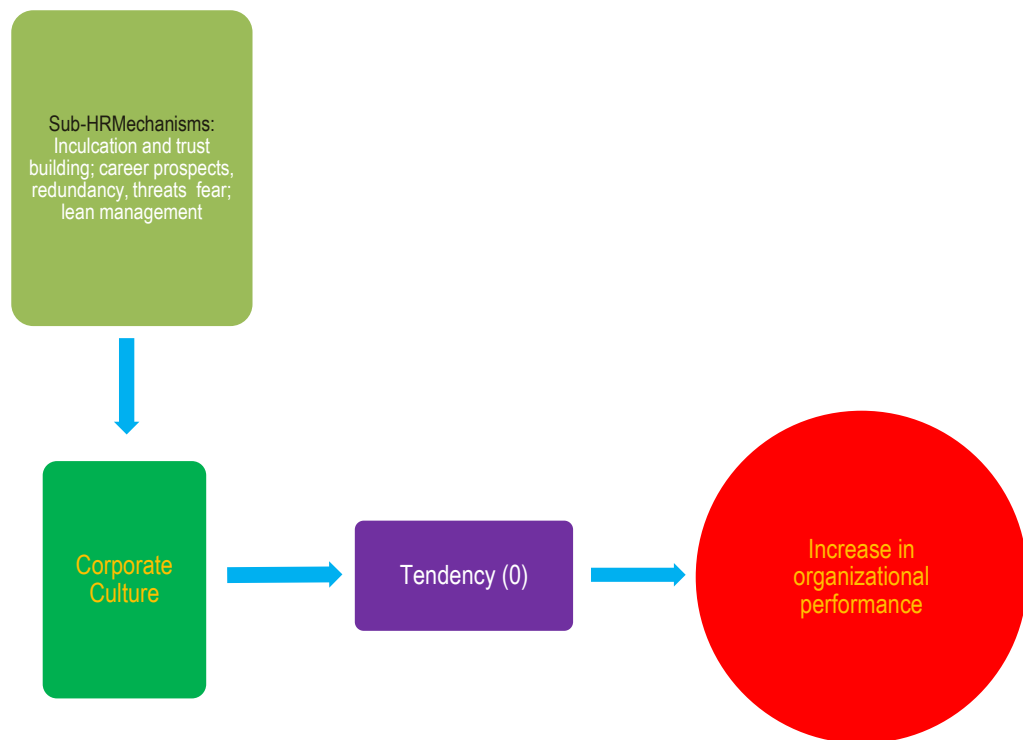
Diagram 18: CC and performance

4.0 Work-life policies

Operating in a globalized environment is not without consequences. As I noted in chapter 2, modern workplaces reflect the human consequences of the 'increased work demands'. Workers have seen their hours increased, work pace intensified, pressure raised and their workloads go undiminished. Worse still are the effects of such 'work demands' on the individual and his or her performance. Aero is no exception to such a rule. With the globalization of outsourcing activities and the financial pressures exerting on the company after the hedging blunder 3 years ago at Aero, management had to restructure its activities to meet its corporate objectives. New technologies were put in place to enhance control, corporate messages were generated to bring in employees to share the corporate message, team working and IT monitoring were all part of a clearly defined strategy put forward to improve organizational performance and reduce costs. However, the consequences of such strategies were not foreseen by management. CSRs face the intensification of their tasks and have started to pay the prices with work-life issues. Working for a company that has relatively inflexible roster schedules meant that many, and working mothers in particular, had to make stark choices. Given the gendered nature of the call centres, many could not assume their family responsibilities and had to leave the company. As labour turnover rates soared, the impact was felt on corporate performance.

Management at Aero decided to deal with the problems by designing work-life balance policies to remedy the situation.

The Contact Center Manager strongly believes that CSRs absences were due largely to:

> *Inflexible rosters of the scheduling system and shifts that were not in line with the family*
> *demands of working mothers (CCM).*

Yet, it seems that management did not fully appraise the situation. The root cause of the problems runs much deeper. The company still faces high rates of labour turnover and absences. Although management thinks that the problems have been solved, employees do not share the same opinions. Are work-life balance policies successful at Aero? If so, how did they help improve performance? To understand the operation of work-life policies, one has to look at what lies beneath the surface of such policies. Were such policies drafted to deal with turnover, or to help workers to deal with their work-life policies in order to be in a better position to improve their performance? To get answers to the following questions, let us now turn our attention to the working lives of the CSRs and how they come to manage, if they do, their work-life balance.

4.1 Flexible work arrangements and choice of shifts

To understand this particular part of any CSRs' work life, it is essential that one understands the pressures that CSRs face. Call centres are the closest modern reflection of Taylorised or Fordist structures. Such structures are characterized by low discretion, low skills, low trust and low pay levels. More so, the work is highly scripted, involves customer interaction, involves routines and there is a fair share of emotional expressivity. As in Taylorised systems, Aero's CSRs are subject to the same level of skills degradation and pressure to meet the 'quantity' targets to maximize profit. Besides the context and nature of their work, CSRs also face working arrangements that do not necessarily meet their work-life requirements. For the CCM of Aero:

> *We know that the high rate of absenteeism and turnover that we experienced in the past*
> *in particular were the consequences of our old rigid roster system. Now we believe we*
> *have addressed the issue (CCM).*

But has the problem really been resolved as the CCM believes? Let us look at one important fact. CSRs are expected to work any shift of the company's 24/7 shifts. There are 3 different shifts: one from 8-4 pm, one from 4-midnight and another from midnight to 8 am. On any shift, CSRs are allowed a first break of 15 minutes, followed by a lunch of 40 minutes and a final break of 15 minutes. The CCM was proud about the new work-life balance policies, where CSRs are given the ability to choose

the shifts they want to work - although there are certain restrictions, in particular, choices still have to be approved by management. Shifts are agreed following a meeting with supervisors who decide the shifts on an individual basis. That is, shifts are decided based on family situations and needs - although, working mothers are given preferences such as early shifts so that they can pick up their kids from school at 2.30 pm.

One Manager had this to add about the new work-life balance policies:

Well the new system is more flexible and we try to satisfy everyone. But obviously we cannot satisfy all. So we have to prioritize in terms of those that mostly are in need to work certain shifts of the day (Manager 3).

How did the new shift system impact on CSR's ability to perform? One CSR had this to say:

The new roster system is better than before where we could not choose our shifts. Now we can. Although it does not benefit all CSRs. Example, those who are single or students do still have to work the odd night shifts. Now, I can go pick up my children after school and this is as important to me as work. The only time I feel that I am appreciated during the whole day. This does reduce the stress. Before, we had to leave our kids with our family members. It was not an easy option, as they still have their own commitments. But, fortunately, grandparents are there to fall back on in hard times (CSR 10).

Another working mother adds:

There is a choice of shifts. But, when there are shortages of staff or high level of absences, we have to cover for others .Without our in-laws or family members for support we would be doomed (CSR 3).

Another CSR adds:

It is true that we are given priority over morning shifts as we have kids, yet if we have to cover for someone we still have to do it and then we still have to go to our family to ask for help. It can be very stressful at times when we cannot get someone to look after the

children. The worst is we cannot afford to pay for crèche facilities even for those who were given the leeway to choose their shifts (CSR 9).

On the one hand, the choice given to working mothers allows them to focus more on work and they are, thus, relived form the additional stress that would have arisen if the policies were not present. On the other hand, it also means that where the flexible work arrangements benefit employees, they only benefit those with children. Half of those at Aero have kids, whereas the remaining employees are largely unaffected by the new flexible working arrangement policy. However, despite the choice, many working mothers still have to rely on their extended family network. But, is this a lasting solution given the rapid changes happening in Mauritius? Although Mauritius is still a society where people live in extended families and where family ties are still very strong, things are changing rapidly in the urban areas for young professionals who do not have the same family support as in villages. Yet for many CSRs, the family remains the safety net to fall back on in case they have to cover for other CSRs or absentees. The family then, looks after the kids for them. Thus, Grandparents act as a non-HRMechanism to allow some employees a degree of work-life balance.

Let us now turn to how the new shifts enabled them to perform, if they do. One CSR adds:

Now with the new shifts I can focus on the work without having to worry about who will pick up the kids and what I will be cooking for dinner tonight. Before, it was very stressful not to think about it. We understand that it is unfair to some other CSRs who cannot have the same choice as we do, but they do understand our problem. Here, most of them are considerate to us working mothers (CSRv12).

Another CSR adds:

The choice of shifts allows us to put more efforts to meet the targets. We are able to attend to all the team briefings and attend the soft skills training if need arises. Besides, we don't have to worry for the kids, we get to do the additional shifts or extra time if need be. We work much more, we are more motivated and we perform better and we also want to do more as the managers have done something to resolve our problems. We are grateful to them. Without the choice of shifts, we would not be able to stay focused, we would make a number of mistakes, we would have to take days off and eventually if things didn't get better, get sacked. Our performance has something to do with the possibility of choosing our shifts (CSR 14).

The new shift system did help the CSR to focus more on work rather than worrying about meeting family responsibilities. However, is the new roster system effective enough? One TL has this to add:

> *I do not think that the new roster system is as good as they say it is. We still have to cover other colleagues, so the problem has not been completely eradicated. Worse, is the fact that we still have to do the morning shift if we choose not to do the afternoon one. To many of my colleagues, they can pick up their kids in the afternoon but not drop them in the morning. Some have their husbands do it, some can rely on grandparents. But not everyone. And not every morning. We always have someone who is late to work. It is because we could not find someone to fall onto for help (TL 6).*

Furthermore, what about the shifts themselves? As one CSR admits:

> *The morning shift is the worse one, we have to travel by bus in the rush hour and once we are late we are under surveillance. As soon as we have three latenesses, we are pulled and warned about losing our bonuses. In a way, we have now something to lose as well. Sometimes we cannot do anything about it. The only thing we can do is to leave early but then how are we gonna help with the kids at home? Both ways, we still cannot do much. I can understand why many left the company to do something else as it is very difficult to remain married here. Work pressures, pressure at home, pressure everywhere (CSR 15).*

What about breaks? Although there are 3 breaks, many CSRs complain that they cannot take such breaks especially when customers are in a queue. One CSR adds:

> *If there are a number of customers to attend to, the system won't allow you to logout. You will have to keep working. TLs don't care, neither do managers. They will tell you to take it afterwards. So basically there is nothing you can do about it. It is only about sales, KPIs and not you. With the new IT system, you work more and harder than before (CSR11).*

It means that they cannot decide when to take a break. It all depends on the TLs who are closely monitoring the calls. This is a big problem in terms of health and wellbeing.

One CSR admits that:

> *I have a lot of trouble with my health as I cannot eat on time. Doctors have already warned me about this. But, what can I do? (CSR 1).*

Another had this to say:

> *Do you think it is convenient to eat at a time when you are no longer hungry? Or at changing times of the day? To management, it's about how busy we are on the line that counts. They are rarely bothered about our health problems (CSR 13).*

In sum the interview data allows us to ascertain two things. First, whether flexible work arrangements and choice of shifts has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does flexible work arrangements and choice of shifts generate this power/tendency? Let us consider these in turn.

First, evidence suggests that flexible work arrangements and choice of shifts causes a power/tendency to *increase* performance. The following `snippets´ are evidence of this:

- *Besides, we don't have to worry for the kids, we get to do the additional shifts or extra time if need be.*
- *Without the choice of shifts, we would not be able to stay focused, we would make a number of mistakes, we would have to take days off and eventually if things didn't get better, get sacked. Our performance has something to do with the possibility of choosing our shifts.*

Second, how do flexible work arrangements and choice of shifts generate this power/tendency? The answer, effectively, is the causal-explanation of how flexible work arrangements and choice of shifts generates the power/tendency to decrease performance. Briefly, the choice of shifts allows CSRs to manage their work-life balance, and thus they are able to focus on their targets and make less mistakes at work. The following `snippets´ are evidence of this:

- *The choice of shifts allows us to put in more efforts to meet the targets. We are able to attend to all the team briefings and attend the soft skills training if need arises.*

4.2 Health and well-being

Realizing that many workers complain about health issues, the Management came up with some solutions, based upon the idea that a healthy employee is a profitable employee. The QA Manager admits that:

> *We have new health policies whereby we send CSRs for cervical screening, blood tests and other health screening. It is very costly to the company but we believe that it is*

important to look after our employees. We organize blood donations every year in conjunction with other companies. We extend the cholesterol and blood pressure test to the CSRs family during the family days. We care about our employee's wellbeing (QAM).

It seems that offering these health related benefits is part of a CC strategy of inculcating a `paternalistic´ set of beliefs – 'we are a family and we will look after you like parents look after their children'. Aero don´t, of course, offer health benefits because they are primarily concerned with the well-being of their employees, but because they are primarily concerned with maximizing profits and this is achieved, in part, by having a healthy workforce. The well-being of their employees is at best a secondary concern; at best a means to an end. For a CSR who took advantage of the health policies:

Well, the screening can be costly and we appreciate the effort. Yet, the problems that cause our health to deteriorate still exist. I don't think that by just screening our health, it will get better. We have to face pressure on a daily basis. Targets, customers, the monitoring and the way the work is will never change. So I don't see any change to our well-being (CSR 2).

When asked whether the well-being does help them perform, one senior CSR adds:

It doesn't help. We go for the screening but it does not change anything in our work lives. We would prefer to have less pressure to meet the targets, to be pressured to work extra shifts and many such changes. Then, maybe our health would improve. Until then, it's impossible. We still have to perform but well-being policies play an insignificant role in our lives (CSR 14).

To us the well-being policies such as screenings are there because they want to transfer the burden onto us. The trouble is that they are not dealing with the real culprit which is the nature of the work. The tasks are stressful, demanding and worse it will never change. You keep working and it's still not enough as we are squeezed to bits. I can't see how the nature of this job will change with the well-being policies when you are tackling the after effects (CSR 14).

Aero is a modern reminder of what call centre workers experience on an everyday basis. The business case and the cost reduction strategies still drive business decisions. Health and well-being, which is part of the work-life balance policies of Aero, were enacted as part of a more enlightened management strategy. Work-life policies are a façade which conceal very harsh realities. Most CSRs

suffer from emotional exhaustion as a result of work intensification, the way work is structured, the nature of control strategies, the exploitative nature of work, none of which are necessarily due to work-life imbalance. CSRs are under pressure to meet tight deadlines and cannot take advantage of the well-being policies in place. Many admitted that their health can only improve if the nature of work changes and insofar as profit is the primary objective at Aero it is rather difficult to see this changing. Deery (2002) argues that until management address the determinants of emotional exhaustion or stress, it is highly likely that employees may adopt a strategy of withdrawal.

Although many have extolled the virtues of work-life policies, its ability to improve productivity remains ineffective. At best, it relieves a fraction of its workforce to manage their work-life balance, and this is not likely to influence performance positively. At worst, it is another failed HR policy that is only applied in the name of allowing more 'freedom and liberty' when in reality many problems remain. Neoliberalism policies, in the guise of business-friendly flexibility are masked through work-life balance policies. They are only quick fixes designed to make management appear as 'caring' rather than `controlling´. This idealized image however does not fool the CSRs who know how to differentiate between genuine policies and those that are not. As the control of the labour process is tightened, consequences will follow in the guise of more employee withdrawal, stress, headaches, backaches etc. rather than improved satisfaction and motivation which could have been translated into higher levels of performance and productivity for Aero.

In sum, the interview data allows us to ascertain two things. First, whether health and well-being has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does health and well-being generate this power/tendency? Let us consider these in turn.

First, evidence suggests that health and well-being causes a *neutral* power/tendency to perform. The following `snippets´ are evidence of this:

- *I don't think that by just screening our health, it will get better. We have to face pressure on a daily basis. Targets, customers, the monitoring and the way the work is will never change.*

- *It doesn't help. We go for the screening but it does not change anything in our work lives. We would prefer to have less pressure to meet the targets, to be pressured to work extra shifts and many such changes. Then, maybe our health would improve. Until then, it's impossible. We still have to perform but well-being policies play an insignificant role in our lives.*

Second, how do health and well-being generate this power/tendency? The answer, effectively, is the causal-explanation of how health and well-being generates a neutral power/tendency to perform.

Briefly, as many CSRs do not benefit from the health and well-being policies, many find that their state of health remains the same. Although, it is assumed that these measures will reduce sicknesses and absences, such policies do not have an impact on CSRs performance. The following `snippets´ are evidence of this:

- *To us, the well-being policies, screenings etc. are there to ensure that we take care of our health. They (management) know that many go off sick due to work related stress that results. I can understand they are trying to do something. But, to us the real cause is the work itself. As the nature of the work will remain the same, we cannot see how things will improve in terms of our health.*

Conclusion to work-life policies

This section offers a causal-explanation of how the HRMechanism of work-life balance, and its sub-HRMechanisms of flexible work arrangements; and choice of shifts; health and well-being, generate a *neutral* power/tendency towards performance. It has also shown that they do not work as the `textbook´ MMS version suggests. All this is depicted in diagram 19 below:
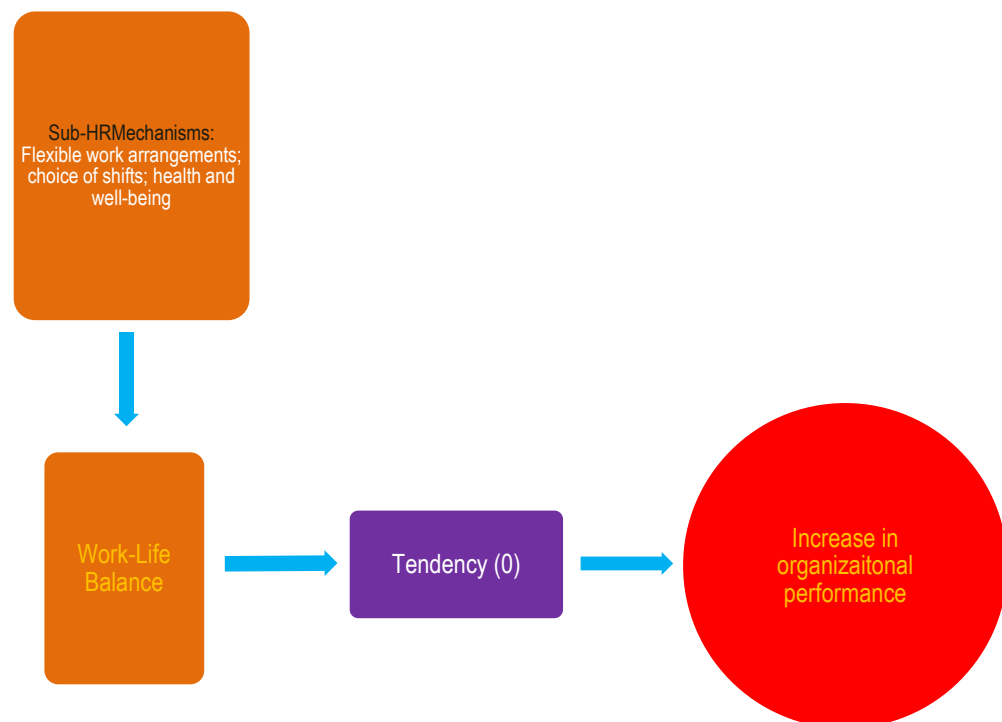
Diagram 19: Work-life balance and performance

5.0 Empowerment

Empowerment strategies have been given serious thought by academics and consultants alike as a rejection of the classical scientific management of Taylor and Ford with their division of labour, exploitation and alienation. It was understood that, if workers were given the opportunity to self-actualize through self-control, they would be more inclined to perform at higher levels. Many businesses realized the potential of such strategies, especially because there is a justifiable business case. Given the closeness employees are with the work situation, they are in a better position to suggest improvements. If provided with the opportunity to manage themselves employees will feel empowered and in return, more committed to organizational goals. Increased performance would follow. So was, and often still is, the contention of many thinkers.

At Aero, this is exactly the rationale behind the empowerment strategy the organization has adopted. Several years ago, management realized that given that the nature of work was unalterable, and the fact that many employees were leaving the organization, they needed to react swiftly by bringing in some changes to the way the CSRs were managed. First of all, the *works instruction manual* was subjected to scrutiny and was updated to see to what extent CSRs could be given some decision-making power. According to the QA Manager:

> *The works instruction manual has never been updated. It was long coming. We had to*
> *update it and see to what extent we could allow CSRs to make decisions on their own.*
> *We were reluctant at first on account of the fact that many CSRs have very low level of*
> *qualifications and some managers, at the time, were more skeptical whether it was such*
> *a good idea after all. Yet, we thought we might give it a go and tried it on four groups*
> *who, to us were the most experienced. We were astounded by the results (QAM).*

Empowerment as an HRM practice was thus applied to enable CSRs to make decisions and improve performance. How successful was such a policy and how did empowerment as a causal mechanism spur organizational performance? Let us turn to the nitty-gritty of empowerment policies at Aero.

5.1 Participation in unstructured sales decisions

Understanding the context of implementing such a policy is vital in order to understand the working of such a sub-HRMechanism. Empowerment was implemented in the context of poor organizational performance, high rates of labour turnover and diminishing CSRs' motivation. How was the empowerment policy implemented? Once the workers instruction manual was updated, there were few guidelines available for mentors to follow when empowering staff. Each mentor has a span of control of 16 CSRs at most. One of the major problems at Aero was CSRs inability to sell the full range of products. At Aero, CSRs not only sell travel packages, but also products such as hospitality service

and hotels. When customers call the centre for information, the whole sales mechanism kicks into operation. CSRs are expected to provide not only correct information on ticketing but other packages. We must note that, although CSRs are trained about ticketing, and sales or fares, each customer may have very different needs or requirements and not all CRSs are as proficient as assumed. Thus, CSRs have to be able to make quick decisions on sales. Many of the Mentors admit:

> *CSRs are fully trained when they join. The training programme is very well structured at Aero. Firstly, they have to undergo the 10 days intensive Amadeus system training. Then, they are sent to the soft skills training which is 6 days long. They are then given training in language accents, about scripts and the voice tonality. Finally they also have to attend the 3 days intensive fares and ticketing training. These 3 days are enough to know how to issue tickets and fares and, most of the CSRs tend to do better in the last one as it is quite easy and straightforward. However, they are also expected to know their products. They have to be able to make a sale, do the admin necessary and close the sale and send it to other department such as finance etc. and operations. Many struggle to do that. The reason is that they do not plan their work. They are also expected to be very fast. Some are very slow but we are here as back up during the probation months. We never send them to the floor after the initial training. We make a number of 'mock calls' to test their knowledge. If we believe they are not ready then we never send them to the floor. The assistance continues during the probation which lasts about two months. The only problem with the training is that it does not train them on making decisions (Mentors 1 & 2).*

Training does not include how to make unstructured sales decisions and how to deal with abusive callers. Aero has a refresher training which takes place twice a year to ensure that every CSR is up to speed with the new changes to the Amadeus system or the fares and ticketing systems. By allowing CSRs the possibility to decide about the best deal packages, which up until then was the responsibility of the sales department, CSRs found themselves with the additional responsibility of making decisions. For Management at Aero, this strategy would enable CSRs to improve their skills and to make unstructured sales decisions. In the long run, it was expected that many CSRs would remain with the organization and aspire to higher positions.

The QA confesses:

> *Given the routine nature of their work, we felt that it was important to innovate. In fact we believe that being closer to customers they could provide a better service than other departments (QAM).*

A mentor adds:

> *By changing the routine many CSRs feel that they have control over their jobs and performance. They are better placed to make some decisions as they are the front line staff dealing with customers (Mentor 3).*

Although now CSRs have been empowered to perform additional tasks such as making unstructured sales decisions, for CSRs it means additional tasks. The other implication is that such a form of empowerment has meant a reduction in the sales team – because the sales team was dismantled. Many of them rejoined ticketing and reservations. Others joined QA's department. Managers believe that empowerment is intended to serve the manifold objectives of: increasing participation, reducing manpower and intensifying the job of the existing CSRs.

One CSR adds:

> *This is true that now we have to make the decision which sales we're responsible for. I agree that such decision power has been delegated to us. But, does it really matter? We all know that it will not change much of our status. I mean if you are given higher responsibilities you should expect more pay. Isn't it right? We get nothing out of this new change. To be honest, now we feel under more pressure than before. Before, sales had to account for what they did. Now it's us. I would prefer the old system as it is more stressful now (CSR 17).*

For another senior CSR empowerment did boost his performance:

> *The new responsibilities are very interesting as we feel that we are valued and that we can do our jobs. I feel that it is one factor that gets me to do better on this job. Otherwise, it would be boring and demotivating as well. I know what customers want and I know them better than the sales team who we had to deal with before. Now, when I make a mistake, I learn how to be more persuasive. Things obviously get better with time. I like making sales now (CSR 12).*

However, although additional decision-making adds to pressure and doing more tasks, it does help improve performance levels. One CSR adds:

*The new change (empowerment) does help us to improve KPIs. Before, we transferred
the call to sales and it took longer to close the sales. Now we do everything even if we
have to do even more tasks than before. We are now more in control of sales. It means
more tasks than before obviously and more responsibilities. In a way our knowledge of
the system has increased and we are more skilled than before. Even if we leave, we
know we have sales skills (CSR 11).*

To some other CSRs, empowerment does enhance their persuasion skills as well as their decision-making skills. One CSR adds:

*We have to prove to them that we are capable of doing the job. It is harder and takes
more time to learn all the tricks to be persuasive and aggressive. But at least now the
job is less boring (CSR 13).*

Another adds:

*We can say that we perform better as we are able to make decisions much faster and
we feel that we are doing something positive. We like it when we are not treated like
machines (CSR 5).*

In sum, the interview data allows us to ascertain two things. First, whether participation in unstructured sales decisions has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does participation in unstructured sales decisions generate this power/tendency? Let us consider these in turn.

First, evidence suggests that participation in unstructured sales decisions causes a power/tendency to increase performance. The following `snippets´ are evidence of this:

- *The new change (empowerment) does help us to improve KPIs. Before, we transferred the
  call to sales and it took longer to close the sales. Now we do everything even if we have to
  do even more tasks than before. We are now more in control of sales. It means more tasks
  than before obviously and more responsibilities. In a way our knowledge of the system has
  increased and we are more skilled than before. Even if we leave, we know we have sales
  skills.*
- *We can say that we perform better as we are able to make decisions much faster and we feel
  that we are doing something positive.*

Second, how does participation in unstructured sales decisions generate this power/tendency? The answer, effectively, is the causal-explanation of how participation in unstructured sales decisions generates the power/tendency to increase performance. Briefly, the ability to participate in unstructured sales decisions allow the CSRs to make faster decision rather than waiting for others to do so. As they interface customers more than anyone else, they are able to provide better solutions and are more in control of the sales operation. Not only do they get better skills but this allows them to be motivated and thus perform better. The following `snippets´ are evidence of this:

- *I know what customers want and I know them better than the sales team who we had to deal with before. Now, when I make a mistake, I learn how to be more persuasive. The new responsibilities are very interesting as we feel that we are valued and that we can do our jobs.*

5.2 Qualifications and management delegation perceptions

As a sub-HRMechanism, empowerment does boost their knowledge and many CSRs want to live up to management expectations. The possibility of making decisions also allows them to improve their own self-esteem and self-efficacy. Having some power over certain aspects of their work is significant to CSRs as they operate in a very 'low trust' organization where skills are not even recognized and valued. Any feeling of empowerment is significant to them. However, is the delegation of power real? Besides allowing the CSRs to make sales decisions, are CSRs empowered to make more important decisions within Aero? Or are CSRs only delegated with the sales decisions? What of decisions regarding the design of work or the nature of work?

To some Team leaders:

We agree that CSRs have more responsibilities. But that is all. They have more pressure than before. Nothing has changed in terms of their pay or bonuses with the increased responsibility. They still cannot influence much of their own work. Managers still have such power. They do not have much say in their work. The pressures are still there and intensifying, KPIs have to be met and under-performance is still not tolerated. So what is new? (TL 1, 4 & 6).

Empowerment policies do enhance CSRs´ skills, as it has cut down the delays to finalize a sale. But that is so far as it goes. There is no real feeling of being truly empowered as such. When asked about the mixed feelings shared by CSRs, managers at Aero pointed the finger of blame at the CSRs themselves. One QAM noted that:

CSRs lack maturity and ambitions. They are recruited with the minimum of qualifications i.e. few GCSEs and 2 years of customer service or the IATA foundation level of qualification. We strongly believe that they lack the maturity to understand the functioning of a call centre. Many of them have flat voices, they are not even fluent and some have severe language problems. We have to keep them separate and the Trainers have to deal with them. How do you empower such individuals? They always complain about everything. Even though we explain to them that to take additional responsibility they need to acquire more sales experience many still find it difficult to understand (QAM).

Although it is a fact that many CSRs only have GCSEs, many CSRs disagree with management on qualifications. One CSR adds:

They ask for GCSEs because they do not want to pay us more money. That's all. It's about costs. We all want to climb the career ladder. We understand that we need to learn more about sales. But we need to see where it leads us too. There is not much scope even if we accept more responsibilities. It is a dead end job for many. We are ambitious but have nowhere to go from here.

In terms of performance, well, as there are no career prospects, we cannot see why we should be putting in the extra effort at work. We will still have to do it. More qualifications won't lead anywhere here. So, we do what we can (CSR 12).

Whilst it is true that CSRs are recruited with minimum qualifications, this does not mean that they lack career ambitions. Management at Aero has always recruited CSRs with minimum qualifications because they are a cheap and abundant source of labour – and training is provided anyway. There is little evidence that CSRs lack career ambitions.

CSRs appear to understand that being allowed to make simple decisions does not amount to a real attempt to empower them. .

Many CSRs and TLs agree strongly that:

We do not have any voice or say in the company. The only time we are allowed to voice our opinion is during team briefings where we only discuss about problems we are having and how we can co-operate and help the inexperienced CSRs. We hardly talk

about our conditions of work or ways to better our work lives. Everything is decided by management, even our shifts when it is the high season. All the work-life policies or empowerment policies are only implemented when management think it is important. To us, we really do not care about what they say. We get our job done and then we disconnect completely (CSRs 9 &TL 3 & 4).

Again, CSRs did not buy into the empowerment discourse and it is not viewed as a 'win-win' strategy. Management it seems, are not keeping their side of the bargain when it comes to genuine empowerment.

Attitude is another non-HRMechanism that works against the successful implementation of empowerment. However, when told that workers are only weighting the benefits of taking on more responsibilities and that given they cannot see they will get much in return, and that this could be the reason of such resistance, management were still adamant.

The QA strongly believes that:

CSRs have an attitude problem when it comes to new changes. They always resist change and this is quite understandable. It happens everywhere and we are no exception to it. But at least the workers know that at the end of the day management is only trying to improve things around here. What can we do if they resist change like this? (QAM)

The QA adds:

We cannot trust them with important company decisions as they lack the expertise to do so. We don't take such chances. Not at this particular time of our history when we are under tight control (QAM).

Many CSRs strongly believe that management does not trust them enough to delegate responsibilities. It is very difficult to counter the argument that management trust CSRs at Aero. Power is still within management hands – despite claims that they have successfully delegated. Yet it is a very 'controlled' transfer of power that has occurred at Aero. Empowerment is yet another strategy used by management to reduce the need for visible forms of oppressive bureaucratic controls.

In sum, the interview data allows us to ascertain two things. First, whether qualifications and management delegation perceptions have a power/tendency to increase, decrease or have a neutral

effect upon, performance. Second, to answer the question: How do qualifications and management delegation perceptions generate this power/tendency? Let us consider these in turn.

First, evidence suggests that qualifications and management delegation perceptions causes a power/tendency to decrease performance. The following `snippets´ are evidence of this:

- *In terms of performance, well, as there are no career prospects, we cannot see why we should be putting in the extra effort. We will still have to do it. More qualifications won't lead anywhere. So, we do what we can.*

Second, how do qualifications and management delegation perceptions generate this power/tendency? The answer, effectively, is the causal-explanation of how participation in unstructured sales decisions generates the power/tendency to decrease performance. Briefly, as CSRs find that the jobs are dead ends (discussed further below), they are not motivated to take more qualifications. Management's perceptions about their ability do not help CSRs to change such a perception about a career. Thus, it is difficult for CSRs to believe in the management rhetoric about career when there are no clear career paths. This does not allow them to perform any better. The following `snippets´ are evidence of this:

- *CSRs lack maturity and ambitions. They are recruited with the minimum of qualifications i.e. few GCSEs and 2 years of customer service or the IATA foundation level of qualification. We strongly believe that they lack the maturity to understand the functioning of a call centre.*
- *How do you empower such individuals? They always complain about everything. Even though we explain to them that to take additional responsibility they need to acquire more sales experience many still find it difficult to understand.*

5.3 Lack of career prospects and dead end jobs

Lack of career path and dead end jobs are sub-HRMechanisms that influence empowerment negatively at Aero. CSRs are promised opportunities to take more responsibility and more empowerment opportunities but the reality seems divorced with what management wants them to believe. One CSR has this to add:

> *I have been here over four years and clearly have put in all the effort and even did take some courses in selling and customer care. I am still in the same position and cannot think things will change. There are not many prospects here and given the last annual figures for the group, I do not think they will increase or create higher posts here. Many will end up in the same position or like many do will leave for greener pastures. I cannot blame them. I cannot because of family issues and commuting problems (CSR 9).*

Another CSR adds:

> *At the end of the day, you know what this job is about and not everyone can become a*
> *supervisor or manager. It is a dead end job and not very interesting if you are very*
> *young and are ambitious. Even though managers tell us that those who work hard will*
> *be rewarded, we know what happens here. I have seen many come and go and we all*
> *know why. The nature of the job is the reason (CSR 3).*

How does the lack of career prospects and dead end jobs affect their performance? One CSR affirms:

> *Well, you do not have to be clever to know that it certainly does have an impact. I mean*
> *why someone would put in the extra effort when it won't make any difference. We*
> *come, we work and simply go home. When we know things aren't good, we put in some*
> *more effort. For sure, if there were good prospects, we would do something about it.*
> *The fact that the company is trying to keep costs very low means that the job prospects*
> *aren't here anymore (CSR 13).*

Another CSR adds:

> *The relabeling of posts wasn't much for us. There were no new positions with additional*
> *responsibilities different from our current ones. It is just a mind game they are playing*
> *and we will not fall for them. We perform and we try to do what we are expected to do.*
> *These dead end jobs are definitely not the motivation to work to the best of your abilities.*
> *It acts more as a demotivator (CSR 12).*

In sum, the interview data allows us to ascertain two things. First, whether limited participation in unstructured sales decisions, qualifications and management delegation perceptions, lack of career prospects and dead end jobs has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How does limited participation in unstructured sales decisions, qualifications and management delegation perceptions, lack of career prospects and dead end jobs generate this power/tendency? Let us consider these in turn.

First, evidence suggests that limited participation in unstructured sales decisions, qualifications and management delegation perceptions, lack of career prospects and dead end jobs causes a neutral power/tendency on performance. The following `snippets´ are evidence of this:

- *Well, you do not have to be clever to know that it certainly does have an impact. I mean why someone would put in the extra effort when it won't make any difference. We come, we work and simply go home.*

- *The relabeling of posts wasn't much for us. There were no new positions with additional responsibilities different from our current ones. It is just a mind game they are playing and we will not fall for them. We perform and we try to do what we are expected to do. These dead end jobs are definitely not the motivation to work to the best of your abilities. It acts more as a demotivator.*

Second, how do limited participation in unstructured sales decisions, qualifications and management delegation perceptions, lack of career prospects and dead end jobs generate this power/tendency? The answer, effectively, is the causal-explanation of how limited participation in unstructured sales decisions, qualifications and management delegation perceptions, lack of career prospects and dead end jobs generates a neutral power/tendency on performance.

In sum, empowerment as a HRMechanism does not lead to a power/tendency to improve performance, because other non-HRMechanisms offset the positive powers/tendencies of empowerment. The managerial belief that empowerment could lead to CSRs making better decisions is very controversial. For managers, empowerment would mean CSRs feel better about their job in terms of making decisions hitherto without their reach. By making decisions, CSRs would feel more in control and power of their job given their closeness to the customer. Yet to CSRs, more responsibility means more pressure to perform and more stress, without benefit commensurate with the additional pressure means CSRs do not engage more. Although management blames CSRs for their lack of ambition and qualifications, CSRs strongly believe that given the chance, they would not hesitate to climb the career ladder. However, as there is no benefit that accrues to them, they are resistant to taking on more responsibilities. Empowerment does not generate a power/tendency to improve performance because CSRs are not reciprocating with acts of loyalty to Aero. Work does not have that much of personal meaning to them. As Rothstein (1995) argues empowerment fails when trust is not present. At Aero, trust is not a strong factor. This goes on to explain the failure of empowerment as an HRMechanism to bring the desired increase in performance. On the other hand with regards to empowerment to participate in important organizational decision making, there seems to be no consensus about CSRs ability to do so. Although CSRs agree that empowerment would better their performance, management seems to believe that they are not qualified enough to be involved in higher decision-making. In this sense, one has to conclude that empowerment does not affect CSRs work performance. Moreover, career prospects at Aero seem to work as a sub-HRMechanism against empowerment by generating a power/tendency to decrease performance.

The lack of career prospects and the dead end jobs do not act as a motivator for CSRs to perform. As only few supervisors positions exist, CSRs find it difficult to put in the extra effort to perform to obtain a higher post. The following `snippets´ are evidence of this:

- *I have been here over four years and clearly have put in all the effort and even did take some courses in selling and customer care. I am still in the same position and cannot think things will change. There are not many prospects here and given the last annual figures for the group, I do not think they will increase or create higher posts here.*

- *At the end of the day, you know what this job is about and not everyone can become a supervisor or manager. It is a dead end job and not very interesting if you are very young and are ambitious. Even though managers tell us that those who work hard will be rewarded, we know what happens here. I have seen many come and go and we all know why. The nature of the job is the reason.*

Conclusion to empowerment

This section offers a causal-explanation of how the HRMechanism of empowerment, and its sub-HRMechanisms of participation in unstructured sales decisions; qualifications and management delegation perceptions; and lack of career prospects and dead end jobs, generate a neutral power/tendency towards performance. It has also shown that they do not work as the `textbook´ MMS version suggests. All this is depicted in diagram 20 below:
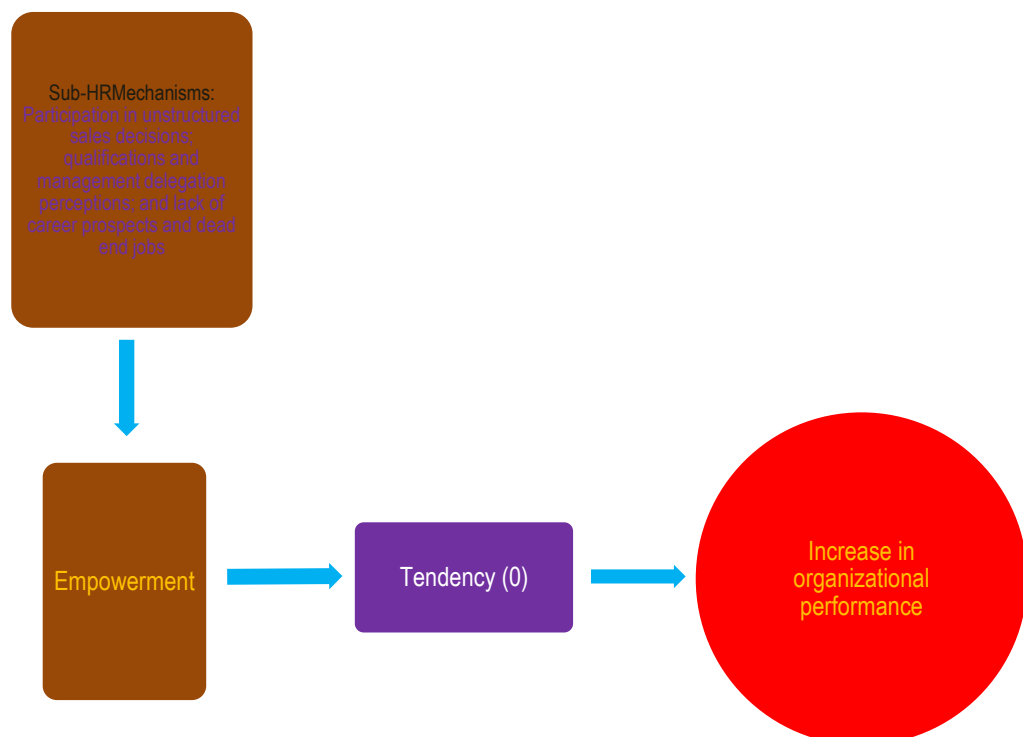
Diagram 20: Empowerment and performance

6.0 Reward

Reward is often designed to get employees to go the extra mile. It consists of both financial and non-financial elements. The non-financial element is as important as the financial element. Reward has thus known a wide application and been promulgated as the panacea to all sorts of organizational ills whether it is under-performance or problems of absenteeism or retention. At Aero, reward is no different. However, it is vital to note the context of bringing about such a policy early last year. Aero finances have been under close scrutiny ever since the organization took the over-precautionary measure of hedging against the rising prices of fuel. Yet as fuel prices did not rise, the organization faced a massive fuel bill. Thus, management took a decision to reduce costs through restructuration and massive redundancies. The call centre was itself created to reduce costs, and many existing travel agents' shops were closed to give way to Aero. The workers were recruited with different benefits as opposed to the head office staff. Head-office staff are paid slightly above the market rates and, in addition, are given a full reward-package including medical insurance, free tickets, fuel tax waivers, and bonuses. Call centre workers, on the other hand, have a different package with relatively few benefits, although they are paid slightly above the market rate.

Given that the call centre was created to shed costs, it is without wonder that it also suffers from high rates of labour turnover and absences. This doesn´t (yet) make sense. There is no obvious reason why the call centre, with workers with relatively few (but still some) benefits, and slightly above market rate pay, should suffer from high rates of labour turnover and absences. Workers morale and satisfaction were at a low point due to the nature of the work. However, Aero's managers soon realized that losing key staff, apart from redundancies, was costing them business and something had to be done about it.

In 2010, management, with the blessing of the board at the Head Office, was given the green light to review pay and benefits in so far as the call center workers were concerned. Although the news led to rejoicing at the outset, after its implementation, there were mixed feelings about the whole issue of reward. How did reward as a HR mechanism help management meet its targets? If so, what are the powers/tendencies and how can one understand its operation? Let's now turn to reward at Aero.

6.1 Bonuses and work-life issues

At Aero, it is to be noted that absenteeism is the major driver behind reward policies. Absences started to become the number one issue in 2009-2010. When management realized that employees were taking their full quota of leave and even 'abusing' their sick leave, they put in place a committee to decide the way forward.

The QA manager stated:

As performance was suffering we knew that for sure absences counted for a significant part, given that we had figures to prove it. Week in and week out we saw the same thing (absences) repeating itself. We had to do something about it. We know that our staff was not happy about the pay as opposed to the Head office staff of the mother company. There are some benefits like fuel tax waivers if they buy a ticket with us. However, our pay and benefit package is better than other call centers. They cannot obviously expect more as they are not highly qualified. Yet we reviewed our rewards to retain the good one and to deal with the absences (QAM).

To management, rewards are seen as instrumental to stopping the absenteeism problem. What about the CSRs?

One CSR notes:

Our pay is a miserly Rs12,000 per month (roughly 300GBP per month after tax and benefits). To get bonuses you have to not take any sick leave and work any shifts whether or not it is possible for you to make arrangements at home. You can be asked to work night shifts for cover. With the pressure already existing to meet targets, you cannot go on and on forever. We are only humans. We have kids, our own problems at home and on top of that there are no thanks. Customers abuse you verbally. Team leaders are always on your back. We live this on a daily basis. This is our life. It is normal that sometimes we fall sick and need time off. We do not do it on purpose or because we are lazy. But it helps us to get the motivation to come back. Being abused at 2 am in the morning is not such a great thing to be proud about this job (CSR 16).

For CSRs, absences were due mainly because of the stressful atmosphere, targets and the relatively low pay. However, what happened after the reward strategy was put in place? Did it help improve performance?

Following the problems with absenteeism, management came up with a range of benefits in 2010. What are those benefits? Management at Aero decided to provide a number of non-monetary benefits such as cervical screening, free blood tests for diabetes, cholesterol levels. It also offered artefacts with company logos, and medals for achievements and organized outdoor activities - both noted above. In terms of monetary rewards, Aero came up with a plethora of measures. For example, the bonus for not taking any casual and sick leave was augmented from Rs1000 to Rs1500 plus a fuel tax waiver if they buy their air tickets with Aero. Mutual aid insurance, where employees could take loans up to Rs500 000 to be paid within a maximum of 5 years was offered at a preferential interest rate.

Overtime was to be paid and daily pay was to be doubled for every 3rd Sunday worked, which was not given before. Although staff were very pleased with the measures when announced, the enthusiasm waned after a year. Why?

To a Senior CSR:

> *We are happy that management came up with these rewards, yet we do not really benefit from them. Let's talk about the bonuses. How do you expect to get the presence bonus when we have no choice but to take some days off? We have to rely on our parents to look after our kids. Sometimes we can make arrangements. Sometimes we cannot. There is always going to be a problem. We have no choice but to call sick. Do we benefit from the bonus? Never. What about the fuel waiver tax? We hardly meet our ends. How can you expect us to go on holidays? Even if they reduced the air ticket fare, we still would be unable to afford some nice holidays. What about the mutual aids? It does help. But it is difficult to take loans as our husbands do not have permanent jobs. Only a few took the mutual aid. So, all these rewards are nice but still not within our reach (CSR 6).*

When asked whether it helps improve performance, one CSR adds:

> *No, it does not as we hardly benefit from the benefits. We do not simply work as a result of benefits. But yes, some additional benefits would do us some good in so far as motivation to perform is concerned (CSR 13).*

For those that can benefit from the reward it is an entirely different picture. One CSR adds:

> *I do not have family constraints and I can work as much as possible. Yes, the benefits are great if you can afford to work constantly without taking leave or Sundays off. In terms of performance, we have to earn it of course. It means less leisure and social time and more work time especially at odd hours. You have to decide what you want. We basically cover for the mothers here and it does get tiring sometimes though. But it's a choice we make (CSR 14).*

Some of the financial rewards do not improve performance for many working mothers, but do benefit those who have no family constraints. Half of the CSRs are working mothers at Aero and the remaining are not. In this way, reward does not have its full impact on performance because it can only affect half of the CSRs.

It seems that the rewards did not really meet the objectives they were meant to. Many CSRs do not benefit from the reward strategy as they could not do otherwise. Work-life considerations are still other major impediments for many – see section 4 above. Absences are often a consequence of not finding a suitable arrangement to deal with child minding issues. Fuel tax waivers were not part of many CSRs plans as they only come into the picture when they take vacations and many cannot afford them given that they can hardly meet their ends. Similarly the loan arrangements could only benefit very few families who had fixed assets to be used as collateral or a spouse who had a permanent job. What about the very few who did benefit from the reward?

One CSR relates:

> *The bonus of 1500 is offered if one does not take any sick leave at all. It's better than nothing if one can. Cost of living is so high that the very little money that we can save counts. But it is not always easy not to take a sick leave. I do not have a kid so it's easy. But it's not always possible for many of my colleagues who have kids (CSR 20).*

How does the bonus help improve performance? A senior CS who benefits adds:

> *Well rewards help in that given we do not absent we can put in the extra effort to meet the KPIs. We try as best we can to make arrangements so that we can get the bonus. I am also the breadwinner in our family. Staying at home is not an easy option when you have to feed the family (CSR 12).*

But one reward that does benefit most is the 3rd Sunday bonus where, CSRs who work for three consecutive Sundays are rewarded by being paid twice the days salary.

One CSR adds:

> *On Sundays our kids are at home and it is not hard getting somebody to look after them. So we can make it. Yet, it's still not easy as we barely see the kids. But, then we have bills and we cannot do much. So we have to find the motivation to come and work on Sundays (CSR 14).*

At the end of the day, rewards provide some CSRs with the motivation to expend the extra energy at the company. Family is one of the main non-HRMechanism via which CSRs are enabled to go the extra mile to improve performance. The monetary rewards did not have the impact on organizational performance intended by management. This goes to explain why absences are still an issue at Aero.

Reward does not help motivate all the staff to go the extra mile as it does not benefit many of the CSRs at the company. Many of the financial rewards like fuel tax waiver or mutual aid loans were not taken advantage by a significant number of CSRs.

In sum, the interview data allows us to ascertain two things. First, whether financial rewards have a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How do financial rewards generate this power/tendency? Let us consider these in turn.

First, evidence suggests that financial rewards cause a power/tendency to *decrease* performance. The following `snippets´ are evidence of this:

- *Yes, the benefits are great if you can afford to work constantly without taking leave or Sundays off. In terms of performance, we have to earn it of course. It means less leisure and social time and more work time especially at odd hours. You have to decide what you want. We basically cover for the mothers here and it does get tiring sometimes though. But it's a choice we make.*

- *Well rewards help in that given we do not absent we can put in the extra effort to meet the KPIs. We try as best we can to make arrangements so that we can get the bonus. I am also the breadwinner in our family. Staying at home is not an easy option when you have to feed the family.*

Second, how do financial rewards generate this power/tendency? The answer, effectively, is the causal-explanation of how financial rewards generate the power/tendency to decrease performance. Briefly, financial reward is not having the intended impact as it only benefits very few CSRs. Financial reward should have acted as a motivator for CSRs to meet the KPIs by not absenting from work and meeting their financial needs. As few benefit from those rewards, financial rewards do not affect the way they perform. The following `snippets´ are evidence of this:

- *No, it does not as we hardly benefit from the benefits. We do not simply work as a result of benefits. But yes, some additional benefits would do us some good in so far as motivation to perform is concerned.*

6.2 Non financial rewards

Cervical screening for cancer, blood test for diabetes and cholesterol screening were more successful than the monetary rewards. Most of the CSRs did benefit from theses screenings.

The QA Manager holds that:

> *The cervical and blood tests are very costly and we have maintained them within our occupational health policies. We know that many staff suffers from migraines and other health-related issues. We wanted to relieve them from the burden of paying for these tests. We take care of our employees and the responses were overwhelming (QAM).*

The same enthusiasm was shared by CSRs who were interviewed:

> *We are very happy about the tests as they are very costly. Working in such environments can be very stressful so we need to take some precautions. It does help us to be aware of any serious health issues (CSRs 2, 8 & 13).*

When asked about how such non-financial reward helped them to improve their performance, CSRs had this to add:

> *A good health means fewer absences and when one is fit, one can work. You have to be fit both mentally and physically to survive here due to the ongoing pressures whether it's the targets or monitoring. Knowing that management care for our health is something good to know. It does motivate us to work harder and not disappoint them (CSRs 3, 6 & 11).*

For other CSRs:

> *It does not really help to improve performance as the nature of the work is such that it will not change. Most of us agree that not much has changed for the better. We are working harder and longer and we have more pressure than before. We have more responsibilities, more tasks and even more things to learn. So this tiny reward won't make such a difference (CSR 2, 7 & 14).*

In sum, the interview data allows us to ascertain two things. First, whether non-financial rewards have a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How do non-financial rewards generate this power/tendency? Let us consider these in turn.

First, evidence suggests that non-financial rewards cause a neutral power/tendency to perform. The following `snippets´ are evidence of this:

- *It does not really help to improve performance as the nature of the work is such that it will not change. Most of us agree that not much has changed for the better. We are working harder and longer and we have more pressure than before. We have more responsibilities, more tasks and even more things to learn. So this tiny reward won't make such a difference.*

Second, how do non-financial rewards generate this power/tendency? The answer, effectively, is the causal-explanation of how non-financial rewards generate a neutral power/tendency to perform. Briefly, non-financial reward is not having the intended impact as it should. Non-financial reward is supposed to work as a motivator for CSRs to reduce their absences form work and to meet the targets. Better health also means fewer absences but as many do not benefit from the non-financial rewards, it does not have any impact on their performance. The following `snippets´ are evidence of this:

- *A good health means fewer absences and when one is fit, one can work. You have to be fit both mentally and physically to survive here due to the ongoing pressures whether it's the targets or monitoring. Knowing that management care for our health is something good to know. It does motivate us to work harder and not disappoint them.*

6.3 Size of rewards and perceptions of distributive injustice

The size of the monetary rewards which accrues to those who do not take any sick leave has also been criticized by the CSRs. Many of them agree that:

> *The increase of Rs 500 is not that attractive as it is not such a great sum. It hardly helps. When we take a sickie, it is basically due to the fact that we have not been able to get someone to help at home to look after the kids. The bonus isn't that much or amazing as compared to what the managers gets (CSR 4, 7 & 15).*

There is a feeling that the rewards are not distributed fairly at Aero. For a fact, CSRs and managers are offered different contracts with very different benefit packages. This sense of distributive injustice is a major non-HRMechanism that makes CSRs reluctant to pull their weight. Unequal distribution of rewards destroys the motivation to do the extra hours or days. Call centre workers are the lowest paid staff of the company after the maintenance and facilities staff. The feeling of being exploited leads

to demotivation and disengagement. The fairness of the distribution helps explain the low performance level problems at the company.

One CSR relates that:

> *Just have a look at our benefits. They are very meager and miserly. Managers have free air tickets, car schemes, medical cover, company loans, better offices and better canteens. What about us? We hardly survive. We understand that we have few qualifications, but we are still the engine behind sales. If we do not work, the company can go bust. We do bring money to this company. However, we do not get a fair share of the cake. It does not mean that we do not want to put in our effort or want to work or get everything easy. We have to do it otherwise we would not be here. But, it is hard to manage to live on such a salary and benefits. We can't even expect that things will improve. We are no fools to keep our hopes high. This company has been created to reduce costs. Many leave as soon as they get some sales experience, those who can find somewhere better. Can you blame them? We are only humans (CSR 10).*

At the end of the day, reward has a very weak power/tendency to improve performance at Aero. The non-HRM mechanisms more than offset the power/tendency of the meager monetary bonuses.

In sum, the interview data allows us to ascertain two things. First, whether bonuses, work-life issues, non-financial rewards, quantum of rewards and perceptions of distributive injustice has a power/tendency to increase, decrease or have a neutral effect upon, performance. Second, to answer the question: How do bonuses, work- life issues, non-financial rewards, quantum of rewards and perceptions of distributive injustice generate this power/tendency? Let us consider these in turn.

First, evidence suggests that bonuses, work-life issues, non-financial rewards, quantum of rewards and perceptions of distributive injustice causes a *neutral* power/tendency to perform. The following `snippets´ are evidence of this:

- *We are happy that management came up with these rewards, yet we do not really benefit from them.*
- *Do we benefit from the bonus? Never. What about the fuel waiver tax? We hardly meet our ends. What about the mutual aids? It does help. Only a few took the mutual aid. So all these rewards are nice but still not within our reach.*
- *No, it does not as we hardly benefit from the benefits. Yes, the benefits are great if you can afford to work constantly without taking leaves or Sundays off. In terms of performance, we have to earn it of course. It means less leisure and social time and more work time especially*

at odd hours. You have to decide what you want. We basically cover for the mothers here and it does get tiring sometimes though. But it's a choice we make.

- *It does not really help to improve performance as the nature of the work is such that it will not change. Most of us agree that not much has changed for the better. We are working harder and longer and we have more pressure than before.. So this tiny reward won't make such a difference.*

- *Rewards do not account for our performance as we do not benefit from them. The only group who does is management. It is obvious that we would be more motivated if we were given a fair share of the cake.*

Second, how do bonuses, work-life issues, non-financial rewards, quantum of rewards and perceptions of distributive injustice generate this power/tendency? Briefly, rewards are supposed to act as a motivator in enhancing CSRs performance by ensuring that they take less sick leave and days off. Yet, the bonuses are not sufficient to encourage the workers to absent from work. The rewards fail to enhance CSRs performance. The following `snippets´ are evidence of this:

- *Our pay is a miserly Rs12,000 per month (roughly 300GBP). To get bonuses you have to avoid taking any sick leaves and work any shifts whether or not it is possible for you to make arrangements at home.*

- *Yes, the benefits are great if you can afford to work constantly without taking leaves or Sundays off. In terms of performance, we have to earn it of course. It means less leisure and social time and more work time especially at odd hours. You have to decide what you want. We basically cover for the mothers here and it does get tiring sometimes though. But it's a choice we make.*

- *Well, rewards help in that given we do not absent we can put in the extra effort to meet the KPIs.*

- *A good health means fewer absences and when one is fit, one can work. You have to be fit both mentally and physically to survive here due to the ongoing pressures whether it's the targets or monitoring. Knowing that management care for our health is something good to know. It does motivate us to work harder and not disappoint them.*

- *The increase of Rs500 is not that attractive as it is not such a great sum. It hardly helps. When we take a sickie, it is basically due to the fact that we have not been able to get someone to help at home to look after the kid. The bonus isn't that much or amazing as compared to what the managers get.*

- *Just have a look at our benefits. They are very meager and miserly. Managers have free air tickets, car schemes, medical cover, company loans, better offices and better canteens. What about us? We hardly survive. We do bring money to this company. However, we do*

not get a fair share of the cake. It does not mean that we do not want to put our effort or want to work or get everything easy. We have to do it otherwise we would not be here. But, it is hard to manage to live on such a salary and benefits.

Conclusion to reward

This section offers a causal-explanation of how the HRMechanism of reward, and its sub-HRMechanisms of bonuses and work-life issues; non-financial rewards; size of rewards; and perceptions of distributive justice, generate a *neutral* power/tendency towards performance. It has also shown that they do not work as the `textbook´ MMS version suggests. All this is depicted in diagram 21.
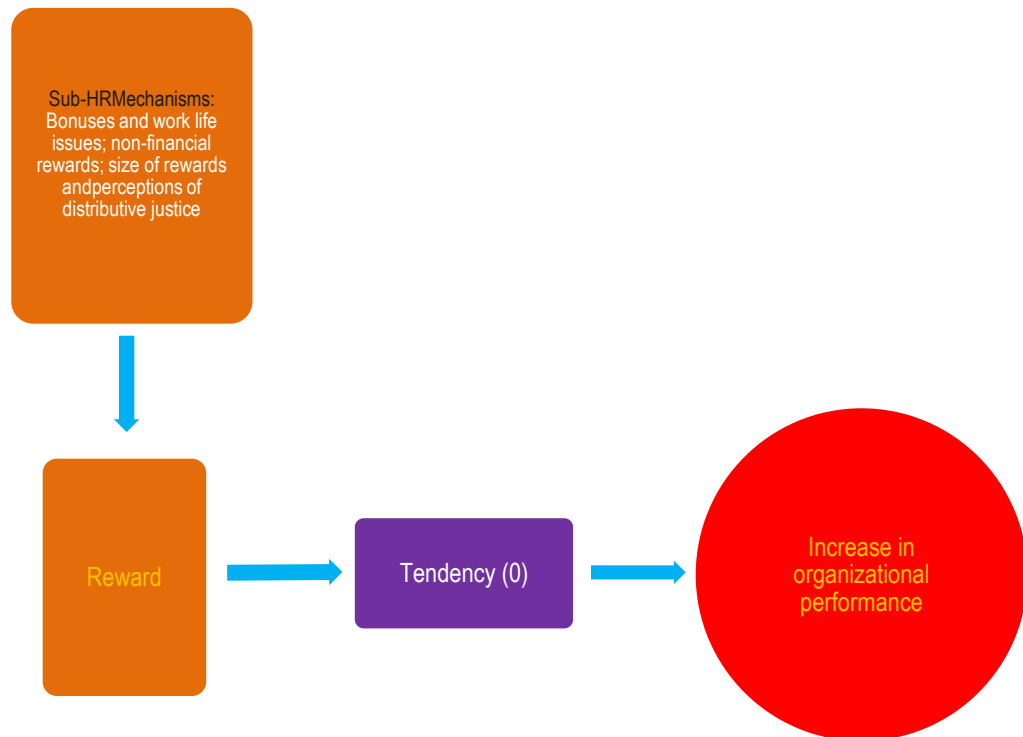
Diagram 21: Reward and performance

Conclusion

The conclusion is now a straightforward matter of pulling the findings from all six sections together. The first conclusion is that the ensemble of six HRMechanisms, and their associated sub-HRMechanisms, have the following powers/tendencies:

- Team working has a power/tendency to *increase* CSRs performance – denoted (+).

- Performance appraisal has a power/tendency to *increase* CSRs performance – denoted (+).
- CC has a *neutral* power/tendency over CSRs performance – denoted (0).
- Work-life balance has a power/tendency to *increase* CSRs performance – denoted (+).
- Empowerment has a *neutral* power/tendency over CSRs performance – denoted (0).
- Reward has a *neutral power/*tendency over CSRs performance – denoted (0)

Put another way, team working, performance appraisal and work-life balance generate powers/tendencies to *increase* organizational performance; whereas CC, empowerment and rewards generate *neutral* powers/tendencies vis-á-vis organizational performance.

The second conclusion is that we now have causal explanations of exactly what the sub-HRMechanisms do to generate these powers/tendencies. Both of these conclusions can be depicted in Diagram 22 below:
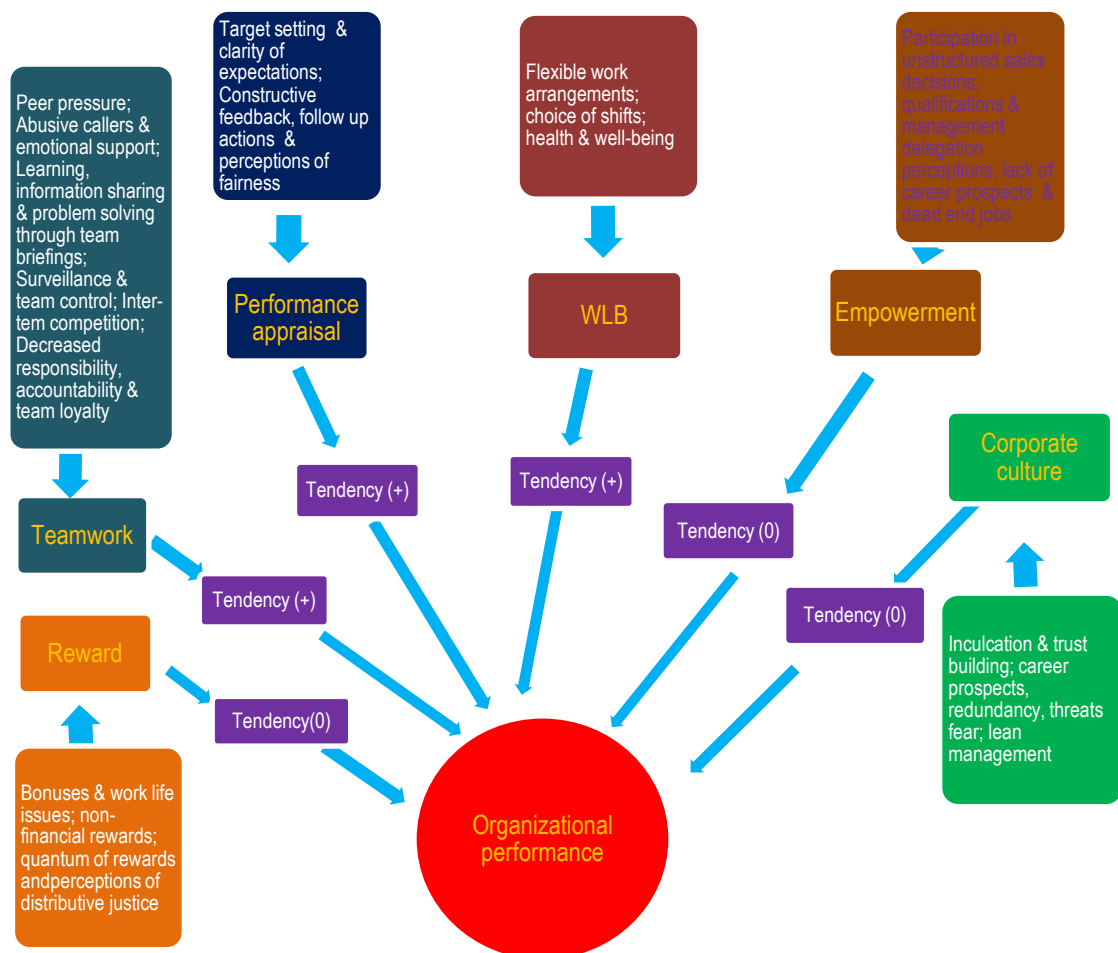

Diagram 22: HRMechanisms and performance

Allow me to conclude with two remarks. First, empirical and quantitative research on the HRM-P link, rooted in positivism/scientism, cannot explain how and why HRMechanisms influence organizational performance. This qualitative research, rooted in critical realism, can explain this. If qualitative research, rooted in critical realism, can do everything that quantitative research, rooted in scientism can do, *and more*, then the former is better.

Second, empirical and quantitative research on the HRM-P link, rooted in positivism/scientism, attempts to show that HRMechanisms are linked to organizational performance via event regularities, laws or law-like associations. The evidence is, however, inconclusive, not necessarily because there is *no* link between HRM and performance, but because positivist/scientistic techniques cannot conceive of it any other way – i.e. if the link is not law-like, then it is not a link at all. This qualitative research, rooted in critical realism, uses the concept of powers/tendencies to show which HRMechanisms generate powers/tendencies, to improve, or have no effect on, performance. If qualitative research, rooted in critical realism, can do what quantitative research, rooted in scientism cannot then, once again, the former is better.

CHAPTER 7: CONCLUSION

The starting point for this thesis is the existing empirical research on the HRM-P link which has, hitherto, resulted in poor results. Evidence of a link is, at best inconclusive, and at worst casts doubt on its existence. But even if a statistical link could be shown, the empirical research on the HRM-P link cannot *explain* it; it cannot tell us *why* HRM practices are linked to performance. Fleetwood & Hesketh (2010) root the problem in the commitment, by these empirical researchers, to `scientism´. This thesis takes Fleetwood & Hesketh´s work as its starting place, but goes beyond their work in an important way. It explicitly uses critical realism´s meta-theoretical `toolbox´ but, in addition, it makes use of *qualitative* research techniques to investigate what would commonly be considered *quantitative* phenomena, investigated via quantitative techniques. Few, if any, have explicitly used critical realist meta-theory as a basis for investigation. More importantly, no one (to my knowledge) has tried to use *qualitative* techniques to investigate what would be usually considered *quantitative* phenomena. It uses critical realism, therefore, as a basis to conceive of, and conduct, empirical research into the HRM-P link without falling back on the `usual´ statistical research techniques that have, hitherto, failed to offer evidence. The key concept here is `*explanation´*. If empirical research using 'scientific' (looking) methods and the `usual´ statistical techniques cannot explain why HRM practices influence performance, are there other ways of conducting empirical research that can? This thesis argues that there are.

Format

Chapter two then provided a literature review of the six HRM practices that were in operation at Aero, namely: team working, performance appraisal, corporate culture, work-life balance, empowerment and reward. This chapter went on to explain, through the MMS and CMS views, how such practices operate. The existing literature established what we already know about these practices, helping me to understand how they might work when confronted by them in the field and also to help me interpret my findings. The current empirical evidence of empirical associations between the six HRM practices and performance was also considered, and my initial suspicions were confirmed. This thesis has made explicit use of critical realist meta-theory. It adopted a social ontology wherein the world is taken to be open, layered, transformational, and consisting not only of human agents, but also mechanisms, structures, institutions, resources, rules, conventions, (non-human) powers/tendencies. Using this meta-theory to underpin the investigation of the HRM-P link helped to question the scientistic meta-theory that underpins the empirical research. This was carried out in section one of chapter three It highlighted the inadequacies of scientism and the implications these inadequacies have on epistemology, aetiology and methodology. But, most importantly, the direct link between scientism's ontology and lack of explanation of the HRM-P link was shown. Section two of chapter three also provided an alternative meta-theory, namely, critical realism, and suggested how it could underpin qualitative

research on the HRM-P link. Section three of Chapter three was dedicated to problems with the absence of 'theory' within the HRM literature and a critical evaluation of the mechanism-based approaches. This paved the way for critical realism's more sophisticated conception of causal mechanisms to be elaborated in section four of chapter three. Here the critical realist conception of causal mechanisms was used to re-describe and re-theorise HRM practices as HRMechanisms. This re-description and re-theorisation allowed the use of critical realism´s meta-theoretical concepts, namely: the nature of mechanisms; their reproduction or transformation by agents and the powers/tendencies they generate. This was carried out in chapter four. Chapter five, on methodology, explained the philosophical thinking behind the decision to use a case study. Chapter six `retro-fitted´ the findings of the empirical research on the six HRM practices, to the theory of HRMechanisms, providing an in-depth explanation of what these six HRMechanisms do to influence performance – if and when they do. The empirical findings allowed us to understand how the HRMechanisms operate and, above all, the powers/tendencies they generate. For example, team working, performance appraisal and work-life balance generate powers/tendencies to *increase* organisational performance; whereas corporate culture, empowerment and rewards generate *neutral* powers/tendencies vis-a-vis organizational performance. Second, this chapter provided causal explanations of exactly what the sub-HRMechanisms do to generate these powers/tendencies. Let us now turn to the main contributions of this thesis.

Contributions of this thesis

The thesis has three main contributions: one theoretical, one empirical and one methodological. First, it uses critical realism to pinpoint the source of the problems with empirical research on the HRM-P link – i.e. in meta-theory. Scientism/positivism was shown to add little to the research programme and should, therefore, be replaced by a meta-theory with more to offer - such as critical realism. This thesis has thus contributed by showing just how meta-theory can be deployed to a better or thicker explanation. This is the first time critical realism has been used to explicitly underpin a piece of empirical research on the HRM-P link.

Second, the empirical contribution. This thesis has contributed to empirical knowledge on the HRM-P link, which I will exemplify by considering just one sub-HRMechanism (managerial and peer pressure) of just one HRMechanism, (team working). My findings constituted a causal-explanation of the way this sub-HRMechanism works. Pressure from managers to meet KPIs is passed to senior CSRs and TLs, who pass it `vertically´ down to CSRs. From here it passes `horizontally´ between CSRs as *bone fide* peer pressure, where, for example, peers often monitor and pressurize each other. But peer pressure sometimes works benignly when, for example workers help each other out, form bonds and, as an unintended consequence, perform better. Overall, the findings constitute causal explanations of

how the six HRMechanisms, and their associated sub-HRMechanisms, increase, decrease of have a neutral effect on, organizational performance at Aero.

Third, the methodological contribution. This thesis demonstrates that it is possible to use *qualitative* research techniques to investigate what would commonly be considered *quantitative* phenomena, investigated via quantitative techniques. This is the first time that *qualitative* research techniques have been used to investigate what would commonly be considered *quantitative* phenomena, in this case the link between HRM practices and organizational performance.

Limitations

This thesis has two limitations. First, although it has succeeded in meeting one of its objectives, namely, giving *causal explanations of* how six particular HRMechanisms influence organisational performance, it has only *partially* met another objective, namely, to ascertain whether these HRMechanisms increase, decrease or have a neutral effect on organisational performance. After all, this is what existing empirical research on the HRM-P link claims to do – even if it doesn´t do it. So at the very least, my research has not done any less than the existing empirical research. But, the fact is, this was a `missed opportunity´. It was only after the interviews were completed that I realised the interview questions could have been tailored to obtaining better evidence of increases, decreases or neutral changes. This is not to say that no evidence of this came through. As the findings above show, much evidence did, but it could have been stronger.

Consider, for example, one of the sub-causal HRMechanisms of team working, managerial and peer pressure. What evidence did I find of managerial and peer pressure having a power/tendency to increase performance? The following `snippets´ (taken from section one of chapter 6) constitute the evidence for this explanation:

- *They have no breaks and more work.*
- *Helping new members about procedures is part of the new way of working.*
- *We have to do the additional admin now which was not part of our job.*
- *With team leaders and senior team members on our backs means we have very little time to ourselves.*
- *The pace of work has changed so dramatically that we find ourselves always doing something.*

Thus, whilst there is evidence of where performance increased, decreased or remained unchanged, it could have been handled better. If I were to go back and re-interview these workers, I would ask different questions and I would cross-check the answers with answers from other people. Here are

some examples of the kind of questions I might ask – the responses are, of course, entirely hypothetical.

> Researcher: Has your performance increased since the introduction of team working?
> CSR: Well, difficult to say, but I guess yes.
> Researcher: What are you doing differently?
> CSR: Reply………..

Notice that this is as far as I tended to go, but in future, I might go on like this:

> Researcher: How do you know your performance has increased - other than knowing this or that quantitative target was met?
> CSR: I can help customers more effectively; I can help colleagues.
> Researcher: How do you know you are helping customers and colleagues more effectively?
> CSR: Well, for example, I can now deal with customers who want product X.

Two things are noteworthy. First, I would resist the temptation to fall back on quantitative measures or proxies, namely, using performance data of CSRs such as sales or group targets, and correlate them with variables such as team working, empowerment, work-life balance, performance appraisal and reward. These would simply take me back in a direction of quantification and scientism that this thesis has sought to avoid.

Second, if, alongside my explanation of how the HRMechanism operates I also had more solid evidence that one, or more, of the six HRM practices I investigated, increased, decreased or had no effect on, organisational performance, then I would have a double-sided advantage over existing empirical research on the HRM-P link.

The second limitation of this thesis is this. It is one thing to know if an *individual* employee is increasing, decreasing or having no effect on performance. It is another thing to know if an *individual* HRMechanism (and its associated sub-HRMechanisms) is increasing, decreasing or having no effect on performance. It is, however, another thing entirely to know if the *ensemble* of HRMechanisms (and their associated sub-HRMechanisms) generates a power/tendency for the *organization as a whole* to increase, decrease or have no effect on performance. In a complex, open system such as a call centre, it is possible that (a) many employees have (say) improved their individual performances, and that (b) each of the six HRMechanisms are individually contributing to an improvement in organizational performance, but the organization could actually be performing *worse* as a result of these HRMechanisms. This is because the HRMechanisms (and their associated sub-

HRMechanisms) could actually be working to *counteract or negate each other*. Whilst I believe this could be investigated via qualitative research, I simply did not have the resources to investigate this as well. If I were to go back and conduct more interviews, I would investigate this complex `intra-HRMechanism´ relation.

Third, this thesis consciously abstracts from `context´ - i.e. the environment external to the organisation wherein HRM practices are in operation. Clearly, HRM practices and, therefore, any causal relationship between HRM and organisational performance are influenced by context. Future empirical research on the HRM-P link would need to pay more attention to context, treating it not as a HRMechanism, but as an external causal mechanism.

Implications for practice

What are the implications for practice? The following stakeholders could benefit from such investigation; First, the academic community. In terms of empirical content, this research gives insights that add to our understanding of how and why HRM practices do what they do to influence performance. In terms of meta-theoretical content, this research shows that critical realism is a fruitful meta-theory. It also shows that it is possible to use *qualitative* research techniques to investigate what would commonly be considered *quantitative* phenomena.

Second, HR managers. Some enlightened HR managers might use the findings in chapter 7, to design more `employee-friendly´ HRM practices. Other HR managers, especially those in organisations under pressure to compete, may use the insights to improve their company´s ability to extract profits from their workers. Unfortunately, any research can be used in this way, even if it is not my intention.

Third, trades unionists. HRM practices are often introduced after protracted negotiations with employees. By having a better understanding of how and why HRM practices operate, trade union negotiators are better placed to resist the harmful (to employees) effects of potential HRM practices.

Conclusion

This thesis has made an important and original contribution to the research programme on the HRM-P link. The concepts developed and applied from critical realism meta-theory, such as mechanisms, structures, powers/tendencies, agents' habits and morphogenesis/morphostasis can indeed provide a solid basis to reject scientism. This approach could also be extended to other areas, not only the area of HRM, but wider organisation and management areas.

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