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incorporating IBAR

*Special issue based on selected best papers from the
2005 Irish Academy of Management Conference*

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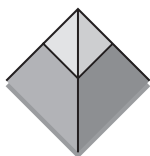
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THE IRISH JOURNAL OF **Management** incorporating IBAR

IRISH BUSINESS AND
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THE IRISH JOURNAL OF Management

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IRISH BUSINESS AND
ADMINISTRATIVE RESEARCH

The *Irish Journal of Management (incorporating IBAR – Irish Business and Administrative Research)* aims to contribute to a wider understanding of the nature, characteristics and performance of both Irish and international organisations through the dissemination of research from a wide variety of management-related areas.

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4. Footnotes should be avoided. Essential notes should be numbered consecutively in the text and grouped together at the end of the paper.
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References in the text to an article should be by author's name and year of publication as in these examples:

Jones (1998) states that...

Further evidence is provided by Smith (1994)...

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Introduction



DR. NOEL HARVEY *

This special edition of the *Irish Journal of Management* represents a selection of the best papers from the Eighth Annual Conference of the Irish Academy of Management which took place on 7–9 September, 2005, in the Galway-Mayo Institute of Technology. By all accounts it was a very successful conference, with close to 250 people attending and 200 papers presented in the two days. The conference builds on the success of earlier conferences that have established the IAM conference as the leading management conference in Ireland. I was delighted to be conference organiser, and to be the editor of this special edition of the *Irish Journal of Management*.

The theme of GMIT's conference was 'Creating, Managing, Practising Knowledge?' and it attracted a number of interesting papers in this area, as well as in the conference core areas, including marketing and HRM.

The best overall paper, on the knowledge economy, was by **Séamas Kelly** and **Sinéad Murnane** of UCD. Universities are the key to the knowledge economy; however they are coming under increased public scrutiny for reform and one such reform is performance evaluation. Their paper is a case study of the system used for Senior Lecturer positions in UCD. Not questioning the need for reform in the first place, they argue that the new performance evaluation system, 'ignores the extent to which the university is necessarily home to very heterogeneous forms of knowledge practices underpinned by a diversity of distinctive relationships

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with external groups'. They argue that new systems need to show 'greater sensitivity to the diversity, and perhaps the frailty, of academic practice'.

The best post-graduate paper in strategic management was judged to be **Conor O'Kane**, a PhD student at NUI, Galway. His paper centred on the area of leadership in turnaround situations. Beginning with the view that there is a dearth of empirical data in this area, he presents his longitudinal study of the Dairygold Co-operative, an agri-business firm in the south of Ireland. Among his findings was the importance of 'the timely appointment of an autocratic and task-oriented leader [who] initiated a turnaround effort which to date has focused on the creation of a nimble organisation'.

Marketing was the most popular track in the conference. As a result of this popularity two papers are presented in this journal. In the first **Aileen Kennedy**, **Carol Kelleher** and **Michael Quigley** present a case study of a Customer Relationship Management (CRM) initiative within ESBI. This is the international wing of the state utility company ESB, which has been very successful in recent years in winning international contracts to provide and/or manage utility companies in a variety of countries. Drawing from detailed interviews with senior staff in the company, the authors argue that 'the key success factors for CRM implementation in ESBI include senior management commitment and leadership, clear strategic planning and a coordinated and targeted programme which successfully combines organisational and process changes with the application of new technology'. This is part of an ongoing research project which aims to interview middle-level managers, employees, consultants and customers in time.

Still in the field of marketing, **Tara Frawley** and **John Fahy**'s paper deals with the first-mover advantage. They argue that 'the aim of this theoretical paper is to illustrate future direction for the first-mover literature in which it takes a fresh look at the first-mover theory, adopting a resource-based perspective'. Drawing from the experience of the dotcom bust, they argue that the literature is inconsistent and contradictory and 'that the resource-based perspective of the firm with its broad theoretical base will contribute to the first-mover concept'.

Marketing is also the subject of **Adrian and Frances Devine's** paper in the tourism track, which was the winner of the Fáilte Ireland Award for Best Paper in Tourism. Adrian and Frances took a practical route in linking tourism with GAA (Gaelic Athletic Association) games, such as Gaelic football and hurling. They argue 'sports tourism is a lucrative market but only if properly developed and promoted. Gaelic Games in Ireland are an example of a tourism product with latent potential'. But before this potential is unleashed, the GAA must learn to market their product more and target overseas visitors to Ireland. This was the first time that tourism studies featured in a separate track; it was enthusiastically supported by Fáilte Ireland.

Giving the dominance of state funding in education in Ireland, issues involving the public sector in Ireland always feature highly at the conference. **Claire Gubbins, Thomas N. Garavan, Carole Hogan and Margaret Woodlock's** paper focused on training and development in a healthcare organisation. Their concern was to analyse the degree to which a HRD strategy could be repositioned from a passive to a more strategic and integrated role in this organisation. Their argument is that commitment to the project and understanding of the process by both senior and line management is hugely important to the success of this repositioning strategy. Ultimately though the process is only beginning and more analysis and study is required.

Titled 'Technophobia Amongst Older Adults in Ireland', **Mairéad Hogan's** paper, submitted in the IT track, deals with issues such as the lack of confidence with computers that adults have. She hypothesises that both age and gender are correlated with computer anxiety, but that the level of technophobia will be lower for older adults who have computer experience than for those who have not. Drawing upon a study of 160 mature people, she concluded that higher overall levels of technophobia were indeed associated with females but that experience with computers negates computer anxiety. Hogan argues therefore for more 'interventions to treat technophobia, particularly in women'.

Work-life issues have been the subject of much discussion in Ireland during the Celtic Tiger. Hence **Jeanette N. Cleveland, Bryanne Cordeiro, Glenda Fisk and Rebecca Harris Mulvaney's**

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paper dealing with employee perceptions of conflict between the employee and the job was a timely addition to the conference. Similar to Hogan's findings, and drawing upon an analysis of 81 faculty members, the paper 'indicated that women report greater role conflict and work-family conflict than men'. They also argued that perceptions of increasing work intensity had a negative effect on employee well-being. Interestingly, they found no greater role conflict in employees whose spouses worked full-time than employees whose spouses worked part-time or not at all. They argue that 'evidence from this study suggests that organisational climate may be one of the most critical factors in shaping the family friendliness (or unfriendliness) of an organisation. Many organisations today operate as if men continue to be the sole breadwinner for the family with a full-time spouse at home. The belief that work and family are two separate domains or spheres continues to be deeply ingrained within our society'.

With a UK perspective, **Sharon C. Bolton** and **Daniel Muzio's** paper deals with the feminisation of professional work, in this case law and management. Arguing that these professions are hugely dependent on female participation, 'women and women's work continue to be marginalised, downgraded and exploited'. To support their argument they draw upon a quantitative analysis of labour force data supported by contextual data and literature research. They argue that 'feminisation has to be reframed in an economic context, whereby female participation has been linked to increased profitability, to the development of new capabilities and to a broadening customer base'. While presented in a win-win format, these 'dominant notions of professionalism are wedded to a masculine gender code which celebrates the male values of control, discipline and rationality, and which sustains a goal-oriented and target-driven approach to professional practice'. This is the paradox: 'marginalising women's experiences as professionals and yet enhancing their inclusion and wide scale deployment as strategic resources'. The end result is the increasing masculinisation of the legal and management professions.

Industrial relations remains an important track in the IAM conference. **Jackie Sinclair's** paper on multi-unionism is both timely and informative. Multi-unionism has long been a feature of

workplaces in the UK as much as Ireland. Her interest, forming part of her doctoral research, is to determine how inter-union practices affect workplace change. Drawing largely on a 1996–7 UCD survey of managers in single and multi-union environments, she seeks to determine whether unions influence change, positively or negatively. The commonly held view is that multi-unionism, and poor relations between unions, negatively impede on management ability to bring about change. This was not Sinclair's finding; rather there does not 'appear to be strong support for the "myth" of multi-union workplaces as highly conflictual. Similarly, the perception of workplaces with single union agreements as "harmonious" and strife-free is not borne out'.

Judith Y. Weisinger and **Janice A. Black's** paper, titled 'Strategic Resources and Social Capital', is a study of a large, national non-profit organisation. They argue in the first instance that 'developing and leveraging social capital is critical for leaders, staff and volunteers in non-profit organisations. While NPO leaders are responsible for the strategic direction of the organisation, staff and volunteers play a key role in strategy implementation, so their social capital is important as well'. They concluded that the latter used largely the bridging type of social capital to grow membership and achieve internal solidarity. Moreover they favour the latter over the former.

Finally, in the innovation field, **Kate Johnston**, **Colette Henry** and **Simon Gillespie's** paper deals with the Irish biotechnology sector and in particular the government's strategy of promoting investment in this sector. They draw on an analysis of the biotech sector in the UK, France and the USA; the authors argue the need for greater tax credits, particularly to support indigenous firms. They argue, 'the use of taxation incentives might well represent an effective mechanism for the Irish government to stimulate further growth and development. Furthermore, in view of the huge amount of funding invested in the sector to date, tax credits may offer a more economic means of providing ongoing support to indigenous biotech enterprises by actively encouraging and rewarding R&D'.

As in previous years the conference was centred on twelve tracks: the process of selecting papers involved in the first instance the selection by the track chair of the best paper in the track. Thereafter,

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once the author submitted a paper – which was not the case in all tracks – the paper was subject to further blind review.

I am very grateful to the many contributors to the journal. As noted, the conference has gone from strength to strength from its humble beginnings in UCC in 1996 and back again to UCC in 2007. Without the enthusiastic support of conference presenters the conference would not have achieved the status it has today.

The work of the conference organiser, and indeed editor of this special edition, was much favoured by the important role played by the track chairs. These included, in no particular order, the following: Dr. Mike Morley, Prof. Tom Baum, Dr. Damian Thomas, Dr. Colette Henry, Dr. Teresa O'Hara, Dr. Mairéad Brady, Prof. Tom Begley, Prof. Roy Green, John Casey, Dr. Louis Brennan, Dr. Denis Harrington and Chris Barry.

In addition to the track chairs, many others participated in the review process, including Dr. Stuart Jauncey, Dr. Mary Quinn, Dr. Paul McGrath, Dr. Melrona Kirrane, Dr. Aidan Kane, Dr. Paul Ryan, Dr. Sean De Burca, Dr. Tom Cooney, Dr. James Cunningham and Dr. Ann Torres.

Finally, the influence of Hewlett-Packard as the sponsors of the conference must be mentioned. Aside from their financial commitment, the company was instrumental in designing and producing all the conference material and suggested many improvements to the conference.

Sports Tourism: Marketing Ireland's Best Kept Secret – The Gaelic Athletic Association



A D R I A N D E V I N E *
F R A N C E S D E V I N E *

ABSTRACT

Destination marketing has assumed heightened importance in the tourism industry as destinations are confronted with increasing competition from new and emerging countries. Kolter et al. (1993) employ the term 'place wars' to describe the cut-throat nature of modern tourism. Consumer profiles and preferences are constantly changing and this has implications for Irish tourism. In terms of development, the tourism industries in both the North and South of Ireland have reached a crossroads and to remain competitive they must diversify their product.

This paper examines the opportunities that exist for the island of Ireland in one of the world's fastest growing niche markets: sports tourism. The first section provides an update on Ireland's tourism performance and establishes the need for diversification and niche marketing. The second section analyses the sport tourism market from an Irish perspective and stresses the importance of promoting local sport as part of both the sports tourism portfolio in its own right and its contribution to the cultural tourism product.

The paper then deals specifically with the tourism potential of Gaelic Games and how they could be developed into an attractive and marketable tourism product. In order to establish whether there

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is a latent demand for Gaelic Games a survey was carried out on a sample of overseas visitors and the results are discussed in the paper. Given the positive response to the questionnaire the final section of this paper focuses on strategies that could be adopted by the GAA, Tourism Ireland, Fáilte Ireland and the Northern Ireland Tourist Board to manipulate the cornerstone of marketing – the 4-P's – to develop, package, and promote Gaelic Games as a sports tourism product.

Key Words: Sports Tourism; Culture; Diversification; Product Development and Marketing.

INTRODUCTION

In January 2002 Tourism Ireland, the new organisation responsible for marketing the island of Ireland overseas as a holiday destination, became fully operational. The company's primary role is to identify, anticipate and stimulate consumer demand for holidaying on the island of Ireland (Tourism Ireland, 2005). As a cross border initiative under the Good Friday Agreement (1998), the two national tourism organisations – the Northern Ireland Tourist Board (NITB) and Fáilte Ireland – work closely with Tourism Ireland, although it is important to note that both have retained their independence when it comes to product development and marketing domestic tourism in their respective countries.

The performance of Tourism Ireland can be gauged on the most recent tourism figures which show 2003 to be a record year with Ireland attracting 7.4 million overseas visitors. Tourism Ireland aims to increase this figure to nine million by 2008 (Tourism Ireland, 2005). This is an ambitious target given the recent trends in the international tourism market.

This paper examines the opportunities that exist for the island of Ireland in one of the world's fastest growing niche markets: sports tourism. A survey was carried out on a sample of overseas visitors to determine their awareness of the GAA. Given the positive response to the questionnaire the final section focuses on strategies that could be adopted by the GAA, Tourism Ireland, Fáilte Ireland and the Northern Ireland Tourist Board to develop Gaelic Games into an attractive and marketable tourism product.

Irish Tourism in Transition

Given its turbulent past it is not surprising that tourism in Northern Ireland is now in a transition phase. After three decades of civil war, the industry has the opportunity to reap the rewards of peace. 'But peace alone will not guarantee tourism growth' (Devine & Devine, 2004: 174). The 'Troubles' resulted in a small tourism base in terms of receipts and visitors and unsuitable tourist development because of a poor economic and social image and a lack of suitable infrastructure (Wilson et al., 1997). Much work is needed if Northern Ireland is to make up for what Baum (1995) referred to as the 'lost years' in tourism development.

The tourism industry in the Republic of Ireland has also reached a crossroads. 'The sustained sharp growth of Irish tourism throughout the 1990s is a well-documented success story' (Fáilte Ireland, 2005). In recent years however the operating environment for tourism business has become more turbulent and challenging. Market developments, both internationally and domestically, have given rise to a much more competitive environment compared with that which existed less than a decade ago.

The Republic of Ireland was extremely price competitive in the 1990s due to favourable exchange rates and a comparatively low inflation rate. In more recent years however, Irish tourism has been operating in a relatively high cost environment. For both domestic and overseas consumers affordability and value for money are increasingly important. Greater price transparency associated with the euro and the comparatively high level of inflation in Ireland's service sector has filtered through to tourists, who report declining satisfaction with value for money (Fáilte Ireland, 2005).

Another contentious issue for tourism in the Republic of Ireland is the growing concern that the spontaneity of the traditional welcome may be diminishing in a more pressurised Ireland. In terms of visitor trends, tourism professionals should also be worried about the decline in the length of the stay of overseas visitors. Statistics also show that holidaymakers to Ireland are becoming less likely to engage in touring, resulting in the benefits of tourism becoming increasingly concentrated in 'tourism honeypot areas', most notably Dublin and the East Region (Tourism Ireland 2005).

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Diversification and Niche Marketing

‘The competitive set of destinations in which tourism on the island of Ireland now operates is growing and competition for market share has intensified’ (Tourism Ireland, 2005). Advances in transport and the emergence of new markets, particularly in the Asia Pacific region and Eastern Europe, means that today’s tourists are spoiled for choice and, as a result, are more selective, demanding and discerning. Considering its temperate climate and location on the periphery of Western Europe, the island of Ireland must differentiate its tourism product through diversification and the development of niche markets.

‘As far as the range and quality of products are concerned, we must adapt, improve and develop existing and new high-quality products so that Ireland can improve its appeal to existing and emerging consumers and provide a consistently high-quality tourism experience’ (Tourism Ireland, 2005). Tourism Ireland has committed €200 million to its marketing programme for the next three years and both Fáilte Ireland and the NITB have targeted key niche markets, including business tourism, heritage/culture tourism, rural tourism and education tourism. The focus of this paper here on in is on another niche with potential for further development in Ireland: ‘sports tourism’.

Sports Tourism

The concept of sports tourism is problematic due to it resulting from a fusion of two separate terms, both of which are complex in their own right (Weed & Bull, 2004). As a result, attempts to articulate the domain of sports tourism have resulted in a proliferation of definitions. Standeven and De Knop (1999: 12) define sports tourism as: ‘All forms of active and passive involvement in sporting activity, participated in casually or in an organised way for non-commercial or business/commercial reasons, that necessitate travel away from home and work locality’. Another frequently used definition of sports tourism is travel to play sports (active sports tourism), travel to watch sports (event sports tourism) and travel to visit or venerate famous sports-related attractions (nostalgia sports tourism) (Delpy, 1998).

Regardless of how sports tourism is defined, it is a rapidly growing market that represents a huge revenue generator at local, national

and international level. Sports facilities and events are now being used by a considerable number of tour operators, accommodation providers and destinations to 'add value' to their tourism offering (Standeven & De Knop, 1999). In 2000 a report based on a survey conducted by *SportsTravel* magazine estimated that sports travel in the USA is worth at least US\$118.3 billion per year (Higham, 2005). In 2001 a total of 1.8 million overseas visitors to the UK either watched a sporting event or participated in amateur sport during their stay. This is approximately 8 per cent of the total of 22.8 million overseas visitors to the UK in 2001. These visitors spent £1.4 billion during their stay, some 12 per cent of total spending of all overseas visitors (British Tourist Authority, 2003).

Several prominent trends in western societies serve to explain the modern phenomenon of sport-related travel. These include increasing participation in sport, interest in health and fitness and extended active and social participation in sports into middle age and beyond (Glyptis, 1989). According to Jackson et al. (2001) these trends have been driven by changing social attitudes and values and changing economic and political circumstances. They have also been facilitated by technological advances, such as satellite television broadcasting, that have influenced what Standeven and De Knopp (1999) refer to as the 'sportification of society'.

An Overview of Sports Tourism in Ireland

In its simplest form 'sports tourism' involves sport as part of a general holiday undertaken on a casual, informal basis and this has been part of holidaymaking for many years. However, there is growing evidence to show that sport is now seen as a more important part of the general holiday, if not the most important part, and as a result many resorts, destinations and countries are specifically promoting sporting opportunities. Malaysia, China, Korea, Nepal, Barbados, Brunei, USA, Portugal and Australia are examples of countries that have incorporated sport into their national marketing plans.

Northern Ireland

In 1998 the Northern Ireland Tourist Board identified walking, cycling, angling, equestrianism and golf as key products which

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would attract the more active visitor (NITB, 1999). Walking and cycling product marketing groups were established in 1999 and the NITB assisted in the development of two long distance coast-to-coast cycling routes and the launch of the Waymarked Ways Network. The angling and equestrian product marketing groups have also been active, producing product literature and organising familiarisation trips for tour operators and journalists. The golf product continues to be generically marketed and promoted by the NITB at international specialist shows and at major golf tournaments with the Golfers Passport Scheme now covering forty-five golf courses offering discounted fees. In 2001 Northern Ireland was awarded the title of 'Established Golf Destination of the Year' by the International Association of Golf Tour Operators.

The fact that five key activities have been identified and developed would suggest that the NITB does recognise the benefits that can be gained from the sport-tourism link. Yet, in terms of promotion and product development, it would seem that the NITB has failed to acknowledge that the sports tourist may be either participative or non-participative (Glyptis, 1982). In 2001 1.2 million visitors to the UK watched a sporting event, spending £832 million (British Tourist Authority, 2003), yet the only spectator sport that is mentioned on the NITB website is ice hockey! It could be argued that the NITB is naive and unaware of the benefits of attracting spectators to watch sport, but this is not the case as the NITB has supported a wide range of national and international events such as the North West 200 Motor Bike Weekend and the Irish Masters Golf Tournament. As with many issues relating to Northern Ireland, the reason for the NITB's reluctance to promote local spectator sports as part of the tourism product lies deep-rooted in the country's troubled political past.

Sport in Northern Ireland is used as an expression of cultural identity and the type of sports people participate in and the teams they support usually reflect their community background and perceived political and cultural allegiances (McGingley et al., 1998). Catholics are more likely to participate in sports which celebrate the Irish tradition (Gaelic Games) whilst Protestants are more likely to engage in sports which celebrate the British tradition (soccer, rugby, hockey and cricket). A survey commissioned by the

Northern Ireland Sports Council (1999) revealed that 67 per cent of people in Northern Ireland believe that sectarianism is rife in sport within the province. Almost two thirds of respondents (63 per cent) either 'agreed' or strongly agreed' that religious tension was associated with sport in Northern Ireland, whilst 66 per cent believed sport was troubled with spectator violence.

As a result of this link between sport and politics public bodies, such as the Northern Ireland Sports Council and the Northern Ireland Tourist Board, found themselves in a very precarious situation, as they had to be very careful not to be seen as biased towards one particular sport.

Like the country in general, sport in Northern Ireland has benefited from the peace process. The nationalist and unionist communities are beginning to accept each other's culture, of which sport is an integral part. 'There appears to be a diminution of sectarianism in the sporting arena' (Tonge, 2005: 209). It could therefore be argued that given the more peaceful climate, the NITB and Tourism Ireland Limited are now in a stronger position to promote local sports without being accused of political bias.

The Republic of Ireland

Fáilte Ireland, like its Northern counterpart, has developed and promoted active pursuits such as walking, cycling, angling, golf and equestrianism to great effect. In terms of sports tourism in the Republic of Ireland however, one landmark decision deserves special mention. In January 2000 the Minister for Tourism, Sport and Recreation launched the International Sports Tourism Initiative. The Minister's objective for the Initiative was 'to accelerate the building of Ireland's international reputation as a sports venue and, consequently, to increase sports-related tourism' (International Sport Advisory Group, 2001: 5). The Irish Government awarded €55.3 million to the project. Since 2000 it has sponsored a wide range of events, the most notable being the Special Olympics World Summer Games, Rugby's Heineken European Cup Final, the European Eventing Championship and the Smurfit European Open Golf.

Weiler and Hall (1992) argue that hallmark events are image builders of modern tourism, while Waitt (1999) suggests that the Olympic Games, as a spectacle, is the ultimate tourist attraction.

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Although Ireland will not be bidding for the Olympics in 2016 the Sports Tourism Unit has recently decided to concentrate more on larger sporting events such as the Ryder Cup, which Ireland will host in 2006. Although there are potential economic, social and cultural benefits to be gained from staging large sports events (DCMS, 2002), there are also risks (Hudson, 2003). Higham (2005) would argue that the benefits of mega-event sport tourism have been oversold and the costs under-reported. Ritchie et al. (2004) recommend that countries involved in sports tourism should offer the tourist a range of sporting events, which should vary in size. Getz (2003) also refers to a 'balanced portfolio of events' that should include local sports.

The Tourism Potential of Local Sport on the Island of Ireland

Before Fáilte Ireland and the NITB decide to include sport as part of their sports tourism portfolio they must identify what local sports could offer the tourist. The non-active element of sports tourism in particular may be a lucrative market but is also very competitive. In order to encourage the overseas visitor to come and watch a sporting event it must offer the tourist at least one of the following:

1. Excitement
2. Sporting excellence
3. A unique experience (Devine & Devine, 2004)

Hockey and cricket remain minority sports in Ireland. Crowds are small and the standard at both club and international level is rather poor compared to some countries. Since turning professional the standard of local rugby has improved and this was reflected in Ulster's and Munster's performance in the European Cup in 1999 and 2006 respectively and again in Ireland's favourite tag for the 2005 Six Nations. Unfortunately this success has not increased interest at club level. Consequently, the atmosphere at club matches is rather subdued compared to rugby stadiums in other parts of the British Isles. There are semi-professional soccer leagues in both Northern Ireland and the Republic of Ireland but the standard compared to the English and Scottish professional leagues is very poor

and this is reflected in the atmosphere and attendance at local games. In 2004 the Northern Ireland soccer team had the misfortune of setting a new world record in international football by not scoring a goal in 1298 minutes of play! This has certainly not helped the sport at grass roots level.

Despite the fact that it is still amateur the most professionally organised sport in Ireland is Gaelic Games. There are a number of reasons why Gaelic Games would appeal to the overseas visitor as a sports tourism event. The first is the sheer size and scale of the sport in Ireland. The Gaelic Athletic Association (GAA) is dedicated to promoting the games of Gaelic football, hurling, handball, rounders and camogie. Gaelic football is not only the most popular Gaelic sport but also the most popular sport in Ireland. At the elite level there is an inter-county league and championship. In 2003 the average attendance at the Ulster Gaelic Football championship game was 22,594 (Ulster Football Championship, 2004). According to Hargraves (1994), team sports such as soccer and rugby still embody masculine ideals and women are largely excluded from participating in these sports either as players or spectators. The GAA could not be accused of being sexist with a vibrant camogie and ladies football league and championship.

As a spectacle, Gaelic football embodies the type of fast-paced, skilled high scoring events that any sports fan will respond to. Local fans are passionate about their sport and at both club and elite matches there is intense rivalry that makes for an electric atmosphere. There is, however, a strong link between the Catholic Church and Gaelic games which ensures that there is a family atmosphere at matches and crowd control and hooliganism have never been an issue.

'Tourists are motivated by the search for the authentic' (MacCannell, 1976). Gaelic football is something that is unique to the island of Ireland and therefore should add value to the tourism offering. Besides seeking escape and a break in their daily routines, tourists also use sport as a means of relaxation and as an opportunity to discover something new. Weed and Bull (2004) refer to 'curiosity' spectators who are a feature at many league matches in sports such as American football and baseball in the USA, korfbal in the Netherlands and Australian Rules football in Australia.

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Reeves (2000) and Train (1994) found that a significant group of tourists, mostly families with children, attend a sporting event while on holiday because it provided a unique and novel experience. Kick-boxing in Thailand, martial arts in Japan and bullfighting in Spain are examples of sport associated with a particular country and there is no reason why Gaelic football should not be promoted in a similar way in Ireland.

The association between a specific sport and a particular destination may be based on a variety of factors, the most powerful according to Hinch and Higham (2004) is the role that a given sport has played in a nation's heritage. The GAA was set up in the nineteenth century to nurture a sense of Irish identity and, although twenty-first century Ireland would be virtually unrecognisable to its founders, the local GAA club is still at the heart of the Irish community. It is not just a form of recreation but an expression of the people and their culture.

The commitment and the passion of the GAA members is not just confined to sport as they also promote the Irish language, music and dance. The Official Guide of the GAA Rule 4 states that: 'The Association shall actively support the Irish language, traditional Irish dancing, music, song and other aspects of Irish culture' (GAA, 2004). Through an organisation called Scór, which means 'large gathering' in Irish, the GAA runs talent competitions at various venues around the country. Although the Scór was introduced by the GAA in the late 1960s to encourage club members to enjoy other aspects of Irish culture, competitions are not exclusive to GAA members and therefore have tourism potential.

The appeal and reputation of Gaelic Games are spreading throughout the world. The GAA and the Australian Rules Association, for example, have organised an International Rules series combining the rules of the two sports which encourages fans from both countries to travel with the national team. Likewise in 2004, in an attempt to promote their sport internationally, the final of the inter-provincial football championship was played in Paris and the GAA arranged for the All-Stars teams of 2003 and 2004 to play an exhibition match in Hong Kong.

Technological advances and the wider scope of TV and radio communications, including the GAA's new website, allow Irish immigrants to watch inter-county matches and keep up to date with the latest club results. In many cases Gaelic Games serve as a tangible link with home for those who might otherwise drift away from their Irish heritage as they build lives in other countries and cultures. According to Getz (1997), much spectator tourism involves travel to watch a family member or friend compete. An old club playing in the county final or a brother or sister representing the county in a provincial final may be enough to persuade an expatriate to holiday in Ireland. There has been a tendency in the wider tourism literature to underplay the importance of the Visiting Friends and Relatives market (VFR), but the reality in Ireland is that it represents a large proportion of total visitors.

Weed and Bull (2004) have suggested that some people who visit a sporting event while on holiday may fall into the category of 'associated experience sports tourist'. Their primary motivation for participation/spectating relates to some aspect of the experience other than the activity itself. In the case of Gaelic Games overseas visitors to Ireland may be attracted to the social aspect of the game. The 'warm welcome' and the 'craic' which the Irish are so famous for is never more prevalent than in the local GAA club after the match and unlike some sports in Ireland, such as golf and rugby, access is not restricted to members.

TESTING THE DEMAND FOR GAELIC GAMES

In order to determine the appeal and reputation of the GAA among tourists to Ireland a survey was conducted during the peak tourism months of June, July and August 2004. The study involved direct contact with overseas visitors at four different types of venue: The Giant's Causeway in County Antrim; Cookstown Tourist Information Centre, County Tyrone; Mount Errigal Hotel, Letterkenny, County Donegal; and Hillrest Youth Hostel, Bushmills, County Derry.

Tourists were invited to participate on a voluntary basis in the self-completion of a questionnaire. The response was excellent. Four hundred and fourteen questionnaires were completed.

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General Characteristics of the Respondents

Of the 414 respondents 50.7 per cent were male and 49.3 per cent female. Almost 45 per cent of the respondents were aged 20–29, 25.3 per cent fell within the age group of 30–49, 15.1 per cent were 50 years plus and the remainder were 16–19. The majority of the respondents were European: 55.8 per cent. Other nationalities included British at 15.2 per cent and visitors from the Americas and Australia at 29 per cent. The main purpose of visiting Ireland was for a holiday (Table 1.6).

Awareness of the GAA

Only a disappointing 12.3 per cent of the respondents stated that they were familiar with the GAA and the activities it organised (Table 1.1). British and American visitors were more aware of Gaelic Games than Australians, which was surprising considering the media attention surrounding the International Rules series between Ireland and Australia (Table 1.2).

Table 1.3 highlights the tourism potential of Gaelic Games with 68.8 per cent of respondents interested in either playing or watching a sport that is unique to the island of Ireland. 51 per cent of the sample would prefer to watch while 11 per cent would want to participate (Table 1.4).

Similar to what Gibson et al. (2002) found in his analysis of college football in the USA, an increasing number of females were including sport in their holiday itinerary either to watch (52 per cent) or participate (20 per cent) (see Table 1.5). It is also interesting to note that, although they represent a relatively small proportion of this study, 100 per cent of the business tourists surveyed stated that they would like to watch a Gaelic football or hurling match during their stay (Table 1.6).

Questions 11 and 12 of the questionnaire referred to the social-cultural dimension of the GAA – the Scór. An impressive 89.8 per cent

Table 1.1: Awareness of GAA

Aware of GAA	Number (n=414)	Valid %
Yes	51	12.3
No	363	87.7

Table 1.2: Nationality and Awareness of GAA

		What is your Nationality?					Total
		British	European	American	Canadian/ Australian		
Are you aware of the GAA	YES	29.4	47.1	17.6	5.9	100	
	% within Are you aware of the GAA	23.8	10.4	27.3	3.4	12.3	
	NO	13.2	57.0	6.6	23.1	100	
	% within Are you aware of the GAA	76.2	89.6	72.7	96.6	87.7	
Total	% within Are you aware of the GAA	15.2	55.8	8.0	21.0	100	
	% within Nationality	100	100	100	100	100	

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Table 1.3: Respondents Interested in Playing or Watching a Sport Unique to the Island of Ireland

Interested in Playing or Watching a Sport	Number (n=414)	Valid %
Yes	285	68.8
No	129	31.2

Table 1.4: Respondents who are Interested in a Sport

Level of Involvement	Number (n=285)	Valid %
To Watch	144	51
To Participate	30	11
Both	111	38.9

Table 1.5: Sex of Respondents and Interest in Sport

			If Yes!			
			To Watch	To Participate	Both	Total
Sex of Respondent	Male	% within Sex	47.9	16.7	35.4	100
		% within if yes	47.9	80.0	45.9	50.5
	Female	% within Sex	53.2	4.3	42.6	100
		% within if yes	52.1	20.0	54.1	49.5
Total	% within Sex		50.5	10.5	38.9	100
	% within if yes		100	100	100	100

Table 1.6: Purpose of Visit and Interest in Sport

			What is the Purpose of your Visit?				
			VFR	Business	Pure Hol.	Other	Total
Would you be interested in watching, participating	Yes	% within Would you be interested	13.7	5.3	80.0	1.1	100
		% within purpose of visit	61.9	100	68.5	100	68.8
	No	% within Would you be interested	18.6		81.4		100
		% within purpose of visit	38.1	0	31.5	0	31.2
Total		% within Would be interested	15.2	3.6	80.4	0.7	100
		% within purpose of visit	100	100	100	100	100

Table 1.7: Respondents Interested in the Scór

Level of Interest	Number (n=414)	Valid %
Extremely	114	27.5
Very	147	35.5
Moderately	111	26.8
Not	42	10.2

of the respondents stated that they would be interested in attending a talent competition, which would include Irish dance, Irish music, story telling and Irish language. It was no surprise, however, to find that females would be more interested in attending the Scór than males (Tables 1.7 and 1.8).

22 *Sports Tourism***Table 1.8: Sex of Respondent and Their Interest in the Scór**

			Sex of the Respondent		
			Male	Female	Total
Would you be interested in Scór	Extremely	% within Would be interested	42.1	57.9	100
		% within Sex	22.9	32.4	27.5
	Very	% within Would be interested	44.9	55.1	100
		% within Sex	31.4	39.7	35.5
	Moderately	% within Would be interested	59.5	40.5	100
		% within Sex	31.4	22.1	26.8
	Not	% within Would be interested	71.4	28.6	100
		% within Sex	14.3	5.9	10.2
Total	% within Would be interested		50.7	49.3	100
	% within Sex		100	100	100

MARKETING GAELIC GAMES AND THE SCÓR AS A TOURISM PRODUCT

The main conclusion that can be drawn from this survey was that overseas tourists would certainly be interested in the activities offered by the GAA. Unfortunately awareness of such activities is a problem. The remainder of this paper will address this issue by discussing how Tourism Ireland, Fáilte Ireland and the Northern Ireland Tourist Board could incorporate the activities of the GAA into their marketing strategy. A marketing mix consisting of the four basic elements – product, price, promotion and place – will be used

to help Gaelic Games and the Scór create a place image that will differentiate and sell the island of Ireland as a tourism destination.

1. Product

The product decision involves deciding what could be offered to a group of customers and how this could be packaged. In the USA, for example, 26.9 per cent of members of the National Tour Operators Association provide spectator sports tours (Hudson, 2003). Some of these specialise in a specific sport such as baseball or American football and they arrange packages for tourists that would include the travel, match ticket, guided tours of the stadium, a visit to a hall of fame or sports museum and in some cases even a visit to the team changing rooms or a post-match drink with the coach and players. At present there are no tour operators which focus specifically on the Gaelic Games.

This link with tour operators should not only involve selling tickets for matches or visiting a GAA museum but should include a package that would provide the opportunity to learn how to play Gaelic sports. Tourists are now more active and are keen to learn new skills. Swarbrooke et al. (2003) for example, included training with Thai boxers in Thailand as one of the great adventure holidays for 2002. The GAA employs development officers in each county and their primary role is to develop Gaelic Games in schools. There is no reason why these development officers could not work during the summer months with tour operators and hold introductory classes for visiting tourists. Not only would this offer the tourist a unique and enjoyable experience but it would also provide the important foundation stage in the sports development continuum as outlined by Weed and Bull (2004).

For the dedicated fan at home and abroad the GAA should also consider organising fantasy sports camps. These provide an opportunity for adults to train with their favourite sports stars, with the coach of a popular team and/or at a famous sport venue. In the USA almost every major league baseball team offers a fantasy camp and in England retired premiership soccer stars are tapping into this lucrative market.

In an attempt to improve the spatial spread of tourism Fáilte Ireland has stated that Ireland must offer the tourist a more broadly

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defined heritage-cultural tourism product (Fáilte Ireland, 2005). As various writers such as Bourdieu (1978) and Hargreaves (1982) have pointed out, 'sport is a culture form'. As an integral part of community life in Ireland the Gaelic Games should therefore be promoted with culture tourism. The Scór should also be promoted as part of this cultural package as it has played a significant part in the revival of Irish culture and is ideal for the tourist who wants to experience and learn more about the traditions and pastimes of the Irish people.

Closely linked to culture tourism is the niche market of genealogy. In Ireland tracing one's roots is very popular, especially with the American, English, Welsh and Scottish markets, which are major generators of tourism in Ireland. These tourists are intrigued by the history of their ancestors, the traditional way of life, thatched cottages, mass rocks and, of course, the pastimes of their ancestors. For decades Gaelic Games have been the pivot around which community life evolves, especially in rural Ireland, and therefore they could be marketed alongside genealogy, and, in some cases, as part of the genealogy package.

2. Promotion

Weed and Bull (2004) refer to the 'incidental sports tourist', those for whom sport is not the prime purpose of the trip but rather an opportunistic decision, often made on the spur of the moment while at a destination. According to Jackson and Glyptis (1992) the capture of potential incidental participants is largely about ensuring that information is available at the right place and at the right time. The results of this survey highlight that with only 12.3 per cent of overseas visitors being aware of the GAA and the activities it offers it still remains one of Ireland's best-kept secrets. This is not a major issue for the VFR market as they are more likely to be familiar with the sport and attend a match with friends and relatives but for the pure holidaymaker the lack of publicity is a problem in any country. If a tourist to Ireland visits a local pub they may see pictures of Gaelic teams, old match programmes, newspaper clippings and signed shirts on the wall but this is not enough to promote the games to overseas visitors.

There are tourist information centres located in every town in Ireland and as these are often the first port of call for overseas

visitors they should display a calendar listing Gaelic matches that are taking place in the local community plus contact details and directions to local pitches. Posters and leaflets should also be distributed to local accommodation providers and shops. GAA interpretative centres are another possibility, providing information about players, grounds, fixtures, results, the history of the GAA, the rules of the games and details and dates of Scór competitions. In some larger towns this could be part of or in addition to a GAA museum. In the south of Ireland there are currently GAA museums in Thurles, Tullaroan and Dublin with potential for more, especially in Northern Ireland.

Like many other sporting bodies, the GAA has recently set up a very professional website which will bring a new dimension of participation and interest in Gaelic Games to a world stage. It provides some very useful information for the tourist and therefore should be included under 'useful links' on the Tourism Ireland, Fáilte Ireland and the NITB websites. Likewise, the GAA website should have direct links to the Tourism Ireland, Fáilte Ireland and the NITB websites. The GAA has also launched two videos: 'What is Hurling?' and 'What is Gaelic Football?'. The video initiative is designed principally for consumption abroad so as to give people who are unfamiliar with Gaelic Games a basic understanding and insight into them. These videos should be promoted and available at the Tourism Ireland limited overseas offices. Tour operators should also have access to these videos and a Gaelic football or hurling match should be part of the familiarisation trips organised by the Tourism Ireland, Fáilte Ireland and the NITB for incoming tour operators to Ireland.

Green (2001) highlights the advantages of co-operative marketing and recommends that each sport should see other sporting events as a prime marketing opportunity to promote their event. While co-operative marketing is a possibility in southern Ireland, it may be too early in the peace process to expect Gaelic Games to be advertised at a soccer or rugby match in Northern Ireland without political opposition. Nevertheless, the fact that the GAA, IRFU (rugby) and the IFA (soccer) have agreed to share the proposed National Stadium in Belfast is certainly a step in the right direction.

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According to Chalip (2004) there is a strong link between a sporting event and its host destination. If promoted properly the link between the GAA and the image it portrays can be exploited to attract overseas visitors to Ireland. All Gaelic Games are amateur, drug-free and family orientated – admirable qualities in today's sporting arena. In terms of the physical attributes of the games Gaelic football and hurling in particular are fast paced, rugged, exciting – all qualities that encapsulate the image Tourism Ireland is trying to project overseas. Guinness has already used hurling to great effect in its international advertising campaign so there is no reason why Tourism Ireland cannot do the same. It would be mutually beneficial as it would reinforce Ireland's brand image overseas as a unique, authentic, rugged and undiscovered country while the GAA would receive international publicity.

3. Place

Place involves decisions concerning the location of games and important elements include the availability and standard of accommodation, transport, ancillary attractions and tourist activities.

According to Boullton (2000) the process through which the economic benefits of sporting events are maximised is called 'leveraging'. Event leveraging begins by encouraging visitor spending and by retaining visitor spending within the host community. This can be achieved by fostering spending during the event, as well as by lengthening visitor stays.

The All-Ireland Gaelic football and hurling finals are played in Croke Park Stadium in Dublin. As a capital city, Dublin has an extensive transport network and can provide accommodation, restaurants, bars, clubs and various forms of entertainment for the spectators beyond the immediate attractions of the sport. However, at a provincial and county level leveraging is more difficult. In Ulster, for example, an increasing number of Ulster Gaelic Football Championship matches are played in Clones, a small rural border town in County Monaghan. Many of these matches attract in excess of 20,000 spectators yet the town has limited accommodation and leisure facilities to cater for overnight visitors. The GAA's recent decision to use the proposed National Stadium, which will be located in Belfast, should have positive repercussions for the

tourism industry. If properly marketed domestic visitors will be encouraged to stay overnight and overseas visitors will be encouraged to extend their stay in Northern Ireland's capital city.

It is noteworthy at this stage that the author is not suggesting that only Gaelic Games played in cities have tourism potential. The GAA has roots in the rural community and clubs are the life-blood of the GAA. Although they may not have the atmosphere of Croke Park, club matches will provide the tourist with an equally distinct experience and insight into Irish life. Moreover, by promoting the activities of local GAA clubs the regional tourist boards will help bring about a more balanced spread of tourism which at present is a key objective of Tourism Ireland and Fáilte Ireland (2005).

To achieve this regional spread it is important for services and facilities to be placed in locations that tourists can easily travel to. Obviously it is not possible for local GAA clubs, which are parish-based, to move their sports grounds to a more accessible location. The clubs and the local tourism organisation must ensure that there is adequate signposting, as this is an issue that continues to frustrate all types of visitors travelling in rural Ireland (Fáilte Ireland, 2005)

4. Price

Pricing is another important factor in the overall marketing strategy, especially since Gaelic Games are relatively unknown outside of Ireland. Standevan and De Knop (1999, p. 34) make reference to the 'casual spectators who simply enjoy watching a sport and who usually happen to come across it rather than plan their visit to attend it'. For this particular visitor the price and the simplicity of the booking process will have a major bearing on whether they will make the effort to come and spectate.

The general cost of living and holidaying in Ireland remains one of the highest in Europe and a recent survey by Fáilte Ireland (2005) found that French, German and, for the first time, US visitors are commenting on it. The GAA must therefore consider cost and offer discounted rates for tourists, especially families which according to Train (1994) and Reeves (2000) are more likely to attend a sporting event while on holiday. A sponsorship deal with an airline or a tour

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operator could be a feasible option with free publicity in return for reduced ticket prices for overseas customers. This could be a lucrative venture for companies catering for business tourists who have time to spare while in Ireland and have shown a keen interest in Gaelic Games.

CONCLUSION

In order to attract the overseas tourist in an increasingly competitive environment each destination must differentiate their tourism product and develop niche markets. Sports tourism is a lucrative market but only if properly developed and promoted. Gaelic Games in Ireland are an example of a tourism product with latent potential. They are exciting and unique to the island of Ireland but unfortunately this study has shown that although overseas tourists would be interested in the activities offered by the GAA awareness is a pressing issue.

One of the official conclusions of the Sport and Tourism First World Conference (2001) was the lack of formal collaboration between sport and tourism organisations. Although sport and tourism can both do well managed as separate entities, substantial co-ordination and cohesion between the two areas are needed if sports tourism is to prosper at any destination. Gaelic Games have never featured prominently in a tourism marketing strategy document in either Northern Ireland or the Republic of Ireland. The GAA has launched a new marketing strategy but it does not mention tourism. If Gaelic Games are to become a sports tourism event in Ireland the GAA must forge closer links with Tourism Ireland, Fáilte Ireland and the NITB and together manipulate the 4-P's to their mutual advantage.

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An Obstacle to Management Innovation? Some Myths Uncovered on Multi-Union Workplaces in Ireland



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ABSTRACT

It has often been claimed in academic literature and the media that multi-unionism, or the presence of two or more recognised trade unions in a workplace, is problematic for both trade unions and management. The problems which arise, it is maintained, stem from inter-union rivalries, sectionalism and disputes over demarcation for example. The consequences are damaging, it follows, for union cohesion, for bargaining arrangements, and for changing work practices; thus innovation in how work is performed is obstructed. Drawing predominantly upon data from the UCD Survey of Employee Relations and Human Resource Practices, such claims are subject to scrutiny. Management perceptions of levels of conflict, the industrial relations climate and the introduction of workplace change and innovation are contrasted in both multi-union and one union workplaces. The findings cast some doubts over multi-unionism's reputation; little evidence is found which supports the notion either of a highly conflictual industrial relations climate, or that workplace change is significantly obstructed in such workplaces.

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INTRODUCTION

Multi-unionism, or the presence of several recognised trade unions within an industry or workplace, is a phenomenon normally associated with Ireland and Britain. The focus of this study as a whole, which is for PhD research, is the relationship between different trade unions and how inter-union relations within multi-union workplaces influence outcomes at the workplace on a range of issues affecting both unions and management.

This paper however, is the result of analysis of data from three sources: some preliminary fieldwork conducted by the author, some survey data produced by IBEC, and the main source of data which is from the UCD 1996–7 National Survey of Employee Relations and Human Resource Practices in Ireland.[†] Some 450 managers' responses are utilised from the questionnaire survey (from which it was ascertained that 209 were from workplaces recognising a trade union), the focus here being on the 200 which gave the actual number of recognised trade unions. The purpose of the paper is to contrast data from multi-union workplaces with those which have a single recognised union, whether this is by management design or by chance, in order to seek managers' views in two key areas:

- a) management's relationships with trade unions in respect of the industrial relations climate, and the extent of individualised and collective conflict;
- b) management's ability to introduce workplace change, and any obstacles to such change.

Initial findings suggest positive rather than negative management-union relations in multi-union workplaces and that, furthermore, no

[†] This was conducted by Professor Bill Roche, Professor John Geary and Dr Majella Fahy from the Industrial Relations and Human Resources Group, and Dr Teresa Brannick in the Business Research Programme, all at the Smurfit School of Business, University College Dublin. The author is obliged to this team for providing the survey data for use as background material for PhD research and to Dr Brannick for assistance with statistical calculations. The author also thanks Anne Coughlan for making data available from the IBEC survey.

strong link is suggested between the numbers of workplace trade unions and management's ability to implement changes in work organisation. Workplaces with single union agreements however, do appear to hold slightly more advantages for management seeking to introduce workplace changes, but not to a great extent.

MULTI-UNIONISM AND ITS SIGNIFICANCE

Prevalence of Multi-Union Representation and Alternative forms of Unionisation

At national level in the Republic of Ireland, a relatively large number of trade unions exist for the size of its working population. In 2003, Ireland had some forty-six unions with a total of just over 640,000 members, although the total number of unions exceeded one hundred prior to the late 1960s (Wallace et al., 2004; MacPartlin, 1998: 98). The Irish Congress of Trade Unions has forty-three unions affiliated, covering over 557,000 members, excluding its affiliate membership in Northern Ireland (ICTU, 2005). At the workplace, rather than national level however, 200 respondents to the UCD survey revealed that 118 workplaces recognised one trade union while a further 82 recognised two or more; thus 59 per cent of the unionised workplaces had one union and 41 per cent had two or more. In IBEC's 2004 study of *company* level employment practice, 41 per cent of the respondents recognised two or more trade unions. Hence significant numbers of employees working in organisations where trade unions are recognised are covered by multi-union arrangements, while many managers at workplace or company level deal with at least two trade unions on a range of issues which may include work organisation. The experiences of such managers are explored in the later sections.

Multi-Unionism – Much Criticised, but a Paucity of Research

The focus of much academic literature on multi-unionism in Ireland and Britain is its problematic nature for employers and trade unions alike. The treatment of issues of inter-union relations or multi-unionism tends to be limited and to highlight three or four narrow areas. In particular, a focus in some literature, and indeed the press,

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has been that multi-unionism is 'a bad thing'. From a trade union viewpoint multi-unionism is said to encourage inter-union conflict, which can undermine bargaining tactics or solidarity, and encourage competition rather than co-operation between trade unions (Lane, 1974). Some evidence can be found of inter-union conflicts over competition for members, strikebreaking, and 'demarcation' disputes between different grades of workers (Webb and Webb, 1897; Cole, 1924; Brown, 1981). Turning to management concerns however, multi-unionism is purported to breed inflexibility, encourage demarcation and 'restrictive practices', and is allegedly cumbersome in terms of collective bargaining arrangements (Webb and Webb, 1897; Daly, 1968; Donovan Commission, 1968; McCarthy, 1981). Daly describes Ireland's 125 unions, for a population of three million in the mid 1960s, as 'truly fantastic'; such a structure being 'crazy', 'malformed' and developed in a haphazard manner inherited from Britain. Urgent reform was required since the system caused suffering not only for workers and unions but for industry and the public (Daly, 1968: 112). Furthermore, issues of authority and power between union officers and shop stewards were of concern; a multiplicity of unions was problematic for retaining discipline and control, which in any case was meaningless if disgruntled workers or stewards were able to play off unions against their rivals (Daly, 1968: 143). The trade union laws in both countries, Daly argued, facilitated the uncontrolled growth of trade unions as well as the setting up of 'breakaway unions' for disenchanted or militant groups (Daly, 1968: 143). The Donovan Commission in Britain also viewed that work groups' power could be enhanced by multi-unionism and inter-union rivalries over recruitment and poaching of members has also been a recurrent theme of critics.

In more recent disputes, 'inter-union rivalry' was cited as a major factor in rows over cost-cutting in the Irish transport sector (*Business & Finance*, 14 October 1996). Inter-union conflict has been cited as a contributory factor in problems at Irish Ferries and GAMA Construction (as reported in IRN 9, 2004 and RTÉ Television News, 14 April 2005). In some instances, concern has been expressed over multi-union arrangements and union responses to restructuring proposals, e.g. at Avonmore, RTÉ and Bord Gáis (IRN 3, 1998; IRN 19, 1998; IRN 17, 1997). Thus, for a variety of reasons many employers

have, at least on green-field sites, sought to reduce multi-unionism through the pursuit of single union agreements or, failing that, single table bargaining whereby trade unions are dealt with as one joint committee to negotiate a single agreement. Indeed, Bord Gáis Eireann pursued and achieved this aim in the late 1990s, following management's desire for a restructuring plan and the setting up of a single national agreement under the plan R2000 (Sinclair, 2000).

There appears little doubt that inter-union tensions and conflicts have arisen from time to time, but the underlying causes of these may be more deep-rooted than many commentators suggest. Strong evidence that such conflicts are due to the structure of trade unions is rare with little research demonstrating significant constraints on management action. One of the few actual studies to explore such phenomena was conducted among thirty British manufacturing plants and concluded that most managers claimed multi-unionism had no effect on business efficiency or flexibility (Dobson, 1997). Millward acknowledges that in Britain there was little empirical evidence until the Workplace Industrial Relations/Employee Relations Surveys (WIRS/WERS) of the 1980s and 1990s to support the belief that multi-unionism was 'economically detrimental, in terms of increased dispute activity and higher management costs, both for settling pay increases and for introducing change of various kinds' (Millward, 1994: 35–6). Nevertheless, commentators on these British surveys note the numbers of *bargaining units* at workplace level seem more likely than multiple unionism per se to be associated with, for example, a higher incidence of strike activity or constraints on management's freedom in how work is organised (Metcalf et al., 1993; Millward, 1994: 67).

Among Irish researchers, Wallace and O'Shea in their study of unofficial strikes concluded that multi-unionism 'is not a significant factor in the occurrence of unofficial strikes' (Wallace and O'Shea, 1987: 8), although work reorganisation and demarcation issues did account for 18 per cent of unofficial strikes between 1978 and 1986 (Wallace and O'Shea, 1987: 9). A survey of managers in Limerick found that they were not inclined to 'blame' multi-unionism for industrial relations problems; asked if having fewer unions might lead in their view to an improvement in industrial relations, over 50 per cent believed there would be no change, and a further 14.3 per cent were

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unable to say, with just 23 per cent believing any real improvement would result (Wallace, 1982: 235). Wallace's study of a series of disputes in Limerick, including the infamous Ferenka dispute, notes that many took place where the numbers of multi-union workplaces were in fact quite low, and often an interdependence of economic and industrial relations factors such as pre-production agreements and single union representation, were in themselves contributory factors to the conflicts. Wallace concludes that the findings 'must cast some doubt on the hypothesis that a reduction in the number of unions in the country generally would of itself lead to a radical improvement in the industrial relations situation' (1982: 236).

Institutional Reform as a 'Solution' to Multi-Unionism

Despite such evidence, and the general paucity of robust research linking multi-unionism itself with various industrial relations problems for management, 'solutions' have nevertheless been advanced, relying upon the reform of institutions including the promotion of single union agreements. This 'reform' tradition has a strong association with the Donovan Commission in Britain of 1968 and in Ireland the Fogarty Report on the ESB of the same year. Policy makers shared the concern that rationalisation of unions, through amalgamations and mergers, was to be encouraged. The British and Irish congresses of trade unions have long called for structural reform and a reduction in the number of unions, often with a preference for 'industrial' forms of unionism being expressed, and at times the attempts not only failed, but resulted in acrimonious splits, particularly in the 1940s (MacPartlin, 1998: 88). Both furthermore have facilitated inter-union dispute machinery and ICTU has in recent years tightened up its rules on inter-union transfers in response to the kinds of problems such as those which beset SIPTU over cabin crew at Aer Lingus seeking transfer to IMPACT (IRN 26, 2000). Effecting reforms proved difficult during various periods, such as during the 1920s, 1930s and 1960s, although mergers and amalgamations did proceed at various times such as from the late 1960s to the mid 1980s. In particular during the climate of recession, unemployment and declining union membership in the 1980s, significant merger activity took place; this period saw the creation of Services, Industrial, Professional and Technical Union

(SIPTU) from the merger of the Federated Workers' Union of Ireland, and the Irish Transport and General Workers' Union (Wallace et al., 2004).

Many of the above issues raised by critics, which are associated with multi-union settings – flexibility, collective bargaining arrangements and changes to workplace practice – may be legitimate concerns for managers. This paper takes up some of these themes, in the hope of applying a more rigorous consideration than has often been available of management views on a range of such issues: their relations with trade unions and their ability to bring about changes in work practices within multi-union workplaces, in comparison to other types of unionised workplaces.

Research Sample: Outline of Data on Single and Multi-Union Workplaces

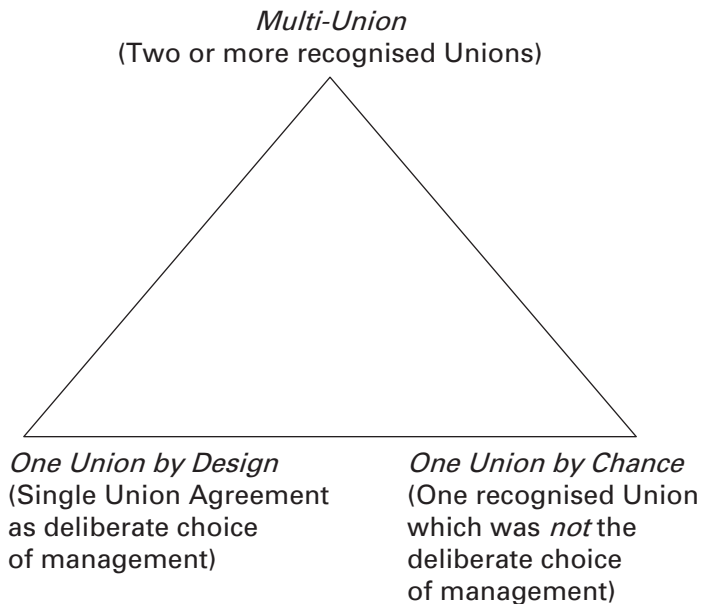
The UCD National Survey of Employee Relations and Human Resource Practices in Ireland was conducted in 1996–7 among individual workplaces in Ireland with at least twenty employees in the private and commercial public services sectors. The number of completed questionnaire responses totalled 450 (a response rate of 36 per cent), of which the unionised sample was 278. This figure included sixty-eight responses which were completed by a manager with joint responsibilities for HR and operations; the questionnaire for these managers being less detailed, the sixty-eight were excluded since it was not feasible to single out multi-union sites. Two hundred “usable” responses with sufficient detail on the numbers of workplace unions were thus available, having been completed by a manager with responsibility for Human Resources. The sample was weighted so as to be representative of Irish workplaces in the private and commercial state sectors. In order to make a number of comparisons with a more recent survey, data from an enterprise-based (as opposed to workplace-based) IBEC survey conducted in 2004 was also made available for this research. As with the UCD survey the IBEC study also excluded public services and construction but did include commercial semi-state enterprises. With a response rate of 15 per cent it was revealed that of the 397 companies for which there were completed questionnaires the unionised sample totalled 214, including eighty-eight which were multi-union.

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Multi-union workplaces are those characterised as having formal recognition by management of at least two trade unions (as in Millward, 1994). As mentioned earlier, one hundred and eighteen management respondents to the UCD survey said they recognised one trade union while a further eighty-two recognised two or more trade unions; thus 59 per cent of the unionised workplaces had one recognised union while 41 per cent had two or more. A further question sought to ascertain whether, if there was just one recognised trade union, this was by chance or by management choice. Managers were asked whether they had deliberately chosen to secure a single union agreement to which the responses invited were 'yes', 'no' or 'not applicable due to more than one union'. Those who responded 'yes' are referred to as workplaces with a single union agreement, or one union by design; the respondents who replied 'no' are referred to as workplaces where there is one union 'by chance' since this form of representation was not particularly an outcome chosen by management (see diagram below). Of the 199 respondents to this question, sixty-two replied yes, compared to sixty-one replying no and a further seventy-six said the question was not applicable since they had more than one union. Just under one-third of unionised workplaces therefore had single union agreements chosen by management, with a similar number also having one union where this was not a deliberate choice, i.e. by chance.

The discussion is broadly divided into three sections, contrasting the three types of unionised workplace but with the focus of interest being on multi-union workplaces and the characteristics, difficulties and problems with which they are commonly associated, as raised in the previous section. Firstly, a brief summary is presented which describes the characteristics of such workplaces according to age, size, ownership and so on. Secondly, data are examined in order to gauge the 'health' of management-union relationships and the industrial relations climate. To this end, indicators of overt and covert conflict are outlined, such as strike action and absenteeism, in order to see which forms, if any, are more prevalent among multi-union workplaces compared to the others. The third section is concerned with issues of work organisation and management-led changes which may affect the division of labour (and perhaps, implicitly, the rationale for established forms of union representation).

Diagram – Three Types of Unionised Workplaces



Perceived obstacles to management's desire to introduce changes in technology or other innovations are considered. The assumptions from the above literature are open to question here, such as the view that management may have more problematic relationships with trade unions in a multi-union environment, in comparison with those with just one recognised trade union.

1. GENERAL CHARACTERISTICS AND DESCRIPTION OF MULTI-UNION WORKPLACES IN IRELAND

Summary of General Characteristics of Multi- and Single Union Workplaces¹

Among the sample of 200 unionised workplaces from which usable responses were obtained for the appropriate questions, various characteristics could be attributed to multi- and single union workplaces. These focused on issues such as age of workplace, size, sector, ownership and so on, and more detail on these characteristics was provided in the IAM conference paper (Sinclair, 2005). However the UCD and the IBEC surveys appear to hold few surprises in terms

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of the characteristics of the various types of unionised workplaces with the possible exception of ownership/nationality. For the most part the frequency of multi-union workplaces is concentrated in older organisations with large workforces. With regard to sector, there was a larger concentration of multi-union workplaces in commercial semi-states, compared to the private sector, and services and transport had the highest proportion of multi-union workplaces. In the IBEC survey, sectors with the highest proportion of multi-union companies tended to be paper/print/publishing, chemicals/pharmaceuticals and healthcare/medical devices. According to both the UCD and IBEC data, foreign owned firms were more likely than Irish owned workplaces or companies to be multi-union, and this was the case also with the frequency of single union agreements by design. From the UCD survey, slightly more foreign owned workplaces (46 per cent) were multi-union compared to 37 per cent of those which were Irish owned. In breaking down the UCD survey responses by nationality the largest group of foreign owned unionised workplaces were found to be US owned, at twenty-three, with twelve of these being multi-union (52 per cent) in contrast to 37 per cent of Irish owned and 45 per cent of UK owned workplaces. Foreign owned workplaces were more likely to have deliberately chosen single union agreements, at 41 per cent of those with foreign ownership who answered the question, compared to a quarter of those with Irish ownership. US owned workplaces had a high proportion of single union agreements, namely eleven of the twenty-three. It may have been expected from the earlier narrative and critique of multi-unionism that Irish and UK owned workplaces may be more likely than other nationalities to be multi-union. Nevertheless the phenomenon of US ownership and such characteristics has been pointed out elsewhere (Roche and Geary, 2000; Wallace, 1982).

2. MANAGEMENT AND TRADE UNION RELATIONS: STRIKES, INDUSTRIAL ACTION AND OTHER FORMS OF CONFLICT IN MULTI- AND SINGLE UNION WORKPLACES

As referred to earlier, critics of multi-unionism have often claimed that workplace conflicts are caused or aggravated by the presence of

two or more trade unions and the various inter-union rivalries which can ensue. Actual disputes over demarcation and 'restrictive practices' were highlighted as problems for efficiency, among other concerns for management and in some instances, for unions themselves. Data was examined from the UCD survey in order to probe these issues of overt and covert conflicts, particularly instances of industrial and strike action. Respondents were also asked to rate the quality of relations with the trade unions at their workplace. In all cases only a minority of workplaces had experienced industrial action, but some differences emerged between strike action and other forms of industrial action among the different workplaces. Of the whole group of 209 unionised workplaces from which responses were received, twenty-one, or 10 per cent, reported strike action had taken place in the previous five years, and twenty-six, or 12.4 per cent, reported industrial action other than strikes in the same period.

Questions on industrial and strike action were cross-tabulated against multi-union workplaces and those with one union as set out in Table 2.1 below. Twelve of the eighty-two multi-union

Table 2.1: Strikes and Industrial Action in Multi- and Single Union Workplaces

	Strike Action in Last 5 yrs	Other Industrial Action in Last 5 yrs
	Number of Workplaces	Number of Workplaces
All Unionised Workplaces n=209	21 (10%)	26 (12.4%)
Multi-Union Workplaces n=82	12 (14.6%)	15 (18.3%)
Workplaces with Single Union Agreement n=62	1 (1.6%)	7 (11.3%)
Workplaces with One Union by Chance n=62	8 (12.9%)	4 (6.5%)

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respondents, or 14.6 per cent of this group, reported strike activity in the previous five years compared to only one respondent with a single union agreement. However of those with one union by chance, eight of sixty-two, or 12.9 per cent of this group, reported strike action over that period i.e. only a slightly lower percentage than for multi-union workplaces. In terms of industrial action *other than strikes* however, again multi-union workplaces had a higher propensity for such action: fifteen of the multi-union workplaces, or 18.3 per cent of this group, reported industrial action other than strikes. The two types of one-union workplaces appeared to have different profiles in respect of industrial action however. Of those with a single union agreement who responded seven (11.3 per cent) reported such action compared to just four (6.5 per cent) of workplaces with one union by chance. Figures here are often too small from which to draw significant conclusions; nevertheless, workplaces with one union by chance and one union by choice do not necessarily share a similar profile with regard to strikes and other forms of industrial action; the number of unions may be less relevant than other workplace characteristics. Differences may be accounted for by the smaller size of workplaces characteristic of those with one union by chance, by other factors relevant to the industrial relations climate, or the content of agreements including 'no strike' clauses (Millward, 1994).

Turning to other forms of conflict recognised in industrial relations literature as 'individualised' withdrawal of employee consent, questions were asked about levels of absenteeism and staff turnover among employees over the previous five years, namely whether these had increased significantly, slightly, stayed the same or decreased; see Tables 2.2 and 2.3 below.

It can be seen from Table 2.2 that the majority of respondents reported that staff absenteeism had stayed the same in the previous five years. There had however been significant or slight increases in some workplaces. Of all categories, workplaces with a single union agreement were the most likely to report increased absenteeism, with 30 per cent reporting an increase to a greater or lesser extent, compared to 14 per cent of multi-union respondents who were the least likely to report increases.

Table 2.2: Levels of Staff Absenteeism in Multi- and Single Union Workplaces

No. of Unions	Levels of Staff Absenteeism in Last 5 Yrs		
	Increased Significantly or Slightly Nos. (%)	Stayed the Same Nos. (%)	Decreased Significantly or Slightly Nos. (%)
All Unionised Workplaces n=206	41 (20%)	114 (55%)	51 (25%)
1 Union n=117	29 (25%)	66 (56%)	22 (19%)
2+ Unions n=80	11 (14%)	40 (50%)	29 (36%)
Single Union Agreement n=61	18 (30%)	26 (43%)	17 (28%)
Workplaces with One Union by Chance n=62	12 (19%)	41 (66%)	9 (15%)

In relation to staff turnover, significant numbers of respondents reported this to have stayed the same over five years, although this was not in the majority of workplaces within every category (see Table 2.3 below). Those from multi-union workplaces were the least likely to report increased levels, with 41 per cent reporting slight or significant increases. Of those respondents with single union agreements, 48 per cent recorded an increase in staff turnover and 13 per cent a decrease. The highest numbers of respondents reporting increased levels of turnover were in workplaces with one union by chance, at 55 per cent of this category. Thus some difference in the frequency of conflict can be found among the different types of unionised workplaces; moreover in respect of the *form* of conflict there are notable differences as to whether conflict takes a more collective, or individualised form. This may imply that the channels available for the expression of employee conflict differ in nature within the different types of unionised workplaces.

46 *An Obstacle to Management Innovation?***Table 2.3: Levels of Staff Turnover in Multi- and Single Union Workplaces**

No. of Unions	Levels of Staff Turnover in Last 5 Years		
	Increased Significantly or Slightly Nos. (%)	Stayed the Same Nos. (%)	Decreased Significantly or Slightly Nos. (%)
All Unionised Workplaces n=207	94 (45%)	90 (43%)	23 (11%)
1 Union n=116	58 (50%)	46 (40%)	12 (10%)
2+ Unions n=81	33 (41%)	39 (48%)	9 (11%)
Single Union Agreement n=60	29 (48%)	23 (38%)	8 (13%)
Workplaces with One Union by Chance n=60	33 (55%)	23 (38%)	4 (7%)

Ratings of Management–Union Relations

Management views were sought on less tangible aspects of conflict and co-operation, namely their attitudes towards the quality of management–union relations at their workplace. The majority of respondents rated relations to be good or very good in all types of unionised workplaces; of the eighty-two respondents from multi-union workplaces, 83 per cent of this group reported good or very good relations, and the more unions were recognised at the workplace, the more likelihood of good union–management relations being recorded. Those with single union agreements showed a similar level of positive relations however, but those with one union by chance recorded the lowest proportion of positive responses with forty-two of the sixty respondents (70 per cent) reporting good or very good relations. Again, these findings do not suggest large variations but may imply that the channels for contact, including the expression of conflicts, grievances or dialogue between employees and management, differ among the types of workplaces.

**Table 2.4: Rating of Management–Trade Union Relations,
in Multi- and Single Union Workplaces**

	Rating of Management–TU Relations				
	Very Good	Good	Poor/ V. Poor	Percentage V. good/ Good	TOTAL
Overall Unionised Workplaces	70	89	43	79%	202
No. of TUs: 1	39	52	26	78%	117
No. of TUs: 2	19	19	9	85%	47
No. of TUs: 3	12	18	5	86%	35
of which, Single Union Agreement	15	38	9	85%	62
One Union by Chance	28	14	18	70%	60

Nevertheless, the presence of one or more unions might appear less important in influencing the nature and form of workplace conflict and the general climate of management–union relations, than specific arrangements or other factors which might condition such relations.

3. CHANGES IN WORKPLACE PRACTICE, IN MULTI- AND SINGLE UNION WORKPLACES

This section of the paper, it is hoped, might shed some light on the perception that multi-union organisation inhibits management's ability to make change and introduce flexible or other innovative work practices, and that traditional demarcations between work groups or trade unions do not facilitate such changes. The UCD survey contained a significant section on the Management of Workplace Change, which investigated innovations initiated in the previous five years. The changes themselves concerned a range of practices including payment systems, working time, numbers employed and work organisation. Since the original rationale for union organisation was its relationship to the division of labour, job territories and their protection, three broad groupings of new work

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practices which may affect or disturb the division of labour were decided upon as the focus for questions on the various innovations. These groupings were listed in the survey as:

- i. Changes in working practices (e.g. multi-skilling, work re-organisation, teamworking);
- ii. Introduction of new plant and technology;
- iii. Introduction of initiatives to involve employees (e.g. quality circles, suggestion schemes, team briefings).

The survey questions first asked respondents to indicate whether or not such a change had been made, and secondly, which approach had been used to manage the change(s) from a list of four options. Further questions then related to any obstacles management had faced in introducing such changes and their preferences for managing change in the future. The responses were cross-tabulated as for earlier sections, so as to compare the multi-union workplaces with those where there was just one union by chance or by design.

Changes in Work Practices, New Plant/Technology and Employee Involvement Initiatives

As Table 2.5 indicates, it would appear that most workplaces *had* brought about changed work practices, including multi-union workplaces, but those with a single union agreement were slightly more likely to have done so than others. Of the sixty-one workplaces with a single union agreement by design, forty-three had brought about changes as in example i. above, compared with fifty-one of eighty-one (63 per cent) of those workplaces with two or more unions.

With respect to the introduction of new plant and technology, similar findings occur. The multi-union workplaces were just as likely as those with a single union agreement to have introduced these changes, with 85 per cent and 84 per cent of each group of respondents respectively claiming to have introduced new plant and technology while just 75 per cent of those with one union by chance had done so.

With regard to new initiatives to involve employees as in iii., workplaces with single union agreements by design were the most likely, and those with one union by chance were the least likely, to have introduced such employee initiatives. Multi-union workplaces

Table 2.5: Changed Management Practices in Last 5 years – Multi- and Single Union Workplaces

No. of Unions	Whether Changes in Workplace Practice Initiated by Management in Relation to:					
	Work Practices		New Plant/Technology		New Initiatives e.g. Teams/QCs	
	Yes	of Total No.	Yes	of Total No.	Yes	of Total No.
All Unionised Sample	67%	133	82%	165	65%	130
One Union	69%	108	79%	113	65%	110
2 + TUs	63%	81	85%	79	63%	81
Single Union Agreement	70%	61	84%	62	71%	62
One Union by Chance	60%	53	75%	57	59%	54

were almost as likely, at 63 per cent of these respondents, to have seen their introduction as the whole group of workplaces with one union. It appears that across the range of innovations therefore, management in all three types of workplaces was able for the most part to introduce the changes they sought. New plant/technology was the change most commonly introduced from the three innovations selected for this paper. Differences are marginal but again implied is that the number of trade unions has less significance than critics of multi-unionism have suggested, with regard to management's ability to innovate in these areas of workplace practice. Those with single union agreements did differ in many respects from those with one union by chance, the latter group being least likely to innovate across all areas of change. Again, several factors may be suggested in explaining such differences, such as workplace size; those with one union by chance tend to be smaller and may have less opportunity for innovation, for example. The data also contain details on the institutional industrial relations arrangements such as the frequency of management-union meetings or time off permitted to shop stewards

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(Sinclair, 2005), however the numbers of responses to such questions are small. Nevertheless it may be suggested that both multi-union workplaces and those with deliberate single union agreements tend to invest more in these institutional arrangements compared to workplaces with one union by chance. It may be that certain types of workplaces enjoy a 'good' industrial relations climate due to greater attempts at nurturing management–union relationships, an issue which may warrant more attention than merely taking account of union structures.

Obstacles to Management's Ability to Introduce Workplace Changes

As discussed above most respondents did not indicate they had been unable to introduce changes; just thirty of 196 respondents reported they were unable to bring about changes in work practices such as multi-skilling. The survey went on to ask whether, and for what reason(s), management had been unable to introduce such changes over the previous five-year period, from a list of options. These options were:

- a) resistance from senior/middle/first-line management
- b) resistance from trade union works/company council representatives
- c) resistance from employees
- d) skill shortages
- e) poor training provision/poor quality management
- f) lack of time/funds to introduce it
- g) other reasons

Respondents were asked to indicate all which applied from this list; therefore some respondents suggested several reasons for their inability to introduce change. The most commonly cited reasons for inability to make change was resistance from trade unions and resistance from employees across all groups of respondents. Of twenty-eight responses citing trade union resistance, thirteen came from multi-union workplaces, seven from workplaces with a single union agreement, and eight from workplaces with one union by chance. However thirty-three cited resistance from employees, of which fifteen were from the multi-union category, seven from those with a single union agreement and eleven from those with one union

by chance. In all types of unionised workplaces resistance from *employees* was cited more frequently than resistance from trade unions. Furthermore, a number of responses from multi-union workplaces revealed that lack of time or lack of funds to introduce the initiatives had prevented management introducing the changes desired.

The general influence of trade unions on workplace change may be weak regardless, or in spite of, the number of trade unions, although other circumstances may have an effect. Millward notes that workplaces in the UK with single union agreements by design were *more likely* to report obstacles to management's attempts to reorganise work than those with one union by chance or with several unions, possibly reflecting that management had conceded joint decision-making over the organisation of work, in some instances, as a way of avoiding multi-unionism (Millward, 1994: 72). Nevertheless in the majority of British workplaces management did not report any constraints on these freedoms (although more did so where there were larger numbers of negotiating groups), possibly reflecting what Millward describes as the 'common reality of the widespread lack of union influence in the sphere of work organisation' (Millward, 1994: 69). Roche and Geary furthermore have elaborated on the 'exclusionary' forms of decision-making which dominate the handling of change in Irish workplaces, whereby management's preference for 'direct employee involvement' over 'partnership with trade unions' was evident in a number of both operational and strategic areas (Roche and Geary, 2000: 18).

CONCLUSIONS

The above discussion, drawn from the UCD workplace survey data and partially from IBEC survey data of companies, attempts to explore the notion that multi-union workplaces are particularly 'problematic' and that reform of union structure was, and remains, a requirement. The purpose of the above data analysis and discussion is therefore to tease out any differences among multi-union workplaces, and those with one recognised union where this was, firstly, a deliberate management choice to adopt a single union agreement, and secondly, where the recognition of one union was not management policy, described as one union 'by chance'.

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Strong differences among the three types of union structure do not generally emerge, nor does there appear to be strong support for the ‘myth’ of multi-union workplaces as highly conflictual. Similarly, the perception of workplaces with single union agreements as ‘harmonious’ and strife-free is not borne out yet they do appear to have a different profile from other workplaces in areas, such as industrial action and some elements of workplace innovation. Those with one union by chance often appear markedly different from workplaces with single union agreements on issues such as individualised conflict and the extent of innovation, in spite of both types of workplace being free of the inter-union problems addressed in the earlier literature. Multi-union, and indeed single union, workplaces do not generally appear to conform with the expectations and assumptions as reported in the established literature and which particularly surrounded the excitement over single union deals as part of a ‘new industrial relations’ paradigm. Where they do conform ‘to type’ however, the number of trade unions in the workplace may be less significant in contrast to other factors as each industry or workplace has its own dynamics, traditions of employee behaviour, and other reasons that may explain inter-union as well as management-union behaviour. It may be that certain types of workplaces enjoy a ‘good’ industrial relations climate if there are greater attempts at nurturing management-union relationships, an issue which may warrant more attention than merely taking account of union numbers. The remaining research for this study is intended to uncover the various dynamics and processes which condition and inform such relationships.

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- 1 Some differences and variations occur in statistics in all tables due to missing variables from survey responses. All percentage points are rounded up or down to nearest .5%.

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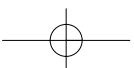
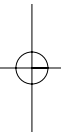
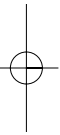
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Technophobia Amongst Older Adults in Ireland



M A I R É A D H O G A N *

INTRODUCTION

Older Adults and Computer Usage

The number of older adults is growing worldwide. The United Nations (2002) estimates that by the year 2015 those over sixty will represent 23.7 per cent of the population in the more developed regions of the world, with 24 per cent of the European population being over sixty. This population represents an important segment of computer users, as evidenced by a recent survey which states that older adults are the fastest growing online population in the US (NUA Internet Surveys, 2003). Internet usage in the EU15 (the member countries before expansion in 2004) has increased from 11.5 per cent to 16.9 per cent between 2001 and 2003, although older adults still lag behind younger adults (Commission of the European Communities, 2005). This is supported by data from the UK which also suggests that older adults lag behind younger adults in terms of computer usage (Selwyn, Gorard, Furlong and Madden, 2003).

Various governments, companies and voluntary organisations recognize the importance of ensuring that older adults are able to avail of the opportunities afforded by information and communications technology. In the United States, the Department of Health and Human Services began a programme called 'Computers for Seniors' in order to give older Americans access to the Internet and enable them to make better use of various health programmes

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(Leavengood, 2001). The British government has pledged to achieve universal access to the Internet by 2005, resulting in various initiatives such as the establishment of distributed community sites for technology access in places such as museums, schools and libraries, as well as offering low-cost, re-conditioned computers to adults over sixty who are on state pensions (Selwyn et al., 2003). Here in Ireland, the government has committed to 'including everyone in the information society' as part of the social partnership agreement (Department of the Taoiseach, 2003: 21) while the Information Society Commission in Ireland identify the retired as low adopters of Information and Communications Technology (ICT) and recommend that retired people should be one of the groups to be 'given priority in the national eInclusion Action Plan and all eInclusion activities' (Information Society Commission, 2003: 61).

Companies like Microsoft and Intel carry out research into the older adult market, as well as supporting programmes for older adults by donating hardware and software (Leavengood, 2001). Smaller companies, such as Sageport, develop applications specifically aimed at simplifying the technology of the PC, as well as providing applications that make access to the Internet more user-friendly for older adults by compensating for the natural limitations associated with aging, such as deteriorating vision and reduced dexterity (Leavengood, 2001). Non-profit organisations for older adults are also concerned with ensuring that the information needs of older adults are met. One such organisation, Creative Retirement Manitoba (CRM), has created an Internet site featuring a wide range of informational, educational and interactive resources for older adults, designed to explore the ability of electronic networks to meet the information needs of older adults (DeGraves and Denesiuk, 2000). CRM also provides computer training to older adults, with current demand outstripping its classroom space. This would seem to indicate that older adults are embracing computer technology and the Internet with growing confidence (DeGraves and Denesiuk, 2000). Here in Ireland many of the Active Retired Associations (ARAs) provide computer courses for older adults on a regular basis, as do a number of Vocational Educational Committees.

Studies suggest that older adults who use computers use them predominantly in connection with other interests or hobbies (White

and Weatherall, 2000) and for Internet communication (DeGraves and Denesiuk, 2000; White and Weatherall, 2000). Figures in the UK suggest that the most popular activity for older adult computer users in the UK is word processing, with Internet use being quite low (Selwyn et al., 2003). However, the most popular use of the Internet identified by Selwyn et al. (2003) was e-mail usage, (a finding supported by Morrell, Mayhorn and Bennet (2000) in the US), whereas more advanced usage (e.g. banking, purchasing goods or services, chat rooms or bulletin boards) was very low. As aspects of daily life continue to become increasingly reliant on information technology, it is important that older adults be able and willing to use it (Morrell et al., 2000; Selwyn et al., 2003).

However, older adults often lack confidence in their computer skills, according to Marquie, Jourdan-Boddaert and Huet (2002). They concluded that older adults are less confident in their own computer knowledge than younger adults, despite an age equivalence in actual performance. The results of their study suggest that this under-confidence of older adults in their own abilities may result in difficulties in mastering new computer technologies, a view supported by Morrell et al. (2000), who found that lack of knowledge about the Web was a major reason for older adults not using it. Selwyn et al. (2003) found that even those older adults who did have access to a computer had low levels of usage and that the main reason for not using computers was lack of interest or relevance to the older adult's life. They also found that the majority of older computer users were male, well educated, and in the younger cohort of older adults.

Computer Anxiety and Attitudes

Computer anxiety has been found to adversely affect performance (Anderson, 1996; Brosnan, 1998) and acceptance of computer technology (Fagan, Neill and Wooldridge, 2004). This finding is further supported by a meta-analysis carried out by Chua, Chen and Wong (1999), who state that computer anxiety causes computer use avoidance. Chua et al. (1999) also found that while there are a number of different instruments available to measure computer anxiety, they are not compatible with one another. However, the instruments are generally reliable.

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Rosen, Sears and Weil (1992) developed a series of measurement instruments to assess levels of technophobia, which they describe as 'anxiety about present or future interactions with computers or computer-related technology; negative global attitudes about computers, their operation or their societal impact; and/or specific negative cognitions or self-critical internal dialogues during actual computer interaction or when contemplating future computer interaction' (Rosen et al., 1992: 8). These research instruments have been used and validated in more recent studies (Anderson, 1996; Anthony, Clarke and Anderson, 2000; McIlroy, Bunting, Tierney and Gordon, 2001; Gordon, Killey, Shevlin, McIlroy and Tierney, 2003; Havelka, Beasley and Broome, 2004; Korukonda, 2005) and are used in this study in order to assess levels of technophobia in older adults. Both users and non-users of computers were tested.

The central question of this research is whether gender affects levels of technophobia (as defined above by Rosen et al. (1992)) in older adults. The researcher hypothesises that older adults would be more likely to adopt traditional gender roles where men would be seen as more 'technically able'. Older women, whether they are computer users or not, would thus be more likely to display higher levels of technophobia than older men. If this were so, it would subsequently result in lower use of computers by older women.

Some studies suggest that technophobia, as measured using the scales developed by Rosen et al. (1992), is not related to gender (Anderson, 1996; Anthony et al., 2000; Havelka et al., 2004; Korukonda, 2005) or that the effect is small (McIlroy et al., 2001). Other studies have been carried out using a variety of measurement instruments. However, the results are conflicting, with some indicating a (generally small to moderate) gender difference in computer anxiety (Whitley, 1996; Broos, 2005; Zhang, 2005) and others indicating no significant difference in computer anxiety or attitudes (Brosnan, 1998; Orr, Allen and Poindexter, 2001). Brosnan and Lee (1998), however, noted no gender differences for computer anxiety in the United Kingdom but a higher level of anxiety amongst males in Hong Kong, suggesting that cultural influences may be relevant. Chua et al. (1999), in their meta-analysis of relationships between computer anxiety and its three correlates (age, gender and computer experience) found that females are generally more anxious than

males among a university undergraduate population, but that the strength of this relationship is not conclusive. Anthony et al. (2000) suggest that the reason for a reduced gender gap in technophobia over the last number of years is women's increased exposure to computers at third level.

However, all the studies cited (bar Broos (2005) and Zhang (2005), both of whom looked at a wide age range) dealt with students and younger adults, rather than the elderly. A recent study of older adult computer users (Karavidas, Lim and Katsikas, 2005) suggest there is a gender difference in anxiety levels in older adult computer users, with women displaying more anxiety and reporting less computer knowledge, despite the fact that males and females reported similar levels of computer usage.

The researcher further hypothesises that the level of technophobia will be higher as the age of the older adult increases. A study by Anthony et al. (2000) suggests that technophobia, as measured using the scales developed by Rosen et al. (1992), is correlated with age. This result is supported by Zhang (2005) who found that computer anxiety increases with age, albeit using a different measurement scale. However, Chua et al. (1999) found that the effect of age on computer anxiety is not easily observed when the age range is narrow.

The third hypothesis of this study is that the level of technophobia will be lower for older adults who have computer experience than for those who have not. Previous research (Weil and Rosen, 1995; Anderson, 1996; Chua et al., 1999; Anthony et al., 2000; Havelka et al., 2004) suggests that higher levels of computer experience should result in lower levels of technophobia or computer anxiety.

METHODOLOGY

Participants

The participants in the study consisted of older adults who were members of various ARAs in counties Galway and Clare, in Ireland. They ranged in age from early fifties to seventy-five plus (although only six, all of whom were women, were younger than sixty) and consisted of thirty-two men (all bar two of whom were over sixty-five) and 128 women (all bar thirty-three of whom were over

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sixty-five). Their level of computer experience ranged from none to extensive.

Measuring Technophobia

The study was conducted using Rosen et al.'s (1992) 'Measuring Technophobia Instruments' and a demographic questionnaire. The questionnaires developed by Rosen et al. (1992) consisted of:

1. **Computer Anxiety Rating Scale Form C (CARS-C)**
This consisted of twenty questions that refer to activities and experiences with computers that might cause anxiety. Respondents were required to indicate how anxious or nervous each situation would make them feel by selecting one of "Not at all", "A little", "A fair amount", "Much" or "Very much".
2. **Computer Thoughts Survey Form C (CTS-C)**
This consisted of twenty statements, reflecting both positive and negative cognitions while using a computer or thinking about using a computer. Respondents were required to indicate the extent to which they would have each of these thoughts by selecting one of "Not at all", "A little", "A fair amount", "Much" or "Very much".
3. **General Attitudes Towards Computers Scale Form C (GATCS-C)**
This consisted of twenty statements, reflecting both positive and negative attitudes towards computers. Respondents were required to indicate their level of agreement with the statements using a five-point Likert scale.

The demographic questionnaire requested information such as gender, age and computer experience.

Administration of the Questionnaires

The demographic questionnaire was prepared and pilot tested. This was then administered, in conjunction with the CARS-C, CTS-C and GATCS-C tests. The CARS-C, CTS-C and GATCS-C were counter-balanced with each appearing first, second and third equally often while the demographic questionnaire appeared last in order to minimize hypothesis guessing on the part of the research participants (Rosen et al., 1992).

The questionnaires were designed to be self-administering. Participants were told to carefully read the instructions on each questionnaire as they vary for each questionnaire. They were also assured that: 1) their responses would remain anonymous and be kept confidential; 2) that they should answer honestly and candidly; and 3) that the questionnaires are not a test and that there are no right answers (Rosen et al., 1992). The researcher was also on hand to answer any questions. No time limits were imposed on the questionnaires but they were generally completed within thirty minutes.

RESEARCH RESULTS

Computer Use by Older Adults

A large percentage of the respondents were computer users, with 51.3 per cent using computers, 46.3 per cent not using computers and 2.5 per cent not responding to that question. This is at odds with the figures for this population generally. Selwyn et al. (2003) reported only 22.4 per cent of older adults having used a computer within the previous 12 months, while in the EU15 Internet usage in the over 55s was 16.9 per cent in 2003 (Commission of the European Communities, 2005) and in Ireland, the Information Society Commission defined 90 per cent of retired people as 'late adopters', that is, 'adults without Internet access or using it less than once a month' (Information Society Commission, 2003). The higher level of computer usage in this group is presumably due to the fact that the ARAs offer computer courses on a regular basis.

Those who use computers use them for a variety of purposes, with the most popular use being e-mail. This concurs with the findings of other studies (DeGraves and Denesiuk, 2000; Morrell et al., 2000; White and Weatherall, 2000), where e-mail usage was identified as one of the main uses of computers by older adults. However, it contrasts with the findings of Selwyn et al. (2003) who found Internet usage to be quite low amongst older adults, although e-mail was identified by them as the most popular use of the Internet. The main uses of computers by older adult computer users in this study are shown in Table 3.1. The high use of e-mail was supported by

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Table 3.1: Use Of Computers by Computer Users

Computer Use	% of Computer Users (n=74)
E-mail	74.3
Games	36.5
Work (including voluntary)	24.3
Banking	18.9
Letters	9.5
Shopping	8.1
Writing	4.1

informal discussions with a number of the older adults who stated that their main reason for getting a computer was to stay in touch with family who live abroad.

Reliability of the Measures

Whilst the reliability of the measures has been established previously by Rosen and Weil (1992) it was decided to confirm this since their study did not exclusively involve older adults. Cronbach's alpha coefficient was calculated for each of the research instruments. As can be seen in Table 3.2, the CARS-C and CTS-C both exhibited a high degree of reliability, whereas the GATCS-C did not. This finding corresponds with other studies of participants who were not

Table 3.2: Reliability Coefficients

Reliability Coefficients for Measurement Instruments	
Instrument	Cronbach's Alpha Coefficient
CARS-C (Computer Anxiety Rating Scale)	0.875
CTS-C (Computer Thoughts Survey)	0.825
GATCS-C (General Attitude Towards Computers)	0.277

from the United States (Weil and Rosen, 1995; Anthony et al., 2000). Due to its questionable reliability, the GATCS-C data were excluded from subsequent statistical analysis in this study.

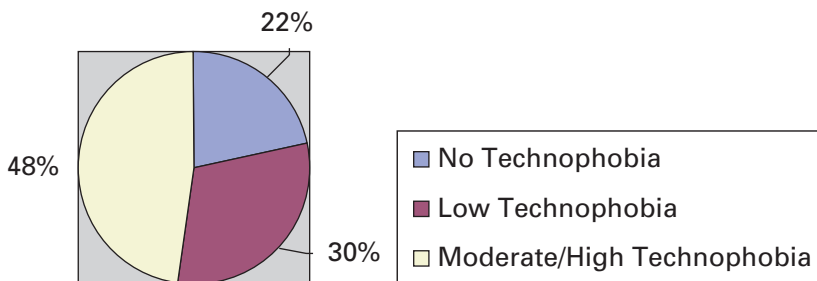
Levels of Technophobia

Rosen and Weil (1992) partitioned each of the three measures (Computer Anxiety; Computer Thoughts; and General Attitudes Towards Computers) into three levels of technophobia: No Technophobia, Low Technophobia and Moderate/High Technophobia. They also defined an overall measure of technophobia based on a combination of the measures. Given that only two of the men in the study were under the age of sixty-five, it was decided to only look at participants over the age of sixty-five for the gender comparisons. The levels of technophobia for this group are shown in Figure 3.1. Studies in other countries (Weil and Rosen, 1995; Anthony et al., 2000) show a range of technophobia levels, with the percentage of technophobia levels displayed here not being untypical. In fact, the Weil and Rosen (1995) study showed approximately 40 per cent of respondents in Northern Ireland had a moderate to high level of technophobia.

Technophobia Levels and Gender

The percentage levels of technophobia in men and women over sixty-five who participated in this study can be seen in Table 3.3. Chi-square analysis was carried out in order to determine whether males and females differed in terms of their levels of technophobia. When broken down into its individual components (i.e. Computer

Figure 3.1: Levels of Technophobia in the Over-65 Age Group



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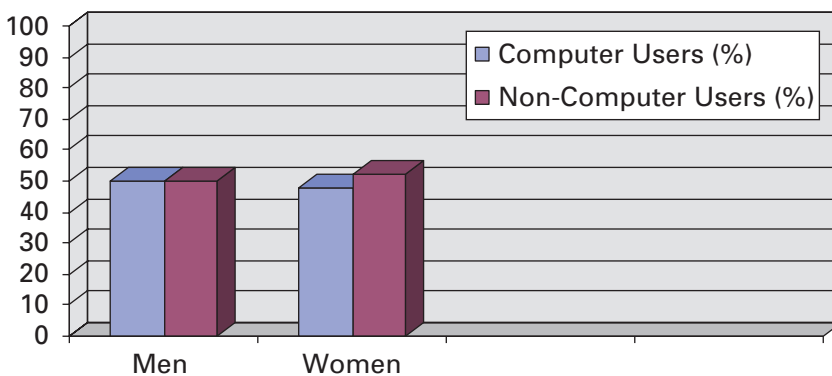
Table 3.3: Percentage Levels of Technophobia in Males and Females

	Computer Anxiety		Computer Thoughts		Overall Technophobia	
	Male (n=29)	Female (n=92)	Male (n=28)	Female (n=85)	Male (n=28)	Female (n=87)
No Technophobia	59%	49%	50%	38%	39%	16%
Low Technophobia	24%	15%	28%	36%	25%	32%
Moderate/High Technophobia	17%	36%	22%	26%	36%	52%

Anxiety and Computer Thoughts as measured by CARS-C and CTS-C respectively) there was no significant difference in levels of technophobia on either of the scales. However, when the overall levels of technophobia (based on a combination of the measures from CARS-C and CTS-C) were compared for men and women over 65, there was a significant difference in the levels of technophobia ($p < 0.05$), with a higher percentage of women exhibiting moderate/high technophobia than men, despite the fact that there was very little difference in the percentage of computer users in both groups (see Figure 3.2). This is in contrast to previous findings (Anthony et al., 2000; Havelka et al., 2004) where no significant difference in levels of technophobia by gender was found. Anthony et al. (2000) state that while there had been a gender difference in the past (a finding supported by Weil and Rosen (1995) in an earlier study) this gender difference in levels of technophobia no longer exists. They suggest that this may be explained by an increased number of women attending university and enrolling in computer courses.

In contrast to most studies discussed herein, this study looks at older adults. It was expected that older women, whether they are computer users or not, would be more likely to display higher levels of technophobia than older men. The results from the analysis suggest that this is the case. It was also hypothesised that this increased level of technophobia would lead to a reduced level of computer usage amongst older women. The research revealed that this was not the case. As can be seen in Figure 3.2, the percentage

Figure 3.2: Percentage of Computer Users in the Over-65 Age Group



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of computer users was similar for both men and women, despite the higher level of technophobia exhibited by the women in this study.

Technophobia and Age

Chi-square analysis was used to test the null hypothesis that 'People in each of the age groups do not differ in terms of their levels of technophobia'. The analysis suggests that this is the case for all three measures of technophobia ($p > 0.05$ for all three measures). However, the age range within the population was quite narrow and so this result is consistent with the findings of Chua et al. (1999) who found that when the age range is narrow, the relationship between age and computer anxiety is not easily observed.

Technophobia and Experience

As can be seen in Figure 3.2, there is very little difference in the percentages of older men and women in this study who use computers. Previous research (Weil and Rosen, 1995; Anderson, 1996; Chua et al., 1999; Anthony et al., 2000; Havelka et al., 2004) suggests that computer experience should result in lower levels of technophobia or computer anxiety as the level of experience increases. When the levels of technophobia for computer users and non-computer users were compared using Chi-square analysis, a significant difference existed for overall technophobia and for computer cognitions (both with p values < 0.001), with a higher percentage of non-computer users exhibiting moderate/high levels of technophobia than users. However, there was no significant difference for levels of computer anxiety (see Table 3.4).

The figures in Table 3.4 suggest that while older computer users with experience, in common with those in previous studies (Weil and Rosen, 1995; Anderson, 1996; Chua et al., 1999; Anthony et al., 2000; Havelka et al., 2004), have lower overall levels of technophobia (based on the combination of the other two measures) and have more positive thoughts about using technology than older adults who do not use computers, there is no significant difference in computer anxiety levels between the two groups. This suggests that experience alone is not sufficient to reduce computer anxiety. This finding is in contrast to previous studies that suggest levels of computer anxiety are reduced as computer experience increases (Weil and Rosen, 1995;

Table 3.4: Percentage Levels of Technophobia in Computer Users and Non-users

	Computer Anxiety		Computer Thoughts		Overall Technophobia	
	Users (n = 73)	Non-users (n = 69)	Users (n = 71)	Non-users (n = 63)	Users (n = 72)	Non-users (n = 64)
No Technophobia	51%	48%	69%	19%	36%	9%
Low Technophobia	20%	19%	20%	38%	29%	27%
Moderate/High Technophobia	29%	33%	11%	43%	35%	64%

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Anderson, 1996; Chua et al., 1999; Anthony et al., 2000; Havelka et al., 2004), although it concurs with the findings of McIlroy et al. (2001) who found that experience led to more positive attitudes but no reduction in anxiety in their study of students. However, all of those studies (bar Chua et al. (1999)) assessed university students rather than older adults.

Similar figures emerge when looking at technophobia levels of those who have attended a computer course and those who have not (see Table 3.5), indicating that those who have attended a computer course have more positive thoughts about computers and lower overall levels of technophobia ($p \leq 0.001$), but that there is no significant difference in levels of computer anxiety between those who have attended, and those who have not attended, a computer course. This may suggest that the approach taken during the courses is not an appropriate one for older adults. This supposition is supported by anecdotal evidence as a number of the older adults in this study who attended courses stated that they felt the courses were not suited to their needs (see Table 3.1 which shows the main activities of older adults in relation to computers). The courses quite often covered topics such as spreadsheets that had no relevance to the daily lives and needs of the older adults. This finding suggests that the structure and content of computer courses aimed at older adults should be assessed and amended in a way that would help to reduce levels of computer anxiety.

DISCUSSION

Levels of Technophobia

Figure 3.2 shows that approximately half of the sample show moderate/high levels of technophobia. This level is not untypical when compared with other studies (Weil and Rosen, 1995; Anthony et al., 2000). However, the majority of the respondents in this study have computer experience and results from previous studies (Weil and Rosen, 1995; Anderson, 1996; Chua et al., 1999; Anthony et al., 2000; Havelka et al., 2004) suggest that higher levels of experience should lead to lower levels of technophobia. The finding here is that the respondents exhibit high levels of technophobia despite high levels of computer usage. However, this may be explained by their

Table 3.5: Percentage Levels of Technophobia in Those Who Attended a Computer Course (Yes) and Those Who did not Attend a Computer Course (No)

	Computer Anxiety		Computer Thoughts		Overall Technophobia	
	Yes (n=92)	No (n=49)	Yes (n=90)	No (n=45)	Yes (n=90)	No (n=45)
No Technophobia	47%	53%	61%	9%	30%	7%
Low Technophobia	23%	12%	23%	39%	28%	24%
Moderate/High Technophobia	30%	34%	16%	52%	42%	69%

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limited knowledge of computers since when asked to rate their knowledge of computers, 33.3 per cent said they had no knowledge, while 56.5 per cent said they had a little knowledge and only 10.2 per cent rated themselves as having considerable knowledge. The fact that this sample consisted only of older adults may also have had a bearing on the results as the other studies mainly consisted of students and so the effect of experience may be different for older and younger adults.

Technophobia and Gender

The results from the data clearly show that higher overall levels of technophobia were associated with females. Previous studies (Rosen and Maguire, 1990; Weil and Rosen, 1995; Anthony et al., 2000; Havelka et al., 2004) have shown contrasting results, with some showing gender differences while others do not. Anthony et al. (2000), in their study of university students, suggest that the current lack of gender difference could be due to increased exposure to computers amongst females at college level. However, the older adults in this study would not have benefited from this increased access to computers at college and therefore may have been more likely to exhibit the gender differences consistent with those that would have been found in the past.

The results of this study also show that despite displaying higher levels of technophobia than older men, older women were no less likely to use computers than older men. This concurs with the findings of Karavidas et al. (2005) who found increased levels of anxiety (using a different measurement scale) in older female computer users, despite no difference in levels of computer usage. However, their study looked at computer users only, whereas this study examines both computer and non-computer users.

Technophobia and Experience

The results from the data show that, in common with previous studies (Weil and Rosen, 1995; Anthony et al., 2000), overall levels of technophobia were lower, and more positive cognitions were exhibited by those with experience. However, in contrast to those studies and those of Anderson (1996), Chua et al. (1999) and Havelka et al. (2004), there was no significant difference in levels

of computer anxiety between those with experience and those without. This may be due to the fact that many of the older adults with experience were relatively new to computers and as such, may not have built up sufficient experience to reduce anxiety levels. The fact that the levels of anxiety in those who have completed a computer course and those who have not are not significantly different suggests that the approach taken in computer courses for older adults is not reducing levels of anxiety and that a different approach may be required for older adults. This is supported by the findings of Morris (1992), who found that a positive initial experience was required to reduce anxiety, and by McIlroy et al. (2001) who found that a positive first experience, rather than the level of experience, in computing appeared to alleviate anxiety and that the characteristics of the initial computer instructor may negatively affect anxiety levels for some students.

Dealing with Technophobia

A high level of technophobia was found in the participants in this study, with higher levels being evident in women. This would suggest that an important area for further study would be interventions to treat technophobia, particularly in women.

Rosen et al. (1993) developed a technophobia reduction programme aimed at reducing levels of technophobia. This programme resulted in all participants displaying less computer anxiety, improved computer cognition and enhanced computer attitudes. The results were markedly better than those achieved by participants in a general computer course. Appropriate intervention techniques could be incorporated into computer courses offered to older adults, allowing those who are more technophobic to deal with this as part of their learning process. The inclusion of intervention techniques is supported by a study carried out by Beckers and Schmidt (2001), who suggest that training programmes that enhance self-efficacy (one's confidence in one's own abilities) and computer literacy may reduce computer anxiety.

Further Research

The sample used in this study were all members of Active Retired Associations. As such, they may be different from the general population of older adults since those willing and able to join such an organisation may be more open to new experiences. Therefore,

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the study needs to be replicated across a broader population to assess whether the findings are consistent for the older population at large. It could also be replicated for a younger population in order to see whether the levels of technophobia, and the gender differences, are consistent with those for younger people. This would help to determine whether the approach taken to training older adults should be different to that taken for younger adults.

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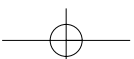
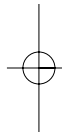
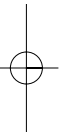
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Feminisation and Paradox: Stratification and Segmentation in Professional Contexts



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ABSTRACT

The past three decades have been characterised by dramatic labour-market developments including the mass entry of women into formerly exclusively male domains. Professional work is particularly indicative of this trend where growth in female membership has fuelled optimistic predictions of shattered glass ceilings and gender equality. This paper seeks to challenge these predictions and to explore the associated assumptions linked with the feminisation of professional work in the United Kingdom. It will do this by focusing on two professional groups: law and management which, despite some substantial differences, present a common and recurrent theme in that they celebrate and sustain a masculine vision of what it is to be a professional. This leads to a series of paradoxes as the professions are increasingly dependent on the contribution of their female members, yet women and women's work continue to be marginalised, downgraded and exploited.

Key words: professions; feminisation; gender; vertical stratification; horizontal segregation.

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INTRODUCTION

The last ten years have been characterised by dramatic developments in the labour market. In particular, we have witnessed the mass entry of women into previously exclusively male domains such as the traditional professions. These developments have led to increasingly optimistic predictions with regards to female emancipation and equal opportunities in what has become known as the feminisation thesis. For instance, the legal profession, traditionally a bastion of male privilege, provides an effective example of these developments. In England and Wales women were altogether excluded from the profession until the 1920s (Sugarman, 1995) whilst their numbers never exceeded the 5 per cent mark throughout most of the twentieth century. However, today female solicitors, following a sustained period of growth, represent 40 per cent of practicing solicitors (SRU, 2004) whilst providing the absolute majority in the crucial under-35 age band. Moreover, given that these trends are set to continue, the days in which the profession will be (numerically) predominantly female are not that distant. Similar trends are noticeable in other white collar and professional occupations, including management. Much like law, management was a predominantly male domain characterised throughout most of the twentieth century by extremely low female participation rates. It was only over the last twenty years or so that this began to change. Today in Britain, women represent over 30 per cent of this occupational category (Wilson, 2005; Chartered Management Institute/Remuneration Economics, 2004; Office of National Statistics, 2004) compared to less than 20 per cent in the late 1970s (Davidson and Cooper, 1993). Therefore, these two key occupational groups seem to be experiencing some similar developments as women move into traditionally male domains.

Despite mounting evidence revealing women's growing numerical dominance in the professions, this paper seeks to challenge the feminisation thesis by exploring the associated assumptions linked with the feminisation of work. It will do this by focusing on two forms of professionalism: law as a liberal professional occupation and management as an organisational profession (Reed, 1996). The analysis is supported by a range of quantitative sources, including: Labour Force Survey (Office of National Statistics, 2004), the Law

Society Annual Statistical Reports (SRU, 2004), and the National Management Salary Survey (Chartered Management Institute/Remuneration Economics, 2004). These data-sets, which are provided annually by the respective professional associations, were compiled in a database and used to analyse long-term historical trends with regards to the realities of female work within these occupational settings. These quantitative findings are integrated with existing literature and surveys. This contribution focuses on the situation in the United Kingdom but similar processes are typical of a wide range of western economies, including Ireland.¹

Law and management, besides sharing an increasing process of numerical feminisation, represent two distinct forms of professionalism, thus their comparative analysis may provide some interesting insights into the relationship between gender and professionalisation. Law represents the archetype of the *liberal* or *traditional* profession which has recently been confronted by a more hostile institutional, ideological and operational environment; thus, feminisation is linked to the profession's attempts to develop more profitable organisational configurations, characterised by better leverage ratios and elongated professional hierarchies. Management, on the other hand, may be conceptualised as an *organisational* profession where increasing numbers of women are seen to bring the necessary people skills that are required by commercial success within a new context characterised by female consumer power and a focus on 'soft skills' and the extraction of employee commitment and discretionary effort. Thus, for management, feminisation assumes a functionalist connotation and becomes essential for the profession's expansion and for its success within the present economic context.

Management and law, therefore, present distinct case studies of professionalisation and different patterns of feminisation. However, despite some important differences, professionalism, whether established or emerging, seems, in the context of this analysis, to be underscored by a persistent process of masculinisation as men monopolise senior positions and lucrative, high status specialisms whilst women are confined to a lesser, often transient and, ultimately, proletarian role. This, we argue, reflects a gendered code of professionalism that has been forged in historical processes and

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relies on cultural conceptions of masculinity to feed its continual reproduction. In effect, we aim to assert that, whilst the professions may indeed become numerically feminised, professionalism remains a male occupational project. Thus the patterns of vertical stratification and horizontal segregation, identified in the following analysis, expose a series of paradoxes as feminisation may not represent an example of gender equality but may be better explained by processes of intra-professional subordination, exclusion and exploitation whilst the professions' attempts to re-organise for the challenges of the twenty-first century may be paradoxically linked to the undermining and devaluation of whole areas of professional activity.

The Professions: Liberal and Organisational

A great deal of work on the professions has historically been dominated by the attempt to provide universal definitions of what constitutes the foundations of professionalism and professionalisation. However, these 'check list' type of analyses are increasingly unfashionable. Gerry Hanlon, for example, defines this approach as sterile and laments the ink that has been wasted on semantic nuances (1999); after all, professionalism is not a static concept but 'the product of a dialectical relationship with its environment' (Hanlon, 1999: 3). Accordingly, there has been a progressive tendency (Dingwall et al., 1988; Hanlon, 1999; Brock et al., 1999; Watson, 2002) to bracket this whole debate and to simply treat as professions occupations which are commonly seen as such. Indeed, recently there have been attempts (Fournier, 1999) to treat the idea of professionalism as a 'responsibilisation' strategy, used by management to elicit staff commitment and self-regulation. This allows the extension of the concept of professionalism to include occupations such as supermarket workers, where appeals to professionalism might work as a disciplinary device. It is therefore clear that notions of professionalism are being stretched well beyond their traditional boundaries and that there is a growing awareness of multiple patterns of professionalisation. In particular, Mike Reed in a seminal article on the institutionalization of expert labour (1996) distinguishes between a *liberal*, an *organisational* and an *entrepreneurial* form of professionalism.

This contribution builds on this work by focusing on two occupations: law and management, which respectively act as examples of *liberal* and *organisational professionalism*, indicate different patterns of professionalisation and different levels of professional accomplishment. Though representing different professional projects, these two occupations present some core aspects of professionalism and are experiencing comparable structural and cultural developments, including a process of feminisation and its associated patterns of gender exclusion, subordination and discrimination.

Law represents the archetypal model of the *liberal profession*. It presents the formal traits traditionally associated with professionalism, including an esoteric and systematised body of knowledge, formal training and certification, self-regulation and a publicly spirited ethos (Millerson, 1964). Furthermore, it has historically enjoyed a robust jurisdiction (Abbott, 1988), an effective closure regime (regulation of the production of producers) and a solid grip on professional practice (regulation of the production by producers) (Abel, 1988). Law, given its historical success and high degree of accomplishment, has provided an authoritative example for occupations embarking on professionalisation projects and it has been used by sociologists as a benchmark of professionalism (Etzioni, 1969; Johnson, 1972).

Management fits very well the prototype of the *organisational profession* (Reed, 1996). Its knowledge-base, despite the development of advanced managerial qualifications such as the MBA and DBA, is by nature more local and organisation-specific and less amenable to formalisation, systematisation and 'black-boxing'. Traditionally, these occupations, which include managers, technicians and administrators, have tried to succeed by occupying key positions in their organisational hierarchies. This will feature partial processes of closure as well as attempts to extend their knowledge bases to colonise new areas of organisational activity.

Thus respectively, as an example of a *liberal* and an *organisational* profession, law and management offer a valuable opportunity for comparative analysis. These are two very different occupational groups that, for various reasons, are at different stages in their respective professional projects and have experienced different patterns and degrees of feminisation but which, despite obvious structural differences,

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share a core characteristic – that is a masculinisation process which, we argue, is an inherent part of any professionalisation project regardless of its strategic and tactical orientation. Professionalism, it seems, continues to be rooted in a male cultural project, which devalues and marginalises women's work whilst, paradoxically, relying on increasing female participation for its own expansion and survival.

The Gendered Code of Professionalisation

Every occupation has a gendered code that offers participants both symbolic and material resources that guide and shape action, interaction and processes of institutionalisation. Seeing gendered codes as a resource highlights how gender is an active and continuing process situated within broader institutional and interactional arenas. That is, gender is treated not as an adjective but as a verb and in doing so it emphasises that both men and women actively 'do' gender, sharing the same space and cultural resources (Davies, 1996; Segal, 1987; West and Zimmerman, 1987). It must be emphasised that a gendered code is not a singular resource referring to either masculine or feminine characteristics but a set of social relations that shape lived experiences for both men and women.

Moreover, it is necessary to note that different gendered codes do not share the same authority or access to institutionalised arrangements, such as the labour market and the professions. Women, and the stereotypical gendered code of femininity which is assigned to them, are often excluded from professional and corporate life precisely because the world of 'work' is still defined in terms of men's experiences of productive labour (Tancred, 1995). Using gendered codes as a device it can be seen how the 'masculine cultural project' of professionalisation (Davies, 1996) introduces practices, processes and structures that produce control, accountability and performativity, but, above all, the exercise of exclusive skill and knowledge in professional practice. Such an emphasis celebrates authority, individuality, competitiveness and predictability, ensuring that a very particular gender code dominates and defines what it is to be a professional. Thus, despite gender being a lived process that is open to continual re-negotiation and change, the masculine cultural project is embedded in the institutionalised structures of the

professions and is self-producing and reinforcing. To attempt to operate outside of the 'code', as the case studies below will show, can be a distinctly uncomfortable experience.

The Paradoxical Processes of Feminisation

Looking at the gendered code of the professions not only highlights the elevation of masculine forms of knowledge and the devaluation of women's knowledge, but also displays women's problematic place within the professions. As the close examination of structural processes within two very different professional projects (law and management) show, gendered codes, despite numerical feminisation, have both symbolic and material consequences.

Law

In the legal profession, feminisation is intrinsically bound to patterns of vertical stratification and horizontal segmentation. For instance, women solicitors are more likely to be in salaried supportive positions, to work part-time, and to work in less lucrative and lower status areas of practice. In a context characterised by mounting financial and operational difficulties, a rapidly expanding cohort of predominantly female salaried solicitors are generating the surpluses which support the earnings and privileges of a relatively prosperous and autonomous elite of predominately male partners. This emerges clearly from the analysis of vertical stratification patterns, whereby women account for over 55 per cent of salaried solicitors but represent only 22 per cent of profit-sharing partners (similar trends emerge from the consideration of Irish data – see Bacik et al., 2003).

Furthermore, if we analyse the work of women solicitors, it is clear that they are confined to certain 'female specialisms' which typically attract lesser terms and conditions. The typical example would be family law, which in the anthropomorphic construction of the law (Sommerlad and Sanderson, 1998) is instinctively associated with the allegedly female traits of empathy, consideration and mediation. Conversely, women play a considerably less significant role in areas such as corporate and commercial law, which are defined in terms of ruthlessness, assertiveness and stamina and cordoned off as male preserves. Accordingly, we have a clear

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pattern of horizontal segregation as women do 'women's work' whilst being excluded (or induced to exclude themselves) from the more lucrative and prestigious areas of practice.

Thus the position of women solicitors is not an unproblematic reflection of their actual skills and career choices (Hakim, 1995) but a response to processes of discrimination and exclusion, which, although allowing the mass entry of women into the legal profession, are responsible for keeping them in a position of subordination. For instance, a Law Society (2004a) survey of the employment aspirations of newly qualified solicitors indicates how women do not elect to practice in certain female specialisms (indeed there is minimal differences between the aspirations of male and female trainees) but they are expected to do women's work by a combination of gender typing and closure processes. Furthermore, references to choice and human capital fail to explain why women, across all age bands, are considerably less likely to 'make partnership' than men. For instance, in 2004, less than 60 per cent of women who have practiced law for 20–29 years had attained partnership. The relevant figure for men was almost 80 per cent (Law Society, 2004b). One would assume that after such a period women have indeed developed the same levels of human capital and displayed the same dedication to the profession as their male colleagues.

The formulation of promotion criteria in terms of financial success, commercial acumen and managerial capability may be responsible for the slow progression of female solicitors. The seemingly neutral criterion of 'rain making' (the ability to bring in clients) can and does raise additional obstacles for women. For instance, much legal business is conducted in stereotypically male arenas, including golf courses, local mason's clubs, rugby grounds and heavy drinking sessions (Sommerlad, 2002). Women exclude themselves or are excluded from these forums and their male dominated networks, and this may represent a very significant handicap. Equally, a domestic division of labour where women continue to carry the largest burden of nurturing and supportive functions may limit their ability to embrace the long hours culture and the rising billable targets which characterise contemporary legal work. This is again a serious handicap in a profession which often equates merit with commitment and measures this in purely quantitative

terms. Thus, the gendered code of the legal profession symbolises a masculine worldview which emphasises a hard-hitting, hard-drinking and hard-playing version of professionalism which in turn marginalises and downgrades female contributions.

We argue that this process is encouraging the emergence of a gendered division of labour, as the ascriptive biases and informal criteria which pervade internal closure regimes tend to reproduce patterns of gender-based discrimination and subordination. Thus a clear paradox follows as patterns of gendered stratification and segmentation oppress and subordinate the women solicitors who lie at the very heart of the profession's emergent strategy of survival.

Management

A similar route of stratification and segregation characterises the inclusion of women managers. Despite continual references to the feminisation of management – both numerically and ideologically – women occupy the bottom and middle rungs of a managerial career ladder, are often relegated to established 'female' specialisms and, therefore, experience lesser terms and conditions of employment. A consideration of National Management Salary Survey data (Chartered Management Institute/Remuneration Economics, 2004) clearly shows patterns of stratification as women now account for a third of all managers but that they are overwhelmingly confined to junior roles and less authoritative positions (a finding which is consistent with Irish data – see McCarthy, 2004). For example, whilst women, in the UK, constitute 40 per cent of the lowest managerial position of section supervisor, they represent only 13 per cent of board directors (a finding which is corroborated by the membership records of the Institute of Directors – where women are 12 per cent of all members). Furthermore, despite the number of women managers steadily increasing over a number of years, it seems that growth in the most influential managerial positions of director, function head and department head has recently halted and in some cases reversed. The percentage of female directors has, for example, declined from almost 15 per cent in 2002 to 13 per cent in 2004 whilst over a similar period of time the number of function heads has declined from 20 per cent to 17.5 per cent. This serves to

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demonstrate a clear pattern of stratification whereby women have failed to undermine men's monopoly over the control of large corporations.

Vertical stratification in the managerial ranks is accompanied by patterns of horizontal segregation, as women managers tend to practice what are classified as female specialisms which, as in the case of the legal profession, offer less pay, prestige and career promotion opportunities. The soft, allegedly female skills, such as communication, organisation and support, associated with Human Resource Management together with its history as a welfare role, mean that women dominate this particular function (69 per cent) (Chartered Management Institute/Remuneration Economics, 2004). Similarly, women are a growing majority (50.5 per cent) of marketing managers, and represent almost half (47.5 per cent) of insurance and pension managers, which is again a specialism which calls on the supportive and welfare role associated with women. In specialisms which have a strong technical component, such as production (5 per cent), research (8 per cent), distribution (8 per cent) and IT (12 per cent), women managers remain a small minority. These patterns of occupational segregation draw upon gendered codes as binary opposites: the association of women with 'soft'/personal skills and men with hard or technical competences, and at the same time reinforces and reproduces these fundamental assumptions. Significant in this regard is the low (and recently declining) ratio of female general managers (11 per cent), (which incidentally is also one of the most remunerative managerial specialisms). This is particularly important in the context of the generalist character of British management (Ackroyd, 2002), where women appear to be excluded from one of the principal routes into more senior positions.

Of course, in numerical terms women managers have made remarkable progress (Carvel, 2004) whilst being celebrated as the 'new heroes of the business world' (Brundser, 1999), displaying qualities of trustworthiness and delegation (Saunders, 2000). However, ample qualitative evidence suggests women do not claim to draw from a feminine gendered code and symbolic resources but refer to themselves in male terms with statements such as 'I'm still my own man' and adopt male patterns of working and socialising

whilst entirely absenting themselves from any form of domestic role as either mother or partner (Seenan, 2001; Wajcman, 1998). This highlights the central paradox in management's claims to feminisation as a route to professionalisation. It seems that in order to succeed in the masculine cultural project of the professionalisation of management, women draw excessively from masculine norms of conduct and exceed the cultural norms of managing like a man. However, rather than being deemed as strong and rational, they remain excluded as a parody of a male manager – a 'she-male' (Grant, 1988). Thus, whilst management appears to have embraced 'feminine' skills as a strategic resource to be deployed in its occupational project, it remains far from being feminised; women are expected to 'manage like a man' (Wajcman, 1998) whilst gendered segmentation and stratification reveal patterns of exclusion, subordination and devaluation.

CONCLUSION

An analysis of employment patterns reveals how in today's labour market women are increasingly likely to operate in professional roles. The professions' expansion is quantitatively dependent on the participation of a growing number of female members whilst, qualitatively, women professionals are seen as contributing a new range of soft skills and capabilities. Feminisation has to be reframed in an economic context, whereby female participation has been linked to increased profitability, to the development of new capabilities and to a broadening customer base. Thus, women and women's ways have become the most recent material and symbolic resource behind the regeneration of contemporary professionalisation projects.

This situation has been characterised as a win:win scenario as feminisation is refurbishing traditional professional values and arrangements whilst advancing the cause of gender emancipation. Our analysis challenges such optimistic assessments, revealing patterns of segmentation and stratification which underlie the feminised professions. Both the *liberal* and *organisational professions* of law and management emphasise how dominant notions of professionalism are wedded to a masculine gender code which celebrates the male values of control, discipline and rationality,

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and which sustains a goal-oriented and target-driven approach to professional practice. Indeed, this analysis exposes a series of paradoxes which frame processes of feminisation. Women professionals are accepted insofar as they bring 'new' skills and, more crucially (given their predominantly salaried status), new surpluses but they are expected to operate within a gendered occupational project which continues to undervalue and marginalise them as 'women'. Thus, whilst there is no doubt that a growing number of women are being included in the previously male domains of law and management, a different scenario emerges if we consider on what terms they are included. In particular, patterns of vertical stratification and horizontal segmentation imply how women's careers typically unfold along 'lesser' pathways and attract fewer rewards and privileges than those traditionally associated with professional status.

The analysis presented here suggests that the notion of gender codes, with its symbolic and material dimensions, makes an important contribution to the unravelling of processes of feminisation and professionalisation. In particular we argue that the equation of professionalism with masculinity results in clearly paradoxical consequences: marginalising women's experiences as professionals and yet enhancing their inclusion and wide scale deployment as strategic resources. Rather than witnessing processes of feminisation, we would argue that it is a case of the continuing masculinisation of the professions whereby 'being professional' continues to be closely identified with the acceptance of a male cultural and behavioural paradigm.

1 Here, these trends are if anything even more pronounced. Today, women, having more than doubled since the early 1980s, represent 44 per cent of all solicitors whilst constituting two-thirds of undergraduate enrolments (Bacik et al., 2003). Similarly, according to data from the Central Statistics Office, throughout the 1990s women managers have been growing over three times as quickly as their male counterparts and constituted, on the turn of the new millennium, approximately a third of this occupational category (see also McCarthy, 2004; Davidson and Burke, 2004).

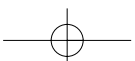
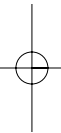
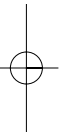
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Academic Performance Evaluation and the Organisation of Knowledge in the Research-Intensive University



S É A M A S K E L L Y *
S I N É A D M U R N A N E **

INTRODUCTION

Universities are widely acknowledged to play a key role in the development of advanced ‘knowledge economies’¹ and, as such, it is unsurprising that their structures and practices are coming under increasing public scrutiny. In his address to the Conference of Heads of Irish Universities (CHIU) conference on ‘Irish Universities: The Case for Reform’ at University College Cork in November 2004, Michael Shattock, the rapporteur of the OECD Review of Higher Education in Ireland, argued that the system currently ‘stands at a crossroads: unless reform is initiated now, higher education risks being marginalised by economic and knowledge-based drivers from the wider international society’. Of the recommendations listed in the OECD Review (2004), Shattock placed particular emphasis on the development of a research culture and internal institutional reform of Irish universities.

The OECD are not the first to argue for the need for reform (see, for example, Skilbeck, 2001), and the recently changed programmes at UCD, Trinity, UCC and NUIG illustrate the extent of the appetite for change within the Department of Education and amongst senior

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university administrators. In this paper, while we do not question the view that Irish universities may be urgently in need of reform, we do raise a number of concerns about the rationale underpinning key features of the change discourse and the substantive nature of some of the reforms being introduced. In particular, we focus on one aspect of these changes, namely the notion of academic performance evaluation. Drawing on a field study of the implementation of a new Senior Lecturer promotion system at UCD, we argue that while the system is, in many ways, a welcome alternative to that which preceded it, the rationale underpinning it is based on a dangerously superficial view of the nature of knowledge production in a university environment. As such, it risks indirectly promoting perverse forms of behaviour amongst academics seeking promotion. Consequently, we argue for the importance of taking recent epistemological shifts in management/organisation studies seriously (see also Kelly, 2005), by endeavouring to speak about 'knowledge' and its 'production' in more sophisticated ways. In short, we need to 'open up the black box' (Latour, 1999) of academic knowledge production to explore its complexity and diversity.

The paper is structured as follows. In section 2, we draw on recent 'praxiological' perspectives on learning/knowing, and on Foucault's (1980) ideas on power/knowledge, to offer a brief critique of traditional, abstract and disembodied conceptions of knowledge and to argue that a diversity of different knowledge production practices co-exist in universities. We then move on, in sections 3 and 4, to describe an exploratory piece of interpretive field research on the introduction of a new academic performance evaluation system in UCD. Finally, we briefly discuss key elements of this case and their implications for the management and organisation of academic knowledge production.

KNOWLEDGE, PRACTICE AND POWER – A PRAXIOLOGICAL PERSPECTIVE ON THE RESEARCH-INTENSIVE UNIVERSITY

In recent years, the development of theories of situated practice/learning (c.f. Suchman, 1987; Lave and Wenger, 1991; Chaiklin and Lave, 1996; Wenger, 1998) have problematised the notion of knowledge as an abstract, disembodied entity. Instead,

writers in this tradition argue for a much more holistic, embodied and situated approach to understanding human learning that would reject dualisms between mind/body and theory/practice. From this perspective, all knowledge and learning is based on an active and ongoing participation in communal social practices, thus problematising the notion of explicit, objective, de-contextualised information/ knowledge. Writers in this tradition reject 'cognitivist'² conceptualisations of human learning, and argue for a much more holistic, embodied and situated or contingent approach to understanding this process (see the introductory chapter in Chaiklin and Lave, 1996). This generally entails shifting the focus from the 'acquisition' of abstract and disembodied knowledge (what Tsoukas and Vladimirou (2001: 974) label the 'narrowly Cartesian' understanding of knowledge that has dominated the management literature) to an emphasis on individual processes of 'knowing' (see McDermott, 1999) and the forms of social life that shape and sustain them. In this sense, knowledge may be viewed as being both an individual and collective phenomenon (Tsoukas and Vladimirou, 2001).

Following Polanyi (1966), a number of authors (see Brown and Duguid, 2001; Walsham, 2001; Tsoukas and Vladimirou, 2001: 974) have proposed that all knowledge inevitably relies on a personal 'tacit dimension' that must be acquired through a protracted, embodied engagement in specific kinds of social practices (thus imbuing it with an irreducibly social and collective dimension). Consequently, the extent to which people can develop a shared understanding depends upon the extent to which they have engaged in similar social practices (and so have developed similar kinds of tacit knowledge). Rather than talking about 'knowledge acquisition' (or research production) then, we might be better to place the emphasis on the active process of learning/education through which people become socialised into a particular way of knowing (c.f. Heidegger's 1978 concept of *Dasein*). Moreover, people who are not members of a specific epistemic community will inevitably be unable to appreciate the subtleties of its communal knowledge, or to discriminate between contributions of varying significance.

Michel Foucault's (1980) work on the relationship between power and knowledge(s) draws attention to the constitutive role of

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knowledge in different kinds of practices and its role in the shaping of individual subjectivities (c.f. Knights and Willmott, 1989; Knights, 1990; Knights and Morgan, 1991). In the Foucauldian sense, a discourse is a body of knowledge, or a way of thinking, seeing and acting in the world. Discourses are, *inter alia*, instrumental in constituting, shaping and reinforcing our organisational cultures and institutional practices, and herein lies their significant power. As such, Foucault suggests that we cannot step outside of discourse. This linking of power and knowledge through discourse gives rise to what Foucault calls 'regimes of truth' (see Introna, 2003; Introna and Whittaker, 2004): an institutional infrastructure for the production and maintenance of 'truth claims'. Discourses, then, are associated with 'power effects', which are the consequences of assuming that a particular discourse is 'true'.

But what of universities, then? What discourses and regimes of truth pertain here? In his influential book on the problems and future of the social sciences, Bent Flyvbjerg (2001) argues that one of the greatest impediments to the development of a mature social science tradition has been the strength of the discourse of the natural sciences and its attendant regime of truth. He contends that if the social sciences are to develop then there needs to be a recognition of fundamental epistemological differences with the natural sciences (see also Giddens, 1984). What this suggests is that there are (at the very least) two very different modes of knowledge production, based on distinctive types of practice, which must co-exist within a university. It follows from this that different groups within the university will have qualitatively different relationships with each other and with the external world.³ Unfortunately, the emergence of an 'audit culture' (Power, 1999) within society in general, and within universities in particular, may result in such important qualitative differences being overlooked, as simple, highly generalised and easily comparable measures of productivity are emphasised.

RESEARCH APPROACH

The collection of primary data was conducted in July and August 2004 and was focused on high level academic managers within UCD, namely Deans of two Faculties;⁴ members of the University Committee on Academic Appointments, Tenure & Promotion (UCAATP); one of

the Vice Presidents; two senior members of the Personnel Department; and a senior academic involved with teaching development.

Semi-structured interviews lasting approximately one hour were conducted with each of these people. Interviews were not recorded on tape, though notes were taken during these meetings. Following the technique known as respondent validation or member validation, whereby research findings are submitted 'to the members of the social world who were studied for confirmation that the investigator has correctly understood that social world' (Bryman, 2001), these notes were returned to the participant for their comments and to ensure clarity.

Anecdotal evidence was gathered informally through casual conversations with academic, administrative and technical colleagues and was mainly used to inform our understanding of the issues facing staff across the University and the sector. Notes or formal documentation relating to these conversations were not maintained, though some of the issues raised were used to inform the line of questioning when speaking to the official participants.

Secondary data sources included internal procedural documentation around the promotion systems in UCD. Current procedures are readily available from the Staff Manual on-line and we also had access to archived historical documentation, which enabled us to piece together the evolution of the promotion processes over the past number of years. We could also speak informally with staff of the Personnel Department in order to augment our understanding of the history of the development of promotions in UCD.

CASE ILLUSTRATION – THE IMPLEMENTATION OF A NEW ACADEMIC PERFORMANCE APPRAISAL SYSTEM AT UCD

Changing the promotion procedures for academic staff at UCD was motivated, *inter alia*, by widespread dissatisfaction with the existing system and the changing cultural context within UCD and the wider educational sector. Rewriting academic promotional systems allowed University management to shape and direct the internal reformation of the college.

Rewards are not just for doing well, but also for ensuring the behaviours the University is looking for to achieve strategic

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goals are supported, encouraged and developed, i.e. changing behaviour patterns.

Personnel Manager I

An extensive review of the promotion procedures was conducted between June 1999 and June 2000. This involved a comprehensive examination of the existing policies at home and abroad, and considering many invited submissions from various groups and committees within the University, as well as from the main trade unions that represent academic staff, IFUT and SIPTU.

... [T]he submissions ... highlighted the considerable amount of real anguish, pain and hurt that staff felt towards their potential for promotion and the lack of recognition and reward for their efforts over many years.

Member of the UCAATP I

The Review Committee published their report in 2001 and the benchmarking system of performance appraisal was introduced for promotions to the grade of Senior Lecturer in UCD, as per their recommendations. The main differences between the new appraisal system and its predecessor were the removal of the competitive element of the promotion rounds and explicitly listing the activities and standards of performance required for promotion.

Removing the competitive element from promotional rounds meant that qualified staff no longer had to go up against their colleagues and friends when applying for promotion. In the past, this had led to considerable ill feeling within departments and faculties.

This was invidious for the staff member, whether they were promoted over their colleagues, or one of their colleagues were promoted over them.

Dean of Faculty B

These changes also allowed the UPB⁵ to combat widely held perceptions of a 'rights-based' promotion system and 'who-you-know' culture.

People were promoted in order of seniority, even though they did not seem to have earned it from their contributions.

Member of UCAATP II

The perception that 'who you knew, not what you knew' was the basis for promotion needed to be addressed.

Teaching Development

The old system of promotion required staff to illustrate their performance under the three headings of Teaching, Research and Contribution, but there was no indication of what sort of activities or standards adequately demonstrated sufficient performance in these areas. This resulted in a highly ambiguous system, with widely varying criteria being applied across each faculty.

Given the ... non-explicit heritage, eliminating ambiguity is very important.

Vice President

In introducing the benchmarking system, it was intended to remove this ambiguity and to clearly establish an acceptable level of performance across the University. It was also seen as an opportunity to reduce the levels of subjectivity inherent in assessing applications for promotion.

The benchmark-based procedures ... are a move toward a more systematised process that clearly, openly and transparently signals what the University is looking for from its staff.

Vice President

While the idea of faculty-specific benchmarks was originally entertained by the UPB, it led to accusations of failure to address the issue of inconsistent standards of performance.

We would end up with rich faculties rewarding low standards. There would be no need for them to change if they could design their own merits and awards.

Member of UCAATP II

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It was decided that faculty-specific benchmarks were not appropriate at the time, though there are still many who argue for moderation or modification of the benchmarks on a faculty-specific basis.

[The UPB] shied away from faculty-specific benchmarks because of the danger of different standards, but what is required are not different standards, just different indicators.

Personnel Manager I

In conjunction with the arguments around faculty-specific benchmarks, there is a lack of agreement about whether the benchmarks themselves have been set too high or too low. The legacy of the wide-ranging standards that had been applied in different faculties across the University meant that what was demanding to some was easily done by others and *vice versa*.

One of the reasons the benchmarks are so low is to accommodate [certain faculties] and give them some hope of being promoted.

Member of UCAATP II

The benchmarks are high in Teaching for some people who haven't been in that environment before.

Teaching Development

The perception that there is a bias towards the natural sciences inherent in the benchmarks is widespread, though those involved in their design vehemently deny this. This bias is seen, for example, in the ways research and research outputs are measured, the new-found emphasis on the production of PhDs and the perceived devaluation of minor thesis supervision.

Many see the issue of journal publications as a particular bone of contention. The levels of scholarship in evidence can vary widely from one publication to another and similarly, the standards of peer-review can vary considerably. There is also a fear that explicitly stating the acceptable quantity of publications required to be considered a 'good academic' could lead to a decline in the quality of publications being produced.

The Dean of Commerce has said that with the current procedures, there is the potential to encourage 'perverse' behaviours, for example publishing in third-rate journals.

Personnel Manager I

Somewhat arbitrarily, one book is equated to three full-length international peer-reviewed journal articles based on original research: books and papers being treated as commodities, with quantity as the prime concern, above the quality of the publications.

In 2002, supervision of one PhD or two research Masters to completion, or their equivalent in minor theses, was deemed to be *Satisfactory* performance in the supervision of postgraduate research. In 2004, this minor thesis equivalence was removed from the Research benchmarks and became part of the benchmark for *Excellence* in Teaching Commitment. This seemingly simple adjustment raises two points for consideration: first, the apparent disparity in recognition afforded to two degrees, which are nominally at equal educational levels (i.e. Research Masters and Taught Masters), highlighting a serious bias in the promotional system; second, is the assumption that a PhD degree is, *de facto*, a requirement for success in every sphere.

The Masters by Research degree is more highly valued than a Taught Masters degree.

Teaching Development

Many staff, particularly those who worked in departments where there was no tradition of PhD production, were angered by this change, though there was little sympathy to be had from University management to the complaints raised.

In departments without a strong postgraduate research tradition, the faculties and departments need to figure out for themselves how to support and develop a new tradition.

Vice President

Many faculties are now moving towards a system of committee-based PhD supervision, which will give inexperienced academic

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staff a supported environment in which to learn the art of supervising the research of others. Another view that is rapidly gaining credence is that newly qualified PhDs are the most suitable people to supervise new candidates as:

... [T]hey are closer to the process and more in tune with the requirements of completing a PhD than older members of a department.

Dean of Faculty A

This view further illustrates and reinforces the argument that there are fundamental differences between the social and the natural sciences, in terms of what is required from candidates to earn a PhD degree. A commentator more accustomed to conducting research in the humanities or social sciences might attach more value and significance to experience in a particular area or technique than is in evidence here.

Increasing the number of PhD degrees awarded is seen as a way to promote research in the University and enhance UCD's standing in the wider research environment, as evidenced by the greater emphasis being placed on PhD supervision as a criterion for promotion to Senior Lecturer.

PhD production is a means to an end, rather than an end in itself, to enhance research productivity.

Vice President

This means-end mentality governing the relationship between PhD production and increasing research productivity has effectively closed any meaningful dialogue on the relevance and value of PhD production in UCD. Indeed, there is a worrying interchangeability about the terms 'research activity' and 'academic activity', further strengthening the view of a bias towards the natural sciences.

DISCUSSION AND CONCLUSIONS

The UCD case study draws attention to the emergence of an important and influential discourse in the university around accountability, fairness and transparency. The Senior Lecturer promotion system

provides a good example of an attempt to institutionalise organisational practices in accordance with these values, and few would argue that the system is not an improvement on the more 'clientelistic' approach to academic promotions that it replaced. While accountability, fairness and transparency are very laudable values, however, we remain sceptical with regard to the extent to which they are realisable in this context. Indeed, the case recounted above illustrates some of the dangerous 'power effects' of such a regime of truth.

The assumption that the contribution of different academics may be made directly comparable through the use of one standardised instrument betrays an unwarrantedly simplistic and normative view of the nature of knowledge production at universities. In particular, it ignores the extent to which the university is necessarily home to very heterogeneous forms of knowledge practices underpinned by a diversity of distinctive relationships with external groups. Although quantitative forms of 'evaluation at a distance' are wonderful from the point of view of administrative convenience (Power, 1999), they may present a grave threat to the integrity and continued survival of a range of academic disciplines. In particular, by treating all forms of knowledge as homogenous commodities (often unproblematically referred to as 'research output') that may be unproblematically represented, measured and compared without regard to the context in which they are embedded, such systems do violence to the diversity of long-established epistemic traditions. Homogeneity in terms of forms of assessment will surely result in a dangerous homogeneity in 'research' practice, as academic subjectivities are shaped by this emergent form of (supra-)disciplinary power. Does the world really need recondite journal articles and PhD theses, housed in an ever more disconnected university?⁶ Do we really need more PhDs in, say, Medieval French? If such PhDs are not produced does this undermine the status of Medieval French scholars due to their lack of demonstrable 'research productivity'? Paradoxically, in their efforts to promote the neutrality and objectivity of such systems of evaluation, the proponents of same appear blissfully unaware of the impossibility of stepping outside of relations of power.

We are sensitive, of course, to the possibility that the espoused version of the Senior Lecturer appointment system may be very different to that enacted in practice. If, indeed, it is the case

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that these generic practices are embedded differently in different faculties (it might be difficult to get evidence to substantiate this hypothesis due to confidentiality restrictions), then this should be explicitly acknowledged and scrutinised. Rather than attempting to preserve a veil of objectivity and political neutrality, it might be better to attempt to learn more about the particularities of different epistemic communities so that they may be better understood and cultivated. The notion of what constitutes ‘research’ or knowledge creation in different areas needs unpacking (see Knorr-Cetina, 1999; Latour, 1987; Latour, 1999 for examples of attempts to ‘open up the black box’ in the context of science studies), so that we may attempt to cultivate (a diversity of) good practices within the university in a sensitive manner. One implication of this might be a welcome shift in emphasis from ‘research production’ to social processes of education (which may take different forms depending on the epistemic context).

In conclusion, then, while the emphasis on accountability, fairness and transparency is eminently understandable in the context of UCD’s historical approach to promoting academics, the enthusiasm for measurement and direct comparison needs to be tempered by a greater sensitivity to the diversity, and perhaps the frailty, of academic practice. If we are to build a ‘knowledge economy’, it would seem prudent to attend more carefully to the complexity and heterogeneity of knowledge-producing practices.

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- 1 For an interesting critique of the rather glib concepts of information/knowledge society/economy see Webster, 1995.
 - 2 In cognitive theories of learning ‘knowledge is viewed as symbolic, mental constructions in the minds of individuals, and learning becomes the process of committing these symbolic representations to memory where they may be processed’ (Wilhelmsen et al., 1998). A key metaphor here is that of ‘information-processing’, inspired by the operation of computers.
 - 3 Clark Kerr’s ([1963] 2001) preference for the concept of the ‘multiversity’, over the university, also captures this sense of heterogeneity.
 - 4 The two faculties in question were selected on the basis that they are often considered to be at opposite ends of the academic spectrum in terms of values and culture.

- 5 University Promotions Board, the predecessor of the University Committee on Academic Appointments, Tenure & Promotion.
- 6 For an interesting critique of contemporary research practice at business schools see Bennis and O'Toole, 2005.

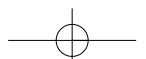
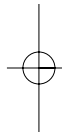
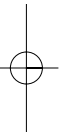
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Management Styles of a Newly Appointed Leader in a Turnaround Context



C O N O R O ' K A N E *

ABSTRACT¹

Some disillusion pervades much of the research on leadership in turnaround contexts with Castrogiovanni, Baliga and Kidwell arguing that the 'research on performance turnaround following CEO change has been limited and inconclusive' (1992: 27). More importantly most research on corporate turnaround offers results that are inconclusive and of little assistance to turnaround managers (Winn, 1993). Significantly, Kanter (2003) argues that it is these turnaround situations where leadership matters most. This paper reviews the turnaround and leadership literatures and highlights two gaps: firstly there is no reference, theorising and empirical research regarding the role of a newly appointed leader in a turnaround context; and secondly, the issue of the timing of this new leadership has not been the focus of much theoretical debate or empirical investigation. Using a longitudinal nested case study design, this paper examines the triggers for change and the timing, actions, strategising role and key management styles of a newly appointed leader in Dairygold Co-op.

Keywords: Turnaround; Leadership; Management Styles.

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LITERATURE REVIEW

Introduction

The literature explored in this paper, namely turnaround and leadership, uncovers a dearth of theoretical and empirical research on newly appointed leaders within a turnaround context. This gap is uncovered in the turnaround literature and further rationale for this gap is then provided in the leadership literature by making specific reference to the importance of newly appointed leaders and leaders in general during transformational change or crisis situations.

To this end in addressing the turnaround field, the paper reveals the focus of study within existing empirical investigations and the role of CEO change as a trigger for turnaround activity. Furthermore, a critical view of the content, methodologies and results employed within existing research demonstrates how poor our understanding of the phenomenon actually is. A look at the evolution of leadership studies is followed by a review of the typical leadership role and activities required to direct a change effort within a turnaround context. The literature is then brought to a close with reference to the appropriateness of and/or need for a newly appointed leader to initiate a turnaround effort.

Turnaround and Change

The change management literature has been the focus of an increasing amount of research attention (Johnson, 1990; Rajagopalan and Spreitzer, 1997). However, research concerning the link between strategic change and organisational performance remains inconclusive (Kraatz & Zajac, 2001) and must deal with many complexities including environmental turbulence, industry structure and the actual nature and context of the change initiative (Grewel & Tansuhaj, 2001; Mezias, Grinyer, & Guth, 2001; Trinh & O'Connor, 2002 as cited in Parnell and Lester, 2004). One particular area which has been the focus of much research interest has been the issue of turnaround. Successful turnarounds are most often associated with the reversal of a survival-threatening decline (Barker and Duhaime, 1997) and the 'use of strategies, systems skills and capabilities to achieve growth and sustainable performance recovery' (Chowdhury, 2002: 250). However, this topic of turnaround remains

largely idiosyncratic and open-ended due to an overwhelming focus on the content of turnaround situations rather than the actual process of subsequent recovery or decline (Chowdhury, 2002). Consequently, Pandit (2000) argues that future research should be more concerned with the contexts and processes of turnaround cases, not unlike Pettigrew's (1987) content, context, and process framework.

Empirical Studies of Turnaround

As previously referred to, turnarounds are associated with perseverance and recovery following an existence-threatening decline (Pandit, 2000; Chowdhury, 2002) or a master plan of actions necessary to reverse a declining business situation (Barker and Duhaime, 1997). Similarly, Arogyaswamy, Barker and Yasi-Ardekani (1995) argue that firms in 'turnaround situations are sustaining resource losses that will cause the firm to fail if unabated' (1995: 497). Though several business variables may reflect crisis scenarios, a substantial decline in financial performance is often considered the key motivation in initiating turnaround activity (John, Lang and Netter 1992; Denis and Kruse, 2000).

According to Pandit (2000) five distinctive studies have investigated turnaround's prevalence as a phenomenon and highlight its empirical importance (see Table 6.1).

Other significant studies of note include Grinyer, Mayes and McKiernan's (1990) study of twenty-five UK companies, Hofer (1980), who discusses the impact of the severity of the decline, and Hall (1980), Goodman (1982), O'Neill (1986) and Robbins and Pearce (1992) who each attend in some part to the role and influence of efficiency or retrenchment led moves in a turnaround situation. Table 6.2 below provides a more comprehensive list of prominent turnaround studies carried out to date.

An examination of the core focus of these studies reveals a dearth of theoretical and empirical research on newly appointed leaders in turnaround situations. For example, Remick's study deals with the everyday management challenge of turnarounds, Whitney examines the task of a typical turnaround leader, Di Prio presents six steps to turnaround management, Scherer emphasises the turnaround consultant's role, Thietart looks at the relationship between strategic

114 *Management Styles of a Newly Appointed Leader***Table 6.1: Empirical Research on Corporate Turnarounds**

Author	Subject of Analysis	Successful (Author's criteria)	Failure
Schendel, Patton & Riggs (1976)	Standard and Poors's Compustat database 1952-71, 1,800 firms	68 (10%)	—
Bibeault (1982)	4,090 listed companies 1967-1976	396 (33%) out of 1,094	66%
Hambrick & Schechter (1983)	PIMS database	53 (20%) recovered, 260 (33%) low performers out of 770	80%
Slatter (1984)	UK publicly quoted Companies, 1961-1976	105 (25%) of 420	—
Chowhury & Lang (1996)	US small firms 1984-1987	27 (17.6%)	—

Adapted from Pandit (2000)

actions and performance variables, O'Neill examines turnaround strategies in the service industry, Hameremesh examines the management approach to turnaround while Hambrick and Schechter, Robbins and Pearce, Barker and Mone and Chowdhury and Lang each discuss in some way the benefits between either efficiency or retrenchment moves and entrepreneurial responses. Furthermore, studies by Modiano, Reichert (Brunswick), Rose (Woolworths), Wyman (Banking), Colino (Telecommunication Company), Miller and Vaghefi (Chrysler) and Brege and Brandes each deal with the specific turnaround case of a particular company or industry. However, while some of those authors listed (e.g. Grinyer and Spender, 1979; Hofer, 1980; Bibeault, 1982; Grinyer, Mayes and McKiernan, 1990; Stopford and Baden-Fuller, 1990; Pant, 1991; Castrogiovanni, Baliga and Kidwell, 1992; Kotter, 1995; Bennis, 2004) do admittedly deal with the subject of turnaround leadership or make reference to the need for a change in leadership to trigger or achieve a specific type of turnaround, studies which have examined the exact role or timing of this newly appointed leader within the turnaround context have not been uncovered.

Table 6.2: Previous Studies on Turnaround

Anecdotal Studies	Large Sample Studies	Longitudinal Studies
Remick (1980) <i>Time For a Turnaround? Take Comfort, Take Stock, Take Action</i>	Schendel and Patton (1976) <i>Corporate Stagnation and Turnaround</i>	Hamermesh (1977) <i>Responding to Divisional Profit Crisis</i>
Taylor (1982/3) <i>Turnaround, Recovery and Growth: The Way Through the Crisis</i>	Schendel, Patton and Riggs (1976) <i>Corporate Turnaround Strategies: A Study of Profit Decline and Recovery</i>	Graham and Richards (1979) <i>Relative Performance Deterioration, Management and Strategic Change in Rail-Based Holding Companies</i>
Brunetti (1987) <i>Management Control Requirements in Organisational Turnaround Processes</i>	Bibeault (1982) <i>Corporate Turnaround: How Managers Turn Losers into Winners</i>	Hofer (1980) <i>Turnaround Strategies</i>
Modiano (1987) <i>Made in Great Britain: Lessons From Manufacturing Turnarounds</i>	Hambrick and Schechter (1983) <i>Turnaround Strategies for Mature Industrial-Product Business Units</i>	Bellisario (1985) <i>The Turnaround at Italtel</i>
Whitney (1987) <i>Turnaround Day</i>	Slatter (1984) <i>Corporate Recovery</i>	Melin (1985) <i>Strategies in Management Every Managing Turnaround</i>
Di Primio (1988) <i>When Turnaround Management Works</i>	O'Neill (1986) <i>Turnaround and Recovery: What Strategy Do You Need?</i>	Müller (1985) <i>Corporate Crisis Management</i>
Reichert (1988) <i>Brunswick's Dramatic Turnaround</i>	Thiéart (1988) <i>Success Strategies for Businesses That Perform Poorly</i>	Colino (1986) <i>Turnaround Strategies for an International Organization</i>
Ramakrishnan and Shah (1989) <i>A Systems Approach For Corporate Turnarounds</i>	Gopal (1991) <i>Turning Around Sick Companies – The Indian Experience</i>	O'Neill (1986) <i>An Analysis of the Turnaround Strategy in Commercial Banking</i>

(Continued)

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Table 6.2: (Continued)

Anecdotal Studies	Large Sample Studies	Longitudinal Studies
Rose (1989) <i>Woolworth's Drive for Excellence</i>	Pant (1991) <i>An Investigation of Industry and Firm Structural Characteristics in Corporate Turnarounds</i>	Zimmerman (1986) <i>Turnaround – A Painful Learning Process</i>
Scherer (1989) <i>The Turnaround Consultant Steers Corporate Renewal</i>	Barker and Mone (1994) <i>Retrenchment: Cause of Turnaround or Consequence of Decline?</i>	Miller and Vaghefi (1987) <i>The New Chrysler Corporation: Fall and Rise</i>
Wyman (1988) <i>Turning Around the Troubled Bank</i>	Chowdhury and Lang (1996) <i>Turnaround in Small Firms – An Assessment of Efficiency Strategies</i>	Zimmerman (1989) <i>Managing a Successful Turnaround</i>
Armenakis and Fredenberger (1995) <i>Process Strategies for Turnaround Change Agents: Crisis and Non-Crisis Situations</i>		Grinyer, Mayes and McKiernan (1990) <i>The Sharpbenders: Achieving a Sustained Improvement in Performance</i>
		Hardy (1990) <i>Strategies for Retrenchment and Turnaround: The Politics of Survival</i>
		Stoford and Baden-Fuller (1990) <i>Corporate Rejuvenation</i>
		Thain and Goldthorpe (1989) <i>Turnaround Management: Recovery Strategies</i>
		Bregre and Brandes (1993) <i>The Successful Double Turnaround of ASEA and ABB: Twenty Lessons</i>

Adapted from Pandit (2000)

Triggers for Turnaround

According to Schendel and Patton, severe performance deterioration beyond a certain level is a precondition for radical/transformational change (1976: 237). Interestingly, a study by Grinyer et al. concluded that the appointment of a new CEO triggered turnaround activity in 55 per cent of the cases studied (see Table 6.3 from Grinyer et al., 1990: 120). This argument that top level changes are required and have a positive relationship with the turnaround effort is supported by the work of Mueller and Barker (1997), Bevan (2002), O'Neil (1986), Harker and Sharma (1999), Pearce and Robbins (1994), Stopford and Baden-Fuller (1990) and Thietart (1988 (as cited in Boyne 2004)). However it is also worth noting that no relationship and a negative relationship between CEO replacement and turnaround performance is reported in the work of Sudarsanam and Lai (2001) and Barr et al. (1992 (as cited in Boyne 2004)) respectively. Interestingly, Jarzabkowski (2003) also warns that a new head was not necessarily the cause of change in her study, thus one must exercise caution before assuming that change is a function of new top management appointments as presumed in much of the literature.

Critics of Turnaround Research

Notwithstanding the wide variety of turnaround research methodologies available, Pandit argues 'few studies elucidate in formal terms the key aspects' (2000: 42) and consequently, he argues that

Table 6.3: Triggers for Turnaround

Trigger	% of firms citing this factor
Intervention from external bodies	30
Change of ownership or threat of such change	25
New chief executive	55
Recognition by management of problems	35
Perception by management of new opportunities	10

Grinyer et al. (1990)

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our understanding of the phenomenon is incomplete. The criticism of previous turnaround research is nowhere as evident as it is in the words of Winn (1993) who bemoans the fact that most research on corporate turnaround offers results which are unconvincing and of little assistance to turnaround managers. Similar sentiments are voiced by Castrogiovanni, Baliga and Kidwell (1992: 27) when stating that 'research on performance turnaround following CEO change has been limited and inconclusive' and Chowdhury (2002) who argues that while content-specific turnaround research is more convenient, it tends to offer little more than static descriptions of turnaround strategies. With Meyer alleging that turnaround researchers are currently a long way up the empirical creek without a theoretical paddle (1988), it is not surprising to hear other critics call for systematic theory building based on carefully designed and skilfully executed empirical research on turnaround situations and responses (Pearce and Robbins, 1993). Furthermore, given that previous studies have been methodologically suspect, have overlooked crucial research questions and have employed a degree of theoretical neglect, there appears to be ample scope for future research to make a significant contribution to the literature on corporate turnaround (Pandit, 2000). As previously referred to, the scarcity of research carried out on newly appointed leaders in these turnaround situations provides the perfect opportunity to make such a contribution.

Leadership

Leadership is an integral part of any turnaround (Kanter, 2003). The approach to the study of leadership has usually been and perhaps must always be through the study of traits (Cowley, 1931). Trait theories assume that successful leaders are 'born' and have innate qualities, which distinguish them from non-leaders (see Stodgill, 1948; McClelland, 1961; and Katz, 1955, as cited in Yukl, 1989). However, this predominant view of leadership was soon replaced by a behavioural focus, which was more concerned with the specific leadership style being adopted (Stodgill, 1948; Lewin and Lippitt, 1938; Tannenbaum and Schmidt, 1958; and Flanagan, 1951, as cited in Yukl, 1989). Whilst in search of the 'one best way to lead', the behavioural style approach was criticised for overlooking the

impact of situational factors on the leader's role (Mullins, 1999). Consequently a move towards context-specific, namely 'Situational' and 'Contingency', theories of leadership arose. Leithwood et al. (1999), prominent academics within the area, noted:

What is important is how leaders respond to the unique organisational circumstances or problems...there are wide variations in the contexts for leadership and that, to be effective, these contexts require different leadership responses...individuals providing leadership...are capable of mastering a large repertoire of leadership practices.

(1999: 15)

In supporting this view, Yukl (2002) argued that the managerial job is too complex and unpredictable to rely on a set of standardised responses or events. Similar sentiments are apparent in the work of Robbins (as cited in Senior, 2002: 245), Hersey and Blanchard (1993), Greiner (1972), Vroom, Yetton and Jago (1988), Graen and Schlieman (1978), House (1971) and Fiedler (1978), who argue that leadership effectiveness can be either person-oriented or task-oriented.

Leadership and Change

In turnaround situations it is essential for today's turnaround leaders to have a viable strategy or vision as well as a cadre of key people to buy in to that vision (Muczyk et al., 1998; Kanter 1992; Beer et al., 1990; Baum et al., 1998). Additionally, leaders are required to set the direction, define the context, produce coherence, give meaning, manage boundaries, inspire voluntary behaviour and bring about passion, conviction and confidence in others involved in a changing organisation (Kanter, 2000). This need for passion and conviction is echoed throughout the leadership literature (see Furnham, 2002 and Gandz, 2000). Another aspect of leadership which gained some popularity in the literature is the issue of symbolic management (Johnson, 1990) and how the effectiveness of a leader can often lie in their ability to make activity meaningful to others (Pondy, 1978) through role model behaviour (Bennis and Nanus, 1985) and communicating meaning and vision in symbolic

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ways (Peters, 1978). Furthermore, Pfeffer (1981) argues that symbolic acts can often legitimise leadership behaviour by providing an organisational language ‘with sufficient power and relevance yet requisite ambiguity to implement strategic change’ (Johnson, 1990: 193).

Whilst many leaders may view change compelled by crisis as a threat and not an opportunity (Kanter, 2000), Gandz (2000: 3) argues that leaders of change should not shirk from using power or removing people who are blocking progress as ‘it’s tough enough to move an organisation in a direction without having to negotiate the minefield of the disaffected’. That is, turnarounds always involve bloodshed (Wetlaufer, 1998) and leaders confronted with change, crisis and those employing turnaround efforts need to recognise that it is easier to change processes and structures than people, however ‘some are beyond hope and irresponsible to all aspects of change and need to be let go’ (Furnham, 2000: 26). Bennis (2004: 49) also points out that ‘major changes in the first six months will inevitably be perceived as arbitrary, autocratic and unfair, as much for their timing as their content’ and that ‘all leaders find themselves at some point in the position of having to ask others to leave the organisation’ (2004: 50). Furthermore, Muczyk et al. (1998) argue that successful turnarounds and retrenchment efforts are highly dependent on an autocratic and directive style of leadership when stating that ‘life threatening straits are most apt to be saved by a directive autocrat’ (Muczyk et al., 1998: 44). Goleman (1998) supports this view when arguing that despite its drawbacks, a coercive approach is deemed the most effective style in times of crisis and corporate turnaround.

Turnaround and Leadership

Path to Crisis

Kanter (2003: 60) outlines the path to crisis: ‘Organisational pathologies – secrecy, blame, isolation, avoidance, passivity and feelings of helplessness which arise during difficult times and reinforce one another in such a way that the company enters a kind of death spiral’. These cycles may reach a point where they cannot be turned around in a short period of time because of the large reservoir of negative past experience (Hersey and Blanchard, 1980).

Whilst there may be prolonged periods of strategic flux (Mintzberg, 1978) and confusion (Lorsch, 1986), there is still likely to be a strong adherence to existing cultural norms (Johnson, 1990). However, such flux may continue to deteriorate performance and make the paradigm less fixed until a perceived crisis results (Bartunek, 1984). Consequently, new perspectives and fundamental changes may be introduced to the organisation through active change agents (Johnson, 1990), powerful leaders (Hedberg et al., 1976) or new chief executives (Pettigrew, 1985; Lorsch, 1986; Grinyer and Spender, 1979).

Bibeault (as cited in Sudarsaam and Lai, 2001) argues that top management change is widely thought of as a precondition for successful turnarounds. Moreover, Kotter (1995) comments on how transformations can begin well when an organisation has a new head, a good leader and when CEO is key. However, among the principal challenges facing new CEOs is 'the critical entry' of the 'infant executive' who typically 'faces the misgivings, misperceptions, and the personal needs and agendas of those who are to be led' (Bennis, 2004: 46). Furthermore, Bennis warns the new executives to 'recruit a team to back you up; you may feel lonely in your job'. This is reiterated by Wetlaufer (1998) who warns against operating as a loner when holding the top job in the organisation. However, as crisis and decline become more profound, the challenges, cost and disadvantages of a change in leadership will decrease and it may well prove the most effective means of portraying a commitment to change, assuming that there is an adequate match between the needs of the organisation and the capabilities of the new CEO (Castrogiovanni, Baliga and Kidwell, 1992).

A Leader's Role

According to Pettigrew, Whittington, Melin, Sanchez-Runde, Van Den Bosch, Ruijgrok and Numagami (2003), within a context of transformational change it is essential that the chosen leader is strong enough to survive the complex change processes. Indeed an awareness of the probability that things will get worse before they better when facing into an uncertain future is paramount. Thus, it becomes evident in what Whittington et al., (2000, as cited in Pettigrew et al., 2003) refer to as the 'the perils of the J-curve' that

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even the best systems during transition are likely to follow a J-curve movement from the 'unsatisfactory performance that first triggers change, through a period of still worse performance as the old system is disrupted and then finally into a period of higher performance as the new system gets into gear' (Pettigrew et al., 2003: 129). Notwithstanding this, Bennis (2004: 54) highlights the need for an 'adaptive capacity to make nimble decisions' while Whitney (1987: 49) notes that it is essential to 'devise a structure that will keep the reviving company nimble enough to compete.' However, one of the most vital attributes a change leader can possess is the ability to lead a psychological turnaround where they inspire, empower and restore their people's confidence in themselves and in one another (Kanter, 2003). Significantly, Whitney also (1987: 53) makes reference to dramatising the importance of furnishing accurate, timely information, and 'nourishing a chaos that is useful'. Similar sentiments are voiced by Kanter (1992) when encouraging leaders to promote discomfort while Kotter (1995) expands on this sense of discomfort and urgency in his eight-step model for transformational change. Other prescriptive models of note include Beer et al.'s (1990) 'critical path' and Kanter et al.'s (1992) 'Ten Commandments for Executive Change' which clearly distinguishes between the clear and rapid impact of 'Bold Strokes' and the longer term 'Long Marches' which require an organisational wide commitment to adjust behaviours and achieve 'real change' (Kanter, 2000). Thus, the importance attached or indeed the attention afforded to a leader's role and style, particularly in the context of transformational change or a company crisis, adds greater weight to the research gap uncovered.

Cautionary Notes

Some authors offer words of caution to those merely complying with the aforementioned prescriptive models by emphasising the importance of contingent factors in turnaround situations (e.g. Burgelman, 1983). Thus, with Kanter stressing that corporate turnarounds are not one-size-fits all situations (2003: 66), CEOs are reminded that they should 'pay attention to the specifics of company problems and bring their own preferred approach to the task' (Beer, Eisenstat and Spector, 1990: 4). Additionally, reference is made

to the potential danger of using rapid progression of standardised programmes as they will 'undermine the credibility of the change effort' and though 'designed to cover everyone and everything end up covering nobody and nothing particularly well' (Beer et al., 1990: 3). Furthermore, Chowdhury (2002) notes how each individual turnaround is configured differently due to variations in, interactions between and the dynamic nature of specific contextual variables.

Literature Conclusion

A review of the literature, including a number of leading journals in this area, uncovered a significant gap in the turnaround field, namely the literature provides scant evidence of any theoretical or empirical investigations into the role and/or timing of a newly appointed leader in a turnaround context. The significance of this finding was further enhanced with a further review of the literature revealing how pivotal a leader can be in directing and/or triggering transformational change in a crisis situation.

RESEARCH METHODS

Research design was a longitudinal, multi-stage, nested case study in a single corporate setting (Yin, 1984). In order to gain an understanding, the governing paradigm was interpretive (Burrell and Morgan, 1979) and the philosophical orientation hermeneutic (Taylor, 1994). Data collection spanned two years (2003–2005) and involved both current and retrospective data. In using the case study method (Yin, 1994: 79), five primary sources of evidence (documentation, archival records, interviews, direct observation and participant observation) were identified and later utilised in the study. More specifically, in conjunction with a brief period of employment within the co-op, the researcher was also granted access to archival records and company documentation. Additionally, numerous sources of secondary data were examined, stored, archived and retrieved throughout the research.

Interviews are considered one of the most essential sources of case study information (see Saunders et al., 2003: 245; Easterby-Smith et al., 1991; and Yin 1984). Three semi-structured open-ended interviews, each lasting approximately one hour, took place

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with senior management from a variety of functional departments. Central to this selection process was the need to source those who could demonstrate, explain and confirm the leadership role and attributes required to implement a turnaround strategy. Thus the researcher succeeded in interviewing Dairygold's² newly appointed CEO Mr John Tobin, who is driving the current turnaround and directing the radical restructuring of the co-op. Interviews were also conducted with senior managers Mr Liam Cotter of Dairygold's consumer product division and Mr Tom O'Meara of Dairygold's agri-business division.

Using the case of Dairygold we endeavour to examine the two identified gaps, namely the lack of theorising and the lack of empirical research with regard to the role or timing of a newly appointed leader in a turnaround situation. To this end the principal objectives of the paper are to assess the timing, actions, strategising role and key management styles of a newly appointed leader within the Dairygold context.

THE CASE OF DAIRYGOLD

Dairygold Co-operative Society Limited was created more than ten years ago through the merger of two Dairy Co-ops in the south of Ireland. A wide ranging product line marketed through a number of valuable brand names resulted in the dairy co-op competing against an equally diverse set of prominent competitors. However, this wide-ranging product portfolio became a major contributor to the co-op's rising costs. Despite employing in excess of 3,000 personnel, producing an annual turnover exceeding €970 million and 'boasting a heritage of a co-operative which has long been a leader' (*Annual Report*, 2003: 5), Dairygold failed to realise the standard of efficiencies expected from their high profile merger. Figure 6.1 details specific developments in Dairygold's decline and subsequent recovery.

FINDINGS AND DISCUSSION

The Path to Crisis

Dairygold formally operated in a tightly regulated market, which created a comfort zone allowing it to survive whilst operating inefficiently in comparison to world-class standards (*Annual Report*, 2003).

Figure 6.1: Timeline of Dairygold's Decline, Recovery and Emerging Challenges

Year	Event	Turnaround Stage (Chowdhury, 1996)
		Decline & Crisis
2001	Interest costs amount to €7.4m in bank interest and €1.3m in share interest	
December 2001	Experience debt levels of €146m	
2002	Pre-tax profits of €2.7m on turnover of €1 billion, down from €13.25m in 2001	
2002	€3.4 million loss and its operating profits drop by 80%	
2002	Losses of €26 million are estimated by 2007	
		Response Initiation
March 2003	John Tobin takes over the reins as Dairygold CEO	
May 2003	Dairygold express concerns over structural issues, product mix and how they sell their dairy products	
May 2003	Report an operating loss of €4.3 million, compared to an operating profit of €13.5 million in 2001	
July 2003	AGM sees a vote of no-confidence in all but one of the board	
		Transition
2003	23 branches are closed. Facilities that are not profitable and which do not house core activities are removed. Also a 50% stake in a cheese manufacturing plant is sold	

(Continued)

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Figure 6.1: (Continued)

Year	Event	Turnaround Stage (Chowdhury, 1996)
Autumn 2003	Two beef processing plants are closed	
October 2003	Launch the new innovative brand 'Dinner Made Easy' range	
November 2003	Announce that redundancies and outsourcing are unavoidable	
December 2003	Slash 500 jobs	
Jan/Feb 2004	Appoint new MD for new DIY/homeware outlets	
February 2004	Strike action is proposed following breaches of industrial relations procedural agreement	
April 2004	Set the goal of, by 2008, being the leading value-added dairy processor in Ireland and the leader in their chosen consumer foods segments across Ireland and the UK	
		Transition/Outcome
April 2004	Dairygold reports 2003 turnaround with a turnover of €964m for 2003, operating profits, before exceptional costs, of €15.6m (up 114% on 2003) and net debt reduction of €5.8m to €126.3m	
June 2004	€30m investment into its DIY/Homeware. The chain is expected to create over 600 new jobs over the following 3 years	
14 August 2004	270 redundancies following the closure of two pig meat related operations	

(Continued)

Figure 6.1: (Continued)

Year	Event	Turnaround Stage (Chowdhury, 1996)
December 2004	Move 80 admin staff from traditional location to new headquarters	
By end of 2004	Exited beef slaughtering, pig slaughtering, pig production, livestock marketing, cheese marketing in Wales, reduced liquid milk activity, merged three dairy spread plants into one, merged two cheese packing plants into one, merged four distribution warehouses into one and consolidated Roscrea consumer foods into Mitchelstown	
Feb 2005	Dairygold and Glanbia agree to future co-operation deal for milk processing	
Apr 2004	At annual AGM, Henchy announces that business divisions are now operating to very clear objectives and sharply focused business plans, costs have been reduced, R&D expenditure doubled and significant rule change has been implemented	
May 2005	Galtee Meats plant is under threat as workers reject cost-cutting programme	
2005	Intend to have new R&D and Jarsberg cheese manufacturing plants up and running and to restructure milk processing activities at four sites	
		Transition/Outcome (continued...)

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However, in 2002 the company made a loss of €3.4 million and its operating profits dropped by 80 per cent from just over €25 million to less than €5 million. With some estimating losses could possibly amount to a massive €26 million by 2007, Dairygold was left with little alternative but to initiate a radical restructuring and rationalisation programme. Table 6.4 outlines some of the principal reasons for Dairygold's decline.

A New Leader Appointed

Pettigrew (1985) argues that the prolonging of crisis situations can require fundamental changes often associated with a new chief executive. Furthermore, Bibeault (as cited in Sudarsaam and Lai, 2001) argues that top management change is widely thought of as a precondition for successful turnarounds. Interestingly, similar developments were apparent in Dairygold, with the research findings revealing how the co-op generally accepted the need for a change in leadership. It was argued that such an appointment could prove invaluable as there would be 'no baggage and no hidden agendas' (O'Meara, 2004) and they could gain a lot from someone coming

Table 6.4: Reasons for Dairygold's Decline

Dairygold Reasons	Industry Observers' Reasons
– Involvement in non-profitable, non-core late-cycle businesses	– Falling Milk Prices – Reliance on EU intervention
– Work and IR practices	– A demanding membership who are used to high milk prices
– Higher cost base than competitors	
– Rising wages	
– National inflation rates	
– Lack of investment in new product development and growth	
– Failure to meet the needs of stakeholders	
– Poor performance of core assets	

Source: (*Annual Report, 2003 & 2002*)

in and 'seeing things clearly and just immediately realising that things were not going to survive or continue as they were' (Cotter, 2004). Thus the acknowledgement that an outsider or new CEO was required to initiate the restructuring in Dairygold sits well with existing literature and serves to support the views of Grinyer et al. (1990: 120), Kotter (1995) and Beer et al. (1990) who argue that the scarcest resource for corporate revitalisation is leadership.

In supporting the views of Bennis (2004) and Wetlaufer (1998), the findings reveal how Dairygold's leader was highly effective in recruiting a supporting team and continues to depend on a network of personnel to implement the turnaround strategy. Tobin's (2004) role he argues, is merely to 'get others thinking' and involved in the turnaround and for him to then 'sign-off' on their decisions and conclusions. Additionally, it was significant to note Tobin's portrayal of the co-op as a 'house of cards' in which everyone's contribution was essential (Quinn and Kimberly, 1984 and Bruss and Roos, 1993). These findings also sit well with the emerging view that strategy practice and strategic activity is not solely restricted to distinguished strategists (Hendry et al., 2003) but instead involves a full cast of players that extends beyond senior management (Clark, 2004) and can incorporate any bottom-up, middle-out or top-down activity (Hendry et al., 2003).

Leader Actions and Implementation of Change

Dairygold's dedication to 'short term goals', 'stabilisation', 'getting the costs and structures right' (O'Meara, 2004; Cotter, 2004) and general efficiency-led moves are well supported in the literature (Whitney, 1987; Hambrick and Schecter, 1983; Pearce and Robbins, 1993). However, it is also significant to note the overlapping entrepreneurial strategic stage, as detailed by Bibeault (cited in Sudarsaam and Lai, 2001), which represents Dairygold's simultaneous commitment to long-term profitability and growth. Perhaps the best way to convey the current makeup of Dairygold's strategic focus is in recalling Tobin's (2004) explanation of the 80:20 rule: 'they are primarily committed to short term efficiency-led moves through rationalisation and downsizing [80], however they are simultaneously concerned with the 'helicopter view' and having 'sufficient growth prospects in the pipe [20]'. This strategic

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perspective is evidenced by their decision to enter the home hardware business and their long-term objectives of becoming the leading value-added dairy processor in Ireland and the leader in their chosen consumer foods segments across Ireland and the UK.

In investigating the implementation of the change programme more thoroughly we see that, while initial developments within the co-op concentrated on ‘communicating the need for change’ (Cotter, 2004), subsequent efficiency-led moves concerned themselves with the restructuring process, including the redesign, rationalisation and reconfiguration of many aspects within Dairygold’s line of business. Tobin (2004) makes the point that the principal content of the turnaround strategy was essentially, and continues to be, relatively consistent with the mantra: ‘We must look to the future and fix the business. If there are any areas which we cannot fix, the options are stark. It’s either fix it, outsource it, shut it or sell it’ (as cited in *Food Production Daily*, 1 December 2003).

Leader’s Skills and People Management

The effectiveness of the leader’s people management skills were of paramount importance to the turnaround effort, with Tobin stressing from the outset that before leadership could be effective there must first be a ‘realisation of the need for revitalisation’ (2004). Cotter (2004) expands on these communication skills when acknowledging that he has an ‘effective style about him at meetings and in dealing and communicating with people’ and recalls how people were initially ‘love-bombed with information’, including leaflets, notices, weekly meetings and post, to such an extent that ‘people were overwhelmed with information so there was no reason why anyone could complain about not understanding the need for change’. This skill of communication was extended to include a distinct charm, colourful language and vibrant energy which proved charismatic in its ability to achieve employee buy-in and contributions: ‘he is very influential and can get people on side with him very easily with a distinctive charm’ (O’Meara, 2004), to what seemed logical courses of action once underway: ‘he seemed to be saying and doing things that certain people were muttering for years to be honest’ (Cotter 2004). These social interactions are also significant in that they support the growing acknowledgement of how influential

mundane communications (Roos and Von Krogh, 1996 as cited in Hendry et al., 2003) and strategist talk (Samra-Fredericks, 2003) can be to an organisation's strategic routines and activities. Other prominent skills displayed include an analytical capability, which allowed Tobin to quickly digest and summarise volumes of data, a decisiveness that allowed him to act quickly and make decisions based on a speedy analysis of information and an obsession with task accomplishment and productivity, which evidently overrides any concern for employee welfare. It was also discovered that the leader was highly confrontational and stubborn when there was a conflict of interests, as noted by O'Meara (2004): 'in a conflict situation he is also very quick to point a machine gun at people too and will not back off or be prepared to step down in a confrontation'. This approach is perhaps partially justified if one considers his own admission that he will at all times be firm, through brutal honesty, and fair, by continuously being guided by numbers: 'it will be firm because I will be honest with people and it will be fair because it will always be based on numbers' (Tobin, 2004).

Leadership Styles

In response to Bennis's (2004) concerns regarding the 'infant executive', the findings revealed how this form of leadership immediately accepted 'no politics, hidden agendas or solo runs' (Tobin, 2004) and that those who would not 'contribute' or 'deliver' would be soon 'blown away' or, put more bluntly, 'would be leaving very soon' (Tobin, 2004). Thus on arrival it became quite apparent that this leader was not going to be misled: 'some people are very good at positioning but not at execution' (Tobin, 2004). Additionally, and in supporting the views of Gandz (2000), the research revealed how this CEO would avoid shirking from using power or removing people if the need arose. Thus the findings appear to support the views of both Goleman (1998) and Muczyk et al. (1998), who argue that successful turnarounds and retrenchment efforts are highly dependent on an autocratic and directive style of leadership: 'life threatening straits are most apt to be saved by a directive autocrat' (Muczyk et al.: 44). Interestingly, similar sentiments are voiced by Bennis (2004: 49) when pointing out that 'major changes in the first

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six months will inevitably be perceived as arbitrary, autocratic and unfair, as much for their timing as their content’.

Leader’s Vision

According to Muczyk et al. (1998) it is essential for today’s turnaround leaders to have a viable strategy or vision as well as a cadre of key people to buy into that vision. In commenting on specific intentions and goals for Dairygold’s future, Tobin (2004) keeps it remarkably simple. Rather than using colourful language to describe success and growth he simply states that ‘success by definition is about achieving higher numbers every year and we will only characterise success by division and numbers achieved’ (2004). However, Baum et al. (1998), Pfeffer, (1981) and Peters (1978) introduce an additional aspect to the makeup of an organisational vision. They argue that a vision which is brief, clear and desirable, containing relevant symbolic imagery and communicated by walking the talk, can be crucial to organisational performance and growth. Significantly, it was discovered that Tobin’s vision of the future is also illustrated by an example of a fish in the sea with a hierarchical of inter-dependence. More specifically, Tobin (2004) ‘warns that Dairygold cannot be the shark or big player which grows by eating up smaller players.’ However, he continues to explain that the co-op is also too big to be shielded from the radar. Consequently, to stay in front of the shark he argues that Dairygold must become Europe’s lowest cost producer of any commodity they choose to stay in. Thus, it is proposed that the co-op build the technical and market power to allow it to ‘stake out the ground of the Hoover fish which can co-exist with the shark on the basis that it brings something of value to the party’ (Rea, 2004). Other symbolic descriptions of Tobin’s plans for Dairygold include his determination to ‘rightsize’ rather than downsize a ‘sleeping giant’ of the dairy industry.

Leader’s Approach to Change

While it has been discovered that the planning and the sequencing of recovery actions do play a considerable role in the shaping of turnaround activities, it is significant to note that Dairygold’s plans are primarily concerned with immediate short-term developments

in the co-op and specific long-term objectives, whose paths to accomplishment are still very much at large. Moreover, it is acknowledged within the co-op that certain plans are incomplete and that future ones will only emerge as short term developments begin to unfold – ‘It’s impossible to plan for the unknown before concentrating and fixing our core and seeing how that works out’ (O’Meara, 2004). Consequently one can deduce that, while their compass and direction are fixed – ‘North is North’ (Tobin, 2004), the details and specifics of their route are not as evident. In referring to theoretical models of change (e.g. Kotter, 1995; Beer et al., 1990; Kanter, 1992), Tobin (2004) makes his point clear by stating his preference for ‘getting my managers, who know the business involved, and thinking, and let them get the knives out and fight for every inch’. Indeed his distinct preference for management involvement and internal contribution was accompanied by a guarded acknowledgment of the potential contribution external parties could make to Dairygold’s predicament. Thus one gets the impression that this particular CEO is not easily convinced by the ‘latest fashionable management technique or tool’ (Abrahamson, 1996 as cited in Clark, 2004) or to the perception that these external bodies ‘dominate notions of what is of value, what repertoires are available and what choices are legitimate to organisations as they work towards the strategic ideal’ (Clark, 2004: 107).

According to Schendel and Patton (1976: 237), severe performance deterioration beyond a certain level is a precondition for radical/transformational change. Preliminary findings appeared to confirm this view, with some characterising Dairygold’s change as radical and revolutionary (Cotter, 2004; O’Meara, 2004). However, further details emphasised the evolutionary movement and incremental logic behind recent decisions, with Tobin in particular putting the co-op’s recent changes into perspective: ‘recent change may have been revolutionary for Mitchelstown but was most definitely only evolutionary for Dairygold’ (2004). This appears to confirm Tobin’s earlier comments with regard to his distinct preference for ‘evolution rather than revolution’ (O’Keeffe, 2003). Additionally, it was argued that their period of performance deterioration resulted in a clear necessity for incremental adjustments to get the co-op/ship ‘in proper working order’ (Tobin, 2004) and structured accordingly.

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Moreover, the leader expressed his view that the co-op had yet to do anything 'exciting' and that while changes to date had been relatively successful, they had not at all altered the core of the co-op's business or its strategic direction. However the findings did display an acknowledgement by all of the eventual need for, and existence of, radical or revolutionary changes in response to industry 'swings'. For example, Tobin specifically recalls a revolutionary move within the food industry in which 'the lads up in Green Isle brought Mama's home-cooked breakfast fry to the nearest petrol station' (2004). Notably, these findings are consistent with the views of Mintzberg (1978), Gersicks (1991), Greiner (as cited in Orgland, 1997), Miller and Friesen (as cited in Orgland, 1997) and Abrahamson (2000) who each make reference to the frequent rotation between revolutionary and incremental movements of change.

CONCLUSIONS

A review of the literature on leadership and turnaround highlighted a number of gaps. Firstly, there is little if any reference, theorising and empirical research throughout the literature regarding the role of a newly appointed leader in a turnaround situation. Secondly, the issue of timing of these newly appointed leaders (Castrogiovanni, Baliga and Kidwell, 1992) has not been the focus of much theoretical debate or empirical investigation. Moreover, the literature review highlighted how existing research in the area of turnaround and leadership is limited and inconclusive (Castrogiovanni, Baliga and Kidwell, 1992), theoretically suspect (Hunt, 1999) and offers results which are of little assistance to management practice and today's turnaround managers (Winn, 1993). Despite this, Kanter (2003) argues that turnaround situations are in fact where leadership matters most.

The findings of the Dairygold case shed some light on these highlighted gaps. Prescriptive models of change (Kotter, 1995; Kanter et al., 1992) and the proposed necessity of transformational movements in response to declining performance (Schendel and Patton, 1976) can be refuted based on this case study research. Interestingly, emergent responses to situational factors, a combination of stabilising and entrepreneurial activities – '80/20 rule', incremental shifts and a preference for management involvement – 'get the

knives out and fight for every inch', appear to characterise the mechanisms employed in this particular turnaround effort. This combination of strategic planning and responsiveness in a turnaround situation sits particularly well with extant literature, with Andrews (1987) arguing that strategy requires a balance between focus and flexibility and between direction and responsiveness and Mintzberg (1987) detailing how strategies can be both deliberate in their broad guidelines and emergent in their specifics.

Also developments within the turnaround effort appear to confirm 'the perils of the J-curve' as detailed by Pettigrew et al. (2003) and the depiction of the co-op as a 'house of cards' seems to accurately depict more innovative forms of organising (Pettigrew, 2003) and the widening strategic arena within companies in general. Additionally, the effective role of visionary leadership in driving a turnaround is displayed on two fronts, one being the simple description of growth and success with the second being the vivid portrayal of a fish in the sea with a hierarchy of inter-dependence. Finally, the research revealed how the timely appointment of an autocratic and task oriented leader initiated a turnaround effort which to date has focused on the creation of a nimble organisation and a company-wide 'realisation of the need for revitalisation' (Tobin, 2004).

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 - 2 Due to the sensitive nature of the turnaround situation and in the interests of confidentiality, the names of the interviewees have been changed for the purposes of this paper.

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Strategic Resources and Social Capital



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ABSTRACT

Strategic resources are often socially constructed, which implies human capital and social capital in action. Most scholars interested in social capital define it by the actual web of social networks within a community (or organisation) and by the norms, values, trust and expectations embedded in these networks, and its role in facilitating collective action.

Developing and leveraging social capital is critical for leaders, staff and volunteers in non-profit organisations. While NPO leaders are responsible for the strategic direction of the organisation, staff and volunteers play a key role in strategy implementation, so their social capital is important as well. An issue then is the process by which NPOs gather and use the social capital of both employees and volunteers as they create strategic resources and pursue their strategic goals. This paper integrates concepts from the literature on strategy and social capital with a non-profit organisation case study to understand the degree to which specific patterns of social capital may be used to achieve strategic goals. Such an examination should be useful for organisations that use both owned and accessed resources, whether non-profit or in one of the new network organisations.

In our case study of a large, national non-profit organisation with a significant volunteer membership, we found that staff rely

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primarily on the bridging type of social capital in achieving the competing strategic aims of expanding membership (a customer value goal) and achieving pluralism (an internal process goal). Further, they appear to leverage their social networks more for the customer value goal than for the internal process goal.

INTRODUCTION

Much of current strategy research calls for leaders to develop resources and competences that meet the criteria to provide long term competitive advantage (Barney, 1991; Black and Boal, 1994; Golden and Ma, 2003). Over the years various forms of intangible and tacit resources, which are socially constructed (Cappelli, 2004), have been identified as being valuable (Golden and Ma, 2003), ranging from organisational culture (Weber and Camerer, 2003) and organisational knowledge (Coleman, 1988) to social networks (Nahapiet and Ghoshal, 1998). It is through social capital, then, that collective action and strategic goals can be achieved.

Developing and leveraging social capital is critical for non-profit organisations (NPOs) (King, 2004). Leaders in non-profit organisations develop social capital to achieve a wide range of relevant activities, including recruitment and development of board members, fundraising, engaging in advocacy and creating a shared strategic vision and mission (King, 2004). However, in NPOs staff and volunteers play key roles in strategy implementation, so their social capital is important as well. Thus, the role of employees' and volunteers' social capital in creating strategic resources to pursue strategic goals is key. This paper pulls together the literature from strategy, social capital and non-profits, and a case study to understand this process. We begin the paper with a review of the literature. We follow this with a description of the site for our case study. The case study is presented, followed by conclusions regarding the use of social capital in the creation of strategic resources and/or in the furthering of strategic goals. We conclude with implications and future research.

LITERATURE REVIEW

The literature review begins by addressing strategic resource generation. This will be followed by sections on social capital and strategic goal categories. We will then make some preliminary conclusions about these areas and their implications for strategy implementation.

Strategic Resource Generation

Firm-level resources and competencies emerge from the directed activities of individuals from the organisation (Sanchez and Heene, 2004; Bergman-Lichtenstein, 2000). These management processes are themselves shaped by the strategic logic underlying the efforts to pursue strategic goals (Black and Fabian, 2000). Early researchers had called for the examination of the bundle of resources that were used in a strategic endeavor (Barney, 1991). However, others called for the inclusion of the sets of relationships between the resources involved in the creation of the strategic resource (Black and Boal, 1994) in that assessment. Recently, scholars have been noting that networks of organisations and their resources are sometimes needed to enable a strategic advantage (McGovern, 2006). Typically in the resource based view, the intangible strategic resource is seen as the most valued (Coff, Coff and Eastvold, 2006; Barney, 1991; Grant, 1996; McGaughey, 2002; Pike, Roos and Marr, 2005). Such intangible resources emerge across time from the interactions of the people involved with their associated knowledge bases (Dierickx and Cool, 1989; Knott, Bryce and Posen, 2003; Pike, Roos and Marr, 2005) or, in other words, these most valuable strategic resources are socially constructed (Baker and Nelson, 2005; Black, Oliver, Howell and King, 2006; Hall, 1992; Schoemaker and Jonker, 2005).

Social construction of a strategic resource implies then a dynamic interaction of both human capital and social capital (Dierickx and Cool, 1989; Knott, Bryce and Posen, 2003). Human capital most simply defined refers to the 'changes in persons that bring about skills and capabilities that make them able to act in new ways' (Coleman, 1988: S100). Social capital has various definitions.

Social Capital Conceptualisations

Many scholars are interested in social capital as defined by the actual web of social networks within a community (or organisation) and by the 'norms, expectations, and benefits that derive from it' (Saxton and Benson, 2005). Other scholars have defined it differently. Nahapiet and Ghoshal refer to it as the 'sum of the actual and potential resources embedded within, available through, and derived from the network' (1998: 243). Simon and Hitt (2003) call for three dimensions of social capital: structural dimension (social networks involved), cognitive dimension (shared meaning) and

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relational dimension (trust and norms). Lin (1999) emphasises the role of information and influence on the set of 'resources that are accessible through one's direct and indirect ties' (1999: 468). Adler and Kwon's (2002) extensive review of the social capital concept identifies the various social capital definitions that are currently employed in the research literature. They conclude that there are three components which must be present within social networks in order for social capital to exist: opportunity, motivation and ability. Adler and Kwon also note that for organisations, social networks can be based on market, hierarchical or social relations. Social capital, therefore, can be defined as the set of relationships between people or groups of people that can be used to develop, access and use resources. Furthermore, Coleman (1988) suggests that social capital influences the creation of human capital in subsequent generations.

Putnam (2000) discusses two types of social capital – bonding and bridging – that are particularly relevant to the strategic goals related to diversity and pluralism discussed in this paper. According to empirical research on social capital, bonding social capital is good for mobilising solidarity, while bridging social capital is good for linkage to external assets and information diffusion (Putnam, 2000). Bonding social capital reinforces 'exclusive identities and homogenous groups' (Putnam, 2000: 22). Examples provided by Putnam include ethnic fraternal organisations, church-based groups and country clubs. In non-profit organisations, bonding social capital can be used to increase the overall representation of members from underrepresented groups (Weisinger and Salipante, 2005); on the other hand, bridging social capital 'encompasses people across diverse cleavages', such as youth service groups, ecumenical organisations and the civil rights movement (Putnam, 2000: 22). In NPOs, bridging social capital can be used to enhance pluralism within the organisation – incorporating the diversity perspectives brought into the organisation through bonding social capital (Weisinger and Salipante, 2005).

Implications for the Network of Human and Social Capital

The social capital concept is particularly relevant in non-profit organisations that rely upon a significant volunteer force in carrying out the organisation's mission and strategic objectives. In such NPOs, it is the fostering of collective action through social networks

that allows this to occur. As per the previous discussion, different types of social capital might be used to pursue these different types of diversity in voluntary NPOs: bonding social capital using volunteers' strong ties will be most effective for increasing membership from underrepresented groups, while bridging social capital using weak social ties will be most effective for developing pluralism (Weisinger and Salipante, 2005).

Weisinger and Salipante (2005) propose a model of diversity for NPOs that relies upon the sequential steps of leveraging bonding social capital based upon strong social network ties to first increase representational diversity, followed by the development of bridging social capital among diverse groups within the organisation to increase pluralistic diversity. That model was developed using membership statistics and interviews with volunteers. It extends prior research that suggests that volunteers use their strong social ties (e.g. close friends and family members) to get others to help volunteer in non-profit organisations with which they are involved. It suggests that volunteers, due to both their explicit and tacit knowledge about the organisation and volunteering within it, are in the best position to attract new members. Thus, volunteers' (and staff members') human capital is also important in achieving strategic goals.

The premise underlying the use of bonding social capital for increasing representational diversity is based in part on the concept of homophily: the 'birds of a feather flock together' phenomenon (McPherson, Smith-Lovin and Cook, 2001). In fact, recent social network research has shown that African-Americans were more likely than whites to seek homophilous friendship ties, and that the salience of social identity group membership was positively related to homophily for African-Americans, Anglos and Hispanics in settings where participants were newcomers (Mollica, Gray and Trevino, 2003). Interestingly, a study by Emerson, Kimbro and Yancey (2002) found that people who experienced prior interracial contact in schools and neighbourhoods were more likely, as adults, to have more racially diverse social groups and friendship circles. This finding contradicts prior research suggesting that even in highly racially integrated US neighbourhoods and schools, membership group composition can be equally dominantly Anglo or dominantly African-American (Weisinger and Salipante, 2005).

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Once the organisation has significantly diversified its membership representation through bonding social capital, the organisation can then turn to pluralism efforts within the organisation. Such efforts can be brought about through the development and leveraging of bridging social capital. For both processes staff and volunteers' human capital is also key. Thus, both human and social capital is important in the social construction of the strategic resources needed by non-profit organisations in meeting strategic goals.

Strategic Goals

Humans organise collective action to pursue goals. Strategic goals concern the set of goals that enable an organisation to develop for and face the future. Several authors have argued for a range of goals to be considered (Armitage and Scholey, 2004; Kaplan and Norton, 1992; Zimmermann and Stevens, 2006). These goals are often placed into four categories: financial goals, internal process goals, external customer goals and learning and change goals (Gagne, Hollister and Tully, 2006; Lipe and Salterio, 2000; Kaplan and Norton, 1992, 2001). Financial goals are familiar to most people. These goals include returns on investments for owners and typically are expressed in financial ratios although sometimes profits and/or equity figures are used. Internal process goals are typically related to employees and internal process issues. External customer goals are typically such things as perceived customer value, market share and market size. Learning and change goals relate to the internal investments the organisation makes today to be viable in the future. These include R&D expenditures and developing a culture that supports learning and change.

Recent work has suggested extending the scorecard to include inter-organisational processes with suppliers (Park, Lee and Yoo, 2005) or to include various internal and external scenarios (Fink, Marr, Sieve and Kuhie, 2005). While the original work suggests that organisations utilise unique measures customised to their firms, many firms fall back on using common measures (Lipe and Salterio, 2000). However, the recognition of the value of measures unique to an organisation is growing (Gagne, Hollister and Tully, 2006). In both for-profit and non-profit entities the value of

evaluating performance and providing feedback and accountability to stakeholders is recognised (Zimmermann and Stevens, 2006).

Increased need for accountability and thus performance measures has made the balanced scorecard popular in the non-profit arena (Zimmermann and Stevens, 2006). Since many valued strategic resources are the intangible ones that require the interaction of the human capital and the social capital, it makes sense to see just what social capital is in play as a non-profit organisation works to create its strategic resources.

Thus, given the centrality of social capital as a strategic resource in voluntary non-profit organisations, our focal research question is: How is social capital being used in the development of strategic resources that facilitate the achievement of one or more strategic goals of a non-profit organisation?

We now turn to identifying the strategic goal choices in organisations before outlining the methodology used in the study.

Strategic Goal Choices

For many voluntary NPOs, increasing membership (i.e. growth of market – the Customer Value goal) can prove challenging. In our focal organisation, membership goals involve both youth and adults and the organisation has demonstrated a firm commitment to diversity for several decades. Diversity means recruiting and retaining youth and adults from underrepresented groups (which in the United States most often refers to African-Americans, Hispanics, Native Americans, and Asians) and tracking this representation.

The organisation also espouses a commitment to pluralism, which moves beyond counting members from underrepresented groups, and towards integration of their diverse perspectives into the organisation. The pluralism goal represents an Internal Processes goal of the organisation.

Because the strategic goals can be developed to satisfy a particular stakeholder, these goals may be in conflict. Given this goal conflict, we would expect that the social capital used in the pursuit of such goals may also be in conflict as well. To examine this issue we will look at the social capital and associated strategic resources involved with two very differently focused strategic goals: External Customers (diversity) and Internal Processes (pluralism).

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METHODOLOGY

Case studies are appropriate for certain types of research questions. Since the phenomenon of interest by definition needs to be relatively rare or unique to be strategic, the case study approach best suits the requirements. We will detail the description of the site, explain the specific strategic goals associated with the Internal Processes area and the Customer Value area (external goal), and then provide a rich description of the human and social capital involved in attempts to reach these strategic goals.

To explore the relationship between social networks, social capital and strategic competence, our case study is one local unit of a national non-profit organisation dedicated to youth development. The site is located in the southwest US.

Is there a tug of war between bridging and bonding social network structures when an organisation attempts to grow via diversity and to run via pluralism? We now turn to the case description at hand to determine this issue.

The Focal Case

The focal organisation is a local unit of national youth development organisation which we refer to here as the Southwest Youth Organisation (SYO). The organisation is largely volunteer-staffed, and includes both youth and adult members. The SYO serves more than 6,500 youth and nearly 2,700 adults, and has a paid staff that supports the volunteers and youth through a wide range of programmes, fundraising, and training, including leadership development. The functions that staff members typically perform involve membership and marketing (to increase the numbers of youth and adult members), programmes (development and delivery), and training and development (for staff and volunteers). Local units also have staff in fund development, public relations and communications, as well as other roles. According to its website, 88 per cent of the SYO's total membership is comprised of youth from diverse racial/ethnic populations (primarily Hispanic, a term we use here to be consistent with its usage at SYO). SYO covers a vast physical area spanning two states, comprising over 1,000 square miles. The national organisation has over 300 such local units, serving over 230,000 youth with nearly one million adult volunteers.

Typically, parents enroll their children in a small youth group that is run by adult volunteers, many of whom are the parents, though not always. SYO offers a wide array of year-round youth programmes, and each group decides which SYO programmes they would like to pursue. Many programmes have associated rewards and the accumulation of rewards is held in high regard by many youth and adults in the organisation. There is a structure of volunteers who support many of these youth groups in a particular geographic area, and who work closely with staff at SYO, though many staff also work directly with the groups themselves. SYO's focus is on inspiring youth with confidence, self-esteem, leadership opportunities, and with good citizenship and character.

In the 1980s the organisation initiated a nationwide commitment to pluralism, emphasising the development of youth from previously underserved racioethnic and class populations. The effort was successful, resulting in a tripling of minority membership by 1989. Thereafter the increases leveled off in some regions and many local units continued to be plagued by the challenges in attracting minority adult volunteers into the organisation. Local staff are measured on diversity goals, not on pluralism goals, though the national organisation has strongly emphasised both.

Currently, according to its CEO, the SYO meets the nationally-set diversity goals. This, in part, has been accomplished by the demographics of the region. The metropolitan area where SYO is located has a population of nearly 800,000, with 78 per cent identified as Hispanic (Latino). There is also a strong base of 'traditional' volunteers (who tend to be Anglo). The unit still faces many challenges in recruiting volunteers and youth in the desert Southwest. This includes reaching Hispanic (Mexican and Mexican-American) settlements that are in isolated areas, quite distant from the city, and reaching potential members in the many small towns that surround the metropolitan area. Staff members are also challenged by language issues, though an increasing number of the local staff are bilingual in English and Spanish. According to some interviewees, this change is recent. In fact, there are now more Hispanics on the staff, mirroring the surrounding community, and many are not only new to SYO, but also to its national organisation. (Others were

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familiar with its programmes because of their own youth membership or as an adult volunteer before becoming paid staff. This is less true of the newer arrivals.)

In conclusion, SYO has strategic goals of growth through diversity and pluralism. The national organisation's pluralism initiative clearly differentiates between diversity and pluralism, with the former related to recruitment of new members and the latter related to inclusion. Remember that the diversity/growth goal is the SYO's Customer Value Strategic Goal and that the pluralism/inclusion goal is the SYO's Internal Process Strategic Goal.

Data and Analysis

We have presented the focal organisation, which has provided a sense of context within which diversity and pluralism activities are taking place. Also important in our case study is providing some perspectives from SYO participants. Thus, we sought to obtain their answers to specific questions regarding diversity and pluralism.

The data was obtained as part of a broader study on diversity in non-profit organisations. In that broader study, interviews (n=33) were conducted with staff members at SYO and at two other local units in the region. Because the broader study's interview questions only touched briefly upon social capital issues, we needed additional data beyond those staff interviews. Due to time and cost constraints, we were not able to collect this data in a face-to-face interview, which was desired. Thus, we conducted a brief structured e-mail survey with staff in those units. Because of the uneven number of responses from the three sites, we decided to focus on the local unit (SYO) for which we received the most responses (n=15). Thus, our data analysis here is derived in part from this sub-sample of 15 e-mail survey responses to questions on social capital and strategic goals, and in part from interview responses provided as part of the broader study. A copy of the e-mail questionnaire is in the Appendix.

Our aim was to have participants describe how they approach the dual aims of diversity and pluralism in their organisation, and then to explore the role of social networks in these self-described approaches. Because this is an exploratory study and because we are interested in examining social interactions *in situ*, and because

we are including the data from SYO staff as part of a single case study, the survey sample of 15 is adequate for our exploratory analysis.

The questionnaire simply asked participants to provide a specific example of the most significant thing they have done to recruit (diversity) and to include (pluralism) members from underserved groups in their organisation, including youth, volunteers and staff. Each example was followed by a question asking respondents who was most instrumental in the accomplishment they cited. We also asked questions about their social relations with co-workers on task, during lunch and during non-work hours, as well as a number of demographic questions.

Responses were content-coded to explore whether diversity and pluralism efforts might be distinguished in some way by how respondents' leverage their social capital. Respondents were each asked to identify the most significant thing they have done to *recruit* (a) a youth member, (b) an adult volunteer member and (c) a staff member into the organisation. These activities represent SYO's growth through diversity efforts, a customer value goal. Then respondents were asked to identify the most significant thing they have done to *include* (a) a youth member, (b) an adult volunteer member and (c) a staff member in the organisation. These activities represent SYO's pluralism efforts, an internal process goal.

All of the examples provided by respondents were recorded. Next, each set (diversity and pluralism) was analysed separately to identify how social networks and social capital appeared to be used. For each set, we coded for the presence of using social capital for any example where the respondent's statement indicated that they relied upon the help of someone else or others in accomplishing the activity and, where they asked, conferred or consulted with someone who was in a position to help them complete their activity. Results and implications are discussed in the next section.

RESULTS AND DISCUSSION

In this section we present the results of our coding and our discussion about social networks, social capital and strategic competence within the context of our focal organisation. A summary of the examples provided (by respondent) is in Table 7.1.

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Table 7.1: Examples of Activities Supporting Strategic Goals of Diversity and Pluralism that Rely on Social Capital

	Youth	Adult Volunteers	Staff
Diversity (Customer Value Goal related to Membership Growth)	Call a volunteer (or e-mail them) if need help in placing a youth	Had a conversation with a stranger in a restaurant who saw t-shirt [with organisation's name on it]; this person used to be a member; she agreed to help out as a volunteer	Made a recommendation to the membership director to hire someone
	Used 'team recruitment' at a 'low presence' [underrepresented] school	Ask my friends if they would like to volunteer	
	Involve adult volunteers when go to parent-teacher association meetings; also bring youth members	Met with mayor of one of the local municipalities ('an outreach area'); told him about the organisation; he gave names of two adults who subsequently volunteered, and we got more youth members as result	
	Spread the word at every opportunity – 'with friends, family and strangers' [a former volunteer and staff member helped this respondent]	Had a phone conversation with a woman who had been a member of the organisation before; she agreed to volunteer in a programme in public housing	
	Rely on youth members to explain their own experiences – bring them along when going to recruit	Had three volunteers sit in on a strategic planning committee meeting: two later became board members	

(Continued)

Table 7.1: (Continued)

	Youth	Adult Volunteers	Staff
	Went with another staff member 'knocking door-to-door at [low income] housing projects' to get new members		
	Talked to a friend who wanted more information for his daughter		
Pluralism (Internal Process Goal related to Inclusion)	Put volunteers in touch with others in their areas	Introduce them to other volunteers when they have something in common	Invite person to participate in meetings, go to lunch, have conversation
	At training programme, took time to show around family of the man who was there to repair the computers – they were interested in their daughter joining (wife and daughter came to pick up the father)	Go to areas personally; train them, so they are confident; do this in Spanish	Invite them to lunch or go to an event in the field to get to know them better
	Use word of mouth; discussed different organisational topics with an African-American neighbour; he was really interested in the organisation for his daughter	Contacted a person at a social gathering who had been a member before; she agreed to volunteer with Spanish speakers in housing project	
		Include them in the decision-making process for area association meetings	

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Diversity (Growth) through Recruitment: Customer Value Strategic Goal

Depending upon the staff member's position, responses varied regarding the most significant activities done to get youth, volunteers and staff to join their organisation. For youth recruitment, nearly half of respondents (seven out of fifteen or 46.67%) indicated some reliance on existing social capital, and/or on *building* social capital, in their efforts to attract members from underrepresented groups into the organisation. Examples included: calling or e-mailing a volunteer for help in placing a child; asking volunteers and youth members to help 'pitch' the organisation's programmes at the parent-teacher association meeting; similarly, asking a youth member to explain *their* experiences to potential members; 'spreading the word at every opportunity' with friends, family and strangers; using 'team recruitment' (versus one person) to tackle recruiting in a largely underserved area; 'knocking door-to-door at housing projects' to familiarise people with the programme and get them enrolled; and talking to a friend who wanted more information for his child to join. In sum, these examples reflect youth recruitment activities that rely more on bridging social capital, or the building of it, rather than on bonding social capital.

With regards to volunteer recruitment, a bit more than one-quarter (four out of fifteen or 26.67%) provided examples of efforts that reflect the leveraging of social capital: a conversation with a passer-by in a restaurant; meeting with the mayor of a nearby town about SYO, which resulted in the mayor providing two names of adults who later joined the organisation and brought in many youths; a phone conversation that led to an adult joining; and having three volunteers sit in on a strategic planning committee, which then led to two of them joining the board. Again, to the extent that social capital is being leveraged in these examples, it reflects more bridging than bonding. In this sample, two observations might be made at this point: (1) SYO staff were more likely to leverage social capital (bridging) to recruit youth than adult volunteers; and (2) bridging social capital is more prevalent than bonding social capital in the recruitment (growth) examples provided.

Only one of the few responses received with regards to staff recruitment related to leveraging social capital: recommending a person to

the membership director. We took this to mean that the respondent was using her relationship with the director to potentially help someone to join the staff.

Pluralism through Inclusion: Internal Process Strategic Goal

When asked what was the most significant activity done to make youth, volunteers and staff feel *included* in their organisation, there were, overall, fewer examples of leveraging social networks and social capital. Only three staff members (20%) gave examples of making youth feel included which appear to use social capital, again primarily bridging: putting volunteers in touch with others in their area; discussing the organisation with a neighbour who was interested in having his child join; and giving an impromptu personal tour and explanation of the organisation and its programme to the family of a man who was simply there that day to fix computers.

When looking at the inclusion of volunteers only four examples (26.67%) were provided: introducing them to other volunteers with whom they have something in common; going to areas personally (e.g. the remote settlements) to train them so that they are confident to assume their role as volunteer; contacting a prior member at a social gathering, who later agreed to volunteer with Spanish-speaking youth in a housing project; and including volunteers in decision-making processes for area meetings. Again, leveraging and building bridging social capital appears to be more prominent here.

As with staff recruitment, staff inclusion yielded few results and both relevant examples mentioned inviting the new staff member to lunch, for conversation or to a field event to get to know them better.

Building Bridging Social Capital?

What is noticeable in these examples is the degree to which SYO staff members continually build social networks in their efforts to address customer value (growth through recruitment) goals. A distinction can be made between leveraging existing social capital (e.g. soliciting the help of volunteers or youth whom they know to help with recruitment efforts, or gaining the help of other staff in overcoming particular recruitment issues) and the development of bridging social capital, including such happenstance encounters as the example of the

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restaurant passer-by, the phone conversation and the computer repairman. To some extent, it is premature to say that bridging social capital is built in these chance encounters – we only truly know this if that contact is leveraged at some point in the future.

Bonding vs. Bridging

At the outset, we cited previous work suggesting that *volunteers* can rely on bonding social capital to meet growth goals, while relying on bridging social capital to meet pluralism goals. Here, *SYO staff* members appear to rely less on bonding than on bridging. In part, this is due to the nature of their work – many staff members (especially those in ‘membership and marketing’) are always involved with volunteers, potential members and other staff, including those of other organisations. Such activities will naturally provide many opportunities for building bridging social capital. Interestingly, in the interview questions on their socialising at work, almost no staff indicated that they socialised with other staff outside of work time (which might represent potential bonding social capital). Inside of the workplace (e.g. at lunchtime), a lot of the social connections appeared to be with others in the same functional area, with some exceptions.

Further, in the broader study of the three local units, several interviewees mentioned that socialisation appeared to occur more along the lines of age and maternity. Younger (or newer) staff members tended to hang out together, and likewise for older employees. Those with children tended to socialise more because of their common interests. Specifically at SYO, it was difficult to discern a social pattern (outside of work) of any sort.

Other Approaches to Strategic Goals

The SYO responses also indicated other ways (than directly leveraging the value in social networks) to accomplish customer value (growth) and internal process (pluralism) strategic goals, specifically special programme development and training. Several examples were provided where staff members developed a programme to reach out to an underserved area (e.g. taking the programme and its training to a rural, isolated settlement) or to make an underserved group feel more included (e.g. developing a disability awareness programme and providing financial incentives for groups who include youth with disabilities). Thus, leveraging social capital may

be one avenue for achieving these strategic goals, unless one argues that even such programmes constitute the opportunity to build bridging social capital. In this case, such events might be viewed on a bridging continuum, along with the other examples of building and existing social capital referred to earlier.

What do these Strategic Goals Mean in a Diverse Region?

Several staff responses in the interviews raise the issue of what a diversity goal means in a region that is already considered to be diverse, at least in its population of what the national organisation considers an underserved demographic group (Hispanics). A few respondents insisted that they do not view members (youth or adult volunteers) in terms of their demography, or, when asked about inclusion, stated that they try to make *everyone* feel included in the organisation.

These comments do beg the question as to the meaning of a customer value strategic goal at SYO. While continued emphasis on growing membership is clearly desirable from the organisation's standpoint, continuing to emphasise the underserved nature of the group may not be. Rather, it might be more instructive to emphasise the diversity *within* the group. In SYO's region, 'Hispanic' can mean many things: people whose ancestors are from Spain, many of whom consider themselves 'Spanish' not 'Hispanic'; people who are recent immigrants from Mexico, many of whom consider themselves 'Mexican' or 'Mexican-American'; and a variety of identifications in between, often generational. This discussion is beyond the scope of this paper, but is an important issue to consider as it may have a definite impact on the success of diversity and pluralism goals.

Further, while the national organisation, in its training publications, specifically emphasises the difference between diversity and pluralism, only three field staff members across all three sites could similarly make this distinction when asked in interviews. Thus, even though both diversity and pluralism goals are stated by the organisation, staff members at SYO and the other local sites worked more actively on implementing the diversity goal rather than the pluralism goal. This is due in part to the fact that the national organisation measures each local unit's performance on diversity by their attainment of membership growth among underrepresented groups. However, there is no corresponding metric for pluralism.

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Our research question in this study was: How is social capital being used in the development of strategic resources in the achievement of strategic goals? One of our premises was that strategic resource generation involves both human and social capital. At SYO, our focal case, achieving diversity (an external goal) and pluralism (an internal goal) means that staff members must possess many relevant skills and knowledge (marketing, fundraising, communication, etc.), reflecting human capital.

But further, given that SYO is essentially recruiting not only youth members but also adult volunteers who are a critical resource for the organisation, social networking and social capital are also very important in successfully attracting diverse members and including them in the organisation. In this case, examples of staff efforts at diversity (a growth/customer value goal) and pluralism (an internal process goal) reflect more of an emphasis on bridging rather than bonding social capital, with more staff emphasis being placed on recruitment activities related to diversity rather than the inclusion activities related to pluralism.

CONCLUSION

The degree to which specific patterns of social capital may be used in achieving strategic goals is in question. We turned to a case study as a preliminary exploratory look on the patterns of social capital in use for strategic resource generation. In our case study of a local unit of a large NPO with a significant volunteer membership, we found staff members relying more on their social capital to attain growth through diversity (customer value goal) than they did for pluralism (internal process goal). Further, staff appeared to rely more on the bridging type of social capital, or on building it, than they did on bonding social capital, which we attribute in part to the nature of the work done at the staff location. This can be contrasted with volunteers' reliance on bonding social capital for growth goals, as we cited earlier in the paper.

In summary, this study contributes several key points to the strategy literature. First, when examining the role of social networks within the context of organisational strategy, we find that (1) organisations may have unintentionally competing strategic aims that (2) require the different types of social capital. Second, the challenge for

organisational leadership is to either (1) reframe their strategy or (2) find the nexus of these competing aims and competing types of social capital that will allow the organisation to achieve its objectives.

This exploratory study leads us to identify some fertile areas for future research. For example, a larger scale study across multiple organisations could examine the various patterns of social capital being used in achieving strategic goals. This research could also explore the nature of particular strategic goals and the implications for the leveraging of various types of social capital. Also, future research might investigate the nature of social capital and strategic resource generation within the context of voluntary non-profit organisations. Finally, the role of bonding versus bridging social capital in organisational diversity efforts can be further explored as a way to better understand how organisations can more effectively deal with issues of diversity and pluralism.

APPENDIX

To find out about staffs' use of social networks and the role of social capital in pursuing growth and pluralism goals in three local units of a national voluntary NPO, we asked the following questions via e-mail. Note that any references to the name of the national organisation have been removed (referred to as 'the organisation' in most of the questions below). Also, when referring to the local site, we have used SYO here.

Strategic Competence & Social Capital

Social Network Questions

21 June 2005

A. **Generally speaking, how do you get others to join the organization?** *Identify as many specific things that you do as possible for the three groups below. (Feel free to expand the spaces provided for each question in the survey.)*

1. I try to get youths to join the organization by...
2. I try to get adults to volunteer in the organization by...
3. I try to get adults hired into the organization by...

Comments?

164 *Strategic Resources and Social Capital***B. Give an example of the most important/significant/instrumental thing that you have done within SYO in the past year to**

1. Get a youth to join the organization
2. Get an adult to volunteer in the organization
3. Get an adult a staff position in the organization

Comments?

C. In *each* of the three situations described in B. above, **who, specifically, was *most* helpful in your efforts (you can name more than one person)?**

1. The person(s) who was(were) **most helpful** to me in the example given above to get a youth to join the organization was(were) _____. (Please write below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)
2. The person(s) who was(were) most helpful to me in the example given above to get an adult volunteer to join the organization was(were) _____. (Please write below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)
3. The person(s) who was(were) most helpful to me in the example given above to get an adult hired as a staff member in the organization was(were) _____. (Please write below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)

Comments?

D. Now, think about your efforts to make others feel included in the organization, particularly those from underrepresented groups. Give an example of the most important, significant,

or instrumental thing that you have done within SYO in the past year to

1. Make a youth from an underrepresented group feel included in the organization
2. Make an adult volunteer from an underrepresented group feel included in the organization
3. Make a staff member from an underrepresented group feel included in the organization

Comments?

E. In *each* of the three examples described in D. above, **who, specifically, was most helpful in your efforts (you can name more than one person)?**

1. The person(s) who was(were) **most helpful** to me in the example given above to make a youth from an underrepresented group feel more included in the organization was(were) _____. (Please indicate below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)
2. The person(s) who was(were) most helpful to me in the example given above to make an adult volunteer from an underrepresented group feel more included in the organization was(were) _____. (Please indicate below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)
3. The person(s) who was(were) most helpful to me in the example given above to make a staff member from an underrepresented group feel more included in the organization was(were) _____. (Please indicate below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)

Comments?

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Please complete the following information about yourself:

Your current position at the SYO _____

Number of years you have worked in your current job at the SYO _____

Total number of years that you have worked at the SYO overall _____

Total number of years that you have been affiliated with the national organization (including as a staff member, volunteer, and/or as a youth member) _____

Do you work with other nonprofit organizations (e.g., as a volunteer, board member, etc.)? If so, please describe the type(s) of organization(s) and your role(s):

Your age _____

Please identify your race/ethnicity _____

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Enhancing the Role of the HRD Function: The Case of a Health Services Organisation



C LA I R E G U B B I N S *
D R . T H O M A S N . G A R A V A N *
C A R O L E H O G A N **
M A R G A R E T W O O D L O C K ***

ABSTRACT

Human Resource Development continues to grow in importance within organisations due to the strategic priorities of competitiveness and change. The present study examined the role of the HRD function in a services organisation. The study specifically investigates the perceptions of key stakeholders on the alignment of the HRD function with the strategy of the organisation and the challenges faced by the organisation in moving from a more traditionally oriented function to one that is perceived to be strategically integrated. The study employed a combination of qualitative and quantitative methods to explore stakeholder perceptions. In general, the results indicated that senior management involvement in HRD is essential for perceived strategic integration. Respondents reported inconsistent practices concerning systems of learning transfer and the depth of evaluation. However, respondents overall perceive that HRD adds value. Implications for the management of HRD and management involvement in HRD activities are discussed.

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INTRODUCTION

Human resource development (HRD) is now more frequently used in public sector organisations (Deloitte, 2004), however HRD departments vary considerably in terms of their strategic alignment. Strategic alignment focuses on the interrelationships between HRD professionals and HRD stakeholders, including employees, line managers, top managers and relevant training providers. Strategic alignment also focuses on the link between HRD activities and organisational goals and objectives (Wognum & Mulder, 1999). Barney (1991) and McIntyre (2004) highlight three strategic roles for HRD: HRD involvement in shaping the organisation's competitive strategies; the use of HRD strategies to support the competitive strategy of the organisation; and the development and implementation of the HRD function's own strategies.

The focus of this study is on the repositioning of training and development within a public sector organisation from a traditional provider and reactive function to a strategically aligned function. The study organisation sought to focus on the alignment of HRD to become more strategically integrated, and use HRD as a strategy for both change and the enhancement of customer service. It considered such questions as: what challenges did the organisation encounter when seeking to move from a more traditionally oriented function to a function that seeks to be strategically integrated?; and how do the perceptions of stakeholders and their perceived roles and commitments influence the delivery of HRD? The study focused on the practice issues that organisations encounter when repositioning the training and development function to make it more strategically integrated.

The adoption of strategic models of HRD practice is relevant to public sector organisations in Ireland. They have experienced significant wide-ranging changes in recent years, in particular the introduction of more business-focused and customer-led approaches to how they operate (Lawler & Hearn, 1995; Mavin & Bryans, 2000; Williams, Blackwell, Gorby, O'Connell & Russell, 2003). There is increasing demand for improved quality and efficiency of service delivery and changing customer demands. These changes are coupled with strict financial controls and increased accountability. Public sector organisations are increasingly concerned with ensuring that employees possess the competences and skills to be effective

in this changing context. These challenges bring into focus the strategic role of training and development (Deloitte, 2004; Finn, 1997). Training and development is one of several strategies used to manage the transitions that public sector organisations are required to make. Public sector employees in Ireland perceive training and development as an effective strategy for coping with change (Deloitte, 2004; Williams et al., 2003).

This paper presents the findings of a multi-method study conducted within a medical training and hospital establishment. The paper addresses key debates around strategic human resource development and the characteristics of strategically integrated HRD. The paper then presents findings on the perceptions of employees and management on the integration of HRD. It also discusses the implications of these findings for both research and practice.

CHARACTERISTICS OF STRATEGICALLY ALIGNED HRD

The concept of strategically integrated HRD is well established in the literature (Garavan, 1991; Sadler-Smith, 2006; Walton, 1999). It focuses on the interplay between HRD practices and the broader context within which these practices play out. This context consists of the broader business environment, the internal context including strategy, structure, culture, climate, leadership, job characteristics and individual expectations. In terms of the management and alignment of strategically integrated HRD a number of issues are highlighted which we now discuss.

Participation and Support

Participation and support are considered two important and related components of effective strategic HRD alignment. Participation is defined as active involvement of stakeholders in decision-making concerning HRD. Support is defined as the level of support available to employees before participating in training and development activities and post-training in terms of applying the skills and knowledge learned on the job. Three key internal stakeholders are relevant in HRD decision-making: employees, line managers and top managers. This is often referred to as the HR triad (Jackson & Schuler, 2003).

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Employees

Employee participation in HRD is increasingly highlighted (Blyton & Turnbull, 1998; Garavan & Heraty, 2001; Marchington & Wilkinson, 2002). Management generally favour a unitary approach. It is usual for management to decide if and how employees are involved and they are disposed towards participation and involvement in day-to-day operational issues. However, day-to-day concerns provide less scope for employees in decision-making. Blyton and Turnbull (1998) advocate that employee participation is predicated on maintenance and control over the training and development agenda.

Employees are likely to benefit more than others from some form of participation in decisions concerning HRD (Holton & Baldwin, 2003). Garavan and Carbery (2003) found that particular learner barriers inhibited participation. These included poor self-confidence, lack of motivation, a perceived lack of management and peer support and work restrictions. Marchington and Wilkinson (2002) have argued that employee involvement in HRD decision-making may be beneficial because it can help employees understand what the organisation is trying to do and, in turn, have an impact on post-training performance.

Support is an important concept in the context of HRD. Broad and Newstrom (1992) have argued that the majority of training investments do not produce full and sustained transfer of new knowledge. Brinkerhoff (1997) demonstrated that as little as 8 to 12 per cent of what trainees learn is translated into improved job performance. Lack of support is manifest in a number of ways, including hostile co-workers, resistant subordinates, uninterested supervisors and an inappropriate learning culture. Several commentators (Bates, 2003; Jones, 1995; Naquin & Baldwin, 2003) argue that the employee's immediate supervisor is the most proximate in terms of influencing the learner's behaviour. Brinkerhoff (1997) highlights that the unsupportive supervisor ignores, dis-encourages skills use or punishes employees who are not going to use the skills they have learned. The unsupported employee will continue to repeat old behaviours with the result that managers and employers will come to view training as a waste of time. Naquin and Baldwin (2003) emphasise the importance of management and the trainees' immediate supervisor in providing pre-programme support and thus facilitating post-programme transfer of learning. Cohen (1990) found that trainees

who entered training expecting some kind of supervisory follow-up reported stronger intentions to transfer what was learned.

Line Managers

The emerging concept of the strategic partner (Barney & Wright, 1998; Schuler, 1992) contends that HRD should help line managers resolve business issues and align HRD activities with the achievement of organisational goals. Strategically focused HRD relies on the commitment and involvement of line managers. Lee and Chee (1996) found that amongst the characteristics of organisations at the top end of the HRD maturity scale, HRD was perceived as supporting business strategy and HRD specialists and line managers worked in partnership with each other. Line managers are recognised as being in the best position to take an active role in developing people whose performance they are expected to manage (Heraty & Morley, 1995) and play a key role in assisting the transfer of new skills (Ellinger, 2004; Rouillier & Goldstein, 1993). Additionally, Mitsuhashi et al. (2000) found there are relatively few differences between HRD specialists' and line executives' perceptions of the importance of HRD. There were however different perceptions in terms of expected practices. Hyman and Cunningham (1998) argued that line managers tend to be task-oriented which diverts their attention away from HRD issues towards production priorities.

Line managers are crucial stakeholders whose role in HRD is often underdeveloped. The literature highlights a range of challenges inherent in line manager involvement in HRD. Maxwell and Watson (2004), for example, divide these into conceptual and practical challenges. Practical challenges highlighted include: line manager commitment to HRD, line manager understanding of HRD issues, trust between line managers and HRD professionals, power and contradictions inherent in the role, line managers' abilities to carry out HRD activities, line manager training in HRD philosophy and values, and perceptions of organisational support for HRD. Sloman (2003) acknowledges that many managers appear to be under-trained and are often not motivated to develop employees. Trust appears to be an important issue (Gilley & Maycunich Gilley, 2003). A lack of trust will inhibit consultation possibilities and prevent a successful partnership emerging. Brewster and Larsen (2000) argue that the power relationship between line managers and top

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management is indicated by the degree to which line managers are delegated full responsibility for HRD and HRM activities. Yip, Kwong, Priem and Cycyota (2001) suggest that hierarchical rank may not be as significant for the line manager as their ability to integrate strategic and operational level information. They are in close proximity to daily operations, their team and customers. The line manager is required to balance a range of structural and political interests without having sufficient power and authority to influence top management. Thus, they are required to balance their own interests with those of top management. Renwick (2003) points out that this role consists of a balancing of political and workload pressures which often militate against being able to prioritise people management and HRD issues sufficiently. Numerous commentators have highlighted that a lack of training in HRD may reduce its priority for line managers (Brewster & Soderstrom, 1994; de Jong, Leenders & Thijssen, 1999). Thornhill and Saunders (1998) argued that the rejection by line managers of HRD responsibilities is likely to negatively impact on the status of the HRD function and the perception of HRD amongst employees.

Top Management

There is support for the proposition that top management support and participation in HRD is one of the key preconditions for a strategically aligned HRD function. This support and involvement is likely to advance the status of HRD and ensure that it makes a significant contribution to the organisation's strategic plans (Brinkerhoff & Gill, 1994). Fricker (1994: 24) for example highlights that 'chairmen and chief executives need to recognise the value of learning as the primary force to facilitate and achieve change in their organisation'. He also argues that senior executives have a key role in ensuring that line managers share their commitment to HRD. The research evidence indicates that top management support, participation and involvement is frequently missing (Carnevale, 1990; Guest, King, Conway, Michie & Sheehan-Quinn, 2001). There is likely to be espoused support but this is less frequently followed up by action (Holton & Baldwin, 2003). The top management's leadership role requires them to match their espoused support with consistent demonstrable commitment (Baldwin & Magjuka, 1991). Dyer and Holder (1988), in the context of HRD, pointed out that the top

management are probably the most powerful of the counteracting forces. Budhwar (2000) argues that without top management support, human resource activities will fail to be part of the early stage of the strategic decision-making process.

Information

Information in the context of a strategically aligned HRD function refers to the extent to which it has systems and processes in place to identify and gain insight into the issues that have a HRD solution. The literature highlights that data from various organisational levels is needed to decide which HRD goals and objectives should be given priority in order to align HRD activities with other organisational goals. The generation of this information may be secured through a number of processes, including training audits (Clardy, 2004), proactive and reactive training needs analyses and training evaluations processes (Yorks, 2005).

Gilley et al. (2002) point out that one of the best ways to develop a strategic partnership approach is to identify and audit HRD activities. They view the audit as a beneficial way of identifying the values and benefits of HRD interventions and thus determining if HRD activities are of value to stakeholders in meeting their goals.

Training needs analyses are central to the effective generation of data and information. They have value in determining which problems can be solved through HRD. Several HRD theories highlight that the competences which employees have need to be managed and controlled (Fomburn, Tichy & Devanna, 1984). The development of employees should be consistent with the general requirements imposed by the organisation. Indeed, Huselid (1995) highlights that the effectiveness of the organisation depends on the extent to which human resource strategies and business strategies fit together. Tannenbaum and Yukl (1992) argue that any strategic change in direction, adjustment of policy or procedures or change in structures and work systems must be assessed for its effects in terms of learning needs. The analysis of training and development needs helps to provide this necessary information. Rossett (1999) highlights that many HRD professionals fail to see needs analyses as an important activity. They are often likely to see it as a waste of time, energy and effort. Line managers and senior management often

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also hold this view. Numerous commentators have highlighted the need to gain support for needs analyses (Rossett, 1992; Rummler & Brache, 1995) through the identification of internal sponsors and advocates. HRD professionals need to acknowledge that information comes from a variety of sources including internal sources such as top management, direct supervisors, employees and position description and external sources such as other similar organisations.

Various commentators criticise the lack of meaningful evaluation of training activities. Kirkpatrick (1994) highlights that many HRD specialists will think about doing more but will not do so for several reasons: thorough evaluation is not considered important or urgent; they lack the skills to perform it and there is no pressure from senior management to perform it. Kirkpatrick envisaged four levels of evaluation: participants' reactions, learning, application and results. Moller and Mallin (1996) found that lack of time is an important reason for not conducting evaluations. The lack of effective evaluation means that there is insufficient information to use for revising programmes and selling HRD to stakeholders.

Formalisation (Consultation and Communication)

Consultation and communication processes are essential elements of strategically aligned HRD. These elements refer to the approach that HRD specialists use to interact with key stakeholders. Central to the development and implementation of a partnership model is the need to develop collaborative relationships. Garavan et al. (2003) indicate that HRD professionals are more prone to utilising a single sovereign model of operation rather than a more networked model. The more effective HRD practitioners are more likely to network and form alliances with key internal stakeholders (Poell, Pluijmen & Van der Krogt, 2003; Tjepkema, ter Horst, Mulder & Scheerens, 2000).

Block (1999) and Gilley and Egglund (1992) highlight that HRD professionals need to recognise that clients bring considerable experience and are a valuable resource to be acknowledged and tapped. This may be difficult for some HRD professionals to realise or may arise due to power and politics. Evidence suggests that knowledge is used at the individual level for both control and defence (Brown & Woodland, 1999) and that if individuals perceive that power comes from the knowledge they possess, it is more than likely they will be less consultative and hoard the knowledge.

It is also likely that key internal stakeholders may resist consultation and joint-ownership. For example, line managers may resist consultation initiatives and fail to see the benefits. There may be a perception that HRD professionals do not understand the real business of the organisation and only serve to create a distraction rather than add value. It is also possible that the HRD professional may consider that line managers may not have the skills to provide valuable information and suggestions (Torrington & Hall, 1998). Mulder (1992) has reported that using managers as trainers, for example, is not without problems. Thijssen (1997) also supported the criticism of the manager as trainer as they have little time for these activities, are not trained for the role and are not paid for the task.

Learning Culture and Climate

Organisational culture and climate influences the diffusion of HRD and its ultimate effectiveness (Bates, Holton III & Seyler, 1997). Olsen (1998), for example, highlights that the existence of a positive culture will positively impact the transfer of learning. Rao (1999) highlights that specific elements of learning culture include a proactive orientation, trust, authenticity, openness, risk-taking and self-awareness. Bates (2001) defines a continuous learning culture as a reflection of an organisation's belief system that regards learning as a key responsibility of all employees. It also incorporates values, which support learning and its use. The general proposition holds that where positive values in respect of learning are widely shared throughout the organisation they have the potential to influence participation in training and perceptions that HRD can add value. Gilley and Maycunich Gilley (2003) are strong advocates of a learning culture. They argue that such cultures are the result of a collaborative effort between all stakeholders in the organisation. They identify a number of benefits that may be derived from having such a culture, including greater employee commitment, high performance, enhanced organisational capability and developmental readiness.

HRD Goals, Objectives and Strategies

The menu of HRD goals, objectives and strategies is considerable. HRD goals and objectives vary considerably in their reach and focus. Some interventions focus on skills, others on attitude change;

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some are directed towards individuals and others towards groups. The reasons for participating in HRD programmes will vary considerably. Wognum (1995) and Rossett (1987), for example, suggest four major reasons for HRD. The reasons can focus on the improvement of work performance, the improvement of certain work practices and change and renewal in the organisation. Wognum and Mulder (1999) found that the main emphasis for HRD was for changing and renewing purposes, while improvement-related programmes came a close second.

The literature on the strategic integration of HRD highlights that it is first of all necessary for the organisation to recognise the need to strategically align HRD. The strategic alignment of HRD has both vertical and horizontal dimensions. Vertical alignment focuses on the relationship between HRD practices and strategy. Horizontal alignment focuses on the relationship between HRD and HRM practices. Vertical alignment requires a number of specific organisational responses. These may take the form of HRD representation at senior levels in the organisation, the formalisation of HRD policies and selection of appropriate strategies, the development of systems for information collection and consultation with stakeholders. It will also involve an increase in line managers' HRD responsibilities and clearly articulated HRD goals and objectives. These are important actors but of themselves insufficient. It also requires a commitment by the HRD professional to be strategic in outlook, to understand the key business issues and values and to possess effective business acumen including, where possible, line management experience. It also requires top management commitment to HRD and the development of a culture and climate appropriate to HRD. Horizontal alignment requires that HRD takes account of the overarching HRM approach and of specific HRD practices.

CONTEXT OF STUDY

Research Site

The Dublin Dental School and Hospital is an organisation that is associated with Trinity College Dublin and the Eastern Regional

Health Authority. The original institution, “The Incorporated Dental Hospital of Ireland”, was established in 1884. The Dublin Dental Hospital Board, established in 1963, was responsible for collaborating with the three dental schools in Dublin: Trinity College Dublin; University College Dublin; and the Royal College of Surgeons in Ireland, in the provision of clinical training. In the 1970s these three dental schools were amalgamated into one School of Dental Science, Trinity College Dublin. The Dublin Dental Hospital Board governs the Dublin Dental Hospital. This is a Statutory Body appointed by, and answerable to, the Department of Health and Children. The Dublin Dental Hospital Board is the employing authority for all staff, including the clinical academic staff who also hold full academic appointments with the University of Dublin, Trinity College, which bears academic responsibility for the standards of education and research. The Dublin Dental School and Hospital’s mission statement identifies it as ‘a centre of excellence in patient care, education and research, provided in a safe environment, which enhances the learning experience of our students and the delivery of care to patients in an integrated and balanced way. This is achieved by the effective use of the available resources and in response to the needs of the community through governance, partnership, investment in our staff, valuing diversity and the integration of technology.’¹ The School and Hospital employs approximately 315 people in professional, technical, managerial and administrative roles.

We chose this site due primarily to the challenges it is currently experiencing, as a public sector organisation, in its internal and external environment and the specific purposeful initiatives taken by the HR manager to repositioning training and development to respond to these changes. The training and development function is incorporated within the HR function. The HR function reports directly to the CEO.

Methodology and Fieldwork

The study utilised both quantitative and qualitative methodologies. The particular methods used were structured questionnaires and semi-structured interviews. These multiple methods were used to enhance the validity of the findings reported.

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Questionnaire

The structured questionnaire included published measures of strategic integration, effectiveness of systems of transfer and evaluation and perceptions of the value of HRD. Table 8.1 provides a summary of the scale items utilised in the questionnaire.

The questionnaire was administered to all 315 employees. 114 questionnaires were returned. This represents a response rate of 30 per cent.

Table 8.1: Details of Questionnaire Variables

Measures²	Measure Description	Sample Item	Reliability
Strategic Integration, Involvement & Support of Management	This twelve-item scale focused on how respondents perceived that the HRD system was strategically integrated, encouraged involvement and had support from management. A Five-Point Likert scale is utilised.	'Even during budget cuts, your department's top managers do all they can to preserve training and development opportunities for their employees'	.95
Effectiveness of Systems for Evaluation and Learning Transfer	This seven-item scale measured respondents' perceptions of the effectiveness of evaluation and learning transfer processes. A Five-Point Likert scale is utilised.	'After employees receive training and development, they are asked to provide feedback on what material they put into practice in their job'	.91
Perceived Value of the HRD Function	This five-item scale measured perceptions of the value of the HRD system. A Five-Point Likert scale is utilised.	'The training and supported by the department are worth the time and money spent on them'	.89

Exhibit 1: Semi-Structured Interview Questions

Respondent Participation and Involvement

Outline what training and development (T&D) events you have undertaken in DDS&H since September 2003

What is your evaluation/opinion on these interventions (take one intervention at a time)

- Your interest in attending each intervention
- Quality of each intervention
- Relevance to your job
- Achievement of programme objectives

Transfer of Learning

Have you had the opportunity to put the knowledge/skills gained from each/any of these interventions into practice in your work? Can you describe these opportunities?

- Describe any changes in behaviour/changes in how you approach your work.
- What would you have done in this instance before attending the programme?
- What was the effect of the action/behaviour on your overall performance?

Explain why you believe this change in behaviour is due to the specific-programme.

Do you think each programme was a good investment for the organisation? Why?

Facilitators and Inhibitors to Learning Transfer

What facilitated your ability to put the knowledge/skills gained from the programme into action at work?

What factors hindered your ability to put the knowledge/skills you learnt on the programme into practice at work?

Value and Effectiveness of Training and Development Function

In your opinion how important is training and development to the organisation's success? Explain.

In your opinion how important is training and development to enabling you achieve your objectives? Explain.

In your opinion how important is training and development to your superiors? Explain.

Overall, how satisfied are you with the training and development provided for you by the organisation? Explain.

Structured Interviews

We selected a sample of forty employees to participate in an interview. Over 60 per cent of the interview participants were non-management,

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consisting of technical, operational and nursing staff (47.5 per cent) and administrative staff (12.5 per cent). 37.5 per cent of the interview participants were at management level: senior managers, consultants and academics (27.5 per cent) and line managers and team leaders (10 per cent). The interviews ranged in length from twenty to forty minutes. Interviews were used to solicit perceptions and evaluations of various dimensions of the strategic integration of HRD. Exhibit 1 outlines the interview questions.

Analysis of Data

The questionnaire data was analysed using SPSS. We calculated means and standard deviations for all items included in the study. We also calculated the reliability of each scale item. The interviews were content-analysed to identify key themes. We identified the respondents' level in the organisation.

Sample Description

Over 37 per cent of the respondents were management level, representing senior management, consultants and academics (18.9 per cent) and line managers and team leaders (18.9 per cent). Over 62 per cent of the respondents were non-management. Non-management categories included technical, operational and nursing staff (41.4 per cent) and administrative staff (20.7 per cent). 63 per cent of the sample were female. Table 8.2 provides further details on the study sample.

Table 8.2: Sample Details (n=114)

Organisation Tenure		Highest Obtained Qualification		Age	
< 1 Year	14%	Junior Certificate	7%	16–24	4%
1–3 Years	26%	Leaving Certificate	12%	25–34	43%
4–6 Years	15%	Higher Certificate	10%	35–44	15%
7–10 Years	10%	Diploma	14%	45–54	25%
10+ Years	25%	Degree	14%	55+	3%
		Post-Graduate Diploma	5%		
		Masters	7%		
		PhD	6%		

THE STUDY FINDINGS

Strategic Alignment Involvement and Support by Management of HRD

Table 8.3 summarises the perceptions of managers concerning strategic alignment, involvement and support by management of HRD. Means and standard deviations are presented for all employees and for manager and non-manager groups. The analysis indicates that all of the means are above the midpoint. There are some significant differences in perceptions between manager and non-manager employees. The highest means concern strategic alignment and support of senior managers for HRD. Both managers and non-manager respondents perceived that top management viewed training and development as a means of helping the department achieve its mission [M = 3.87]. Managers were more likely to perceive that top managers strongly supported the development of new skills and knowledge among all levels of employee [M Managers = 4.02; M Non-managers = 3.72]. Both managers and non-managers perceived that the department supports employees in their efforts to continuously improve knowledge and skills [M = 3.63]. Managers were more likely to perceive that during budget cuts top managers would do all they could to maintain training and development opportunities for employees [M Managers = 3.88; M Non-managers = 3.52]. The lowest means are concerned with provision of integrated on-the-job learning activities and provision of a broad range of training and development activities. Respondents indicated that learning activities are less effectively integrated into work activities [M = 3.06] and that the organisation provides a range of learning activities [M = 3.04]. Managers and non-manager respondents differ significantly in their perceptions of these aspects of HRD. Overall the questionnaire data reveals that respondents perceived that top management are supportive but not necessarily as involved in HRD. They do seek to achieve the strategic integration of HRD with the mission and goals of the organisation and jobs.

Strategic Integration

Respondents provided observations, which indicate that senior management are concerned with integrating HRD into organisational goals

186 *Enhancing the Role of the HRD Function***Table 8.3: Perceptions of Strategic Alignment, Involvement and Support of Management**

Scale Items	All Levels of Employees (n=114)		Management Only (n=42)		Non-Management Only (n=69)	
	Mean	S. D.	Mean	S. D.	Mean	S. D.
Top managers see T&D as an important way of helping the department achieve its mission	3.87	1.019	4.00	1.104	3.78	0.960
Top managers show commitment to T&D by spending time promoting and delivering it	3.55	1.131	3.73	1.073	3.47	1.126
Top managers strongly support the development of new skills and knowledge among all levels of employees	3.81	1.179	4.02	1.093	3.72	1.183
Even during budget cuts your top managers do all they can to maintain T&D opportunities for their employees	3.67	1.120	3.88	1.131	3.52	.097
The kinds of T&D activities that are encouraged relate to what top managers are trying to accomplish for your department	3.61	1.145	3.64	1.224	3.59	1.102
Top managers help their employees meet personal T&D goals and needs	3.36	1.128	3.64	1.100	3.18	1.117
Top managers are closely involved in determining the department's T&D goals and activities	3.48	1.115	3.67	1.162	3.36	1.074

(Continued)

Table 8.3: (Continued)

Scale Items	All Levels of Employees (n=114)		Management Only (n=42)		Non-Management Only (n=69)	
	Mean	S. D.	Mean	S. D.	Mean	S. D.
The department provides a programme of T&D activities that meet the needs of employees.	3.24	1.156	3.49	1.121	3.09	1.160
Structured learning activities are built into the job so that employees are constantly learning	3.06	1.225	3.33	1.183	2.88	1.228
Department managers personally provide T&D for their employees	3.33	1.106	3.66	0.998	3.11	1.127
The department offers a broad selection of courses and other T&D activities	3.04	1.117	3.17	1.175	2.96	1.081
In general, the department supports me in my efforts to continuously improve my knowledge and skills	3.63	0.969	3.77	0.770	3.54	1.070
Overall Scale	3.45	0.899	3.66	1.095	3.35	1.111

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Exhibit 2: Perceptions of Strategic Integration

'Training and development is vital for the organisation's success' (Team Leader)

'Training and development needs to be set into context and signposted at every stage' (Manager)

'Staff need to be consulted about their needs' (Manager)

'Any training and development needs to constantly focus on organisational objectives' (Consultant)

and objectives and the training and development needs of employees. Exhibit 2 provides examples of perceptions of strategic integration.

Support and Involvement

The interview data reveals significant conflicts in the perceptions of respondents concerning the support and involvement of senior managers in HRD. They provided more confident assertions of support rather than involvement. Interview respondents provided specific examples of where they perceived that senior management was supportive of HRD. These include actions by Department heads to organise specific training initiatives, actions to facilitate learning transfer, the allocation of sufficient time for training and development activities and the customisation of training initiatives to suit the needs of the organisation.

Respondents made very clear distinctions between the supportive behaviours of senior managers and their active involvement in decisions concerning HRD. Some managers were verbally very supportive but not actively involved. Respondents in a number of cases mentioned the lack of follow up, lack of assistance in transferring learning; managers did not initiate involvement in training and development and did not prepare personal development plans with employees. Respondents also indicated that decisions concerning participant selection for training and development were made in an arbitrary manner. This was in some cases attributed as much to the approach taken by HR to fill courses as it was to the role of managers in making decisions concerning selections for training and development.³

A significant proportion of respondents attributed the lack of active involvement of senior managers in training and development to a multiplicity of contextual factors including scheduling difficulties, lack of

time, union issues, the perception that management felt threatened and concerns that the organisation may lose their investment in training if the employee leaves the organisation.

The interview data is also illuminating concerning the provision of on-the-job training and pre-programme support. A significant proportion of interview respondents indicated that they commenced their role or job without any training. If they required help they could observe co-workers. Employees were given relatively little scope to influence training and development decisions. They indicated that senior management or the human resources department invariably made decisions concerning training and development. In some cases there were opportunities for self-selection. The PDP (personal development planning)⁴ initiative did however improve the level of involvement by employees in training and development decisions. Exhibit 3 presents the responses of respondents on various dimensions of support and involvement.

Effectiveness of Systems of Evaluation and Learning Transfer

Table 8.4 summarises the perceptions of respondents on a number of items related to the evaluation of HRD and learning transfer within the organisation.

The questionnaire data reveals that evaluation processes are mixed in terms of sophistication and level of evaluation undertaken. Both manager and non-manager respondents perceived that employees are asked to provide feedback outlining their satisfaction with the training [$M = 3.57$], however managers are less likely to be asked to provide feedback on the effectiveness of training provided to their employees [$M = 3.03$]. The analysis also reveals that both managers and employees perceived that they are held accountable for transferring learning.

Systems Evaluation

The interview data also helps explain some of these findings further. The responses indicate that the sophistication of evaluation is at the lower end. There is also a level of realism concerning the feasibility of more sophisticated evaluation. Evaluation was a relatively new addition to the HRD system and the responses support the view that managers play a limited role in making systematic evaluations of

190 *Enhancing the Role of the HRD Function***Exhibit 3: Participants Perceptions of Support and Involvement by Management****Perceptions of Involvement and Support**

'Management are very proactive and positive about training and development, particularly HR. There seems to be a very positive attitude to developing people in the organisation over the last 2 years' (Administrator)

'There is a good level of management "buy-in" to training' (Manager)

Evidence of Supportive Management Behaviour

'The team leader runs an induction programme and my manager runs relevant technical programmes for the team' (Technician)

'My manager is excellent and helps people put their learning into action' (Technician)

Evidence of Lack of Support

'[Some levels of management] are co-operative but won't get involved' (Officer)

'I will get a lot of support from my manager but I will have to drive it. I need support to come from the top down in case I don't see some areas [for development]' (Manager)

'The problem [with putting it into practice] is getting the follow up [from manager]' (Administrator)

'I was having my PDP with my manager and she was taking all the notes and she was supposed to send me all the notes. After three weeks I am still waiting for my SMART goals... I am very unhappy about the meeting... I had the feeling she wasn't following through on what she was saying' (Officer)

Ineffective Selection for Interventions

'They [managers] need to focus on the person and the job they are doing rather than throw them out [throw employees onto programmes]. It should be discussed more, a more collaborative decision regarding what I do and don't attend' (Officer)

'My manager picks which ones I should go on when she could be missing out on ones I think I need myself, I should be able to choose courses' (Officer)

'I can't follow through on some of the courses because of my job [courses not applicable to job]' (Officer)

'I have seen on a quarterly basis the list of training courses they ran by email. One of the concerns I have is that sometimes once the email goes out, there seems to be a rush to fill places and you are told we [HR] want 2 people from your team...I put people on a course that looking back now wasn't the right thing to do...after the person attended the course we found out that she should have attended another course first' (Manager)

Possible Explanations for Perceived Levels of Support

'She [manager] would be quite interested in having us all trained but it doesn't work that way. We would be the busiest part of the hospital so if one of us is missing, the others have to carry the extra weight' (Officer)

'With team-building it was suggested we send all our team. But who was going to run the department. It's not feasible' (Manager)

'Managers are very supportive and very anxious that we do it [training]. It's the Personal Development Planning thing' (Officer)

Table 8.4: Perceptions of the Effectiveness of Systems for Evaluation and Learning Transfer

Scale Items	All Levels of Employees (n=114)		Management Only (n=42)		Non-Management Only (n=69)	
	Mean	S. D.	Mean	S. D.	Mean	S. D.
Employees are held accountable for using what they've learned in their T&D activities back on the job	3.32	1.056	3.11	1.051	3.45	1.048
Managers are held accountable for following up and encouraging their employees to apply what they've learned through training back on the job	3.28	1.161	3.29	1.315	3.27	1.060
After employees receive T&D they are asked to provide feedback on their satisfaction with the course	3.57	1.009	3.57	1.092	3.56	0.964
After employees receive T&D they are asked to provide feedback on how much they have learned	3.20	1.013	3.12	1.122	3.25	0.950
After employees receive T&D they are asked to provide feedback on what material they put into practice in their job	3.11	0.994	2.94	1.179	3.22	0.854
Employees are asked to provide feedback on the effectiveness of the T&D that their managers received	2.94	1.095	2.97	1.185	2.92	1.045
Managers are asked to provide feedback on the effectiveness of the T&D that their employees received	3.03	1.143	3.09	1.269	2.98	1.037
Overall Scale	3.18	0.882	3.15	1.173	3.23	0.994

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employee performance post-training. The majority of the evaluation that takes place is informal in nature. Exhibit 4 provides a summary of qualitative perceptions on systems of evaluation.

Facilitation of Learning Transfer

Respondents identified a number of practical strategies that were used by the organisation to facilitate learning transfer. These included follow-up discussions with managers, the provision of role-play and feedback during training programmes, the provision of assistance by managers to transfer learning, managers requesting feedback on what took place during the programme and the preparation of post-training action plans.

Barriers to transfer typically involved the lack of time to implement learning, difficulties in putting theory into practice, the lack of follow-up by the manager, a lack of follow-up by the HR department and a lack of scope in the current job to utilise knowledge and skills. Respondents also highlight the lack of management willingness to change practices. In general, the responses suggest that the involvement of managers is an important dimension of effective learning transfer. Involvement equates to collaborative processes and agreement on ways to implement learning. Exhibit 5 provides a summary of qualitative responses regarding the facilitators and inhibitors of learning transfer.

Exhibit 4: Respondents' Perceptions of Systems of Evaluation

Perceptions of Current Evaluation System

'Every time I've been on a course [my manager] asks me what was covered and how can you use what you learnt in your job. She has been very supportive' (Nurse)

'In relation to the benefit/value of training, it is currently very difficult to assess. It needs to be benchmarked so that the organisation can gauge the return financially and on other levels, e.g. level of staff motivation, decreased absenteeism etc.' (Manager)

'They need to look into [further] evaluation of training' (Manager)

Evidence of Informal Post-Training Evaluations

'I feel my staff work more efficiently as a team now [post team-building programme]' (Manager)

'My two girls have come on immensely and I would think it's due to all the courses' (Senior Administrator)

Exhibit 5: Perceptions of Facilitators and Inhibitors of Learning Transfer

Facilitators of Learning Transfer

'Training is fantastic but I think that everybody has to make it their own... You have to take ownership of your department and adapt it [training and development activities provided by the HR department] to suit your department. It's worked in my department and I've gotten brilliant results from it' (Manager)

'My manager is excellent and helps people put their learning into action' (Technician)

'At the Tuesday morning meetings we are asked to give feedback on courses and we write up a report so others can read on what we've done' (Nurse)

Evidence of Learning Transfer

'Employee X would always have been very volatile, as in very unhelpful and saying [to a customer] she maybe wouldn't have such a thing [that customer requested]. But now [post-training on customer care] she is saying "well hang on now, we don't have any at the moment but I will go down to stores and see what happened and what the problem is and I will get back to you." They [the customer] go away a little happier' (Manager)

'They [managers] went through the PDP training. It's better now than the eight month review we did when I was working as an officer' (Senior Nurse)

'Now [post-training on team building] I will cover other areas... Say I was finished my work I would go over and help them [others in team], even though it has nothing to do with what I am doing but I can slot into any place... before the course I might be saying I couldn't cover such an area. The course helped me [on] how to deal with it better. It changed my attitude' (Officer on team building course)

Barriers to Learning Transfer

'About three months ago I attended a programme on feedback and mentorship for students but there has been no follow-through on this' (Consultant)

'A lot of it is organisational behaviour-based. The theory and examples are based on the more private industry and not within the remit of the public sector because we are very different. I felt that in training it was hard to bring it back to your domain' (Manager)

'I'm facing a wall. I don't deal with the public anymore... I can't put the things [from the customer care programme] into practice like if I was at the front desk' (Officer)

The Contribution of HRD to the Organisation

Table 8.5 summarises the perceptions of respondents concerning the contribution of HRD to the organisation. Respondents perceived that time spent on training and development is time well spent

194 *Enhancing the Role of the HRD Function***Table 8.5: Perceptions of Contribution of HRD**

Scale Items	All Levels of Employees (n=114)		Management Only (n=42)		Non-Management Only (n=69)	
	Mean	S. D.	Mean	S. D.	Mean	S. D.
T&D activities provide learning that is practical for use on the job	3.79	0.846	3.56	0.998	3.95	0.699
T&D gives employees an opportunity to learn the skills and behaviours that will help them to get rewarded and promoted	3.52	1.017	3.36	1.099	3.61	0.959
The T&D activities supported by the department are worth the time and money spent on them	3.78	0.929	3.83	0.985	3.75	0.899
The T&D activities supported by the organisation are worth the time and money spent on them	3.70	0.937	3.76	0.969	3.67	0.924
The time I spend on T&D is time well spent	4.03	0.785	4.00	0.939	4.05	0.678
Overall Scale	3.76	0.748	3.70	0.998	3.81	0.832

[M = 4.03]. They also perceived that the training and development activities supported by the organisation are worth the time and money spent on them [M = 3.78]. Non-managerial employees had more positive perceptions concerning the extent to which training and development provides opportunities for employees to learn the skills and behaviour that will help them to get rewarded and promoted [M Managers = 3.36; M Non-managers = 3.61]. Non-managerial employees had more positive perceptions that training and development provides learning that has direct application to the job [M Managers = 3.56; M Non-managers = 3.95]. Overall the respondents had positive perceptions on the value of training and development to the organisation.

The interviews revealed further information on the respondents' perceptions of the contribution and value of HRD. Management respondents reported positive perceptions of the contribution of training and development to the organisation and individual departments. Managers are likely to perceive that training and development is less valuable where it is not customised to the organisation, there is a lack of information concerning the purposes of training, it is not evaluated and the follow-up systems are ineffective.

Non-managerial employees did acknowledge that training and development can contribute to organisational success, more productivity and enhanced service to customers. They also emphasised that training and development was of benefit to them. They placed emphasis on enhanced job satisfaction and the need to undertake training and development, which leads to certification. Training and development is more likely to be perceived as valuable when it is integrated with personal and organisational objectives, when it meets aspects of the employee's psychological contract and when it is perceived as relevant to the current or future context.

DISCUSSION, CONCLUSIONS AND STUDY LIMITATIONS

This study investigated the perceptions of how a public sector organisation has sought to integrate HRD with the strategic priorities of the organisation, the role of manager support and involvement in HRD and the effectiveness of learning transfer and evaluation systems.

196 *Enhancing the Role of the HRD Function***Exhibit 6: Perceptions of the Contribution of Training and Development****Management Perceptions of the Value of HRD**

'They [management] know that training and development is vital to holding onto people' (Administrator)

'The PDP training will pay off in the long run because of the positive motivational spin-offs' (Team Leader)

'The organisation gets a good return on its investment in training. There is a direct return when people are still with us because they are more effective in their jobs. In addition those who left the organisation were also useful in that they provide a secondary return by providing contacts and we can call in a favour from them' (Consultant)

'The central focus needs to be on patients and the central ethos of the organisation needs to be refocused on this. Top-down change is needed and training and development can then help to cement this change' (Consultant)

Factors likely to Reduce Perceptions of Value

'They [trainers] need to use more DDS&H-relevant examples' (Senior Administrator)

'I'm concerned that people may go on courses but not implement the learning' (Consultant)

Non-Management Perceptions of Value

'Training is very important because my last job was dead-end and offered no hope for advancement. If people feel that the organisation is interested in its workers then people will work harder and progress more' (Technician)

'It's well worth the investment because you need to invest in your people to develop the organisation' (Administrator)

'Very [important]. If your staff are well trained you are getting a better service' (Nurse)

'Training and development is integral to helping me to achieve my objectives' (Administrator)

'It was good. It gave me more confidence to deal with students and dentists' (Nurse)

'It was very useful and practical. It helps me to analyse problems better and explore options and solutions rather than being overwhelmed by the problem' (Nurse)

'I'm able to deal with customers and problems more myself now rather than phoning someone for help' (Officer)

Possible Explanations for Perceptions of Value

'I think others in my area feel like, sure, we know these people skills already, we would be a little cynical' (Officer)

'I think a lot of that [people management] comes naturally. Yes it would be nice to get some training in them [staff management, interpersonal skills, organisational skills] but I wouldn't jump on it and go seeking them' (Officer)

Factors of Importance to Non-Management Perceptions of Value of Training & Development

'I would expect them [trainers] to give you a basic level training to get you into the job and then...they can build on that to a different level...so you can do basic management and then advanced management. This is what I thought would happen' (Assistant)

'Any training and development needs to constantly focus on organisational objectives' (Consultant)

'They need to open it up... some of them [training] is more geared to certain disciplines in the hospital' (Manager)

The study findings reveal that senior management involvement in HRD is essential for perceived strategic integration. Management espoused support for HRD and there appeared to be a corporate cultural commitment to HRD. However, it would seem that this support and commitment does not always extend beyond acting as a point of contact for information on training initiatives, authorising attendance and providing passive support. While this is important and valued, it was not sufficient. There are inconsistent perceptions concerning systems of learning transfer. However, the extent of management involvement and support distinguished between respondents who perceived the systems positively and those who perceived them negatively. Respondents recognised and valued the systems in place for conducting level one evaluations and emphasised the need for systems to be developed to enable other levels of evaluation. The overall perception is that HRD adds value. However, a number of factors were identified related to the strategic integration processes, including systems and processes in place for pre-programme support, training needs analysis, programme design and post-programme support, which may diminish perceptions of integration.

The transition from a traditional training and development function with a strong focus on operational and tactical concerns to a more strategically integrated HRD function occurs at a number of different levels. At one level it is possible to talk about more

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superficial changes, which more likely involve the positioning of HRD within the overall managerial hierarchy and the nature of reporting relationships. These types of changes are of themselves insufficient. A more fundamental shift is required in the form of the core beliefs and values of managers and employees and particularly the actions of employees and managers in respect of training and development pre- and post-training. These latter elements usually prove more difficult to measure and understand. The HRD specialist must be committed to understanding the business, s/he must have a strong relationship with line managers and a broad base of business knowledge. Ultimately the development of a strategically integrated HRD function is related to the enhancement of the organisation. This involves processes that embed learning and knowledge-sharing as a key concern for all employees and a situation where learning is automatically considered a source of competitive advantage.

The study indicates that while managers and employees share some common concerns about the contribution of training and development, the priorities of senior managers and employees inevitably differ. Managers are more concerned with the organisation level contribution whereas employees focus on individual level concerns. Human resource development is a multi-level concept involving strategic, tactical, operational and individual priorities. These various levels emphasise differing priorities and perspectives and they are unlikely to be always compatible.

The study findings highlight a number of important implications concerning the management of HRD and the delivery of training and development programmes. The existence of a clearly formulated and well articulated HRD strategy and policy will influence employees' and managers' perceptions and attitudes towards HRD. The existence of well-articulated HRD policy and strategy are of themselves insufficient. These elements can be regarded as statements of intent. What employees look for is evidence of action. The way in which management communicates HRD values and implement HRD practices will impact the extent of diffusion of training and development practices. Managers need to pay close attention to the environment in which a particular training or learning intervention occurs. Various aspects of the workplace need to be given special

consideration. These include providing learners with the necessary time, money, equipment, facilities and opportunities for the training and taking deliberate steps to ensure that employees believe the resources provided are sufficient. Employees are less likely to value training and development where they perceive that insufficient resources are available. Employees must perceive that the training and development has value.

The importance of senior and line management commitment is of considerable significance. Various characteristics of the HRD function are important here. The quantitative analyses indicated considerable variation in perceptions between managers and non-managers in terms of what constitutes support. The qualitative analyses does suggest that where the key stakeholders had positive perceptions concerning the levels of support, involvement and commitment of key organisational members, they were more likely to give more favourable evaluations of the effectiveness of training and development. If organisations are to achieve an effective strategic alignment of training and development then it is important that managers have positive attitudes towards HRD. As part of the decentralisation of HRD, line managers are increasingly required to fulfil HRD activities. They must believe in the value of this type of activity, otherwise that are unlikely to perform these HRD activities. Tensions and ambiguities exist regarding the role of line managers in involving and supporting employees in respect of HRD. Line managers appear not to be perceived as a barrier per se, however there is evidence that line managers may not act as proactive agents providing HRD. It is not sufficient alone to espouse policies that focus on the inclusion of line managers in the training and development process. They are not a guarantee that managers will follow up their words with actions.

The change process that has occurred within the study organisation is still at a relatively early stage. This transition process will continue to be emergent. It must be incremental given the complexity of the change that is desired and the context within which the change is taking place. It takes time for key stakeholders to adapt to a new HRD philosophy and new HRD policies, structures, relationships and expectations. It is possible that the initial vision of a new approach to HRD may not actually emerge as anticipated and other unanticipated practices may develop.

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- 1 Dublin Dental School and Hospital internal document.
- 2 Taken from Holder Kunder (1998).
- 3 The HR manager stated that phase one of the plan for improving the training and development system in DDS&H was to offer a selection of training programmes which had been identified through a training needs analysis as required by the organisation. Managers could then decide how many and what members of their staff to send on the programmes. As there was no culture of training and development in DDS&H, she sometimes made it compulsory to send a specific number of staff. She hoped this would begin the introduction of a culture of training and development. One respondent did identify that her change in attitude towards training was due to being required to participate in the PDP training programme.
- 4 PDP is a reference to the Personal Development Planning programme. This programme is aimed at encouraging collaboration between employees and their managers for the purposes of identifying training needs.

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Encouraging Research and Development in Ireland's Biotechnology Enterprises



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ABSTRACT

Over the last ten years, the Irish government has actively promoted the biotechnology industry. Following an extensive series of funding and investment programmes introduced in the early 1990s, Ireland is beginning to emerge as an attractive location for multinational biotechnology and pharmaceutical companies worldwide, with nine of the ten major international pharmaceutical companies now carrying out manufacturing operations within the state (US Department of State, 2005).

To date, the Irish government's strategy has tended to focus on building up an industrial profile and in developing world-class bio-researchers. However, more recently attention has begun to shift to developing Ireland's emerging indigenous biotech sector (Enterprise Ireland, 2003). Currently there are less than sixty indigenous bio-enterprises in Ireland, most of which are micro companies and at an early stage of development. Furthermore, due to the nature of their activities, most bio-enterprises do not generate profit in the early years. Even those bio-companies that have some revenues tend to invest the bulk of their turnover in long-term product development.

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This paper provides an overview of the Irish biotechnology sector and examines the government's strategy for promoting the sector to date. Drawing on examples from the UK, France and the USA, the authors consider the use of tax credits as a possible means of encouraging R&D within the sector and thus open the discussion on whether such incentives might be used to promote R&D within the Irish biotech sector. In this regard, some issues that would require further research and analysis are identified.

INTRODUCTION

Biotechnology is now considered a key emerging sector in Ireland's economic landscape. Defined as 'the application of scientific and engineering principles to the processing of materials by biological agents' (Forfás, 2005), biotechnology is now the main high technology driver affecting industries as diverse as food, agriculture, human health and environmental protection. In 2002 it was estimated that over 400,000 people worldwide were employed in biotech (InterTradeIreland, 2002), with the market for biotechnology products worth an estimated €100 billion (European Commission, 2002). However, according to the Technology Foresight Report (1999), these figures are predicted to increase significantly, with the expectation that, by the end of 2006, the biotechnology sector will be worth an estimated €250 billion and will employ more than three million workers.

With regard to Ireland specifically, there are currently sixty bio-enterprises and, while most are micro companies and at an early stage of development, collectively they employ some 5,000 people. Their activities range from developing new methods of diagnosing and treating disease to products that assist in remedying mean environmental damage and the prevention of such issues.

A core objective of the Irish government's current biotechnology strategy is to stimulate growth and development within its emerging indigenous sector (Enterprise Ireland, 2002). To date this strategy has tended to focus on investment and funding, on building up an industrial profile and on developing a world-class bio-research base. In some countries, indirect fiscal incentives are being used as a means of stimulating growth within the indigenous biotech sector. Such incentives include taxation credits designed to encourage research and development (R&D) in biotech SMEs (Small and Medium-sized

Enterprises). Indeed, some of the more successful biotech countries already have some form of tax incentive in place, which is often seen as a cost-effective means of promoting growth in the indigenous sector by encouraging more R&D.

A key objective of this paper is to provide an overview of the Irish biotechnology sector and examine the government's strategy for promoting the sector to date. By drawing on examples from the UK, France and the USA, and by referring to some of the effectiveness studies conducted to date, the authors also aim to open the discussion surrounding the use of tax credits as a means of promoting the sector by encouraging R&D. In this regard, some issues for further analysis and research are identified.

The paper is structured as follows: firstly, the case for biotechnology and the need to promote the sector are reviewed. Secondly, the current state of Ireland's biotech sector is examined, and the Irish government's strategy in promoting the sector to date is discussed. Thirdly, using examples from three of the world's leading biotechnology countries, the nature of tax credits is considered. Fourthly, the need to further promote Ireland's biotech sector is highlighted, and some of the advantages and disadvantages associated with using tax credit incentives are discussed. In this regard, by way of opening the debate on whether tax credits could be used to promote R&D among Ireland's biotech enterprises, the authors suggest that further discussion is merited. Finally, the paper concludes by identifying some of the key issues that would require further analysis and research if tax credits are to be given full consideration as potential biotech R&D stimulants.

RESEARCH CONTEXT

The Case for Biotechnology

Countries such as the UK, the USA, Australia and parts of continental Europe have already identified biotechnology as the next major driver of economic growth in the twenty-first century. In the United States, for example, biotechnology now generates more than \$40 billion in annual revenues (Ernst & Young, 2004). While in Europe the value of products and services using biotechnology is estimated to be worth €250m, which in turn affects (both directly and indirectly) more than three million jobs (EuropaBio Report, 1997).

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Increasingly, this leading-edge area of technology is not relegated solely to the wealthy nations of Europe and America. India, China, South Africa and even Cuba are now moving into the innovative and dynamic realms of biotechnology as well, providing a means for these countries to reduce their economic dependency on commodities (sugar, nickel, tobacco, rum), as well as delivering scientific advancements in biotechnology terms (Chen, 2003).

In the broadest sense, biotechnology concerns the use of biological processes or elements to solve technology needs or problems, enabling the application of engineering, technology and science principles to improve the health, quality and utility of plants and animals. From an economic perspective, the commercialisation of biotechnology is the primary focus, with the technology set to deliver potentially huge gains in all primary industries such as health care, food and agricultural industries, as well as environmental protection. The end result is new sustainable wealth and knowledge creation, as well as potentially life-enhancing innovations.

Like that of any other sector, the case for supporting the growth and development of biotechnology is ultimately an economic one. While governments around the world are increasingly keen to stimulate the growth of high-technology industries, biotechnology must compete with other technology-based industries such as nanotechnology, electronics and telecommunications, as well as traditional industries.

The State of Biotechnology in Ireland

According to Ernst & Young (2002), Ireland is now recognised among the top 25 global locations for biotechnology. However the biotechnology sector in Ireland is still at a very early stage of development. There are currently fifty-nine bio-companies in Ireland, forty-one indigenous and eighteen multinational, with the indigenous companies consisting of primarily private, early discovery, seed-stage companies (Martin, 2005).

In terms of economic contribution, bio-enterprises currently employ approximately 5,000 people in Ireland, with the majority (n=3,000) employed in multinational enterprises. Indigenous bio-enterprises account for less than 2,000 or 40 per cent of total employment for the sector. Most indigenous enterprises are small, with 60 per cent (n=26) in the micro category, employing less than

ten people, and less than 10 per cent employing more than fifty (Enterprise Ireland, 2005).

In relation to age distribution, most of Ireland's indigenous biotech businesses are seed companies, with an average age of five years, reflecting the relatively recent nature of both the technology and the industry. In terms of industrial focus, the majority (n=21) are involved in diagnostics, followed by pharmaceutical biologics (n=16) and agri-food (n=11), with pharmaceutical services and bio-environmental activity making up the remaining eleven companies. The concentration of bio-enterprises in diagnostics, which is primarily concerned with the production of diagnostic kits for use in hospitals and clinics, reflects the low entry barriers both in terms of manufacturing costs and regulatory controls associated with this activity. However, access to R&D expertise and facilities is a major issue for Ireland's early stage biotech companies and for this reason most bio-enterprises in Ireland are located in close proximity to high technology centres, such as universities, institutes, hospitals, etc. Forty-six of the fifty-nine biotechnology companies are located in five major areas of activities, including Dublin (16), Belfast (14), Cork (8), Galway (5) and Coleraine (3). This is consistent with comparative analysis which suggests that biotechnology tends to cluster regionally (Prevezer, 1998; Shoheit, 1998).

In many cases, biotech companies are spin-offs from universities; around twenty-five Irish biotech companies have originated in this way (IntertradeIreland, 2002), while several others are significantly dependent on technologies licensed from universities in other countries.

Government Policy on Biotechnology

The Irish government has been aware of the potential of biotechnology for many years. While initial reports were drawn up in the early 1980s, it was not until the 1990s that a number of significant reports emerged, including Forfás, 'Shaping Our Future – A Strategy for Enterprise in Ireland in the 21st Century' (1996), which identified biotechnology as a key enabling technology for Ireland's future industrial development. However, it was not until the publication of the Technology Foresight Ireland Report in 1999 on Health and Life Sciences that the Irish strategy on biotech was finally established. At this time Ireland was not perceived as an international centre of

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biotechnology. In fact, after Greece, Ireland had the lowest level of government-supported R&D, at less than 1 per cent of total government expenditure (European Commission, 1997). The overall structure of the Irish national biotechnology research programme was weak; outputs were small and the number of top quality biotechnology research groups was limited. Irish biotechnology graduates were leaving the country in large numbers and Irish science students were not encouraged or educated to become science, technology and innovation (STI) entrepreneurs. In the area of commercialisation, there was little funding available for start-up companies, and Irish venture capital funds had little experience of biotechnology investments (Irish Council for Science, Technology & Innovation, 2002).

The 2002 ICSTI Report argued that Ireland could not afford to ignore biotechnology and concluded that:

[U]nless investment does occur, Ireland will not only fail to benefit from the new biotechnology in terms of a large number of new, high quality, high added-value jobs, but many existing jobs in the pharmaceutical and chemical industries, the food and drink industries and in agriculture will be jeopardised. (2002: 6)

Since the publication of these early reports, over twelve separate reports on biotechnology related issues have been published in Ireland. Collectively they have resulted in a comprehensive package of measures designed to promote and prioritise biotechnology in Ireland. Table 9.1 below summarises these measures:

Table 9.1: Summary of Ireland's Biotech Measures

Measure(s) Introduced	Impact on Industrial Policy
The development of a quality R&D programme to foster 'leading-edge' research.	The government set up the National Biotechnology Programme (1987) to develop commercially oriented biotechnology research in Irish universities. In 1995 less than €1.2m was received in research grants in science and technology in Ireland. In 2000, through the Technology Foresight Fund, over €650m was invested in technological and scientific research.

(Continued)

Table 9.1: (Continued)

Measure(s) Introduced	Impact on Industrial Policy
Additional focus on the commercialisation of research outputs through the creation of BioResearch Ireland (BRI).	BRI is a contract research organisation responsible for commercialising existing biotechnology and developing the expertise and facilities needed for biotech R&D. BRI's principal role is the commercialisation of technologies arising from university research through directly assisting the development and transfer of technology from research facilities to industry.
Developing imaginative schemes to foster an indigenous industry while also attracting foreign investors.	In early 2000 Enterprise Ireland established the first dedicated Biotechnology Start-Up Fund, with €15m allocated to biotech companies in the early stages of development.
Putting in place a communications strategy to increase public awareness and participation.	This was achieved through the publication of several policy documents, including the Irish Council for Science Technology & Innovation (ICSTI) Report on Biotechnology (2002).
The establishment of Science Foundation Ireland (SFI) in 2003 to enhance, develop and promote the scale and quality of basic research in Ireland.	SFI's role was to fund research in biotechnology and information and communications technology development. To date, SFI has invested over €646 million in academic researchers and research teams working in leading-edge technologies and competitive enterprises in biotechnology and ICT (Information and Communications Technology).
The establishment of a coordinated strategy involving the three main support agencies on the island of Ireland – Enterprise Ireland (EI), Industrial Development Authority (IDA) and InterTradeIreland (ITI).	EI launched a number of programmes and initiatives on biotechnology. The IDA promotes Ireland as a location for foreign investment for overseas multinational science and pharmaceutical companies. ITI has published a number of reports and studies mapping biotechnology in Ireland.

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The above measures were complemented by a series of funding programmes administered by the Higher Education Authority (HEA)¹ to boost both capital and recurrent expenditure on university-based research. Life sciences gained more than half of the €600 million that has been disbursed by the HEA, resulting in the creation of new institutes throughout the country's university system, focusing on areas such as genomics, cellular biotechnology, biomedical engineering, immunology, biopharmaceuticals and molecular medicine, and food and health science.

More recently, the government has announced a €1 million funding initiative targeted at boosting the number of women scientists in Ireland. This initiative consists of three SFI-funded programmes aimed at addressing the under-representation of women in Irish science and engineering research.

Collectively, such initiatives have resulted in five core centres of biotech research located on the campuses of Irish universities. Biotechnology research is predominately carried out at these five centres, along with Teagasc, the national body providing advisory, research, education and training services for agriculture and the food industries. The five leading centres for biotechnology research in Ireland include the National Agricultural and Veterinary Biotechnology Centre at University College Dublin (animal and plant health and reproduction); the National Diagnostics Centre at National University of Ireland, Galway (immunoassays, diagnostic technology); the National Cell and Tissue Culture Centre at Dublin City University (animal cell culture, MAB production); the National Food Biotechnology Centre at University College Cork (food processing technology, bioremediation); and the National Pharmaceutical Biotechnology Centre at Trinity College Dublin (vaccines, inflammation, neurobiology). In 1992 a total of 765 people were involved in biotechnology research in Ireland. Currently, this figure is estimated to be 2,000 (European Commission, 1996). In 1995 the Centre for Innovation in Biotechnology (CIB), an associate member of BRI,² was launched in Northern Ireland, presenting a significant opportunity to raise the profile of biotechnology research on the island as a whole (Forfás report, 2002).

The Nature of Tax Incentives

In modern economies governments apply various policy instruments to promote R&D in the business sector. Reflecting the link between R&D and productivity, performance, competitiveness, foreign investment and entrepreneurship, the literature has identified high levels of R&D as crucial factors in maintaining a high and stable growth rate in the economy (Stokey, 1991).

Both theoretical and empirical evidence indicate that R&D is subject to market failure, due to a combination of imperfect information in the market and financing gaps induced by asymmetric information (see, for example, David et al. (2000) and Hall (2003) for surveys on both topics). However, how best to encourage R&D on an ongoing basis is proving problematic in practice.

Increasingly governments are turning to fiscal incentives in response to this R&D market failure. The UK, France and the USA, three of the most successful biotech countries in the world, have all adopted tax as a stimulus for R&D. However, as the discussion below suggests, fiscal policies vary considerably in terms of scope and operation, and hence comparison between the various tax-based incentives can prove problematic.

Essentially, there are two main types of tax credits for R&D:

1. Tax relief in proportion to the volume (i.e. total amount) of R&D expenditure incurred by the company. This volume basis means that any tax relief will be calculated in proportion to the total amount of R&D spent in that year.
2. The alternative approach is known as the incremental approach. In this case, the tax relief is based on how much the company increases its R&D expenditure compared to previous years (i.e. incremental basis).

The section below briefly discusses the approaches adopted in three of the most successful biotech countries in the world.

United Kingdom

According to Devereux (2003), promoting innovation and R&D is a fundamental component of the UK government's strategy for improving productivity, performance and competitiveness. The UK

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had relatively low levels of investment in R&D and, until recently, business spending on R&D as a percentage of GDP actually decreased compared to most other major industrialised countries. To facilitate and influence innovation, and to increase R&D, the government announced a new R&D tax incentive package for large companies in the 2002 Budget (effective from 1 April 2002), building on the existing R&D tax credit for small and medium-sized companies. The UK system adopts a volume approach, i.e. the relief is based on a company's total qualifying R&D expenditure (Devereux, 2003).

Before 2000 virtually all scientific research and development was classed as eligible expenditure. For example, there was a Research and Development Allowance for all firms, allowing plant machinery and buildings to be immediately written off against profits. However, because capital expenditure was normally only a small percentage of R&D costs (approximately 10 per cent), this was not considered to be a significant factor. In contrast, wages, salaries and current expenditure have no special tax treatment.

In 2000 the government introduced special tax relief (R&D tax credits) for SMEs under the Finance Act (2000). Similar relief was introduced for large companies in the subsequent 2002 Finance Act. Under the Act, SMEs can claim an extra 50 per cent tax relief, and larger businesses can claim 25 per cent, subject to certain restrictions.

In terms of cost eligibility, guidelines issued by the UK Department for Trade and Industry define eligible R&D costs as expenditure relating to 'creative or innovative work in the fields of science or technology and undertaken with a view to the extension of knowledge and breaking new ground, whether that be through resolving some uncertainty or creating a new or substantially improved product, process or service' (PLASA, 2002).

Under the current system, small and medium-sized companies are eligible for relief at 150 per cent of actual expenditure. If the company has no taxable profits, they can in fact obtain cash repayment from the Inland Revenue. Expenditures that qualify for R&D tax relief include:

- Staff directly involved in carrying out the R&D.
- Consumable stores used in the R&D work. However, costs of employees providing secretarial, administrative or similar services in support of others' activities do not qualify.

- Software, fuel, power and water.
- 65 per cent of the costs of subcontracting specific elements of the R&D work to a third party.
- In addition, where a company incurs capital expenditure on R&D, it is entitled to an immediate 100 per cent tax depreciation allowance in relation to this expenditure.

An interesting feature of the UK system is that there is no requirement for the R&D to be actually carried out in the UK. The benefit of the UK approach is its simplicity and predictability, which is perceived as critical for management and investment decision-making.

France

In France a company becomes eligible for certain research incentives when it has incurred expenditure on any technical and scientific research operations. The French system's tax credit is calculated on an incremental basis, thus the current year's expenditure is compared to the average expenditure during the preceding two years (adjusted for inflation). The tax credit amounts to 50 per cent of the incremental amount, but is capped at €61m per year. Costs eligible for this relief include that of personnel assigned to do the research, i.e. scientists or engineers working on the design or invention that is eligible. However, it does not include support personnel, i.e. secretaries, cleaning or physical maintenance of facilities. According to the European Commission (2002), costs eligible for the purposes of calculating the tax credit include:

- Operating costs, calculated as a fixed percentage of 75 per cent or 100 per cent of the research personnel costs, with the particular percentage depending on the relevant qualification of the personnel involved.
- Other consumable types of expenses, including, for example, any small tools, apparatus, materials and supplies.
- External research expenditure incurred if the research has been entrusted to other public or private research organisations. Experts approved by the Ministry of Industry and Research are also eligible.
- Depreciation on assets directly assigned to the conduct of the research operations (provided they are located in France).

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The benefit of this approach is that, if the tax credit is higher than the tax liability, it can be carried forward in the three years that follow. After this, if still not used, it is refunded in cash by the tax authorities. This is considered a very beneficial cash flow feature of the French incentive.

A drawback of this particular method, compared to countries where a volume-based approach is taken, is that, even though the percentage of the credit is higher than most countries, a company will not be eligible for a tax credit if it has spent less on research in the current year compared to the prior two years. Commercially, a company's R&D spend might not increase on a year-to-year basis and, if this is the case, it will not benefit from this incentive. Even if R&D spend does increase, it may still not qualify for this benefit, as any 'negative' credits from prior years (amounts corresponding to a decrease in expenditure) must be offset against subsequent research tax credit amounts to ensure the preceding year's deflated basis does not affect the increase unfairly.

United States

As in most other countries, research eligible for financial relief in the USA has a fairly wide definition and generally includes research undertaken to discover information that is technological in nature and intended to be useful in the development of a new or improved business component, irrespective of where it is undertaken. Furthermore, the research must relate to elements of a process of experimentation that leads to a new or improved function, performance, reliability or quality.

The USA allows a general deduction of research or experimental expenditures during the tax year in which such expenditure is paid or incurred, including any capital expenditure. In addition, for expenditure incurred on R&D, the USA allows a company a deduction or credit against its income tax liability on an incremental research basis, i.e. for increased research activities. The calculation of the tax credit is based on a fairly complex formula and depends, among other things, on how many years a company has been involved in R&D activities. A key benefit of the American system is that, if the taxpayer is unable to use all the R&D credits in the year in which they are earned, the unused credit may be carried back to

the preceding tax year or carried forward for twenty years (Sarnia Lambton, 2005).

Research expenses that qualify for this tax credit include expenses incurred for the company's own research, i.e. salaries or wages of employees engaging in or directly supervising or supporting research activities. Other costs included are:

- Consumable supplies, materials and computer use charges.
- 65 per cent of subcontracted expenditure incurred for qualified research that is performed by a person other than an employee of the taxpayer. This percentage increases to 75 per cent of the expenditure if the research is performed by a 'qualified research consortium' (i.e. a tax-exempt organisation whose primary function is to conduct scientific research).

DISCUSSION

Invariably, the case for further supporting biotechnology in Ireland is based on three related arguments. Firstly, Ireland's industrial profile is well placed to embrace biotechnology. Ireland has, for example, successfully attracted a large number of major pharmaceutical manufacturing companies, with nine of the top ten pharmaceutical companies in the world having manufacturing operations in the State (US Department of State, 2005). In addition, Ireland has a major indigenous multinational biotechnology company – Elan – and some of the country's core sectors, such as food, drink and agriculture, offer huge potential for the application of biotechnology.

Secondly, the strong software industry in Ireland offers huge synergistic opportunities through combining health and life sciences with ICT. In this respect, the Irish government views biotech and ICT as delivering sustainable economic growth, consistent with its policy of creating a competitive knowledge-based economy.

Finally, at the wider economic level, the case for further supporting biotechnology is justified in terms of reducing the productivity and innovation gap between Europe and the USA. As highlighted in studies by, for example, Fagerberg (1987), Freeman (1995), Lundvall (1992) and Bygrave et al. (1998), Europe was falling behind the USA in science and technology. The USA had a strong

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science base and was a world leader in the fields of medical research, agricultural bioscience and diagnostics. Thus, investment in high technology industries and research and development were seen as crucial to addressing this gap.

By way of further supporting the sector and encouraging R&D among Ireland's indigenous biotechnology enterprises, tax credits as a support mechanism may merit further consideration. Although a thorough analysis of the potential benefits of tax credits in an Irish context is beyond the scope of this paper, in opening this debate, the authors suggest that, from a theoretical perspective at least, tax credits may be more influential than direct grants or other forms of government support. Indeed, tax credits are often preferable, as they have the lowest level of compliance costs. According to the OECD (2002), tax credits are advantageous because they:

- entail less interference in the marketplace, and thus allow private-sector decision-makers to retain autonomy;
- require less paperwork and entail fewer layers of bureaucracy;
- avoid the need to set nebulous and detailed requirements for receiving assistance;
- have the psychological advantage of achieving a favourable industry reaction;
- have a high degree of political feasibility.

However, notwithstanding the above, tax incentives may also be disadvantageous because they can:

- bring about unintended windfalls by rewarding what would have been done without the tax incentive;
- lead to undesirable inequities;
- raid the national treasury;
- represent an ineffective means to achieve focused results.

In assessing the effectiveness of R&D tax credits, supporters cite evidence from empirical studies that have attempted to measure their direct impact on R&D activity (Bloom et al., 2000). Due to data limitations, the micro-economic evidence regarding the effectiveness of

tax credits is restricted. For this reason, most studies to date have examined the macroeconomic impact, principally the general effect of government taxation on R&D expenditure (see for example, Klette et al., 2000; Hall and van Reenen, 2000; and Czarnitzki et al., 2005).

Table 9.2 below lists some of the main studies conducted to date which have examined the amount of R&D induced by the tax credits. These studies have reported the R&D price elasticities associated with tax credits and have sought to measure the additional amount of R&D performed for each dollar decrease in the cost of the R&D.

Table 9.2: Effectiveness Studies of R&D Tax Credits

Study (Date)	Estimated Elasticity of R&D to Tax Credit	Period of Study	Country
McFetridge and Warda (1983)	-1.0	1982-82	Canada
Bernstein (1986)	-0.13	1975-84	Canada
Mansfield (1986)	-0.35	1981-83	USA
Berger (1993)	-1.0 to -1.5	1981-88	USA
Baily and Lawrence (1992)	-0.75	1981-89	USA
Hall (1993)	-1.0 to -1.5	1981-91	USA
McCutchen (1993)	-0.28 to -0.7	1982-85	USA
Bloom, Griffith and van Reenen (2000)	-0.16 (short run) to -1.1 (long run)	1979-94	G7 Plus Australia
Hall and van Reenen (2000)	-0.34	1990s	USA
Lach (2000)	-1.5	1996-2000	Israel
Mulkay and Mairesse (2003)	-1.6	1995-2001	France
Czarnitzki, Hanel and Rosa (2005)	-0.69	1990s	Canada

Adapted from Hall and van Reenen (2000)

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In most cases, the sign of the elasticity is negative, reflecting this inverse relationship.

Table 9.2 reveals that, from the various studies that have estimated the elasticities for R&D tax credits, all have reported negative elasticities, indicating that provision of tax credits increases levels of R&D, although the magnitude of the impact differs significantly from country to country. In some cases, the impact is marginal, while in other studies, tax credits result in a two-fold increase. While Hall and van Reenen (2000) report a neutral effect, Lach (2000), and Mulkay and Mairesse (2003) document a significant positive impact. According to the latter, the long-run increase in R&D is three to four times the budgetary cost.

In interpreting these results, critics point to a number of weaknesses. Firstly, the majority of the studies are from the USA and Canada, hence direct comparison with the UK and Europe is problematic. The existing evaluations have been conducted for different countries and cannot be compared due to the use of different types of data, methodologies, scope and time periods. Moreover, as highlighted in this paper, there is little, if any, consistency in R&D fiscal policy internationally. Secondly, there are methodological difficulties in establishing the effect of fiscal incentives. There is a lack of micro-level data, which is necessary to estimate the true impact of such policies. In addition, tax credits can lead firms merely to reclassify current expenditure as R&D, rather than encouraging firms to raise their level of innovative activity, as this is not measured in many of the current studies. In most cases, studies are based on economic estimates, using highly restrictive assumptions and models. Finally, most of the studies do not estimate the potential externalities (R&D spill over), hence it is difficult to evaluate the amount of additional direct and indirect R&D per unit of foregone public revenue due to taxation credits.

SUMMARY AND CONCLUSIONS

This paper has discussed the case for biotechnology and has reviewed the need to promote the sector. The authors examined the current state of Ireland's biotech sector and discussed the Irish government's strategy in promoting the sector to date. Drawing on

examples from three of the world's leading biotechnology countries, the nature of tax credits as a means of encouraging R&D was considered. The need to further promote Ireland's biotech sector was highlighted, and some of the advantages and disadvantages associated with using tax credit incentives were discussed.

This paper has indicated that, while the Irish biotechnology sector is still at a very early stage of development, its importance in terms of economic contribution is clearly recognised (Enterprise Ireland, 2005). This importance is evidenced in part by the range of reports that have been issued on the sector since the 1980s, the more recent of which have strongly argued for continued investment in the sector (Technology Foresight Ireland, 2002). A complex package of funding and support measures focused on developing Ireland's biotech sector has been developed over the past ten years. However, it might be argued that there is more foreign direct investment (FDI) rather than indigenous evidence of the effectiveness of such support measures, as nine of the world's top ten pharmaceutical companies now have manufacturing operations in the state (US Department of State, 2005). In this regard, there may be a case for re-thinking support mechanisms to further encourage indigenous biotech enterprises so that the productivity and innovation gap between Europe and the USA does not continue to widen (Freeman, 1995; Lundvall, 1992; Bygrave et al., 1998).

With regard to tax credits, the paper considered examples from three of the world's leading biotech countries, illustrating how such fiscal policies can vary considerably in terms of scope and operation. The paper also highlighted that the actual efficiency of tax credits is difficult to assess, with both advantages and disadvantages (OECD, 2002) being noted. Furthermore, due to data limitations, inconsistencies in the methodological approaches adopted and differing economic contexts, the literature revealed conflicting results in terms of the long term effectiveness of tax credits (Hall and van Reenen, 2000; Lach, 2000; Mulkay and Mairesse, 2003).

While, as already acknowledged, a full analysis of the potential benefits or otherwise of tax credits in the Irish biotech context is beyond the scope of this paper, the authors have simply endeavoured to open the discussion surrounding their potential use as R&D stimuli,

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suggesting that such incentives at least merit due consideration. Given the early stage of development of biotechnology companies in Ireland (Ernst & Young, 2002; Martin, 2005), the use of taxation incentives might well represent an effective mechanism for the Irish government to stimulate further growth and development. Furthermore, in view of the huge amount of funding invested in the sector to date, tax credits may offer a more economic means of providing ongoing support to indigenous biotech enterprises by actively encouraging and rewarding R&D. Clearly, further investigation is needed.

However, as the authors have already highlighted, there is still considerable academic debate regarding the actual impact of tax credits on R&D activity, despite the existence of a number of international studies (Hall and van Reenen, 2000). With regard to Ireland specifically, tax credits may well be capable of playing an effective role in further developing the biotech sector, but it is the nature and extent of that role that needs further investigation. By way of further research, some of the questions that need to be addressed include the following: firstly, given the early stage of Ireland's biotechnology sector, how cost effective would tax credits actually be? Secondly, what are the practical, legal and compliance costs involved? Thirdly, and perhaps more importantly, given the array of systems adopted in various countries, which type of tax credit system would be best for Ireland? In attempting to address these questions, researchers and policy makers cannot ignore the successful track record of the UK, France and the USA, however they must also be mindful of the need for further effectiveness studies with regard to the actual economic impact of tax credits. If tax credits are to be given due consideration in the Irish context, then indigenous empirical studies which consider the actual needs of Ireland's fledgling biotech enterprises, their capacity for meaningful R&D and their actual R&D capability are urgently required. Only then can a real debate begin.

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- 1 The HEA manages the third level education sector.
 - 2 BioResearch Ireland – part of Enterprise Ireland's development strategy for the development of Irish biotech companies.

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The Role of Person, Spouse and Organisational Climate on Work–Family Perceptions



J E A N E T T E N . C L E V E L A N D *

B R Y A N N E C O R D E I R O **

G L E N D A F I S K *

R E B E C C A H A R R I S M U L V A N E Y ***

ABSTRACT

The present study examines the individual, additive and interactive effects of employee gender and two organisational climate variables on employee ratings of role conflict, work–family conflict, family–work conflict and time–energy imbalance. Data gathered from eighty-one faculty participants indicated that women report greater role conflict and work–family conflict than men while spousal employment showed no effect on individual perceptions of conflict. However, perceived organisational climate predicts these outcomes beyond gender. Results also showed that perceived increase in work demands have perceived negative effects on employee well-being. The results highlight the important role that organisational climate variables play in our understanding of the work–family interface. Implications and areas of future research are discussed.

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INTRODUCTION

Recent research indicates that employee perception of organisational culture is a critical factor for understanding work–family conflict, as well as the reasons for the low take-up rates of work–family programmes (Thompson, Beauvais & Lyness, 1999). Work–family culture has been found to have a stronger relationship with employee attitudes and turnover intentions than the actual availability of benefits (Allen, 2001; Lyness, Judiesch, Thompson & Beauvais, 2001; Thompson et al., 1999). Yet we know little about whether the relationship between organisational climate and work–family outcomes differs or is moderated by employee gender. Further, the construct of work–family conflict has evolved from a general construct to two facets that reflect the direction of conflict, namely work-to-family conflict (WFC) and family-to-work conflict (FWC; Frone, 2003). We know less about the person or organisational correlates of these emerging constructs. Finally, organisational research approaches to work and family often ignore the consideration of spousal and/or children variables in understanding employee perceptions of conflict (Cleveland, 2005; Major & Cleveland, 2005).

In the present study we examined both person and context variables in understanding work and family conflict. Specifically, we assessed the individual, additive and interactive effects of employee gender and two organisational climate variables: perceived organisational performance expectations (e.g. low or high work expectations) and perceived organisational time demands on employee ratings of role conflict, WFC, FWC and perceived time–energy imbalance. Further, often employees are embedded in dyadic or couple marital relationships that vary and may influence their perceptions of conflict. Therefore, we examined the additive and interactive effects of spousal employment status and the two organisational climate variables on the same outcomes.

Women, Men and Work–Family Interactions

There is inconclusive evidence of consistent gender differences in perceptions of role conflict, WFC and FWC. In fact, a number of studies show few differences between men and women in perceptions of WFC or FWC (e.g. Eagle, Miles & Icenogle, 1997; Frone, 2003;

Frone, Russell & Cooper, 1992). The presence of more women in the workplace in recent years and the increased responsibilities placed upon men at home may be reflected in this finding.

On the other hand, some researchers suggest that women and men do differ in their experiences of WFC and FWC. For example, it has been found that women experience greater role overload and WFC than do men (Hammer et al., 1997). Further, Gutek, Searle and Klepa (1991) found that when men and women spent equal hours in paid work, women reported greater WFC than men, and men reported greater FWC than women. Gender role theory can provide one explanation for these gender variations. The theory suggests that women continue to perform more of the domestic duties (Hochschild, 1997) and thus view paid work as an interference with these tasks. Men, on the other hand, do not expect to share equally in housework duties and more often than women find that family responsibilities and household tasks interfere with their career demands and aspirations (Gutek et al., 1991). Further, employed men are more likely to have a stay-at-home or part-time employed spouse than employed women (Brett, Stroh & Riley, 1992). Therefore, we hypothesised that:

Hypothesis 1a: *Women will report greater general role conflict, work-to-family conflict (WFC) and time-energy imbalance than men, while*

Hypothesis 1b: *Men will report greater family-work conflict (FWC) than women.*

Perceived Organisational Climate and Work-Family Interactions

Organisational climate refers to perceptions of organisational policies, practices and procedures that are shared by individuals within organisations (Reichers & Schneider, 1999). James and James (1989) identified a number of dimensions of organisational climate that may be associated with conflict between work and non-work, including role stress and lack of harmony, job challenge and autonomy, leadership facilitation and support, and work group co-operation, friendliness and warmth. There is evidence that climates perceived by

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employees to be beneficial to personal well-being are associated with higher levels of job satisfaction and organisational commitment (e.g. Mathieu, Hoffman & Farr, 1993).

Drawing from the rational goal approach of the competing values model of organisational effectiveness (Quinn & Rohrbaugh, 1983), Neal, West and Patterson (2000) suggest that it may be possible to enhance organisational outcomes by creating a climate that focuses on the achievement of organisational goals. One aspect of a climate for performance is high demand for work hours while another would be high organisational work expectations, including an emphasis on production, customer service and employee effort. However, a performance climate may be harmful to employee well-being. Heavy time demands and extensive work hours are shown to be directly related to work–family conflict (Parasuraman, Purohit, Godshalk & Beutell, 1996). Work pressure is one aspect of the work environment that is believed to contribute to perceptions of conflict. Work pressure can be defined as the extent to which a job is characterised by time demands, deadlines and a fast pace (Crouter et al., 1999). For example, employees who report high work hours are more likely to experience work–family conflict (Kofodimos, 1995). Further, employees in climates that encourage high time demands are more likely to experience work-to-family conflict (Thompson et al., 1999).

A climate for performance should enhance performance by motivating employees to work harder in task performance in order to achieve organisational objectives. On the other hand, a climate for well-being should enhance morale and job satisfaction because it is characterised by such attributes as supportive leadership, concern for employee welfare, participation in decision-making and autonomy (James et al., 1990). According to Thompson et al. (1999), a supportive work culture allows employees to more effectively balance work and family responsibilities and as a result experience less work and family conflict. Employees in organisations with low expectations of time demands reported higher affective commitment and less WFC (Thompson et al., 1999). Further, Neubauer (1992) found that nurses who reported less illness and greater job satisfaction also reported lower work pressure and less stress while Barnett (1996) found that increased time pressures and conflicting demands over time were

positively associated with great psychological distress. In the present study, we posited that:

Hypothesis 2: *Perceptions of organisational climate (e.g. organisational work expectations and organisational time demands) will be positively correlated with role conflict, WFC, FWC and perceptions of time–energy imbalance.*

Spousal Employment Level and Employee Perceptions of Role Conflict, WFC and FWC

Research suggests that work and family conflict may not only vary by personal and organisational characteristics, but also by the employment status of one's marital partner (Crouter & Helms-Erikson, 1997; Garies, Barnett & Brennan, 2003). The construct of work pressure or perceived organisational work expectations/demands has not been examined in relation to the employment status of one's spouse. Further, according to Bolger, DeLongis, Kessler and Wethington (1989), as both partners in a relationship increasingly have jobs outside the home and share parenting responsibilities, the potential for multiple role stress increases significantly. Contagion between the two roles is one explanation for increased stress among dual-earner parents. There are two forms of contagion. The first type reflects stress spillover where stress from one role (e.g. work) results in stress being experienced in another role (e.g. family) for the same individual. The second type refers to stress crossover which refers to the work stress experienced by an individual leading to the individual's spouse experiencing the stress at home (Crouter, 1984; MacDermid & Crouter, 1986; Piotrkowski, 1979; Repetti, 1987).

In the present study we collected information on employee role conflict, WFC, FWC and time–energy imbalance. Although we were unable to directly test either for spillover or contagion, we did obtain spousal employment information. Consistent with Bolger et al. (1989), we believe that the more hours that an employee's spouse works, the greater the employee perceptions of role conflict, WFC, FWC and time–energy imbalance.

Family systems literature suggests families strive to maintain an equilibrium and continuity. Each family member can affect the equilibrium and therefore affect the psychological state of other

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family members. Within this open-system approach, employment situations of both spouses affect the family as a whole as well as the psychological health of each member, including the employee. When a psychological strain such as distress, depression, burnout or work–family conflict is experienced by one person, it can affect the level of strain of another person in the same social environment (Bolger et al., 1989; Westman, Vinokur, Hamilton & Roziner, 2004; Hammer, Bauer & Grandey, 2003; Westman, 2001). Therefore employees whose spouses are also employed, especially full-time, may be more likely to experience multiple role stress as both partners may increasingly need to share parenting and home responsibilities.

Hypothesis 3: *Employees with spouses employed full-time will experience the greatest role conflict, WFC, FWC and time–energy imbalance.*

Person and Context Considerations in Work–Family Perceptions

Increasingly, the challenge of creating a family-friendly workplace is to develop a culture or climate that shares values and norms that advance rather than thwart the development and effectiveness of work–family programmes (Starrels, 1992; Murphy & Zagorski, 2005). Thompson et al. (1999) found that supportive climates were related to higher affective commitment, reduced turnover and lower self-reported levels of work–family conflict. A number of other studies identified organisational climates as critical in enhancing the employee’s ability to balance work and family responsibilities (e.g. Allen, 2001; Bailyn, 1997; Bond, Galinsky & Swanberg, 1998). An ‘overtime culture’ (Fried, 1998) and work devotion (Blair-Loy & Wharton, 2002) reflect the often unspoken norms within work-focused, family-unsupportive organisations. Within these organisations the road to career advancement is by working long hours and using impression management strategies which involve little employee disclosure of family issues at work.

Although there is evidence of the main effects for person (gender, spousal employment status) and organisational climate on work/non-work outcomes, we know little about whether the perceived work climate has more or less of an effect on men or women or in

families where the spouse works full-time, part-time or not outside the home. Therefore our final two hypothesised relationships are exploratory in nature. Drawing from the gender role and work-family literatures, we hypothesised that:

Hypothesis 4a: *Gender will interact with perceived organisational climate (e.g. organisational performance expectations and perceived organisational time demands) such that there will be a greater difference in ratings of role conflict, WFC, FWC and time–energy imbalance among women between climates that reflect high and low performance expectations than for men.*

Hypothesis 4b: *Perceived organisational climate (e.g. organisational performance expectation and perceived organisational time demands) will show additive effects beyond gender in predicting role conflict, WFC, FWC and time–energy imbalance.*

The contagion literature suggests that couples who work more hours outside the home may experience greater multiple role conflicts than when the spouse is at home full-time (Bolger et al., 1989).

Hypothesis 5a: *Spousal employment will interact with perceived organisational climate (e.g. organisational performance expectations and organisational time demands) such that there will be greater differences in ratings of role conflict, WFC, FWC and time–energy imbalance among employees whose spouses work full-time or part-time rather than not at all outside the home between climates that reflect high rather than low performance expectations.*

Hypothesis 5b: *Perceived organisational climate (e.g. organisational performance expectations and organisational time demands) will have additive effects beyond spousal employment to predict ratings of role conflict, WFC, FWC and time–energy imbalance.*

METHOD

Participants

The survey was completed by eighty-one participants (fifty-six male and twenty-four female), for a response rate of 16 per cent.

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The average age of participants was forty-seven years. A total of sixty-seven participants were married or living with a partner and thirty-nine had one or more children under the age of eighteen.

Procedure and Measures

A random sample of 500 employees was generated from a list of all faculties at an eastern university in the USA. The survey was then e-mailed to the sample. The survey included questions about a variety of factors associated with work and family experiences in which the individual is employed. Participants anonymously completed and submitted the survey on-line.

Demographic Information

Demographic information was collected from participants. They were asked to indicate gender, department in the university, hours worked per week, marital status, number of children, spousal employment and tenure grade. Gender was coded as a dummy variable (male = 1 and female = 2). Hours worked per week were reported as the number of hours spent at work (primary job and any additional jobs), spent on work-related matters at home and spent commuting to and from work. Marital status was measured with a 5-item scale (single = 1, married/partner at home = 2, divorced/single = 3, divorced/remarried = 4, and separated = 5). Spousal employment status was measured with a 4-item scale (my spouse/partner is not employed = 1, my spouse/partner is employed part-time = 2, my spouse/partner is employed full-time = 3, not applicable = 4).

Role Conflict

Role conflict was measured with seven items developed by Bohlen and Viveros-Long (1981) and previously used by Clark (2001). These items measured the extent to which work roles conflict with other life roles. An example item is 'I feel I have to rush to get everything done each day'. Items were measured on a 7-point scale ranging from 1 (strongly disagree) to 7 (strongly agree). Coefficient alpha was reliable at .88.

Work-Family Conflict

Work-family conflict was measured with a 5-item scale developed by Netemeyer et al. (1996). Items measure the extent to which work

interferes with family life. An example item is 'the demands of my work interfere with my home and family life'. Items were measured on a 7-point scale ranging from 1 (strongly disagree) to 7 (strongly agree). Coefficient alpha was reliable at .92.

Family–Work Conflict

Family–work conflict was measured with a 5-item scale developed by Netemeyer et al. (1996). Items measure the extent to which family interferes with work life. An example item is 'I have to put off things at work because of the demands on my time at home'. Items were measured on a 7-point scale ranging from 1 (strongly disagree) to 7 (strongly agree). Coefficient alpha was reliable at .89.

Time–Energy Imbalance

Time–energy imbalance was assessed using a 24-item scale based on a scale developed by Kofodimos to measure the extent to which the amount of time and energy spent on work and non-work roles is equal or imbalanced. Three items from the original scale were omitted since they were not appropriate for the present sample. Items were measured on a 7-point scale ranging from 1 (strongly disagree) to 7 (strongly agree). Example items include, 'I bring work home on the weekends' and 'I don't have enough time to stay on a consistent exercise program'. Coefficient alpha was reliable at .80.

Organisational Work Expectations

Organisational work expectations were measured with fourteen items developed by Kofodimos (1995). These items measure the demands or expectations placed on individuals by the organisation. Example items include, 'my department values and rewards working at home on a regular basis' and 'my department values and rewards taking my full vacation allotment' (reverse scored). Agreement with the items was measured on a 7-point scale ranging from 1 (strongly disagree) to 7 (strongly agree). Coefficient alpha was .84.

Organisational Time Demands

Organisational time demands were measured with a 4-item scale developed by Thompson et al. (1999) in order to measure work–family culture. This scale measures the extent to which the

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organisation expects individuals to devote time and energy to the workplace above family. An example item is 'to be viewed favorably by administration, employees in this department must constantly put their jobs ahead of their families or personal lives'. Agreement with the items was measured with a 7-point scale ranging from 1 (strongly disagree) to 7 (strongly agree). Coefficient alpha for this scale was .85.

RESULTS

Table 10.1 shows study means, standard deviations and bivariate correlations. Hypothesis 1a predicted that women would report higher levels of role conflict than men. A one sample *t*-test revealed that women did, in fact, report higher levels of role conflict ($M_{Female} = 5.74$ vs. $M_{Male} = 4.90$, $t(75) = 2.69$, $p < .01$). In addition

Table 10.1: Means and Intercorrelations among Variables in the Study

Variable	Mean/ s.d.	1.	2.	3.	4.	5.	6.	7.	8.
1. Gender	—	—							
2. Spousal Employment	—	.06	—						
3. Org. Expectations	4.20 (.89)	.20	-.06	—					
4. Org. Time Demands	19.14 (5.72)	.26*	-.03	.65**	—				
5. Role Conflict	5.15 (1.31)	.30**	-.01	.38**	.47**	—			
6. Work-Family Conflict	4.78 (1.42)	.27*	.08	.45**	.54**	.67**	—		
7. Family-Work Conflict	3.13 (1.35)	-.13	.03	-.01	-.05	.14	.28*	—	
8. Time-Energy Imbalance	4.14 (.75)	-.04	.07	.32*	.34**	.58**	.72**	.37**	—

Note: *r* is significant * $p < .05$, ** $p < .01$

Gender: 1 = male, 2 = female

Spousal Employment: 1 = full-time, 2 = part-time, 3 = not employed

to role conflict, women were also predicted to report higher levels of work–family conflict (Hypothesis 1a). This prediction was supported. Women ($M = 5.39$) reported significantly higher levels of work–family conflict than men ($M = 4.55$), $t(73) = 2.37$, $p < .05$. Contrary to our prediction, women did not report significantly higher levels of time–energy imbalance than men (4.15 vs. 4.08, $t(60) = .33$, $p = ns$). Thus Hypothesis 1a was partially supported. Finally, we suggested that men would report significantly higher levels of family–work conflict than women (Hypothesis 1b). While means were in the predicted direction [$M_{Males} = 3.24$ vs. $M_{Females} = 2.85$], a test of mean differences revealed no significant difference $t(72) = 1.13$, $p = ns$.

Consistent with Hypothesis 2, Table 10.1 reveals that positive, significant correlations were observed between individuals' perceived organisational work demands (conceptualised as organisational expectations as well as organisational time demands) and their perceived levels of role conflict, work–family conflict and time–energy imbalance. There was no significant correlation between family-to-work conflict and the perceived organisational work demands. Thus, Hypothesis 2 was partially supported.

Contrary to Hypothesis 3, employees whose spouses were employed full-time did not experience significantly higher levels of either role or work–family conflict. For role conflict, a one-way analysis of variance showed no significant differences in the level of role conflict reported by employees whose spouses were employed full-time ($M = 5.13$) as compared to those whose spouses were employed part-time ($M = 5.37$) or not employed at all ($M = 4.79$), $F(2,68) = .87$, $p = ns$. Similarly, there were no significant differences in the work–family conflict levels of those employees whose spouses were employed full-time ($M = 4.63$), part-time ($M = 4.94$) or not at all ($M = 4.82$), $F(2,67) = .29$, $p = ns$. In fact, it is interesting to note that employees with spouses employed full-time actually experienced the *lowest* levels of work–family conflict.

We also predicted that employees with spouses employed full-time would experience higher levels of family-to-work conflict and time–energy imbalance. No support was found for these predictions. With regard to family-to-work conflict, there were no significant differences between employees whose spouses worked

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full-time ($M = 2.97$), part-time ($M = 3.33$) or not at all ($M = 3.33$), $F(3,734) = .59$, $p = ns$. Employees whose spouses were employed full-time ($M = 4.06$) versus part-time ($M = 4.23$) or not at all ($M = 4.13$) did not report higher time–energy imbalance, $F(3,62) = .25$, $p = ns$.

Hypothesis 4a predicted that both perceived organisational expectations and perceived organisational time demands would interact with employee gender to influence respondents' levels of role conflict, work–family conflict, family–work conflict and time–energy imbalance. Contrary to expectations, neither perceived organisational expectations nor perceived organisational time demands interacted with employee gender to predict role, work–family or family–work conflict (see Tables 10.2 and 10.3). As shown in Table 10.2, a significant interaction was noted between gender and organisational expectations on time–energy imbalance, however between employee gender and organisational time expectations did not significantly predict ratings of time–energy imbalance.

In addition, perceived organisational performance expectations and perceived organisational time demands showed additive effects in predicting role conflict, work–family conflict, and time–energy imbalance, but not family–work conflict (see Tables 10.2 and 10.3) beyond the effects attributed to employee gender. Thus, we found partial support for Hypothesis 4b.

We also hypothesised that spousal employment would interact with both perceived organisational performance expectations and perceived organisational time demands to predict role conflict, work–family conflict, family–work conflict and time–energy imbalance (Hypothesis 5a). In partial support of Hypothesis 5a, hierarchical regression analyses revealed that spousal employment interacted with perceived organisational expectations to predict work–family conflict, family–work conflict and time–energy imbalance (see Table 10.4). Spousal employment also interacted with perceived organisational time demands to predict time–energy imbalance (see Table 10.5). Finally, we found partial support for Hypothesis 5b. More specifically, perceived organisational performance expectations and perceived organisational time demands showed additive effects beyond spousal employment in predicting role conflict, work–family conflict and time–energy imbalance but not family–work conflict (see Tables 10.4 and 10.5).

Table 10.2: Hierarchical Regression Analysis of Conflict as Predicted by Organisational Expectations and Employee Gender (n=57-67)

	Role Conflict			Work-Family Conflict			Family-Work Conflict			Time-Energy Imbalance		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Gender	.30	.24	.76	.26	.20	.42	-.24	-.25	.50	-.04	-.11	1.14
Org. Expectations		.33	.67		.43	.56		.04	.52		.34	1.17
Gender X Org. Expectations			-.68			-.27			-.98			-1.66
R ²	.09	.20	.21	.07	.25	.25	.06	.06	.08	.00	.11	.19
R ² _Δ	.09*	.11**	.01	.07	.18***	.00	.06 [†]	.00	.02	.00	.11*	.08*

[†]p < .01

*p < .05

**p < .01

***p < .001

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	Role Conflict			Work-Family Conflict			Family-Work Conflict			Time-Energy Imbalance		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Gender	.29	.18	.42	.26	.15	.12	-.13	-.13	-.76	-.06	-.17	.16
Org. Time Demands		.42	.62		.51	.48		-.02	-.56		.38	.62
Gender X Org. Time Demands			-.35			.04			.94			-.46
R ²	.08	.25	.26	.07	.31	.31	.02	.02	.05	.00	.14	.15
R ² Δ	.08*	.17**	.01	.07*	.24***	.00	.02	.00	.03	.00	.14**	.01

* $p < .05$ ** $p < .01$ *** $p < .001$

Table 10.4: Hierarchical Regression Analysis of Conflict as Predicted by Organisational Expectations and Spousal Employment (n=61-76)

	Role Conflict			Work-Family Conflict			Family-Work Conflict			Time-Energy Imbalance		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Spousal Employment	.02	.04	.79	.14	.15	1.30	.09	.09	1.66	.05	.06	1.49
Org. Expectations		.38	.66		.46	.91		-.01	.61		.32	.93
Spousal Employment X Org. Expectations			-.80			-1.25			-1.72			-1.57
R ²	.00	.14	.17	.02	.23	.29	.01	.01	.11	.00	.10	.20
R ² Δ	.00	.14**	.03	.02	.21***	.06*	.01	.00	.10*	.00	.10*	.10*

**p* < .05

***p* < .01

****p* < .001

Table 10.5: Hierarchical Regression Analysis of Conflict as Predicted by Organisational Time Demands and Spousal Employment (n = 61–76)

	Role Conflict			Work–Family Conflict			Family–Work Conflict			Time–Energy Imbalance		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Spousal Employment	-.03	-.04	-.05	.06	.02	.43	.03	.03	.49	.04	.03	1.09
Org. Time Demands		.47	.46		.54	.73		-.05	.17		.33	.85
Spousal Employment X Org. Time Demands			.01			-.47			-.54			-1.23
R ²	.00	.22	.22	.00	.29	.30	.00	.00	.02	.00	.11	.17
R ² Δ	.00	.22***	.00	.00	.29***	.01	.00	.00	.02	.00	.11***	.06*

**p* < .05

***p* < .01

****p* < .001

DISCUSSION

The present study extended previous research on gender and work–family conflict. In addition, the study provided unique contributions in two ways by developing our understanding of: (1) the role of organisational climate in perceptions of role conflict, work–family conflict, family work conflict and time–energy imbalance (well-being) and (2) the role that spousal employment has jointly with organisational climate in predicting role conflict, work-to-family conflict, family-to-work conflict and time–energy imbalance.

Using faculty participants, we found that women perceived significantly greater role conflict and work-to-family conflict than men. Similar to Gutek et al. (1991), men reported greater family-to-work conflict than women. In light of these findings, we urge researchers to continue examining the relationships among men and women and work and non-work interfaces. Although we found gender main effects, we believe that often these relationships are not simple or straightforward; they may vary based on occupation, marital status, spousal employment, number and ages of children and so forth.

We predicted that employees whose spouses worked full-time would report greater role conflict, work-family conflict and time–energy imbalance than employees whose spouses worked part-time or not at all. This was not supported. One reason could be that self-selection may be operating among couples such that dual-earner couples have developed greater self-efficacy and work–family coping skills than couples where the spouse is not employed (Barnett, 2005). Also it may be that more traditional couples and dual-earner couples vary in terms of career and family identity. Specifically, dual-earner couples may be better able to share multiple roles and the career and family identities of each spouse may be more similar in such couples. Further, our sample was composed largely of male employees; few female employees reported having spouses who worked either part-time or not at all. We encourage more research that examines a greater number of female employees whose spouses are not employed (by choice or forced), part-time or full-time.

The results of the current study underscore the importance of perceptions of organisational climate in understanding work–family interfaces. Allen (2001) has shown that organisational climate rather than the objective presence of work–family friendly programmes

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predicts the uptake or utilisation of such programmes. Consistent with this research, both indicators of organisational climate were significantly related to role conflict, work-to-family conflict and time–energy imbalance. When organisational time demands or performance expectations for employees were high, employees reported greater role conflict, work–family conflict and time–energy imbalance than when such organisational climate perceptions were low.

The importance of organisational climate was assessed further by examining both additive and interactive contributions to ratings or organisational climate beyond gender and spousal employment. The effect of organisational performance expectations on time–energy imbalance was greater among men than women. Although there was one interactive effect, regression analyses revealed that organisational climate had strong additive effects beyond gender in ratings of role conflict, work–family conflict and time–energy imbalance. For each of these findings, organisational climate contributed greater unique variance in ratings than did gender.

The additive and interactive effects of organisational climate were stronger and more consistent with spousal employment. There were significant interactive effects for work-to-family conflict, family-to-work conflict and time–energy imbalance. When organisational performance expectations were low, there was a greater difference in ratings of work-to-family conflict and family-to-work conflict among full-time, part-time and not employed spouses. In addition, among employees whose spouses were employed full-time, there were the greatest differences in rating of work-to-family and family-to-work conflict. For work-to-family conflict, in organisations with low performance expectations, employees with spouses employed full-time reported significantly lower work-to-family conflict than employees with spouses employed part-time or not at all. A different interaction pattern emerged using ratings of time–energy imbalance. There were larger differences in ratings of time–energy imbalance between low and high organisational performance expectations among employees whose spouses were employed full-time. Therefore, having a spouse who is employed full-time amplified the effects of organisational performance expectations on time–energy imbalance. In addition, among employees

whose spouses were not employed, employees reported less time–energy imbalance in high performance expectations organisations than in low performance expectations organisations. Further there was a significant interactive effect between organisational time demands and spousal employment and on ratings of time–energy imbalance. The pattern of this interaction was similar to the one found using organisational performance expectations. Finally, there were additive effects of organisational performance expectations (beyond spousal employment) for ratings of role conflict, work–family conflict and time–energy imbalance.

Evidence from this study suggests that organisational climate may be one of the most critical factors in shaping the family friendliness (or unfriendliness) of an organisation. Many organisations today operate as if men continue to be the sole breadwinner for the family with a full-time spouse at home. The belief that work and family are two separate domains or spheres continues to be deeply ingrained within our society. With increasing numbers of women in the workforce and technological advances allowing work to be performed at home, it is clear that the two spheres are not distinct (Thompson, Beauvais & Allen, 2005). Yet often organisations require employees to invest significant time and energy in work. As Williams (2000) describes, the ‘ideal worker’ is one who will work long hours per week, to an inflexible and demanding work schedule, with an unpredictable work routine and within a greedy organisational climate. Within our highly educated professional sample, women continue to experience greater work-to-family conflict than their male counterparts. This finding occurs within a setting where, although working hours may be long, it is believed that employee flexibility and control over those working hours is high compared to non-academic or more traditional organisational settings.

By itself spousal employment apparently has little effect on perceptions of work and non-work conflict. Yet, perceptions of organisational performance expectations (and time demands) both singly and jointly with spousal employment are a critical factor in perceptions of conflict and time–energy imbalance. Employee perceptions of the work context appear to play a greater role shaping our work/non-work perceptions than individual difference variables like gender or marital status.

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Few studies are without their limitations. We were unable to examine more complex relationships or interactions among variables. It would have been interesting to assess whether or not male and female faculty in situations where one's spouse is employed full-time, part-time or not at all vary in perceptions of work-to-family and family-to-work conflict. There were such small numbers of female faculty whose spouses worked part-time or not at all that we were unable to assess these relationships. In addition, few single male or female parents are represented in this population. This leads us to consider the possibility that academia may be informally, via organisational expectations and time demands, screening out a segment of our society.

On the other hand, there is reason to believe that the characteristics of work within university settings have a number of desirable features that not only may enhance the quality of one's family life, but also provide some flexibility and discretion for faculty in navigating among work and family domains. Due to the length of our survey, we did not examine the potential for work and family facilitation or positive spillover. In addition, there is a need to link perceptions of conflict and climate to work-related attitudes, behaviour and performance.

What do the results of the present study suggest? Similar to other areas within industrial and organisational psychology (e.g. honesty in the work place, Murphy, 1993), researchers who attempt to understand work and family issues may have very different goals (Sackett & DeVore, 2001). Various theoretical perspectives on work and family may focus more on individual differences (e.g. type A, negative affectivity or gender) as antecedents of work-family conflict while other perspectives may focus more on situational characteristics (e.g. long work hours). Perspectives that focus on persons clearly utilise the individual level of analysis (Sackett & DeVore, 2001). On the other hand, the focus upon situation variables as antecedents can reflect either individual level or aggregated levels of analyses (hours, job characteristics vs. organisational policies). Further, Sackett and DeVore (2001) identify a second dimension that can influence research questions, designs and objectives which reflects the time-frame in which data is collected. Although Sackett and DeVore applied these two dimensions to counterproductive

work behaviours, they can be discussed in terms of work and family research as well.

Results from the present study suggest that the situation perspective is a meaningful avenue for work and family researchers to pursue. It is important to focus more upon both the proximal and distal context factors that either enhance or inhibit the occurrence and perceptions of work–family conflict. Further, researchers and practitioners would gain significant insights into the developmental nature of work and family interchanges by examining employees and their families across the lifespan as their family and work lives are initiated, develop and grow.

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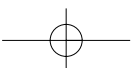
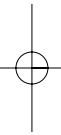
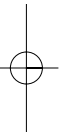
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CRM Best Practice: Getting it Right First Time at ESB International (ESBI)



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ABSTRACT

This study investigates the implementation of a Customer Relationship Management (CRM) initiative within ESB International¹ (ESBI). During 2003, ESBI used the European Foundation for Quality Management (EFQM) Business Excellence framework² to identify key business areas for improvement. CRM was one such area. Initially ESBI reorganised its business structure around customer key accounts, effectively implementing a customer-centric business model prior to the implementation of the CRM initiative in 2004. Qualitative research was conducted with senior management via in-depth interviews. Research findings suggest that the key success factors for CRM implementation in ESBI include senior management commitment and leadership, clear strategic planning and a coordinated and targeted programme which successfully combines organisational and process changes with the application of new technology.

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INTRODUCTION

Strategic, organisational and technological issues are all important in achieving CRM success (Roberts et al., 2005). Companies who have successfully implemented CRM initiatives develop a clear business case and implementation framework, with a targeted plan to make it happen (Almquist et al., 2002). Such companies adopt a pragmatic, disciplined approach to CRM implementation, launching highly focused projects that are relatively narrow in their scope and modest in their goals (Rigby and Ledingham, 2004). While both technology and business processes are critical to CRM implementation, successful firms view technology as a tool to help build profitable customer relationships while recognising that individual employees are the building blocks (Almquist et al., 2002; Chen and Popovich, 2003). Research supports the contention that CRM strategies that are clearly linked to business objectives have a much greater likelihood of success (Agrawal, 2004). Top management support and commitment is a key success factor for the implementation of CRM in organisations. Employee resistance is a risk associated with CRM implementation which can be overcome by involving end users in all stages of the CRM development process (Xu et al., 2002; Harding et al., 2004). The paper proceeds with a literature review, the qualitative research methodology is outlined and a case study of the central organisation ESBI is presented. A critique of CRM literature and the obstacles encountered in CRM implementation is beyond the scope of this particular paper which is focused on examining the criteria underpinning the successful implementation of CRM initiatives. These criteria are then analysed in the context of the ESBI case environment.

LITERATURE REVIEW

CRM can be seen to be firmly rooted in relationship marketing which is aimed at improving long-run profitability by shifting from transaction-based marketing to customer retention through effective management of customer relationships (Christopher et al., 1991). The philosophical bases of CRM are relationship marketing, customer profitability, lifetime value, retention and satisfaction created through business process management (Chen and Popovich, 2003). Relationship marketing is concerned with how organisations manage and improve their relationships with customers for long-term

profitability. In turn CRM is concerned with using information technology (IT) in implementing relationship-marketing strategies (Ryals and Payne, 2001). This approach, coupled with CRM software, provides the functionality that enables a firm to make the customer the focal point of all organisational decisions (Nemati et al., 2003) with some practitioners suggesting that CRM can provide a platform for the operational manifestation of relationship marketing (Plakoyiannaki and Tzokas, 2002).

A difficulty with CRM is that it can mean different things to different people. Even the meaning of the abbreviation is contested (Buttle, 2004; Paas and Kuijlen, 2001). Most definitions however converge on two things: relationships and information technology. CRM technologies are best seen as enablers of the people and processes needed to effectively and efficiently manage customers, with CRM seeking to provide a strategic bridge between IT and marketing strategies aimed at building long-term relationships and profitability (Chen and Popovich, 2003; Roberts et al., 2005; Ryals and Payne, 2001). For this paper, CRM may be conceptualised as follows, 'CRM is the information technology face of the business processes that aims to establish enduring and mutually beneficial relationships with customers in order to drive customer retention, value and profitability up' (Agrawal, 2004: 151).

Goals of CRM

CRM is all about organisational readiness in implementing customer-focused strategies, which in turn makes customer interactions mutually rewarding for both the firm and its customers (Hansotia, 2002). Pass and Kuijlen (2001) maintain that investments made by each party must be exceeded by the profit gained for it to be a meaningful long-term relationship with mutual loyalty. However, despite the popularity of CRM and its obvious benefits to companies, success in implementing CRM is proving elusive (Bull, 2003; Roberts et al., 2005).

Technology as an Enabler of CRM Success

While technology is an enabler of CRM success, other marketing and organisational issues are key drivers of successful CRM implementation (Roberts et al., 2005). CRM technology is at its most

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valuable when it enables customer friendly business processes that actually drive the bottom line and when employees embrace it as a tool to improve customer relationships (Harding et al., 2004). A critical issue in evaluating and designing CRM business systems is the understanding that business needs should always take precedence over technological capabilities (Kotorov, 2003; Rigby and Ledingham, 2004). In the past, many companies experienced difficulties in implementing effective CRM programmes because they allowed software vendors to drive their CRM projects or, alternatively, they unsuccessfully tried to retrofit a customer strategy to match the CRM technology purchased (Rigby et al., 2002). In contrast, successful companies formed cross-functional teams to carry out identified organisational changes within each department or business unit prior to proceeding with their CRM implementation (Kotorov, 2003).

The Organisational Challenge of CRM

A firm planning to implement CRM needs to redefine the existing functional silos within the organisation and create a structure that focuses on the entire scope and life cycle of customer relationships. Indeed, to successfully implement CRM the entire organisation may need to be realigned to focus on the customer (Roberts et al., 2005). While multi-channel management seems to be a hallmark of a successful CRM strategy, the challenge for the organisation is one of coordination, the absence of which can result in failure by delivering an incomplete and distorted view of the customer (Crosby and Johnson, 2002; Kotorov, 2003).

Adopting a Pragmatic Approach

Starkey and Woodcock (2002) suggest that high CRM performers tend to already have a well-developed people and systems infrastructure and a mature customer-centric culture prior to implementing CRM in their organisations. Successful companies take process and system integration seriously and do not rush to produce customer level results without having first obtained a 360 degree view of the customer (Kotorov, 2003). Agrawal (2004) suggests that the companies who have successfully implemented CRM have largely adopted a pragmatic, disciplined approach to implementation, launching highly focused projects that are relatively narrow in their

scope and modest in their goals. Rather than using CRM to transform entire businesses, they direct their efforts towards solving clearly defined problems within their customer relationship cycle (Rigby and Ledingham, 2004).

Management Support and Leadership

Without top management support and commitment, even the most brilliant CRM deployment and implementation initiatives are doomed to fail (Kale, 2004). When implementing CRM, companies need to introduce an enterprise-wide programme of change management to facilitate the transformation of the organisational culture into a customer-centric one (Roberts et al., 2005; Xu et al., 2002). Indeed, Rigby et al. (2002) warn that the lack of adequate change management can often lead to CRM failure. CRM success largely depends on the leadership team taking ownership of the strategy and ensuring that the organisation has the knowledge, skills, resources, measures and tools, management processes and systems to make customer relationships a reality (Crosby, 2002).

Employee Buy-In and Training

While both technology and business processes are critical to successful CRM implementation, even the best CRM strategies and applications stand little chance of succeeding without employee buy-in (Agrawal, 2004; Xu et al., 2002). Having business users drive process design makes it more likely that they will create solutions that are practical and will not be rejected (Harding et al., 2004). Efforts to ensure employee alignment with CRM strategy should also include a well-planned training programme incorporating skills development and tools to gather and address feedback and ongoing communication strategies (Agrawal, 2004; Xu et al., 2002). A CRM roll-out will succeed only after the organisation and its processes, job descriptions, performance measures, compensation systems and training programmes have been restructured in order to better meet customer needs (Rigby et al., 2002).

RESEARCH METHODOLOGY

The objective of this research was to investigate the implementation of a CRM initiative within ESBI. The objective required the researchers

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to gain an in-depth understanding of the CRM business philosophy and the processes used to ensure its successful implementation. The case study methodology was chosen to provide an understanding of the dynamics present within single, real-life settings (Yin, 1994). This approach is becoming increasingly widespread within management research and is appropriate to the focus on a select number of issues fundamental to an enhanced understanding of CRM implementations. Case study research is also particularly useful when directed at managers who must implement the findings (Curry and Kkolou, 2004) and is often the method of choice when the subject under consideration is a project or programme in an evaluation study (Yin, 2003). Within an ongoing research project this single case study is being conducted as a prelude to further study of CRM implementations.

The research proceeded in three phases. Kaplan and Duchon (1988) argue that collecting different kinds of data by different methods from different sources provides a wider range of coverage resulting in a fuller picture. Firstly, a documentary analysis using offline and online sources was conducted on ESBI. Secondly an analysis of internal operational documentation was carried out. Finally in-depth interviews, considered by some as being one of the best methods of data collection (Easterby-Smith et al., 1991; Yeung, 1995), were conducted with senior management directly responsible for the CRM implementation process within ESBI. Two formal two and a half hour interviews were conducted.

Explanatory studies are typically suitable for an interview approach (Saunders et al., 2000) as interviews allow the researcher to discover the reasoning behind decisions made by the respondent and to appreciate the opinions and beliefs of the respondent (Yeung, 1995; Saunders et al., 2000). In-depth interviews also permit researchers to deal with a large range of issues in an open-ended fashion and permit probing and examination until both researcher and respondent have reached a mutual understanding (Gilmore and Coviello, 1999). A team approach to interviewing was taken (Eisenhardt and Bourgeois, 1988) which improves the reliability of the study and builds confidence in the findings (Eisenhardt, 1989). The use of multiple sources of evidence – triangulation – enhances the reliability of findings and leads to a greater degree of belief in the accuracy of the findings (Yin, 1994).

Research Limitations

The research methodology acknowledges the limitations inherent within qualitative research, such as arguments against validity and generalisation of findings. Validity concerns the integrity or credibility of results derived from qualitative research (Saunders et al., 2000; Bryman, 2001). However carefully conducted interviews can yield high levels of validity. The case discussion is limited to factors underpinning successful CRM implementation given the recency of CRM deployment within the organisation. The current study was conducted as a single case limiting the results to a specific organisational context; however the findings provide guidelines both for the next stage of the multiple case research design and also for other organisations in the initial stages of implementing CRM.

ESB INTERNATIONAL (ESBI) CASE BACKGROUND

ESBI is an engineering consultancy, contracting and investment company operating in the fields of generation, transmission and distribution of electricity, control and communications systems, utility operations, civil, structural and environmental engineering. As one of the world's leading multi-disciplinary engineering firms in the power and energy sector, ESBI has a compliment of over 1,500 staff. While half are permanently located in Ireland, the remainder are located in representative offices overseas: London, Bilbao, Glasgow, Bahrain, Abu Dhabi, Belgium, Vietnam and Malaysia. ESBI works in close partnership with its customers and has completed projects in over 115 countries to date. ESBI is a wholly owned subsidiary of the Electricity Supply Board (ESB), Ireland's national electricity utility. The ability of ESB International to deliver total solutions, coupled with a commitment to complete projects on time and within budget, has earned the company a strong reputation with national/municipal utilities, IPP (Independent Power Producer) investors and funding agencies worldwide.

Pursuing Business Excellence

In early 2003, ESBI Engineering and Facility Management (ESBIEFM), the engineering, consultancy and facility management arm of ESBI, identified a critical need to move its focus from an emphasis on outcomes defined exclusively by financial results to

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driving continuous organisational improvement. As a result, ESBIEFM defined and began to implement a new ESBIEFM Business Model in July 2003. The business model is founded on the twin platforms of ISO 9001:2000 and the European Foundation for Quality Management (EFQM) Business Excellence Framework. The use of both platforms provided the quality framework which is facilitating the company in developing a customer-focused, process-driven description of the policies, objectives and operations of ESBIEFM. This approach enabled the company to move from purely compliance-based systems to ones that allow for continual improvement and at the same time can be seen to add real value in the workplace to all staff. The EFQM Business Excellence Framework allowed ESBIEFM to assess how well it was managing all key areas of the business and the quality of the results achieved. A self-assessment including a representative sample of staff identified eleven Areas for Improvement (AFI's) within the organisation. One of the AFIs prioritised by ESBIEFM was Customer Relationship Management (CRM) and Key Account Management (KAM).

Customer Relationship Management at ESBIEFM

Having identified Customer Relationship Management (CRM) as a priority, ESBIEFM set about implementing new management processes. In order to ensure buy-in from all stakeholders, ESBIEFM decided to define the current and future vision of CRM within the organisation and from there to determine whether ESBIEFM required a software package or a bespoke CRM application. A detailed CRM project implementation programme was developed based on an internal survey to profile ESBIEFM's customers, user requirements, the organisation and its relationships. This provided the basis for an internal workshop, facilitated by management and ESBI's project consultancy partner Ventis, which focused on defining ESBIEFM's vision of CRM. The outcome of the workshop provided ESBIEFM with a company-specific view of CRM in terms of its business applications, activities and integration requirements as well as internal organisation and business intelligence. ESBIEFM recognised that it required a better understanding of customers and their expectations in order to focus the organisation's resources where they are most required. The business requirement for readily available and

accessible real-time accurate information was identified. Having established its CRM vision, ESBIEFM defined its CRM needs as the development of a systematic approach to the management of its customers, aligned to objective metrics to monitor client satisfaction. This in turn would allow the company to deliver and exceed specified levels of service provision and build and maintain client relationships such that ESBIEFM would be regarded as an integral member of the client's team.

Selecting the Vendor

As existing ESBIEFM systems and applications did not meet all these requirements, specific CRM terms of reference were developed. Following detailed and comprehensive consultations with staff, ESBIEFM and its consultancy partner Ventis mapped out each customer process and developed detailed functional specifications for potential CRM vendors, prior to issuing a competitive tender. All companies who submitted tenders, from the market leaders to the smaller companies who were concentrated in a number of areas such as sales force automation, were invited to present their CRM functionality and outline how they met the CRM specifications of the client. ESBIEFM recognised that the software package 'AccPac CRM' would assist them in embedding aspects of best marketing practice as well as reducing development costs.

CRM Roll-Out

Following an initial six-week pilot, the CRM application was incrementally rolled out across the organisation on a phased basis. After eighteen months in operation, the system supported fifty users throughout the organisation, including engineering staff, the Executive Director, Project Manager, Company Secretary and administration staff. Access is allocated on a business priority basis with system users granted different levels of access depending on seniority and levels of responsibility, thus addressing issues relating to the confidentiality and sensitivity of certain business and customer information. Customer profiles have been developed and updated within the CRM system and the company has been able to drill down into workflow processes in terms of managing projects from the first initial enquiry or contact through to developing the

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business proposal, winning the business, and through to signing the contract, follow-up and prospecting for repeat business. Approximately 500 customer profiles are currently on the CRM system which enables all customer issues to be tracked and monitored in order to determine and improve resolution time-frames with the aim of further improving customer service.

DISCUSSION

CRM is not right for every company and it is advisable for the corporate sector to begin by clearly defining its business issues and needs and then determining whether CRM can and should be part of the solution (Agrawal, 2004). In adopting CRM technology, ESBIEFM did not seek to fundamentally change its interaction with customers but rather it sought to build value from those interactions and ensure the information was not lost to the organisation. ESBIEFM, in line with the recommendations of Almquist et al. (2002), built a strong business case for CRM showing how the new technology would support their business design and estimating the value of the expected benefits. By leveraging a model of best practice embedded in an off-the-shelf system, ESBIEFM reduced the risks and costs involved in the development of its own bespoke software (Wilson et al., 2002). By identifying the process changes and improvements that were required to deliver customer excellence, ESBIEFM developed a clear vision of what CRM would be and how it would fit with and improve these customer and business processes. As suggested by Kotorov (2003), this approach has merit as business needs should determine the functionality to be deployed and not vice versa.

Organisational Challenges

Most organisations need to reorient aspects of their operations to make them customer-centric and seamlessly effective from end-to-end (Roberts et al., 2005). Prior to implementing CRM in the organisation, ESBIEFM recognised the need to re-engineer its business processes and its business structure to provide a clear emphasis on engineering and customer excellence. ESBIEFM acknowledged the need to move away from its old structure which was organised around technical disciplines and engineering 'silos'. The new and current

ESBIEFM organisational structure focuses the organisation on the customer key accounts that make the most valuable contribution to ESBIEFM's business and meeting their needs. Though CRM does involve customer interactions it is much more about organisational readiness in implementing customer-focused strategies (Hansotia, 2002) and ESBIEFM's new structure facilitates this.

Quality Management

Li et al. (2002) propose that in organisations where Quality Management (QM) is implemented and given top priority, there should be impacts that resonate throughout the organisation. They maintain that the concern for quality should extend to CRM initiatives and propose a strong positive relationship between the quality and extent of the CRM initiatives and the corporate QM strategy. This is reflected in the approach and operation of ESBIEFM. The use of the EFQM Business Excellence Framework provided a foundation for a complete review of business processes within the company and facilitated ESBIEFM in making the strategic shift from purely compliance-based engineering systems to developing a customer-focused, process-driven description of the policies, objectives and operations of the company. This dedication to improvement has permeated the organisation and followed through to the approach adopted for the implementation of CRM.

Implementing CRM

Managers often seek dramatic changes as opposed to incremental change managed over time (Starkey and Woodcock, 2002). This was not the case within ESBIEFM where the CRM Project Manager decided early on in the process that the company was not going for a 'big bang out-of-the-box' approach to the project's implementation. Successful implementers of CRM continuously plan to consolidate improvements and create short-term wins. An incremental and phased approach to CRM implementation, like that of ESBIEFM, contributes to the successful roll-out throughout the organisation and can help to build credibility for those driving the change through the visibility of early deliverables. The alternative big bang approach is more vulnerable to cancellation due to a perceived lack of progress by employees and management (Roberts et al., 2005; Wilson et al., 2002).

Top Management Support and Employee Buy-In

Implementing a CRM system is a complex undertaking, requiring buy-in and effort across the organisation (Roberts et al., 2005). As with other IT applications, top management sponsorship and the presence of a champion to drive the intervention are widely recognised as important factors for successful CRM implementation (Wilson et al., 2002). A senior manager sponsored the CRM project, assisted by another manager overseeing the tactical implementation of the project. Employees using CRM address any queries to the CRM project team.

End User Participation and Training

End user participation is considered a critical success factor in CRM adoption, increasing levels of user satisfaction and enhancing perceptions of the usefulness of CRM processes and applications (Avlonitis and Panagopoulos, 2005). Managing employee resistance in organisations such as ESBI, which are characterised by very personal and highly profitable relationships between end users and their customers, is particularly critical to successful CRM implementation (Landry et al., 2005). Neville and Mohally (2004) suggest involving end users from the start of the CRM project, communicating consistently – at the beginning to build confidence – and throughout the project to communicate progress and get feedback, as has been the case within ESBIEFM. Employees were regularly briefed on the CRM project and numerous workshops were also conducted with all customer-facing employees at an engineering level, at a business development level and at management level. In addition to end user participation and accurate expectation setting, organisational training is a pivotal factor in the user acceptance of CRM and is positively related to user attitudes towards the system (Avlonitis and Panagopoulos, 2005).

CRM DELIVERING BENEFITS TO ESBIEFM

CRM solutions not only improve customer loyalty but also internal processes, which in turn increase efficiency (Xu et al., 2002). CRM has delivered knowledge management and quality improvements in ESBIEFM, offering the company the possibility to achieve a seamless 360 degree view of its customers and market, covering the

entire business cycle (Xu et al., 2002). One of the key process improvements is the increased efficiency of priority business areas: the bid management and approval process. The streamlining of these processes and the improved accuracy and timeliness of the information has assisted staff in promptly responding to detailed customer queries and has enabled management to assess the company's liabilities and commitments on a real-time basis.

The roll-out of CRM throughout ESBIEFM will continue on a phased basis in consultation with staff and additional workshops are planned to determine each phase of the project. The main priority for future CRM developments is the integration of financial information with the system. ESBIEFM is also currently developing and revising metrics for all areas of the business. Metrics emerging from the CRM system focus on issues such as success rates in winning business and measuring repeat business with customers. The company has also embarked on an engineering excellence pathway where the company will be examined and scored on financial and customer performance measures extracted from the CRM system.

CONCLUSION

This research illustrates how an international engineering consultancy has dealt with the initial stages of a CRM implementation project. Despite the limitations of a single case design it does offer tentative guidelines for managing CRM initiatives across a range of organisations. A key issue is that firms should have realistic expectations of CRM and its implementation and also exhibit a healthy scepticism towards some of the claims made on behalf of CRM technologies (Rigby and Ledingham, 2004). Companies need to adopt a strategic approach to CRM and define a strategy that fits their specific business case and organisational needs. Before embarking on an implementation programme firms need to develop a clear business case specifying what to do, how to implement the initiative, when it is appropriate and the resources, both financial and personnel, allocated to CRM activities (Almquist et al., 2002). CRM initiatives must also be assessed with the same financial criteria as any other major organisational investment.

Companies need to adopt a pragmatic, disciplined approach to CRM. Highly focused projects are more easily managed and

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monitored. Rather than using CRM to transform entire businesses companies may be wiser to direct their investments towards solving clearly defined problems within their customer relationship cycle (Rigby and Ledingham, 2004). Firms must remain clearly focused on growing customer value and on building customer relationships that enhance the long-term flow of profits to the company. If the scope of the CRM project is clearly defined (Kotorov, 2003) it helps to pave the way for the tactical implementation of CRM projects.

CRM technology should be viewed as a tool to help build profitable relationships and business needs should determine what functionality should be developed and deployed, not vice versa (Kotorov, 2003). Business needs should always take precedence over technological capabilities (Rigby and Ledingham, 2004) and careful selection of consultants and vendors is a crucial step in the process. Employee buy-in is also a key success factor for CRM implementation. Leveraging employee input in CRM strategy development and application selection at the front end will lead to greater buy-in post-implementation, as employees are experts in the types of information needed to enhance performance of their own roles (Agrawal, 2004; Landry et al., 2005). When designing or implementing CRM initiatives companies should heavily involve end users at all stages as this is the best way to ultimately ensure adoption.

Successful introduction of CRM in an organisation appears to be greatly facilitated by senior management commitment and leadership, clear strategic planning and a coordinated and targeted programme which successfully combines organisational and process changes with the application of new technology (Rigby and Ledingham, 2004). Firms also need to adopt a long-term perspective to develop and implement a strategically embedded CRM approach. A long-term commitment to organisational alignment and continuous process improvement are key prerequisites for achieving successful CRM deployment which delivers satisfactory returns on investment (Roberts et al., 2005).

Future Research Directions

Within the context of ESIEFQM this single case is a prelude to further organisational research. The case study approach will be used to follow the CRM initiative as it unfolds. The next stage of the

research will also focus on the perspectives of customers, employees, consultants and management towards the CRM implementation programme. Outside of the featured organisation, other case studies are on-going within the engineering and public sectors. Future cases examining the CRM implementation process are planned within both product and service firms, and firms operating within both the business-to-consumer (B2C) and business-to-business (B2B) domain. The common denominator for case selection and screening is that companies are at the early stages of CRM implementations where the process can be examined as it unfolds within an organisational context rather than being examined retrospectively, post-implementation.

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- 1 ESBI (www.esbi.ie) is a wholly owned subsidiary of the Electricity Supply Board (ESB) (www.esb.ie).
 - 2 European Foundation for Quality Management (www.efqm.org).

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Revisiting the First-Mover Advantage Theory: A Resource-Based Perspective



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ABSTRACT

The Internet phenomenon of late has instigated a fresh surge of interest in the first-mover advantage theory and offers proof of its continued relevance today. Following a critical analysis of the first-mover advantage theory literature, theoretical and empirical inconsistencies are identified within the literature. A ‘stalemate’ position has arisen, where the question as to the optimal entry strategy remains, i.e. should a firm enter as a first-mover, bearing extra costs and risks to avail of first-mover advantages, or should it wait and enter when the market has developed and learn by the first-movers’ mistakes, but in doing so sacrifice initial market share? The aim of this theoretical paper is to illustrate future direction for the first-mover literature in which it takes a fresh look at the first-mover theory, adopting a resource-based perspective. It is proposed that the broad theoretical base of the resource-based view of the firm will assist in gaining a deeper understanding of ‘how’ and ‘why’ first-movership has resulted in a sustainable competitive advantage or not. Two fundamental considerations in understanding the sustainability of a first-mover advantage will be dealt with, including

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the accumulation of resources by the first-mover on entering early to the market and the initial resources the first-mover brings to the market, relative to the quality of resources held by later entrants. Research propositions are outlined to assist in furthering research within the first-mover literature.

INTRODUCTION

Initially, early entry was believed to be critical given the relative ease with which new businesses could start up online and their immediate global scope once in operation. The sudden ‘burst’ of the ‘dotcom bubble’, or the high failure rate of online businesses in the late 1990s, ignited serious doubt over the validity of first-mover advantage theory and its applicability to Internet and high technology industries. This realisation is evident from both a practitioner and an academic perspective. Writers such as Porter (2001), Tellis and Golder (2001) and Rangan and Adner (2001) have submitted their contradictory opinions on whether Internet first-mover advantages actually exist. Also popular business literature abounds with articles that emphasise the urgency pertaining to being first and the potential advantages accruing to the first-movers online.

‘If you want to be more than a bit player, you have to go in early and go in hard’

(Moore, 1999).

‘You win by being first’

(Ries & Ries, 2000: 111).

In spite of the substantial dotcom failures and losses of millions of venture capital, there exists several examples of overwhelmingly successful early-movers online, such as Amazon, eBay, etc., in which these companies have sustained a competitive advantage in their respective industries. The Internet phenomenon of late has, therefore, instigated a fresh surge of interest in the first-mover advantage theory and highlights that this debate is still as relevant today and very much alive in our information age. This fact warrants a revisit to the three decades-old debate, in which this paper will critically review the first-mover literature.

LITERATURE REVIEW

The first-mover advantage concept is self-explanatory in that it posits that the first mover into the marketplace may acquire certain advantages over subsequent entrants, resulting in a sustainable competitive advantage for the first-mover in the form of abnormal profit returns and higher market share (Miller, 1989; Kerin et al., 1992, etc.). This concept is multifaceted in nature and encompasses several other disciplines, most notably economics, marketing, strategic management and also consumer behaviour and entrepreneurship/innovation literature. Owing to this fact it is hardly surprising that there exists an extensive literature in which there are many different interpretations and perspectives of first-movership. Lieberman and Montgomery (1998: 1111) state, 'an effort to bring coherence and precision to the first-mover concept would be helpful'. This paper recognises three distinctive eras in the development of the first-mover theory and Table 12.1 below outlines the main insights and contributors to this theory.

Origins of the First-Mover Advantage Theory: 1930s–1960s

The first-mover theory originates in economics literature with references appearing for decades, particularly in industrial organisational economics (see work by Bain 1956, 1959). Although there are references to such an advantage for a considerable amount of time, there has been only 'limited empirical effort' to document this prior to Bain's contribution (Whitten, 1977: 3). It was Bain's (1956) rigorous empirical investigation of the conditions of entry that assisted with the development of entry theory much further than his predecessors such as Borden and Nicholls.

In his seminal empirical study of the barriers to new competition and the conditions of entry of twenty American manufacturing industries, Bain examined one potentially strategic dimension of market structure – the condition of entry or relative ease or difficulty of entry of new competitors to an industry. Bain (1956) outlined economies of large scale, product differentiation advantages, absolute cost advantages and capital requirement as possible sources of economic barriers to entry. Up to this the conditions of entry had received nominal attention from economists in which they had failed to recognise their importance as a regulator of market

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Table 12.1 Summary of Evolution of FMA Literature – Theoretical and Empirical

Date	Authors	Main Insights/Findings
Origins 1930–1960s:	Von Stackelberg (1952) Borden (1944) Nicholls (1951) Bain (1956, 1959)	Limited research on order of entry: <ul style="list-style-type: none"> • Von Stackelberg leadership model • Borden equates product success to the interaction between innovation and advertising • Nicholls refers to an early entry advantage, equating it to an entry barrier. Origins of first-mover advantage theory in Industrial Organisation Economics • Origins of first-mover advantage theory in Industrial Organisation Economics
Growth 1970s–1980s:	Bain (1956) Spence (1981) Ghemawat (1984) Schmalensee (1978) Carpenter & Nakamoto (1989) Alpert & Kamins (1992, 1994) Kalyanaram & Urban (1992) Bond & Lean (1977) Whitten (1979)	Theoretical Development: <ul style="list-style-type: none"> – Economic-based advantages – Consumer-based advantages • Beginning of empirical research on market pioneers in marketing literature

(Continued)

Table 12.1 (Continued)

Date	Authors	Main Insights/Findings
	Robinson & Fornell (1985) Lambkin (1988) Robinson (1988) Srinivasan (1988) Miller et al. (1989)	<ul style="list-style-type: none"> • Order of entry – market share relationship with empirical studies using PIMS database
Contemporary Developments Growth 1970s–1980s: Late 1980s–2000s:	Lieberman & Montgomery (1988) Urban et al. (1986) Lambkin (1988) Lilien & Yoon (1990) Schnaars (1986) Lilien & Yoon (1990) Golder & Tellis (1993) Kerin et al. (1992) Makadok (1998) Huff & Robinson (1994) Lieberman & Montgomery (1998) Schoenecker (1998) Murthi (1996)	<ul style="list-style-type: none"> • Attempts to conceptualise first-mover concept • Management discipline – ‘awakening’ of the first-mover concept • First-mover disadvantages and later-mover advantage literature emerged in opposition to the first-mover theory • Kerin et al.’s (1992) conceptual framework and contingency perspective of first-mover concept • ‘Fast follower’ strategy – early-mover advantage • Use of resource-based view of the firm to further conceptualise the first-mover concept

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conduct and performance. Therefore Bain developed the theory of entry far beyond what existed previously and ‘...gave structure, high standards of research quality and method to a discipline, which prior to this had a tendency to casual research and was in a formative stage of development...’ (Shepherd, 1976).

Growth of the First-Mover Advantage Theory: 1970s–1980s

This first-mover literature really came to the fore in the late 1970s and 1980s with numerous theoretical studies in marketing and strategic management focusing on the economic-based and behavioural-based (consumer-based) advantages accruing to firms adopting first-mover strategies. Researchers began to focus specifically on the first-mover as opposed to follower or later-mover concepts, as the advantages accrued by first-movers were believed to enhance the magnitude and durability of a sustainable competitive advantage.

Economists generally approached the first-mover phenomenon from the perspective of sequential market entry by firms or business units (Kerin et al., 1992). Theoretical and analytical literature within economics and industrial organisation economics advance several reasons to explain first-mover advantage, including cost advantages (Robinson & Fornell, 1985), barrier to entry advantages (Bain, 1956), switching costs (Porter, 1985; Lieberman & Montgomery, 1988), economies of scale (Kerin et al., 1992), learning curve economies and positioning (Urban et al., 1986). The economic arguments supportive of first-mover at this time (see Table 12.1) are impressive if only because of the number of factors contributing to entry barriers that may be erected by being first (Kerin et al., 1992).

The behavioural base of first-mover literature has developed on the premise that first-mover advantages are present in markets in which brands can reposition and where switching costs are minimal (Carpenter and Nakamoto, 1989). Therefore, this literature developed from the fact that first-mover advantage must arise from something other than economic-based theories. There is strong support for the theory that sustainable first-mover advantages arise from the behavioural aspects of the first-mover advantage theory (Carpenter & Nakamoto, 1988, 1989, 1990; Kalyanaram & Urban,

1992; Alpert & Kamins, 1992, 1994). The above researchers offer several reasons to explain first-mover advantage theory, including first-mover image (Porter, 1985; Alpert & Kamins, 1994), consumer preference formation (Carpenter & Nakamoto, 1989), first-mover behavioural stereotypy (Schmalensee, 1982; Hoch & Deighton, 1989), first-mover prototypicality (Carpenter & Nakamoto, 1989) and learning of novel versus redundant information (Bond & Lean, 1977).

In the late 1970s studies by Bond and Lean (1977) and Whitten (1979) marked the beginning of empirical research on market pioneers. In Bond and Lean's (1977) longitudinal study of two prescription drug markets they found that the 'first firm to offer and promote a new type of product received a substantial and enduring sales advantage'. In addition to this, they found first entrants were able to retain high market shares after the entry of imitative competition (Whitten, 1979). Whitten's (1979) longitudinal study of the cigarette industry, an outgrowth of Bond and Lean's (1977) study, offers support to their findings in that six of the seven cigarette sub-markets studied received substantial and enduring sales advantage and market share benefits.

Following Bond and Lean's seminal empirical study, a plethora of empirical work emerged within the area, the majority using the PIMS or ASSESSOR databases. Although empirical research on market pioneers began in economics, the majority of studies have been in marketing. Much of the empirical work from the marketing perspective has typically used PIMS, which illustrates a strong relationship between market share and order of entry, particularly in first-movership. Robinson and Fornell (1985), for instance, report a strong relationship between order of entry and market share, as do Urban et al. (1986) in their cross-sectional study of 129 consumer brands using ASSESSOR.

Contemporary Developments: Late 1980s–Present

The 1980s marked an awakening of the need for scientifically underpinning the first-mover phenomenon within management literature (Patterson, 1993). The entry decision is an important strategic decision; however, strategic management and entrepreneurship fields had focused little attention on entry order up to this point (Miller et al., 1989). Patterson (1993) believes that market entry

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research in the strategy field is in the formative stage as perhaps timing and entry are so fundamental and pervasive that not many researchers have recognised a need to conceptualise or empirically test what seems to be obvious. Therefore, while timeliness already permeates many strategy prescriptions, first-movership benefits are being ever more widely documented within the management field (see Table 12.1 for contributors).

Up to this, research was notably devoted to empirical research and there was an obvious need for more conceptualisation within first-mover literature. Lieberman and Montgomery (1988) and Haines, Chandran and Parkhe (1989) were the first to attempt to categorise first-mover advantages and the mechanisms by which these advantages can be enhanced. Lieberman and Montgomery's (1988) paper was in a direct response to bring '...coherence and precision' to this concept. This stemmed from varying interpretations and also the broad lack of consensus among business scholars, which was noted by Lieberman and Montgomery at that time. Lieberman and Montgomery (1988: 42) proposed a theoretical model of first-movership, which sees opportunities arise endogenously from either 'proficiency or luck'. Kerin et al.'s (1992) major contribution to entry theory (as well as providing an extensive synthesis) is their development of a unified conceptual framework. This framework incorporates moderating factors affecting the first-mover positional advantages, i.e. a contingency perspective, which operates beyond the simple market entry order effect. Empirically, several studies have observed other factors that were more influential than order of entry in explaining market share differentials.

Empirical studies in the 1980s illustrated a general tendency of the first-mover firm to enjoy enduring competitive advantage over later entrants, reflected in higher level of market share and profitability. This cumulative evidence led Scherer (1985) to conclude that pioneer advantage is a general phenomenon (Golder and Tellis, 1993: 158). However, this tendency had concealed a considerable degree of variation in the fortunes of individual pioneers and major methodological inconsistencies in the literature (which will deal with later). It was with this in mind that the literature began to diversify both theoretically and empirically, in that researchers began to examine later-mover and follower literature.

Towards the end of the 1980s and early 1990s an equally sizeable literature emerged in opposition to the first-mover advantage theory, outlining empirical evidence indicating first-mover disadvantages and later-mover advantages (see Table 12.1). Overall empirical findings show that there is a market share advantage of being first but they also found a significant pioneering profit disadvantage. Later-mover literature focuses on advantages and strategies available to later-movers. Empirical studies include Shankar et al.'s (1998) study of thirteen brands of two pharmaceutical products and also Cho et al.'s (1998) study in which they examined latecomer strategies by examining how latecomers can leapfrog pioneers, using evidence from the semiconductor industry in Japan and Korea.

Other recent development include studies which examine early-mover advantage where in addition to the first-mover other, early-movers can share in the benefits of early entry into the product category (Makadok, 1998). The essence of the 'fast follower' strategy is being fast, as the longer a follower waits before entering the more time the first-mover has a 'head start' to solidify its competitive advantage (Huff and Robinson, 1994). Lieberman and Montgomery (1998) recognise that the greatest opportunity in furthering work in the first-mover concept might lie in forging links with the complementary body of research on the resource-based view of the firm.

FIRST-MOVER ADVANTAGE THEORY: A THEORY IN CRISIS?

Despite three decades of research, the answer to whether being the first to enter a market accrues a sustainable competitive advantage remains inconclusive or contradictory (Li et al., 2003). What remains, however, is an enduring and exhaustive debate with major inconsistencies evident in the literature. The debate persists as to an optimal entry strategy, i.e. should a firm enter as a first-mover bearing extra costs and more risk to avail of first-mover advantages or should it wait and enter when the market has developed and learn by first-movers' mistakes, and in doing so sacrifice initial market share. Theoretical gaps and methodological inconsistencies, which tend to enhance the likelihood that pioneers will be found to be more successful market entrants, will now be discussed.

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Theoretical Gaps

Theoretical contributions within the first-mover literature, as previously outlined, have focused on identifying and categorising first-mover advantages and disadvantages or advantages accruing to later entrants. In contrast to this, empirically there is an over-emphasis on testing the direct effect of order of entry on the performance of first-mover firms and an over reliance on the use of PIMS and ASSESSOR datasets despite clear methodological difficulties with these datasets. There is inordinate evidence revealing a direct relationship between order of entry and market share, which has consistent support across multiple studies using multiple databases. The similar results of independent databases, which have varied in methods and researchers, are quite impressive in that they both provide compelling support for a first-mover advantage. However, this also serves to highlight a theoretical–empirical imbalance within the literature, in which conceptual contribution has lagged in comparison to empirical progress and the first-mover literature lacks a broad theoretical framework (Kalyanaram, 1995).

Moreover, first-mover advantage literature comprises of descriptive and explanatory studies, of which many have concentrated on the existence of a first-mover advantage, and lacks theoretical contribution or advancement. In general this literature lacks a deeper understanding of the first-mover phenomenon and ‘why’ and ‘how’ first-movers have sustained a competitive advantage and others have failed to do so.

Methodological Inconsistencies

Several methodological inconsistencies have been identified within empirical studies on the first-mover advantage literature, which consequently question the validity of the first-mover advantage argument. These will now be discussed under the following headings: PIMS database, Market share and Idiosyncratic samples.

PIMS Database

The PIMS database is used heavily (see Table 12.1) to demonstrate an entry order–market share relationship and is clearly regarded as superior to small-sample surveys. Its use as such has enabled several generalisable tendencies to be constructed, which has

contributed to the development of first-mover literature with several established generalisations.

The PIMS dataset, however, has significant methodological difficulties in that it contains only large, well-established businesses in mature markets, where survivorship bias and large firm bias are likely to exaggerate both the magnitude and the sustainability of first-mover advantages. It is based upon surviving pioneers, i.e. restricting a sample to those entries that are still active at a particular point in time, and this screens out early failures, therefore it is biased against non-surviving entrants. This is significant because if pioneers were more likely to fail than subsequent entries to the market the supposed disadvantages of late entry would be exaggerated (Bryman, 1997).

In addition to this, the term 'first-mover' is not defined precisely in the PIMS questionnaire, which suggests the possibility of some degree of misclassification and inconsistency with the terms used by researchers (Lambkin, 1992; Golder & Tellis, 1993, 1996). Typically, first-movership is predominantly applied in a 'first-to-market context' (Patterson, 1993), however there is a lack of a clear identification as to the definition of a market pioneer. With regards to the PIMS database, the difficulty with market pioneer definition is, while the PIMS database defines it as 'one of the pioneers', researchers who have utilised the PIMS database conceptually define the pioneer as the first entrant in a market.

This deficiency is further compounded by the fact that datasets rely on self-reports of single informants to classify themselves as a first-mover, an early follower or a late entrant. Golder and Tellis (1993) suspect that self-report surveys and inconsistent definitions may wrongly classify early entrants as first-movers, therefore these datasets are capable of determining only early-mover advantage as opposed to first-mover advantage. In fact, more than half of the business units in the PIMS database are classified as 'pioneers', including several competitors within the same market (Buzzell and Gale, 1987). Srinivasan (1988), as mentioned in Kerin et al. (1992), reports that 60–72 per cent of PIMS businesses are 'self-classified' as pioneers. This is unrepresentative as realistically most firms are actually later-movers. Adopting a 'loose' or broad definition of a market pioneer has subsequently caused many conceptual as well as

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methodological problems. Golder and Tellis (1993) describe this distinction as critical and not merely 'pedantic' as an early-mover advantage may actually exist by entering after the pioneer and learning from the pioneer's mistakes and therefore the advantage is not one pertaining to being a market pioneer.

Lambkin (1992) also identifies an industrial goods bias in using the PIMS database, where industrial goods account for 67 per cent of the sample, with consumer goods accounting for 26 per cent and services/distribution industries for only 7 per cent. This, according to Lambkin (1992), signifies these biases are more likely to produce a Type II rather than a Type I error, i.e. they are more likely to obscure the pioneering effect rather than exaggerate it. A Type II error is more serious as it is accepting a false hypothesis to be true – i.e. accepting the generalisation that first to the market is the winner.

Empirical studies using the PIMS database, such as Robinson and Fornell (1985) and Robinson (1990), examine the pioneering market share advantage using mature consumer samples and mature industrial samples in order to assess long-term advantages. Bryman (1997) questions whether pioneering is more 'fraught' in connection with new rather than mature industries in that it is more difficult for pioneers in new industries to sustain themselves than in mature industries.

Market Share

The use of market share as a measure of performance of market entry also poses some methodological difficulties. Urban and Star (1991) discuss some caveats of the market share measure in that it is a measure of 'what' market, i.e. the more narrowly a market is defined the higher the market share will be. There is a critical difference in relation to the PIMS definition of market share and that of Porter. Namely, in Porters' conceptualisation concerning the proposed relationship between market share and return on investment (ROI), where the PIMS database correlates low market share with low ROI and supply, the data defines its own 'served markets', while Porter suggests that low market share correlates with high ROI and the data reflects the 'total market'. It is, therefore, crucial to define the relevant market correctly when assessing a firm's

market share, especially if one considers that many empirical studies have overemphasised the importance of market share as a reliable measurement of performance. Many studies on first-mover advantage have a pervasive tendency to examine market share averages and this focus leads to overlooking information on the range of performance of (individual) first-movers and later entrants, apart from their survival and failure (Kerin et al., 1992).

Idiosyncratic Samples

In addition to empirical studies, which use cross-sectional data, other studies are based on idiosyncratic industry samples. Even with attempts to avoid bias from large-scale datasets, industry studies have led to further methodological problems, such as selectivity bias (Kerin et al., 1992). Industry samples, such as the semiconductor, the cigarette and the pharmaceutical industries, are not easily generalisable to other product-market situations and VanderWerf and Mahon (1997) state it is possible that researchers have historically tended to investigate industries in which advantages to first-movers are greater. Whitten's (1979) use of the cigarette industry presents 'atypical entry barriers' as information vehicles fostering product/brand search and trial are eliminated and purchase inertia is more prevalent (Kerin et al., 1992: 39). The pharmaceutical industry is another example where later entrants in this industry have to endure similar regulatory issues faced by first-movers, therefore the advantages of pioneering might be exaggerated. Bryman (1997) states that the problem regarding the use of 'idiosyncratic' cases is that what is (and is not) idiosyncratic is undefined. VanderWerf and Mahon (1997) found that empirical studies that include industries selected by the researcher report a positive, significant relationship more often than tests using samples that include a random set of industries. However, it is suggested that the accumulation of a number of single-industry studies will help to illuminate a variety of common and differentiating factors that can add to the emerging contingency approach in this area (Kerin et al., 1992).

Overview

In light of these methodological inconsistencies, empirical studies have found contradictory evidence as to the existence of a first-mover

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advantage, in fact lower market shares were found for the first and second entrants and higher market share for the subsequent entrants. Many studies have tried to overcome the inconsistencies outlined above; however it is found that the alternatives can highlight further methodological difficulties. Golder and Tellis's (1993) use of the historical analysis is a perfect example. It is evident that this approach offers several problems such as its 'subjective' nature and its lack of 'external validity' (Lieberman and Montgomery, 1998). In summation, the cumulative empirical evidence is mixed, in that there are differing explanations proposed to account for the variance across pioneering effects and also the validity of the main-effect perspective to the pioneering advantage (Szymanski et al., 1995).

Theoretically the first-mover concept has lagged behind an impressive empirical past and there is a major lack of understanding of the first-mover phenomenon itself and the process involved in acquiring or indeed not acquiring such an advantage. Also there has been a notable preoccupation with empirical studies testing for the existence of a first-mover advantage and the outcomes of this advantage, i.e. superior performance. Overall this literature implores deeper conceptual development, which concentrates on understanding this complex phenomenon. This paper proposes that the resource-based view of the firm as a 'major theoretical organizing framework' (Barney, 1991) will contribute to understanding the process by which a first-mover advantage can be attained. Further to this, it is posited that the broad theoretical base of the resource-based view of the firm will assist in gaining a deeper understanding of 'how' and 'why' first-movership has resulted in a sustainable competitive advantage or not. The following section will outline a resource-based perspective of the first-mover theory as an opportunity to move this established theory from a 'stalemate' position and also to '...aid the design of more sophisticated studies on the timing of entry' (Lieberman & Montgomery, 1998: 1112).

A RESOURCE-BASED PERSPECTIVE OF THE FIRST-MOVER ADVANTAGE

The resource-based view of the firm, which was first articulated by Wernerfelt (1984), contends that the possession of key resources

by a firm allows it to achieve a sustainable competitive advantage. Key resources are resources having the advantage-generating characteristics of value, inimitability, appropriateness and non-duplicability (see studies by Barney, 1991, 1996; and Wernerfelt, 1989). According to the resource-based view, a competitive advantage is sustainable depending upon the possibility of competitive duplication and only if it continues to exist after efforts to duplicate that advantage have ceased (Lippman and Rumelt, 1982). This is contrary to other definitions, adopted by Porter (1985) and Jacobsen (1988), in which a sustainable competitive advantage is defined as simply being a competitive advantage that lasts a long period of calendar time.

There is considerable support in using the resource-based view to gain a deeper understanding of the first-mover advantage theory. The resource-based perspective has grown significantly as a complement and/or an alternative to currently accepted theories of strategic management (Barney, 1991). Lieberman and Montgomery (1998: 1112) refer to the potential 'isomorphism' of first-mover and resource-based literature, in which first-mover literature could potentially contribute to resolving the empirical deficit faced by resource-based literature. Equally, the broad theoretical framework of the resource-based view literature could aid the design of more sophisticated studies on timing of entry. Kerin et al. (1992) offer support in using the resource-base perspective and they outline the need for insights into the firm's competencies and resources and how they are converted into sustainable positional advantages.

Even though the first-mover and resource-based theories have co-existed, they have evolved as prominent but independent research streams (Lieberman & Montgomery, 1998). There are several earlier studies of first-mover literature with references to the 'endogeneity' of the entry timing decision. Barney (1991) states explicitly that in order for first-mover advantages to exist, firms in an industry must be heterogeneous in terms of the resources they control. In other words, if competing firms are identical in the resources they control, it is not possible for any one firm to obtain a competitive advantage from moving first. Romanelli (1987: 162) states that being first implies a chance to gain significant control over

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available resources in the absence of substantial competition, in which ‘fast-moverness, not first-moverness’, appears to be more important.

RESEARCH PROPOSITIONS

The resource-based perspective of the firm may offer a more plausible explanation for the sustainability of first-movers as opposed to simple order of entry. Research suggests that unless the first-mover has substantial resources (or can gain access to resources) it is unlikely to convert environmental opportunities into long-term positional advantages (Kerin et al., 1992: 41). The remainder of this paper will examine the first-mover concept using a resource-based perspective or lens and outline several tentative research propositions. Two fundamental considerations characterise the interaction between resource accumulation and timing of market entry (Lieberman and Montgomery, 1998) – the ‘a priori’ resources the first-mover brings to the marketplace and the accumulation of resources by the first-mover on entering the market.

The first consideration of the existing or ‘a priori’ resources that a first-mover brings to the marketplace is a recent and emerging literature. Overall empirical studies, which are mostly quantitative and explanatory in nature (Robinson et al., 1992; Thomas, 1996; and Schoenecker & Cooper, 1998), have generally shown that being first is a desirable strategy for firms with strong research and development (R&D) skills and financial resources, whereas later entrants were found to possess strengths in manufacturing and marketing resources.

Hence:

P1: First-mover firms possess strong research and development (R&D) skills and financial resources.

P2: Later-mover firms possess strong manufacturing and marketing resources.

Such empirical studies, however, ‘...are complex and still poorly understood’ (Lieberman and Montgomery, 1998: 1113) and therefore need further research.

The second consideration involves the literature pertaining to the potential accumulation of superior resources by first-mover firms

and this is well documented in first-mover advantage literature, even though the use of the resource-based perspective is not explicitly noted. Early entrants have the potential to pre-empt and acquire resources of various types – such as technological and geographical – customer perceptual space, or to gain a ‘head start’ in developing a set of organisational capabilities (Lieberman & Montgomery, 1988, 1998). This may affect the costs and/or revenues of later-movers adversely and thus the first-mover in this position is said to enjoy a ‘resource position barrier’ (Wernerfelt, 1984; Makadok, 1998). Therefore:

P3: First-mover firms acquire superior resources or capabilities on entering the marketplace, which results in a stronger competitive position for first-movers relative to later entrants.

Resource accumulation of a first-mover firm, however, may not automatically incur sustainability of first-mover advantage as the first-mover may acquire the ‘wrong resources’, which may prove to be of limited value as the market develops. Also resource requirements may only become apparent as the market develops and this may be obscured due to market or technological uncertainties. The marketplace/context as well as other factors may, therefore, moderate this relationship, i.e. proposition three. Equally, later entrants may outdo first-mover firms with more potent resources or capabilities (Lieberman and Montgomery, 1998).

CONCLUSION

The order of market entry proves to be an important management issue and the recent Internet phenomenon really highlights this (particularly now as the Internet enters its second phase in which companies such as Yahoo! and Amazon have sustained their competitive advantage). This paper revisits the first-mover advantage theory and, subsequent to a critical review, identifies several theoretical and empirical inconsistencies within the literature. This has revealed a theory with several contradictions evident in the literature and also a lack of general consensus. Kalyanaram et al. (1995) state that generalisations within the first-mover literature may be, therefore, ‘suggestive’ rather than ‘definitive’ in nature. In light of this, it is proposed (with the support of other contributors) that the

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resource-based perspective of the firm, with its broad theoretical base, will contribute to the first-mover concept. Aaker and Day (1986: 409) attribute the high failure rate of companies to the entry of companies without ‘understanding the skill and resource requirements for market pioneering, early entry and late entry’. The salient issues and several tentative propositions are offered with the aim of developing this theory beyond its ‘stalemate’ position.

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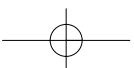
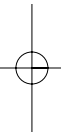
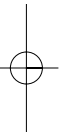
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Book Review

Managers Not MBAs: A Hard Look at the Soft Practice of Managing and Management Development
by Henry Mintzberg (2004) San Francisco,
CA: Berrett-Koehler Publishers Inc.



D R . J A M E S C U N N I N G H A M *

This latest book of Henry Mintzberg sent shivers down the spines of deans and MBA programme directors. Its publication in 2004 coincided with two notable events: firstly a period of tough competition in the international MBA market, with leading MBA programmes competing for a dwindling student cohort – a buyers’ market rather than a sellers’ market; secondly, the publication of Ghoshal’s (2005) article questioning the role, value and function of business schools and academics. Mintzberg’s book challenges the dominant logic of one of the core degrees of any business school: the MBA programme. In the preface he traces the development of the International Masters Program in Practicing Management, started in spring 1996, which he argues contributes to the development of business managers and, as he describes it, ‘...continues to be the delight of my professional life’ (p. x).

The book is divided into two parts: Part One, ‘Not MBAs’, and Part Two, ‘Developing Managers’. Mintzberg begins with a chapter entitled ‘Wrong People’, where he outlines what management practice is not and what work experience really means in MBA

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admissions, and he concludes the chapter with ‘What should I tell Robert?’ who is looking for advice about doing an MBA. Within this chapter Mintzberg (p. 14) argues that MBA programmes can do harm as they are ‘...inadvertently encouraging an attitude of independence that is fundamentally antithetical to the responsible practice of management’ and that MBA programmes attract the wrong people who are ‘too impatient, too analytical, [and have] too much need to control’. In Chapter Two, ‘Wrong Ways’, he gives an overview of business history and questions what happened to management and the reductionism within the management discipline, as well as questioning the value of case method teaching. He concludes this chapter by outlining nine impressions left by an MBA education and persuasively reinforces this by stating (p. 67), ‘They suggest that no one should be allowed out of a conventional MBA program without having a skull and crossbones stamped firmly on his or her forehead, over the words “Warning: NOT prepared to manage!”’. Chapters Three to Six are titled ‘Wrong Consequences I–IV’, with corruption used as the start of the subtitle for each of the chapter themes. For example, in Chapter Three, ‘Wrong Consequences I: Corruption of the Educational Process’, he discusses student reactions to their MBA studies based on the books of Kelly and Kelly (1986) and Cohen (1973) and discusses the dysfunctionality associated with the MBA ranking system. In Chapter Six, ‘Wrong Consequences IV: Corruption of Social Institutions’, he probes the value of leadership across sectors in society and in doing so questions the reader about whether we have a choice about leadership in society. He does this by relating to the reader a story about an MBA student considering a job with Bombardier and a maintenance man sent to clean bugs out of his office fluorescent lights who bemoaned the change in the kind of leadership in his organisation. Mintzberg then questions the reader about whether we have a choice about leadership in society. He claims we do and in Chapter Seven, ‘New MBA?’, he examines business school programmes that involve the specialisation of business functions and those programmes that focus on educating the manager in their business context, and argues that there is no middle ground between these two approaches.

In the second part of the book, ‘Developing Managers’, Mintzberg sets out to persuade the reader further to his viewpoint.

He adopts the same approach as in the first part of the book and in Chapter Eight, 'Management Development in Practice', he guides the reader through the development of management education and development and touches on issues of mentoring, customisation, leadership, business school programmes and corporate academies, as well as putting learning into action. He also suggests that we develop managers differently. Mintzberg in Chapter Nine, 'Developing Management Education', tells the reader how this should be done in the form of a number of propositions. The following chapters, ten to fourteen, lead the reader through the development, logic and operation of the International Masters in Practicing Management. His final chapter, 'Developing True Schools of Management', is where he discusses the privilege of scholarship and the role and value of teaching and research and the importance of relevance to business.

This book should be required reading for business faculty members, deans, university administrators and MBA students. This is a thought-provoking book that will challenge your core assumptions about academia and even your management philosophy and your role in academia. Mintzberg is a brilliant wordsmith, which lends even further weight to his persuasive arguments, making a very readable book. He is fundamentally questioning of the dominant logic that has informed the development of business schools and their interaction with business through their MBA programmes. Examining conventional wisdom in such a way can be painful but is necessary as relevance is becoming more of an issue for business schools. Mintzberg, in talking about research, talks about passion and, in a box insert (p. 403), has a list titled 'Putting the Passion Back In' which includes: 'Screw tenure; Publish only when you have something to say; Say it all once, right, altogether; Never set out to be the best. Do your best; Create knowledge; Write for the thoughtful practitioner; Get close to the action; Be passionate about what you do or get out'. Mintzberg in his writing has done this, which has won him international acclaim, but this book challenges business schools', deans' and faculty members' beliefs about who they are and what businesses they are in. Probably in years to come the arguments presented in this book will become part of the conventional wisdom and not be unconventional, as they seem in the first decade of the twenty-first century.

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