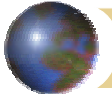


Management styles & strategies

- ✦ Assumptions and ideologies underlying employer expectations about protection of their interest, the legitimacy of these expectations & employer strategies
 - ▣ Managerial prerogative justifications
 - ▣ From frames of reference to models of management styles
 - ▣ Employer strategies & organisations

“The assumptions and ideologies which underlie employer expectations about protection of their interests, and the legitimacy accorded to employee claims will be examined. Then the question of how these ideologies affect employer strategies in the conduct of the employment relationship will be considered.” (p. 252)



Shifting sand of ideology

- ⊕ The 'ideology of no ideology'
 - ⊠ Cognitive dissonance & ER strategies
 - ⊠ "owners of businesses have the right to determine how these are run" (p. 252)
 - ⊠ "There can be substantial differences between management styles and action in different organisations, in different countries, & towards different groups within an organisation." (p. 252)

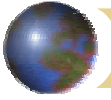
Prior to 1984, there was an 'ideology of no ideology' which tended to mask that both employers, unions and employees had certain beliefs and assumptions about the nature and proper conduct of ER. "In the past, there was a pretence that ideology was of little importance in the day-to-day practice of employment relations." (p. 252).

This changed when ER became a political issue in the 1980s (see chapters 3 & 4)

There was always an issue of 'cognitive dissonance' (see p. 28) between personnel/employee relations managers and other managers with the reigning pluralist approach to ER being uncomfortable for other managers.

Although the chapter points to less importance & a 'domino theory', the legal justification is still very important. The right of owners to run their own businesses as they see fit, is still an important political rallying point.

While we discuss the 'managerial prerogative' and management styles in general, this is a theoretical generalisation and there are many variations in reality, as mentioned above.



Managerial prerogative

- ✚ Legal & functional justification
- ✚ Legal: ownership rights
 - ▣ Transferred to managers
 - ▣ Agency issues: how to control managers
 - Compatible & implicit contracts
 - NZ public sector and 'new public management'
 - ▣ Stakeholder capitalism: partly incompatible with legal justification of prerogative

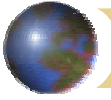
Our understanding of the managerial prerogative is based on the historical development of modern capitalism with two key sources for employment law: contract law & the law of master and servant.

“The basis for managerial prerogative arises, therefore, from the vestiges of notions which were appropriate in an earlier historical epoch.” (p. 253).

Since Chamberlain formulated the two justifications there have been many significant changes to the managerial prerogative and employee rights. Thus, both the legal and functional justifications have to be understood in a different context; particularly in terms of individual employment rights and, in Europe, in terms of employee influence.

Agency issues are still important. Despite the extensive reporting requirements for Anglo-American shareholding companies, there are still examples of uncontrolled managers (eg Enron) and managers' salaries are growing much faster than other employee groups.

For overview discussions of agency theory – see Boston et al 1991 & 1996, Rasmussen & Boxall 1995.



Managerial prerogative - II

- ⊕ Has the appeal to legal rights become increasingly unacceptable & unrealistic?
- ⊕ Functional justification: all organisations need to be managed
 - ⊠ Generic managers: can manage different types of organisation, across different types of industries
 - Professional & replacing specialist managers

- The functional justification is a much weaker assertion of managerial prerogative (than the legal one).

- It is build on a modern view of what an organisation is (that is, the historical roots of employment law is not as prevalent)
- There is an implicit accept of the existence of some employee rights

There is a more pragmatic approach to employee rights which allows for continuous adjustments.



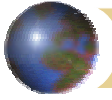
From Fox to Purcell

- ✚ After the pluralist & unitarist frames of reference, Fox developed six patterns of behaviour (management styles)
- ✚ Critique of Fox's patterns
 - ▣ Time-specific, UK in the 1970s
 - ▣ Each manager can apply several styles
 - ▣ Doesn't incorporate HRM: direct ER relationship & more strategic approach

Fox' typology was concerned with:

- Do managers and employees accept the legitimacy of the other side's position?
- Do managers accommodate the interests/demands of employees or is there a unilateral/unitarist pursuit of managerial interests?

Management styles can be seen as similar to McGregor's 'Theory X and Theory Y': it creates black-&-white images (ideal types) but these are good tools to think about people's/organisational behaviour.



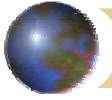
Dimensions of managers' styles?

- ⊕ Fig 11.1: Individualism & collectivism
 - ⊠ Development of 'ideal types'
 - ⊠ Individualism: credence to feelings & sentiments of each employee & develop their capacity of role at work.
 - ⊠ Collectivism: extent to which employee rights to participate in management decisions concern them and their work is recognised and supported.

Fig. 11.1 raises several questions:

- Why these dimensions? What other dimensions could be used?

It is also problematic that there is assumed a link between beliefs & actual behaviour (“the philosophies and policies which influence action” – p. 259) as we tend to look at statements & behaviour. This overlooks that beliefs might not be embodied in ‘philosophies and policies’. Does it signify the ‘obsession’ with formal HRM policies of many HRM academics?



Relevance of models in NZ?

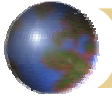
- ✚ Problems with models
 - ▣ Developed in UK, a particular ER system
 - ▣ Pragmatic reactive responses fit NZ firms
- ✚ Models: thinking about ER styles in NZ
 - ▣ Constitutional style – highly specific CEAs?
 - ▣ Traditional, Sophisticated human relations, Consultative – see examples on p. 259

The key question is whether this is really correct?:

“While these ‘ideal types’ may not always describe the reality of individual firms, the model does point out some of the main trends in management approaches to employment relations.” (p. 257).

Is our attempt to place NZ organisations within the Purcell types really an attempt to fit reality/practices to theory instead of the other way around?

There appears to be too much emphasis on formalised style (“Pragmatic, reactive responses to labour problems cannot be classified as management style”). This is probably not the case in most NZ organisations: “the more messy reaction patterns which probably account for management in many organisations.” (p. 259).



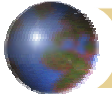
ER strategies

- ⊕ Relatively new (# systems & conflict theories)
- ⊕ Braverman & labour process theory
- ⊕ Strategic choice theory
 - ▣ Necessitate decision discretion ('room')
 - ▣ Focus on major decisions/changes
 - ▣ Management as a pro-active actor
 - ▣ Problems: short-term & 'down-stream decision-taker', impact of contingencies/constraining factors

- There are four elements in this section:
 - The general ER theories have little about strategy (for example: “The systems theory approach assumed that employers only pursued employment relations ‘strategies’ to a limited extent.” P. 260). This is probably why HRM has made such an impact.
 - There is a short discussion of labour process theory & Braverman. This is a weak point of the book! Please consult other texts (for example, various books by Paul Thompson)
 - Strategic choice theory is debated

ER decisions are ‘second/third-order decisions’. Thus, other strategic business decisions drive ER approaches (this makes a mockery of many claims from SHRM and indicates why this is strongly normative approach). The link from corporate decisions to actual workplace decisions and behaviours is often a moot point.

- Strategic choice theory is important because it has informed a lot of comparative analyses.
 - For a short overview, see Bamber & Lansbury (1998: 25-31)

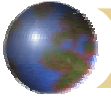


Employer organisations

- ✚ Why do employers organise?
 - ▣ 'countervailing power' & public policy role
 - Shifts as ER framework has changed over time
 - Bargaining, voice of employers, ER services
 - Structures have followed shifts in functions?
- ✚ Why has Bus. Roundtable lost ground?
 - ▣ Too model-driven, covering too wide a field, or has it just been too successful?

Business Roundtable

- An 'by-invitation' only club' of major organisations (over 50 members)
- High impact as a pressure group in the 1984-1993 period
- ER impact is significant with many features of the ECA associated with policy platform of BRT (see chapters 3 & 4)
- However, the institutional framework, minima & PGs were still intact under the ECA
- Decline in importance since early 1990s. What are the reasons?
- Labour-Alliance Government takes a totally different position on ER policies and many BRT 'victories' are wholly and partly reversed



The public employer

- ☉ Public sector reforms, post 1984:
 - ▣ Radical changes – see chp. 3, 14 & 15
- ☉ Have reforms improved public sect. ER?
 - ▣ Yes & No!
 - ▣ Promised modern staff approach collided with financial constraints and strategic rigidities
 - ▣ 'Unimaginative use of structural & contractual solution models' (p. 278)
 - ▣ A number ER problems over the last decade

The government as employer

- Major shifts subsequent to SOE Act 1986 & State Sector Act 1988.
 - Public sector leads trend towards decentralised, workplace bargaining
 - Decentralisation opens for modern HRM/ER
 - § Major problems from mid 1990s, partly funding related
 - § ER approach is increasingly questioned
 - 'unimaginative use of structural and contractual solutions models'
- 'Good employer notion' & EEO is discussed in chapter 15