

**A STUDY OF MANAGED ORGANISATIONAL  
CHANGE: THE CASE OF BAA plc**

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## **ABSTRACT**

Airports play a key role in the UK transport system, and around the world. The airport itself facilitates the interaction of a proliferation of passengers, airlines, business partners and technological advances in what is one of the most complex environments and systems understood in the wider tourism context (Doganis, 2001). The commercialisation and subsequent privatisation of UK airports in the 1980s has led to a strong interest in competitive investment in airports from private companies. This has also led to government regulatory pressures and in the expansion of airports in order to meet the increasing demand for air transport (Graham, 2001). In the UK alone, passenger numbers are set to more than double over the next twenty years, rendering the need for the development of current airport locations and systems a key priority (DETR, 2002). Within this rapid and increasingly competitive environment, it is clear that airport organisations, principally BAA plc in the UK airport industry, must develop and change internally in order to meet customer demands and survive in the volatile airport business.

This thesis focuses on the internal organisational behaviour of the main UK airport operator, BAA plc, in the face of two managed organisational change programmes; 'Freedom to Manage' and 'Enterprise'. Two airport units, BAA, Glasgow and BAA, Edinburgh, are the focus of this research. Particular attention is afforded to the interrelationships between the management of change and its interrelationship with organisational culture at airport unit level. The research concludes that organisation-wide planned change which is implemented by managers has limited effectiveness in different organisations. Instead of managers being the sole communicators and exemplars of change, it is suggested that they should adopt a contextual approach to change which is inclusive of both the internal environment (culture and climate) and the external environment.

# **LIST OF CONTENTS**

<b>DECLARATION OF AUTHOR'S COPYRIGHT</b>	<b>i</b>
<b>ABSTRACT</b>	<b>ii</b>
<b>TABLE OF CONTENTS</b>	<b>iii</b>
<b>LIST OF TABLES</b>	<b>iv</b>
<b>LIST OF FIGURES</b>	<b>v</b>
<b>LIST OF APPENDICES</b>	<b>vi</b>
<b>ACKNOWLEDGEMENTS</b>	<b>vii</b>
<b>INTRODUCTION</b>	<b>viii</b>
<b>CHAPTER 1</b> <b>Managing Organisational Change</b>	<b>1</b>
<b>CHAPTER 2</b> <b>Organisational Culture and its Effects on The Changing Organisation</b>	<b>51</b>
<b>CHAPTER 3</b> <b>Managing The Human Resource in a Changing Environment</b>	<b>93</b>
<b>CHAPTER 4</b> <b>Methodology</b>	<b>109</b>
<b>CHAPTER 5</b> <b>The Development of BAA plc</b>	<b>141</b>
<b>CHAPTER 6</b> <b>Quantitative Analysis: BAA plc Staff Survey, 1999</b>	<b>183</b>
<b>CHAPTER 7</b> <b>BAA, Glasgow Case Study Evidence</b>	<b>217</b>
<b>CHAPTER 8</b> <b>BAA, Edinburgh Case Study Evidence</b>	<b>252</b>
<b>CHAPTER 9</b> <b>Conclusions</b>	<b>279</b>
<b>BIBLIOGRAPHY</b>	<b>297</b>
<b>APPENDICES</b>	<b>i</b>



## LIST OF TABLES

<b>Table</b>	<b>Title</b>	<b>Page</b>
1.1	Varieties of Change	11
1.2	Political Skills and the Management of Change	31
1.3	Kotter's (1996) Causes of Failures and Successes in Organisational Transformation	33
4.1	Key Components of Positivist and Phenomenological Paradigms	111
4.2	Airport Interview Respondents: Managerial and Supervisory	125
4.3	Staff Survey Sample Numbers and Response Rates	127
4.4	Advantages and Disadvantages of Tape Recording Interviews	132
5.1	Ownership Patterns in UK Airports	145
5.2	Breakdown of BAA plc Employees in 2002	154
5.3	Direct Employees in BAA, Glasgow in 2001	175
5.4	Scheduled Airlines Operating from Glasgow Airport (October 2001)	178
5.5	Charter Airlines Operating from Glasgow Airport (August 2001)	178
5.6	Scheduled Airlines Operating from Edinburgh Airport (August 2001)	179
5.7	Charter Airlines Operating from Edinburgh Airport (July 2001)	180
6.1	Respondent Profiles	187
6.2	Factor Analysis Results with Varimax Rotation for BAA, Glasgow	204
6.3	Factor Analysis Results with Varimax Rotation for BAA, Edinburgh	209

## LIST OF FIGURES

<b>Figure</b>	<b>Title</b>	<b>Page</b>
1.0	Literature Review Framework	x
1.1	A Framework for Change	35
2.1	Levels of Culture and their Interaction	62
2.2	The Competing Values Framework	67
4.1	Research Design Model	115
5.1	The BAA plc Sustainability Concept	153
5.2	BAA plc Model of Organisational Effectiveness	159
5.3	The BAA plc Competency Framework	171
6.1	The Action Planning Process	184
6.2	Favouritism in BAA, Glasgow and BAA, Edinburgh by Business Area	192
6.3	Level of Satisfaction with Immediate Manager by Area of Business	192
6.4	Illustration of Role Culture in BAA, Glasgow and BAA, Edinburgh	197
7.1	Integrative Culture in BAA, Glasgow	228
7.2	Glasgow Airport Values	232
8.1	The Structure of the Security Department	261
9.1	The Interrelationships Between Change, Culture, Climate and Leadership Behaviour	284
9.2	A General Framework for the Management of Change	292

## LIST OF APPENDICES

Appendix	Title	Page
I	Sample of Correspondence with BAA, Glasgow and BAA, Edinburgh	i
II	Exploratory Interview Questions	vii
III	BAA plc Staff Survey, 1999	ix
IV	Semi-structured Interview Questions	xxii
V	BAA plc Management Team Structure	xxvii
VI	BAA, Glasgow Management Team Organisation Chart, 2000	xxix
VII	Chosen Questions and Associated Variable Names	xxxi
VIII	Spearman's Rho Test Results for BAA, Glasgow	xxxiii
IX	Spearman's Rho Test Results for BAA, Edinburgh	xxxvi

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This thesis is dedicated to my family.



## **INTRODUCTION**

Airports play a key role in the UK transport system, and around the world. The airport itself facilitates the interaction of a proliferation of passengers, airlines, business partners and technological advances in what is one of the most complex environments and systems understood in the wider tourism context (Doganis, 2001). The commercialisation and subsequent privatisation of UK airports in the 1980s has led to a strong interest in competitive investment in airports from private companies. This has also led to government regulatory pressures and in the expansion of airports in order to meet the increasing demand for air transport (Graham, 2001). In the UK alone, passenger numbers are set to more than double over the next twenty years, rendering the need for the development of current airport locations and systems a key priority (DETR, 2002). Within this rapid and increasingly competitive environment, it is clear that airport organisations, principally BAA plc in the UK airport industry, must develop and change internally in order to meet customer demands and survive in the volatile airport business.

From the perspective of the airport industry, it is the operational issues of daily work which have dominated their attention because of the focus on providing smooth and effective levels of service to their various customers. Past research into the airport industry has considered the operational elements of the airport system; however there has been a lack of research into the airport environment which has a significant impact on the operation of airport systems. This research study intends to begin to bridge this gap.

This thesis focuses on the internal organisational behaviour of the main UK airport operator, BAA plc, in the face of managed organisational change. Particular attention is afforded to the interrelationships between the management of change and organisational culture at airport unit level in BAA, Glasgow and BAA, Edinburgh. The two organisational change management programmes which form the basis for this study are

*'Freedom to Manage'*, a cultural change programme, and *'Enterprise'*, a process based change programme. In order to analyse the complex interrelationships which exist in the internal airport environment, the area of human resource management will be considered, not only as a tool for change, but as a manifestation of both the effects of organisational change and of the organisational culture.

The specific objectives of this study are:

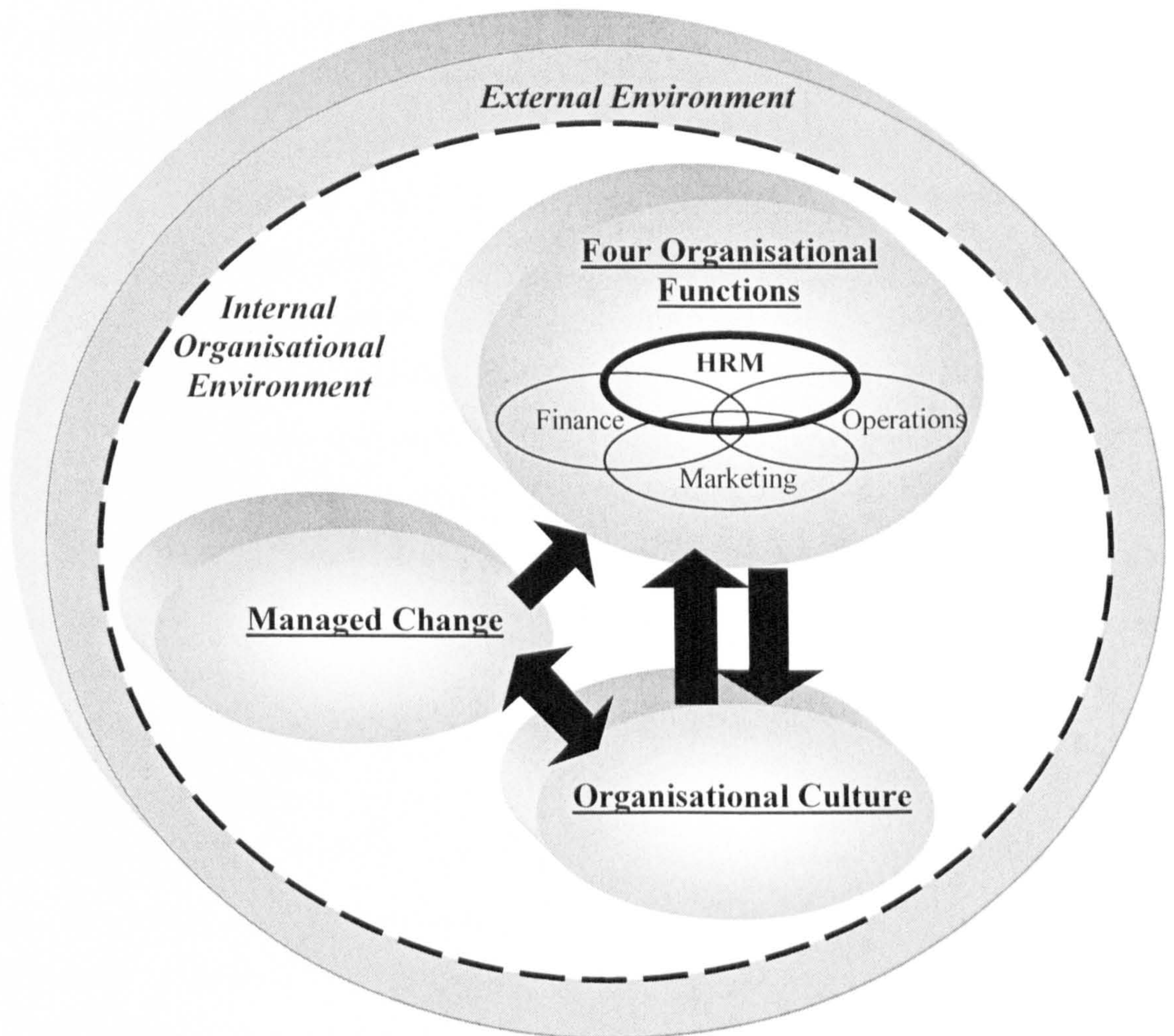
1. to identify the main issues in the implementation of managed organisational change programmes;
2. to identify the interrelationships between the inherent organisational culture and managed organisational change;
3. to consider the extent to which the management of human resources reflects the inherent culture of the airport unit;
4. to identify the interrelationships which exist between organisational change, organisational culture and human resource management practices; and
5. to consider how, or if, organisational change programmes can be managed successfully in order to mitigate the prevailing influence of culture in determining the scope and effects of change.

In order to meet these objectives, this thesis is divided into nine chapters. Chapters one, two and three comprise a literature review which considers the three main interrelated themes of this study already stated above. Figure 1.0 overleaf illustrates the initial interrelationships which are considered further through the literature review. Chapter one considers change as an ever present feature of organisational life (Coulson-Thomas and Coe, 1991; Wheatley, 1992b). Chapter two draws out the elements and ambiguities of organisational culture and considers whether managers may manipulate organisational culture through managing the change process (Meek, 1988). Chapter three considers the outcomes of these two chapters through its focus on the management of human



resources in the context of change, with a particular focus on how managers may gain commitment to an espoused culture (Salancik, 1977).

Figure 1.0: Map of Interwoven Literature Themes



The remaining chapters of this thesis are taken up with the qualitative and quantitative research completed in two key airport units in BAA plc – BAA, Glasgow and BAA, Edinburgh. Chapter four details the methodology for this research study. Chapter five considers the development of BAA plc and its sub-units in the context of the wider airport industry. Chapter six utilises a quantitative survey in order to assess the organisational climate and identify key themes for further qualitative research. Chapters seven and eight take an in-depth view of BAA, Glasgow and BAA, Edinburgh, and seek



to draw out the key issues which affect the management of change in the airport environment. Finally, chapter nine provides key conclusions and recommendations for further research.

# CHAPTER 1

## MANAGING ORGANISATIONAL CHANGE

### 1.1 Introduction

The management of change is commonly viewed as a complex and difficult area worthy of special attention and study (Buchanan and Boddy, 1992). The concept of organisational change and inevitably, change management, has been of major concern to both academics and practitioners in recent years and will remain so as contemporary organisations continue to operate in a chaotic world where organisational and social paradox emerges as an underlying dimension. Consequently, there exists a proliferation of management literature on the topic with new models and frameworks evolving from various interdisciplinary studies. This chapter explores this literature through considering the wealth and depth of literature by first considering the concept and definition of change in the context of the organisation. Then models of organisational change are examined with reference to various approaches to change management. The chapter concludes with a discussion of how change may be led or managed in order to foster an effective organisation.

### 1.2 What is Change?

Language is full of ambiguity and although the word 'change' sounds specific, and is generally treated as if it is used identically, there is no agreed universal definition. When Heraclitus states that '*nothing endures but change*' he was certainly not referring to deliberate or intentional change, but rather change which is a consequence of the inherent potential for development associated with every entity. This sort of change is closer to the 'self-actualisation' phase of Maslow's (1943) theory of human needs. In Western culture 'change' is a more malleable notion. It has become a means to bend fate to ones own ends, although it is far from clear that this is entirely possible as people and organisations are, in reality, far from malleable. Thus, within the context of change it is essential that the limits of adaptability are understood.

Change involves two very different phenomena. First, change is to some degree in the eyes of the beholder. Kuhn (1962) outlines paradigm theory which holds that an accumulation of little-noted, stepwise quantitative increments or small-c 'change' can suddenly be perceived as a qualitative shift or capital-C 'Change', as though entering an entirely new state, with phenomena subsequently reinterpreted in terms of this new paradigm. Something similar happens in the strategic change process in organisations (Kanter, 1983) where the announcement of change is sometimes merely the decision to identify a mainstream kind of activity that existed on the organisational periphery all along. Moreover, the point of view of those who perceive that they are creating change as an intentional process will be different from those who are on the receiving end of changes, and in historical terms those looking back at the change process might reach still another conclusion. Political interests also come into play in the identification and labelling of change. Therefore, it is key to consider the intentions and reasoning of those who proclaim change to be 'new and different'.

Organisational change also has an empirical side; it is not entirely perceptual. Any organisation is defined in its operations by the presence of a set of characteristics associated with enduring patterns of behaviour, both of the organisation as an entity and of those people involved in it. This consistent patterned behaviour of an organisation's members over time constitutes one of its very distinctive and most important features, i.e. its 'character'. According to Kanter, Stein and Jick (1992), the meaning of character must be distinguished from the sort that overtly anthropomorphizes organisations, for example by declaring that organisations can have a 'heart' or a 'soul'.

It has long been recognised that organisations have great power to shape behaviour, not so much by forcing it but by encouraging it. According to Kanter *et al* (1992), this is not simply a result of 'culture', as interpreted as something intangible indwelling in a group of people, but rather the formal aspects of the organisation, such as its distribution of roles and responsibilities, people's authority to commit resources, existing budget procedures, the physical or geographical arrangement of its space and facilities,

differences in information access and availability, and reward and recognition systems. This character is rooted in the organisation's structure, systems, and culture - elements that embody the momentum of the organisation by acting on its members, thereby enabling the organisation to maintain a recognisable presence over time. Organisations cannot be simply 'ordered' to change.

Therefore, it is clear that it is not the occasional or idiosyncratic event or output which are important, but rather the patterns that are manifested in those outcomes. In terms of the organisation, anything that is unique is not worth much attention because it is not recurring *organisational* behaviour (Kanter *et al*, 1992). The managerial imperative is therefore, to treat everything as a symptom and either reinforce it or reduce it. It is this capacity of an organisation to change the probability of events that gives organisations their power. That capacity, however, is not definitive. Rather, it acts through a bias or a tilt, pressures that can be resisted or overcome in any given case, but that over time and after enough choices are likely to result in a systematic shift away from intended outcomes.

### 1.3 Approaches to Managing Change

Change is an ever present feature of organisational life, though many would argue that the pace and magnitude of change has increased significantly in recent years (Coulson-Thomas and Coe, 1991; Wheatley, 1992b; Institute of Management, 1995; Ezzamel *et al*, 1994; Worrall and Cooper, 1998). Therefore, most organisations and their employees have experienced or are experiencing substantial changes in what they do and how they do it. Undoubtedly, the way such changes are managed, and the appropriateness of the approach adopted, have major implications for the way people experience change and their perceptions of the outcome.

Managers have anxieties concerning the approach and outcome of change in organisations. It is clear from the literature that some organisations do experience severe problems in managing change effectively because managing change effectively



can be complex and difficult. The literature abounds with examples of change which is ineffective to differing degrees (Brindle, 1998b; Burnes and Weekes, 1989; Bywater, 1997; Cummings and Worley, 1997; Howarth, 1988; Kanter *et al*, 1992; Kelly, 1982a,b; Kotter, 1996; Stace and Dunphy, 1994; Strickland, 1998). These studies show that managers may have reason to be anxious about organisational change.

Change comes in differing shapes, sizes and forms and, for this reason it is difficult to establish an accurate picture of the degree of difficulty organisations face in managing change successfully. However, there are three main types of organisational change which, because of their perceived importance by theorists and practitioners alike, have received considerable attention:

- **The introduction of new technology** - the so-called microelectronics revolution of the 1980s saw the continuing rapid expansion of computers and computer-based processes into most areas of organisational life. In the 1980s the failure rate of these projects was found to be anywhere between 40 and 70 percent (Bessant and Haywood, 1985; Burnes and Weekes, 1989; Smith and Tranfield, 1987, Voss, 1985). However, although failure is currently less likely because of further successful technological developments, it is still a feature of the IT industry.
- **The adoption of total quality management (TQM) over the last 15 years** - TQM is an organisation-wide effort to improve quality through changes in structure, practices, systems and, above all, attitudes (Dale and Cooper, 1992). Although TQM appears to be central to the success of Japanese companies, the experience of western countries has been that it is difficult to sustain (Crosby, 1979; Dale, 1999; Deming; 1982; Juran, 1988).
- **The application of Business Process Re-engineering (BPR) in the 1990s** - hailed, as the biggest business innovation of the 1990s, BPR refers to initiatives which have the primary aim of achieving significant improvements in organisational

performance by augmenting the efficiency and effectiveness of the key business processes. Wastell *et al* (1994) notes that BPR initiatives, as the new change management rhetoric, have achieved much less than they promised.

These approaches were hailed as revolutionary approaches to improving performance and competitiveness and were generally communicated as a cure for all organisational ills. Therefore, it is clear that even well-established change initiatives, for which a great deal of information, advice and assistance is available, are no guarantee to success. This is perhaps why managers throughout the 1990s consistently identified the difficulties in managing change as one of the key obstacles to the increased competitiveness of their organisations (Worrall and Cooper, 1998).

#### 1.4 Theoretical Foundations of Change Management

In theoretical terms, change management is not a distinct discipline with rigid and clearly defined boundaries. The theory and practice of change management draws on a number of social science disciplines and traditions. Although this is one of its strengths, it also results in difficulty in defining its core concepts. This is further complicated by the fact that social sciences themselves are interwoven. Therefore, there is a need to consider the broad origins of change management through the three main schools of thought which form the foundations on which change management theory stands: the individual perspective school; the group dynamics school; and the open systems school.

The *individual perspective school* is split into two camps: the behaviourists and the Gestalt-Field psychologists. The behaviourists view behaviour as resulting from an individual's interaction with their environment, whereas the Gestalt-Field psychologists argue that an individual's behaviour is the product of both environment and reason. In behaviourist theory all behaviour is learned, i.e. the individual is the passive recipient of external and objective data. Thus, the basic principle remains that human actions are conditioned by their expected consequences. In the context of change, it follows that in order to change behaviour, it is necessary to change the conditions which cause it

(Skinner, 1974). Thus, required behaviour is reinforced through providing rewards of various kinds to individuals, and unwanted behaviour should be ignored (Lovell, 1980). This approach clearly mirrors the principles of the classical school which takes a descriptive-functional approach and considers the human resource as a cost which can be manipulated through the use of external stimuli to alter behaviour (Torrington and Hall, 1987).

On the other hand, the Gestalt-Field theorists suggest that learning is a process of gaining or changing insights, outlooks, expectations or thought patterns. In explaining behaviour they not only take into account the individual's actions and the responses these elicit, but also individual interpretations. The individual is looked upon as a total organism (French and Bell, 1984). Thus behaviour becomes not just a product of external stimuli, but arises from how the individual uses reason to interpret stimuli. The proponents of this theory encourage organisations to provide support for their members during organisational change which allows them to understand their attitudes and behaviours and the situation in question. This is believed to lead to changes in behaviour (Smith *et al*, 1982). Those who adhere to the culture-excellence school believe that these two individualist perspectives should be used in tandem through the use of both strong individual incentives (external stimuli) and discussion, involvement and debate (internal reflection) in order to bring about organisational change. This method of combining extrinsic and intrinsic motivators is strongly related to the human relations movement (Mayo, 1933) which stresses the need for both forms of stimuli in order to influence human behaviour, i.e. in terms of motivation (Maslow, 1943; McGregor, 1960; and Herzberg, 1968) and commitment (Coopey and Hartley, 1991; Salancik, 1982). However, through the acknowledgement of the individual, the human relations movement also draws attention to the importance of social groupings in the organisational setting, as does the group dynamics school.

Schein (1969) comments that, as a component of change theory, the group dynamics school has the longest history. Its emphasis on bringing about change through teams or



work groups, rather than individuals (Bernstein, 1968) is based on the rationale that because people in organisations work in groups, individual behaviour must be seen, modified or changed in the context of prevailing group practices and norms. Lewin (1947a, b) theorises that group behaviour comprises an intricate set of symbolic interactions and forces which not only affect group structures, but also modify individual behaviour. Thus, the argument was made that individual behaviour is a function of the group environment. This environment produces forces and tensions which emanate from group pressures on each of its members. According to Lewin (1947a, b), an individual's behaviour at any point in time is the result of the interplay between intensity and valence of the forces impinging on the person. The assertion can then be made that a group is never in a state of steady equilibrium, but is in a continual process of mutual adaptation termed as 'quasi-stationary equilibrium'. Therefore, when the intention is to bring about organisational change, it is suggested that it is useless to focus on changing the behaviour of individuals because of group pressures to conform. Instead, change must be from a group level and should concentrate on influencing and changing the group's norms, roles and values (Cummings and Huse, 1989; French and Bell, 1984; Smith *et al*, 1982).

For the group dynamics school, in analysing group norms, key importance is placed on the difference between implicit and explicit norms. Explicit norms are formal, written rules which are known by, and applicable to, all organisational members. Implicit norms are informal and unwritten, and individuals may not be consciously aware of them. Nevertheless, implicit norms have been identified as playing a vital role in influencing the actions of group members. Roles are described as patterns of behaviour to which individuals and groups are expected to conform. In the context of organisation, roles are formally defined by job descriptions or profiles and performance targets, although in practice they are also strongly influenced by norms and values as well. Therefore, in the working environment, individuals rarely have only one role.

In addition, work groups may primarily undertake a particular role or service, however, they may also be expected to pursue *continuous development*, maintain and develop their skills, and act as a repository of knowledge for others in the organisation. Thus the various roles which groups may act upon may cause role ambiguity or conflict. Thus, unless roles are both clearly defined and compatible, the results can be seen as below the accepted average for the individual in terms of stress and for the group in terms of the lack of cohesion and poor performance.

Despite the limited focus of the group dynamics school, it has proved to be influential in developing both the theory and practice of change management. This is seen in research focusing on organisations comprising of groups and teams rather than merely collections of individuals (Mullins, 1989). In relation to this area, French and Bell (1984, pp127-9) emphasised the importance of teams in the practice of organisational development, which will be discussed further in the following section.

The open systems school emphasises the importance of the organisation in its entirety. Consequently, the organisation is composed of a number of interconnected sub-systems which means that to change one part of the system there will be an impact on other parts of the system and on overall performance (Scott, 1987; Buckley, 1968). The approach to change therefore, is to describe and evaluate these sub-systems to determine how they need to be changed to improve the overall functioning of the organisation. The school also considers organisations as '*open*' systems which means that they are open to, and interact with, the internal sub-systems and external environment. The main objective of the open systems approach is to structure the functions of an organisation in such a way that, through clear lines of co-ordination and interdependence, the overall business objectives are collectively pursued. The emphasis is on achieving overall synergy, rather than optimising the performance of any one individual part *per se* (Mullins, 1989). Miller (1967) argues that there are four main interdependent organisational sub-systems. The *organisational goals and values sub-system* aims to ensure that goals and values are compatible not only with each other, but also with its external and internal

environments. The *technical sub-system* is the specific and appropriate combination of knowledge, techniques and technologies which an organisation requires in order to function. The *psychosocial sub-system* is also variously referred to as the organisational climate and organisational culture. In essence, it is the fabric of role relationships, values and norms that binds people together, to some degree, and makes them citizens of a particular miniature society (the organisation). The *managerial sub-system* spans the entire organisation and is responsible for relating an organisation to its environment, setting goals, determining values, developing comprehensive strategic and operational plans, designing structure and establishing control processes. If the managerial sub-system fails, so does the rest of an organisation.

Though the holistic approach (Burke, 1980) found in the open systems perspective has attracted much academic attention, it also is characterised by some short-comings. Butler (1985, p345), states that whilst it may be hailed as a major step forward in the understanding of organisational change, in organisations the 'social systems are extremely dynamic and complex entities that often defy descriptions and analysis'. Thus, it is easy to get lost in attempting to work out all the cause and effect relationships. In agreement, Beach (1980, p138) states that open systems theory does not constitute a coherent theory, and instead suggests that managers and leaders must move to more concrete and operationally useful practices. However, despite these criticisms, the level of support for this theory is strong from influential theorists such as Burns and Stalker (1961) and Lawrence and Lorsch (1967).

### 1.5 Models of Organisational Change

Many authors consider that organisations are changing at an increasing rate and in a more fundamental way than ever before (Kanter *et al*, 1997; Kotter, 1996; Peters, 1997a). However, in order to identify the main models of organisational change and their role in deciding on the appropriateness of particular approaches to organisational change, it is essential to examine current models of change.



The *incremental model* of change is seen as a process whereby individual parts of an organisation deal incrementally and separately with one problem and one goal at a time. When managers respond to pressures in their local internal and external environments in this way, over time, organisations become transformed. This model stems from the work of Lindblom (1959) and Cyert and March (1963), and was further developed by Hedberg *et al* (1976) and especially Quinn (1980b). Quinn (1980b, p54) argues that strategic change is best viewed as ‘muddling through with purpose, using a continuous evolving and consensus building approach’. Pettigrew *et al* (1992, p14) add that ‘the received wisdom, therefore, is that change will take place through successive, limited and negotiated shifts’. Whilst this approach has been pre-eminent in Japanese companies in fiercely competitive positions (Hamel and Prahalad, 1989), Dunphy and Stace (1992) also advocated this approach for Western companies by arguing for a form of managed incrementalism which avoids both the stagnation engendered by fine-tuning and the brutality associated with rapid corporate transformations. However, as Mintzberg (1978) argues, though organisations do go through periods of incremental change, these are often interspersed with brief periods of rapid and revolutionary change. Handy (1989) adds that, given the increasing turbulence of the business environment, it is now the periods of stability which are brief and the revolutionary change periods which are long.

The *punctuated equilibrium model* of organisational transformation ‘...depicts organisations as evolving through relatively long periods of stability (equilibrium periods) in their basic patterns of activity that are punctuated by relatively short bursts of fundamental change (revolutionary periods). Revolutionary periods substantively disrupt established activity patterns and install the basis for new equilibrium periods’ (Romanelli and Tushman, 1994, p1141). Whilst this model considers the movement of organisations through periods of stability and instability, some authors reject both the theories of punctuated and incrementalist change as little research has explored the validity of the claims which the basic models make concerning the reality of the periods of change which an organisation moves through (Brown and Eisenhardt, 1997).

The *continuous transformation model* of change puts forward the argument that, in order to survive, organisations must develop the ability to change continuously. This means the adoption of strategies which continuously reinvent the organisation and its products or services to satisfy consumer markets. Brown and Eisenhardt (1997, p1) maintain that the ability to change rapidly and continuously is not only a core competence (Prahalad and Hamel, 1990), but is also at the heart of organisational culture. Thus, change becomes an integral part of the way in which organisations compete rather than a rare periodic initiative as described by previous models. This model has two main adherents, namely the culture-excellence school (Peters, 1997a, b; Kanter *et al*, 1997) and those who seek to apply chaos theory to organisation theory (Stacey, 1993). However, it must be acknowledged that, although popular concepts, there is little strong evidence in their support. When defining the concept of continuous change there is confusion over whether it is fast incremental change or frequent punctuated change. Brown and Eisenhardt (1997, p28) state that continuous change systems ‘stay constantly poised between order and disorder’ and are prolific and complex in nature. The organisation, therefore, never falls into a stable equilibrium, but does not fall apart.

Burnes (2000, p304) summarises the key approaches to organisational change and provides a useful model which shows the contrasting varieties of change (Table 1.1):

Table 1.1: Varieties of Change

	<b>Incremental</b>	<b>Punctuated</b>	<b>Continuous</b>
<b>Individuals</b>	Learning	Promotion	Career Development
<b>Groups</b>	Kaizen	Team Building	Changes in Composition and Tasks
<b>Systems</b>	Fine Tuning	BPR	Culture

(Source: Burnes, 2000, p304)

This approach covers the main change models and their associated practices as well as those who are affected by particular change models. However, it is clear that there are other types, models and forms of change which expand on, cut across, or are not

included in the matrix. Senior (1997), drawing on the work of Grundy (1993), identifies three categories of change: smooth incremental change which covers the slow, systematic and evolutionary change; bumpy incremental change which covers organisational periods in which the smooth flow of change accelerates; and discontinuous change which is similar to the punctuated equilibrium model.

In considering the difficulty of concluding the pre-eminence of one model over the others, it is important to consider the concept of *organisational life cycles* (Kimberley and Miles, 1980). Pettigrew *et al* (1992, p23) state that 'in the most schematic form of the [organisational life cycle] model, birth, early development, maturity, decline and death can all be seen as distinct organisational changes which may be characterised by different organisational processes'. In addition, it is also a realistic assumption to assert that in the organisational population there will be different rates of change due to internal (cultural) and external (industry/business) factors, and as such different models of change will be observed. Therefore, it is important to note that as organisational environments and life cycles change, so do practitioner and researcher perceptions and as such there may be competing perceptions of reality or versions of events. Therefore, there exists no absolute truth as interpretations of organisation will undoubtedly vary according to the interpreter (Hassard, 1993; Hatch, 1997). However, these models of change should not be dismissed, as they provide value in creating awareness of the broad range of change situations which organisations experience and the need to judge approaches to change management according to their organisational appropriateness.

### 1.6 Managerial Approaches to Organisational Change

This section takes a critical view of those approaches which management may utilise to lead the organisational change process taking particular interest in the 'planned' and 'emergent' approaches to change management.



### 1.6.1 The Planned Change Approach

Lewin (1947) first introduced the term 'planned change' to distinguish change that was consciously embarked upon and planned by an organisation. The three step model of change, developed by Lewin (1947, p228-9), proffered that successful change involves three main steps: *unfreezing* the present level, *moving* to a new level and *refreezing* the new level. This recognises that before new behaviour can be successfully adopted, the old has to be discarded. Central to this approach is the belief that the will or commitment level of the change adopter (the subject of the change) is important, both in discarding the old and in moving to the new. This once again stresses the importance of 'felt-need' in individuals and groups in the organisational context.

*Unfreezing* usually involves reducing the forces maintaining the organisation's behaviour at its present level. According to Rubin (1967), *unfreezing* requires some form of confrontation meeting or re-education processes for those involved. This might be achieved through the use of team-building or some other form of management development, in which the problem to be solved (changed) is analysed, or data is presented, to show that a serious problem exists (Bowers *et al*, 1975). *Moving* involves taking action to move to a more desirable organisational state. This process requires developing and sustaining new behaviours, values and attitudes through changes in organisational structures and processes. This may happen if only behavioural commitment is secured in the organisation. *Refreezing* is the final step and seeks to stabilise the organisation at a new state of equilibrium through the use of supporting mechanisms that positively reinforce the new ways of working; these include socialisation processes, such as recruitment and induction, reward systems, and cultural reinforcement through the creation of new norms of behaviour (Cummings and Huse, 1989).

The three step model provides a general framework for understanding the process of organisational change. However, the three steps are relatively broad and, for this reason,



have been subsequently developed by organisational development practitioners in an attempt to enhance the practical value of this approach to change.

According to French and Bell (1995), organisational development is a unique organisational improvement strategy which has evolved into an integrated framework of theories and practices which provide solutions to problems facing the human side of organisations. French and Bell (1995, p1-2) define organisational development as being ‘...about people and organisations and people in organisations and how they function...[and] getting individuals, teams and organisations to function better’. Thus, planned change can be described as a systematic and goal-orientated approach which requires knowledge about organisation dynamics and how to go about changing them.

Organisational development is underpinned by a set of values, assumptions and ethics which place a focus on humanistic orientation and a commitment to organisational effectiveness. These values have been articulated by many writers (Conner, 1977; Gellerman *et al*, 1990; Warwick and Thompson, 1980). One of the most prominent attempts to define organisational development values is that of French and Bell (1973) who proposed four key values:

- The belief that the needs and aspirations of human beings provide the prime reasons for the existence of organisations within society.
- The belief that organisational prioritisation is a legitimate part of organisational culture.
- Commitment to increased organisational effectiveness.
- The democratisation of organisation through power equalisation.

In the application of these key values, Hurley *et al* (1992) suggest that there are five clear values that developing organisations espouse: empowering employees to act; creating openness in communications; facilitating ownership of the change process and its outcomes; the promotion of a culture of collaboration; and the promotion of

continuous learning. Thus, it is clear that organisational development shares some common concepts with, and sits alongside, the human relations movement (McGregor, 1967).

Within the field of organisational development there are a number of theorists and practitioners who have contributed their own models and techniques to its advancement (Argyris, 1962; Beckhard, 1969; Blake and Mouton, 1976; French and Bell; 1973). In particular, Lewin (1943b) believed that the individual and the group in an organisation are interdependent and their interrelationship causes the forces which maintain or change the status quo of the organisation.

French and Bell (1995) and Cummings and Worley (1997) note that in recent years there has been a major shift of focus within the organisational development field from the group to the organisation setting and beyond. This organisation-wide perspective has caused organisational development practitioners to broaden out their perspective in two interrelated ways. First, they have developed an interest in '*managing*' organisational culture. When working with groups, organisational development consultants recognise the importance of group norms and values, it is a natural progression to translate that into an interest in organisational culture. Second, they have developed an interest in the concept of organisational learning. Once again, as derived from Lewin's work, organisational development practitioners tend to stress that their interventions are as much about learning as change. Therefore, it is a natural extension to move from group learning to organisational learning. However, in both cases, these developments have tended to reflect a general interest in such issues by organisations and academics rather than necessarily being generated by the organisational development profession itself. The increasing use of organisation-wide approaches to change (e.g. culture change programmes), coupled with the increasing turbulence in the external environment, have drawn attention to the need to transform organisations in their totality rather than focusing on changes to their constituent parts.

Therefore, as has been seen, organisational development has attempted to move considerably away from its roots in group dynamics and planned change and now takes a far more organisation-wide and system-wide perspective on change. This has created something of a dilemma for proponents of organisational development. Whilst the group oriented approaches such as Action Research had become widely accepted practice in organisations in the 1980s, as well as the acceptance of newer approaches such as job design and self-managed work teams, the most recent transformational approaches which are seen as crucial to maintaining organisational development's relevance for organisations are less clear, less well-developed and less accepted (Cummings and Worley, 1997; French and Bell, 1995). In addition, the more that organisational development focuses on macro issues, the less it can keep in touch with and involve all the individuals affected by change and to promote its core humanist and democratic values.

Many writers have also attempted to elaborate on Lewin's (1947a) three step model. Lippitt *et al* (1958) developed a seven phase model of planned change, whilst Cummings and Huse (1989) produced an eight-phase model. However, as Cummings and Huse (1989, p51) point out, in order to understand planned change it is not sufficient merely to understand the processes that bring about change. There must also be an appreciation of the states that an organisation must pass through in order to move from the present state to a desired future state. Bullock and Batten (1985) developed an integrated, four-phase model of planned change. This model describes planned change in terms of two major dimensions: *change phases* which are distinct stages an organisation moves through as it undertakes planned change; and *change processes* which are methods used to move an organisation from one state to another. Bullock and Batten (1985) identify four change phases which have attendant change processes. The change processes involved in this model reinforce new behaviours through feedback and reward systems and gradually decreasing reliance on the manager; diffusing the successful aspects of the change process throughout the organisation; and training



managers and employees to monitor the changes constantly and to seek to improve upon them.

According to Cummings and Huse (1989), this model has broad applicability to most change situations. It clearly incorporates the key aspects of other change models and overcomes any confusion between the processes or methods of change and the phases of change or the sequential states which organisations go through to achieve success. The focus of Bullock and Batten's (1985) model, just as with Lewin's, is change at individual and group level. However, it is recognised that 'Organisations are being reinvented; work tasks are being reengineered; the rules of the marketplace are being rewritten; the fundamental nature of the organisation is changing' (French and Bell, 1995, p3-4).

The movement away from the initial principles of those early organisational development models where those who are adopting change have the opportunity to reason out their situation and develop their own solutions (Bigge, 1982), has meant a move towards the behaviourist direction. French and Bell (1995, pp351) noted that from the 1980s onwards, there has been a growing tendency for top managers to focus less on people-orientated values and more on 'the bottom line and/ or the price of stock...[consequently] some executives have a 'slash and burn' mentality'. This tendency is clearly not conducive to the promotion of the core democratic and humanistic values of organisational development. Thus the role of the manager becomes not only to facilitate, but to provide solutions. The danger in this context is that the change adopter (the learner) becomes a passive recipient of external and supposedly objective data and is directed to the 'correct' solution. Thus, reason and choice do not enter the change situation; instead those involved are shown the solution and motivated through the application of positive reinforcement, to adopt it on a permanent basis, i.e. through behavioural commitment (Skinner, 1974). Supporters of organisational development, such as Cummings and Worley (1997), testify to the increased confusion and the erosion of key values evident in the newer, organisation-wide transformational approaches set in a hostile business environment.

Wooten and White (1999, p8) observe that, 'Much of the existing organisational development technology was developed specifically for, and in response to, top-down, autocratic, rigid, rule-based organisations operating in a somewhat predictable and controlled environment'. Arising from this is the assumption that, as Cummings and Huse (1989, p51) point out, 'an organisation exists in different stages at different times and that planned movement can occur from one state to another'. However, an increasing number of writers argue that, in the turbulent and chaotic world in which we live, such assumptions are increasingly tenuous and that organisational change is a continuous and open-ended process rather than a set of discrete and self-contained events (Garvin, 1993; Nonaka, 1988; Peters, 1989; Stacey, 1993). Secondly, a number of writers have also criticised the planned approach for its focus on incremental and isolated change and its inability to incorporate radical, transformational change (Dunphy and Stace, 1993; Harris, 1985; Miller and Friesen, 1984; Schein, 1985b).

Thirdly, planned change is also based on the assumption that, in practice, common agreement can be reached on the subject of organisational change and that all parties involved in a particular change project will have willingness and interest in doing so. This assumption clearly ignores organisational conflict and politics, or at least assumes that issues can be easily identified and resolved. In addition, as Stace and Dunphy (1994) have shown, there is a wide spectrum of change situations, ranging from fine-tuning to corporate transformation, and a plethora of methods of managing these, ranging from collaborative to coercive. Though planned change may be suitable to some of these situations, it is much less applicable to situations where more directive approaches may be required, such as when crises, requiring rapid change, does not allow scope for widespread involvement or consultation. Fourthly, there is an assumption in organisational development theory that one type of approach to change is suitable for all organisations, all situations and all times. On the other hand, Dunphy and Stace (1993, p905) argue that, 'turbulent times demand different responses in varied circumstances. So managers and consultants need a model of change that is essentially 'situational' or 'contingency', one that indicates how to vary change strategies to achieve 'optimum fit'

with the changing environment'. Therefore, it can be concluded that planned change is more appropriate to incremental change than to transformational change, whether it be punctuated or continuous. Planned change can also be applicable to the individual and group context, but seems less appropriate to organisational system-wide change. Thus, it must be recognised that planned change is not intended to be applicable to all change situations, but particularly situations where rapid, coercive and/or wholesale change is required.

### 1.6.2 The Emergent Change Approach

The emergent approach to change begins from the assumption that change is a continuous, open-ended and unpredictable process of aligning and re-aligning an organisation to its changing environment. Those who advocate its practice argue that it is more suitable to the turbulent environment in which modern firms now operate because, unlike planned change, it recognises that it is vital for organisations to adapt their internal practices and behaviour to changing external conditions (Dawson, 1994; Wilson, 1992). Emergent change also acknowledges the importance of political processes whereby different groups in an organisation struggle to protect or enhance their own interests.

Dawson (1994) and Wilson (1992) both challenge the appropriateness of planned change in an increasingly dynamic and uncertain business environment. They argue that those who believe that organisational change can be achieved through pre-planned and centrally directed processes (Lewin, 1947) ignore the complex and dynamic nature of environmental change processes and do not address crucial issues such as the need for employee flexibility (Guest, 1987; Atkinson, 1984) and continuous structural adaptation (Hatch, 1997; Kotter, 1996). Wilson (1992) also believes that the planned approach, by attempting to lay down prescribed timetables, objectives and methods, is too heavily reliant on the role of managers. The assumption being that managers have a full understanding of the consequences of their actions and that their plans will be understood, accepted and implemented. Buchanan and Storey (1997, p127) agree that



the main criticism of those who advocate planned change is ‘...their attempt to impose an order and linear sequence to processes that are in reality messy and untidy, and which unfold in an iterative fashion with much backtracking and omission’.

Pettigrew (1990a) also argues that the planned approach to change, as exemplified by the organisational development movement, is too prescriptive and does not pay enough attention to the need to analyse and conceptualise organisational change. In particular, Pettigrew places emphasis on the interconnectedness of change over time, and how the context of change shapes and is shaped by action and the multi-causal and non-linear nature of change. From this perspective, Pettigrew (1987) suggests that change must be studied across different levels of analysis and different time periods because organisational change cuts across functions, spans hierarchical divisions, and has no neat starting or finishing point. Instead, change is a ‘complex analytical, political, and cultural process of challenging and changing the core beliefs, structure and strategy of the firm’ (Pettigrew, 1987, p650).

In terms of the change processes associated with the emergent approach, Dawson (1994) sees change as a period of organisational transition characterised by disruption, confusion and unforeseen events that emerge over long time-frames. Genus (1998, p51) utilises an ‘interpretative’ perspective to explain the messy characteristics of organisational change and argues that the ‘...various political, symbolic and structural factors [involved in the change process] condition the perceptions of individuals or groups...’. Finstad's (1998) view of organisational change, although consistent with the perspectives of Dawson (1994) and Genus (1998), does however draw an important distinction between the concrete elements of change, such as structures and practices, and the more symbolic elements, such as people's basic understandings and assumptions about their organisations. He observes that it is the symbolic perspectives which dominate the change process rather than the more concrete changes. The importance of symbolism and ritual in the change process is further highlighted by Schuyt and Schuijt (1998), who argue that the management of these intangibles is not only central to



achieving successful change, but also plays a crucial role in reducing the uncertainty which change generates.

The complexities and multifaceted nature of change drew Clarke (1994) to suggest that the mastering of change is not a specialist activity to be 'facilitated' or 'driven' by an expert, but is instead an increasingly important part of every manager's role. McCalman and Paton (1992) state that in order to be effective in creating sustainable change, managers must have an extensive and systematic understanding of their organisation's environment. This enables them to identify the pressures for change and should ensure that by mobilising internal resources, their organisation responds in a timely and appropriate manner. Dawson (1994) also claims that change must be linked to developments in markets, work organisation, systems of management control and the shifting nature of organisational boundaries and relationships. He emphasises that, in today's business environment, one-dimensional change interventions are likely to generate only short-term results and heighten instability rather than reduce it (Genus, 1998; Hartley *et al*, 1997; Senior, 1997).

Emergent change is also characterised by a contingency perspective, i.e. the implicit assumption that if organisations operated in more stable and predictable environments, the need for change would be less and it might be possible to conceive of change as a process of moving from one relatively stable organisational state to another. Consequently, for those proponents of emergent change it is the uncertainty of the environment which makes planned change inappropriate and emergent change more pertinent. From a systems perspective, Strickland (1998, p76) raises question over the extent to which the environment drives changes within the system, i.e. organisation, and the extent to which the system is in control of its own change processes. Finstad (1998, p721) widens the context of this issue further by arguing that '...the organisation is...the creator of its environment and the environment is the creator of the organisation'. Thus, there may be an element of mutuality present in the organisation-environment relationship. This reciprocal relationship between the organisation and its environment

clearly has profound implications for the way in which organisations conceptualise and manage change. It also shows that a key competence for organisations is the ability to analyse the external environment in order to identify and assess the impact of trends and discontinuities (McCalman and Paton, 1992).

In order to cope with this high level of uncertainty and complexity, Pettigrew and Whipp (1993) believe that organisations must become 'open learning systems', with strategy development and change emerging from the way the company in its entirety acquires, interprets and processes information about its environment. Clarke (1994) takes a similar view by arguing that an organisation's survival and growth depend on identifying environmental and market changes quickly, and responding opportunistically. However, as Benjamin and Mabey (1993, p181) point out that '...while the primary stimulus for change remains with those forces in the external environment, the primary motivator for how change is accomplished resides with the people within the organisation'. Changes in the external environment, therefore, require appropriate responses within the internal aspects of organisation. Such responses, should promote extensive and deep understanding of strategy, structure, systems, people, style and culture, and how these can function either as sources of inertia that can block change, or alternatively as levers to encourage an effective change process (Dawson, 1994; Pettigrew and Whipp, 1993; Wilson, 1992).

One of the major developments in this respect is to adopt a 'bottom-up' approach rather than a 'top-down' approach to the initiation and implementation of change. The rationale for this approach is based on the belief that the pace of environmental change is so rapid and complex that it is impossible for a small number of senior managers to identify, plan and implement the necessary organisational responses. Therefore, the responsibility for organisational change becomes more devolved out of necessity for success, particularly by those who advocate contingency theory. However, it is important to recognise that the necessity for a bottom-up approach has not arisen purely from the effect of external pressures. Strickland (1998, p93) reminds readers that organisations are continually

experiencing 'natural changes', i.e. the unintended consequences of deliberate decisions and actions: 'Within any organisation at any given point in time there are a number of continual shifts and changes playing out at various levels. These are not planned changes with a defined beginning and end, but rather reflect the natural dynamics which take place internally'. Such situations may present organisations with unexpected opportunities, such as new product or service ideas, but may also introduce unwelcome threats, such as high staff turnover. When such changes continually happen at all levels and across all functions, organisations could quickly become paralysed where senior managers bear the sole responsibility for identifying and solving them. This in itself is case for issues which arise in organisations to be effectively identified and solved at the local level. As Mintzberg (1994) suggests, it is from these bottom-up actions that the direction of the organisation emerges and is given shape.

Therefore, the use of a bottom-up approach requires a major change in the role of senior managers. Instead of controlling employees, their role becomes one of empowering employees. And instead of directing and controlling change they must ensure that the organisation's members are receptive and have the necessary skills and motivation to take charge of the change process through early involvement, genuine consultation, both on a group and individual and formal and informal basis (Kanter *et al*, 1992; Senior, 1997). Wilson (1992) believes that to achieve this, senior managers must not only change the way they perceive and interpret the world, but also achieve a similar transformation amongst everyone else in the organisation. It is suggested that the degree to which managers can achieve such a difficult task and create an effective climate for change is dependent on four key conditioning factors (Pettigrew and Whipp, 1993):

- the extent to which key players in the organisation are prepared to champion open methods for gathering, assessing and disseminating organisational information;
- the degree to which information is integrated with central business operations;
- the extent to which environmental pressures are recognised; and
- the structural and cultural characteristics of the organisation.



Although the proponents of the emergent approach eschew the concept of universally applicable rules for successful change, they do provide guidance in terms of key organisational features which either promote or obstruct success in change, such as structures, cultures, learning, managerial behaviour and power and politics. Organisational structure has been seen as playing a crucial role in determining where power lies, in defining how individuals relate to each other and in influencing the momentum for change (Clarke, 1994; Dawson, 1994; Hatch, 1997; Kotter, 1996). Therefore, an appropriate organisational structure may be an important lever for achieving change, however its effectiveness is dependent upon the recognition of its informal as well as its formal aspects. The rationale for the development of more appropriate organisational structures which facilitate successful change evolves from the arguments put forward by the contingency theorists and the culture-excellence school. Thus, there has been an increased focus on the adoption of flexible and less hierarchical structures because of the dynamic and turbulent business environment in which organisations exist. Those who favour the emergent approach point out that the 1990s witnessed a move to create flatter organisational structures in order to increase responsiveness by developing authority and responsibility (Senior, 1997). Kotter (1996, p169) states that the case for such structural change is that, 'an organisation with more delegation, which means a flat hierarchy, is in a far superior position to manoeuvre than one with a big, change-resistant lump in the middle'. One aspect behind these changes is the move towards customer-centred organisations with structures which reflect, and are responsive to, different markets rather than different functions. In practice, customer responsiveness places greater emphasis on effective horizontal and integrative processes and embodies the concept that everyone is someone else's customer.

One result of attempts to respond rapidly to changing conditions by breaking down internal and external barriers, disseminating knowledge and developing synergy across functions is the creation of network organisations or as Handy (1989) calls them 'federal organisations'. Snow *et al* (1993) suggested that the semi-autonomous nature of each part of the network reduces the need for the power so characteristic of centrally managed

bureaucracies, which in turn leads to change and adaptation being driven from the bottom up rather than from the top down. They also argue that the specialisation and flexibility required to cope with globalisation, intense competition and rapid technological change can only be achieved by loosening central ties and controls which have characterised organisations in the past (Genus, 1998; Kanter *et al*, 1997; Kotter, 1996). However, whether all organisations must adopt such structural changes to survive in the business environment remains open to question. The premise that they will have to is based on the assumption that all organisations face similar levels of environmental turbulence and cannot take any action except to adapt their internal systems to external conditions. However, environmental stability is never uniform, but varies from industry to industry and organisation to organisation. In addition, even where instability is present, organisations may choose to take action to reduce it rather than adapt to it. Finally, there are a range of internal arrangements which are compatible with external turbulence of which flattened hierarchies are only one option.

An essential component of the emergent change approach is that organisations possess, or are able to develop, an appropriate organisational culture. Johnson (1993, p64) suggested that the management of change is 'essentially a cultural and cognitive phenomenon', rather than an analytical, rational exercise. Clarke (1994) agrees that the essence of sustainable change is to understand the culture of the organisation that is to be changed. If proposed changes contradict cultural biases and traditions, it is inevitable that they will be difficult to embed in the organisation. Kotter (1996) takes a similar view, arguing that for change to be successful it must be anchored in the organisation's culture. Dawson's (1994) work echoes a similar theme. He suggests that attempts to realign internal behaviours with external conditions require change strategies that are culturally sensitive. He also points out that organisations must be aware that the process is lengthy, potentially dangerous, and demands considerable reinforcement if cultural change is to be sustained against the inevitable tendency to revert back to old behaviours. Clarke (1994) also agrees that change can be slow, especially where mechanisms which reinforce old or inappropriate behaviour, such as reward, recruitment

and promotion structures, continue unchallenged. In addition, if managerial behaviour complements these reinforcement mechanisms then risk aversion and fear of failure will not promote a climate where organisational members are willing to propose or undertake change. Thus, as Clarke (1994, p94) concludes, 'Creating a culture for change means that change has to be part of the way we do things around here, it cannot be bolted on as an extra'.

However, Senior (1997) notes that there are those who take an opposing view. Beer *et al* (1993), for example, suggest that the most effective way to promote change is not by directly attempting to influence organisational behaviour or culture. Instead, they advocate restructuring organisations in order to place people in a new organisational context which imposes new roles, relationships and responsibilities upon them. This, they suggest, 'forces' new attitudes and behaviours on individuals. This view, is also shared by Peters (1993) who advocates rapid and complete deconstruction of existing hierarchical organisational structures as a precursor to behavioural change. Wilson (1992, p91) sums up the difficulties and scepticism of culture as a promoter of change by stating that '... to effect change in an organisation simply by attempting to change its culture assumes an unwanted linear connection between something called organisational culture and performance. Not only is this concept of organisational culture multi-faceted, it is also not always clear precisely how culture and change are related, if at all, and if so, in which direction'.

Organisational learning also plays a key role in the emergent approach to change. Learning prepares individuals for, and allows them to cope with, change. However, a willingness to change often only stems from the feeling that for organisational members there is no other option (Pettigrew *et al*, 1992). Thus, as Wilson (1992) suggests, change can be precipitated by making impending crises real to everyone in the organisation or encouraging dissatisfaction with current systems or practices. The latter is seen as being best achieved through the creation of mechanisms which allow staff to become familiar with, for example, the marketplace, customers, competitors, legal requirements, in order



to recognise the pressures for change. Clarke (1994) and Nadler (1993) suggested that individual and organisational learning stem from effective top-down communication and the promotion of self-development and confidence. In turn, this encourages the commitment to, and shared ownership of, the organisation's vision, actions, and decisions that are necessary to respond to the external environment and take advantage of the opportunities it offers. In addition, Pugh (1993) points out that in order to generate the need and climate for change, people within organisations must be involved in the diagnosis of problems and the development of solutions. Carnall (1990) took this argument further by maintaining that organisational effectiveness can only be achieved and sustained through learning from the experience of change. Clarke (1994, p156) believes that involving staff in change management decisions has the effect of 'stimulating habits of criticism and open debate' which enables them to challenge existing norms and question established practices. This creates the opportunity for innovation and radical change. Such questioning of the status quo could be argued to be fundamental to bottom-up change (Benjamin and Mabey, 1993).

As employee's learning becomes more valued and visible within a company, then rather than managers putting pressure on staff to change, the reverse occurs. Thus, the new openness and knowledge of staff puts pressure on managers to address fundamental questions about the purpose and direction of the organisation which previously they may have avoided. Pettigrew and Whipp (1993, p18) also suggest that 'collective learning' is one of the main preconditions for sustainable change. They argue that 'collective learning' ensures that the full implications of an organisation's view of its environment can then inform subsequent actions over the long-term and, in turn, the way in which future shifts in the environment are tackled. However, as Easterby-Smith (1997) and Tsang (1997) note, organisational learning is a somewhat imprecise and elusive concept which appears to vary from one author to another. The result of the diversity of opinion which exists may therefore make organisational learning a more difficult concept to apply than its proponents acknowledge.

Whilst the traditional view of organisations sees managers as directing and controlling staff, information and resources, the emergent approach to change requires a radical change in managerial behaviour (Kanter *et al*, 1997; Kotter, 1996; Peters, 1997a). Managers are expected to operate as leaders, facilitators and coaches who, although their ability to span hierarchical, functional and organisational boundaries, can bring together and motivate teams and groups to identify the need for, and achieve, change (Mabey and Mayon-White, 1993). In order to be effective in this role, Clarke (1994) believes that managers will require knowledge of, and expertise in, strategy formulation, human resource management, marketing and sales, and negotiation and conflict resolution. However, the key to success which is a decisive factor in creating a focused agenda for organisational change is the manager's behaviour (Clarke, 1994).

In a situation where an organisation experiences change from the familiar to the unknown, it is essential that managers are able to tolerate risk and cope with ambiguity. Pugh (1993) takes the view that, in a dynamic environment, open and active communication with those participating in the change process is the key to coping with risk and ambiguity. An organisation's ability to gather, disseminate, analyse and discuss information is crucial for successful change, from the perspective of the emergent approach. The rationale for this focus on information and communication is that to effect change successfully, organisations need consciously and proactively to move forward incrementally (Wilson, 1992). Large-scale change and more formal and integrated approaches to change (for example, Total Quality Management) can quickly lose their sense of purpose and relevance for organisations operating in dynamic and uncertain environments. However, if organisations move towards their strategic vision by means of many small scale, localised incremental changes, managers must ensure that those concerned, which may include the entire workforce, have access to and are able to act on all the available information. In addition, by encouraging collective pooling of knowledge and information in this way, a better understanding of the pressures of, and possibilities for, change can be achieved, which should enable

managers to improve the quality of strategic decisions (Boddy and Buchannan, 1992; Quinn, 1993).

Managers must also recognise and be able to cope with resistance to, and political intervention in, change. They will, in particular, need to acquire and develop a range of interpersonal skills that enable them to deal with individuals and groups who seek to block or manipulate change for their own benefit (Boddy and Buchannan, 1992). The positive actions of supporting openness, reducing uncertainty, and encouraging experimentation can be powerful mechanisms for supporting change and reducing resistance (Mabey and Mayon-White, 1993). From this point of view, Coghlan (1993) and McCalman and Paton (1992) advocate the use of organisation development tools and practices (i.e. transactional analysis, teamwork, group problem-solving, role-playing and so on) which have long been utilised in planned change programmes. However, it is clear that there are a plethora of potentially confusing numbers of these tools, hence Mabey and Mayon-White (1993) and Buchannan and Boddy (1992) argue that managers play a crucial role in identifying and applying the most appropriate ones. The main objective in deploying such tools and techniques is to encourage shared learning through teamwork and co-operation. This approach provides the framework and support for the emergence of creative and innovative solutions and encourages a sense of involvement, commitment and ownership of the change process (Carnall, 1990; Kanter *et al*, 1997; McCalman and Paton, 1992; Peters, 1997a).

However, it would be naïve to make the assumption that each individual organisational member wants to work, or be able to function effectively, in organisational change situations. The cognitive and behavioural change necessary for organisational survival may be too large for many organisational members, including managers. Therefore, an important managerial task will be to identify sources of inertia, assess the skill mix within their organisation and most of all to consider whether their own managerial attitudes and styles are appropriate.



However, the way in which managers cope with resistance to emergent change may be criticised. Whittington (1993, p130) comments that 'The danger of the purely 'learning' approach to change, therefore, is that...managers [and others] may actually recognise the need for change, yet still refuse to *learn* because they understand perfectly well the implications for their power and status. Resistance to change may not be 'stupid'...but based on a very shrewd appreciation of the personal consequences'. A variant of this criticism lies in the impact of organisational success on managerial learning. Miller (1993, p119) perceives that managers generally start out by attempting to learn all they could about their organisation's environment, but over time, as they gain experience, they form definite opinions of what works and why and, as a consequence, tend to limit their search for new information and knowledge. So experience, especially where it is based on success, may be a barrier to learning in that it shapes the cognitive structures by which managers, and other employees, view and interpret the world (Nystrom and Starbuck, 1984).

Those who advocate the emergent approach to change view the effective management of power and politics as key. Dawson (1994, p176) concluded that 'The central argument is that it is important to try and gain the support of senior management, local management, supervisors, trade unions and workplace employees'. Pettigrew *et al* (1992, p293) also state that 'The significance of political language at the front end of change processes needs emphasising. Closures can be labelled as redevelopments. Problems can be recoded into opportunities with...broad positive visions being articulated to build early coalitions'. Kanter *et al* (1992, p508) and Nadler (1993) also argue that the first step to implementing change is coalition-building, so that power centres develop which are supportive of change. Senior (1997) draws on the work of Nadler (1988) by proposing four steps which organisations need to take to manage the political dynamics of change:

Step 1: Ensure or develop the support of key power groups.

Step 2: Use leader behaviour to generate support for the proposed change.

Step 3: Use symbols and language to encourage and show support for the change.

Step 4: Build in stability by using power to ensure that some things remain the same.

It is important to recognise that power and politics are linked with areas previously discussed such as culture, managerial behaviour and organisational environment (Hendry, 1996; Pugh, 1993). Carnall (1995, p129) proposes a model of the political skills which may be utilised to manage change (Table 1.2).

Table 1.2: Political Skills and the Management of Change

<b>Resources</b>	<b>Process</b>	<b>Form</b>
<b>Formal authority</b>	Negotiation	Politics
<b>Control of resources</b>	Influencing	Budgets
<b>Control of information</b>	Mobilising support	Careers
<b>Control of agenda</b>	Mobilising bias	Succession
<b>Control of access symbols</b>	Use of emotion	Information
	Ceremony and rituals	Organisational structures
	Professional 'mystery'	appraisal

Carnall (1995) argues that an individual need not possess the whole package of skills, but instead those managing change must gain the support of those who do.

The focus on the political and cultural aspects of emergent change has met some criticism. Whilst the approach does highlight neglected areas and provide a valuable contribution to the understanding of change, Hendry (1996, p621) argues that 'The management of change has become...over-focused on the political aspects of change'. Collins (1998, p100) also takes the view that, '...in reacting to the problems and critiques of [the planned approach], managers and practitioners have swung from a dependence on under-socialised models and explanations of change and instead have become committed to the argument of, what might be called, over-socialised models of change'.

According to Pettigrew and Whipp (1993, p6) there are no universal rules for leading emergent change, however, it does involve 'linking action by people at all levels of the

business'. This vagueness has not prevented the proffering of a myriad of prescriptions suggesting sequences of action for organisational change. A key example is that of Pettigrew and Whipp (1993) who propose a model for successfully managing strategic and operational change which involves five key interrelated factors: environmental assessment; leading change; linking strategic and operational change; identifying human resources as assets and liabilities; and coherence of strategic purpose.

Dawson (1994), likewise, produced a more detailed model of change which encompasses 15 key guidelines drawn from a processual analysis of managing organisational transitions. These guidelines range from the need to maintain an overview of the dynamics and long-term process of change to the need to take a total organisational approach to managing transitions. In doing this, Dawson also highlights the rationale for understanding and communicating the context and objectives of change, and ensuring managerial and employee commitment. The complex and long-term nature of change is also emphasised by Wilson (1992, p122) who suggests that individual skills are important, but should be considered in an integrated fashion within the context of the organisation and the wider factors of strategic change.

Kanter *et al* (1992, pp382-83) suggest the 'Ten Commandments for Executing Change' and further suggest that two approaches to change may be used in their practice; 'bold strokes' and 'long marches'. The 'bold strokes' relate to major strategic decisions or economic initiatives, usually of a structural or technological nature. These, they argue, can have a clear and rapid impact upon the organisation, but they rarely lead to any long-term change in habits or culture because they are usually made by managers or directors. The 'long march' approach takes the opposing position and favours small-scale and operationally focused initiatives, each of which can be quickly implemented but whose full benefits are achieved in the long-term. However, this approach can, over the course of time, lead to a change of culture. Kanter *et al* (1992) maintain that bold strokes and long marches can be complimentary, although in practice it does seem that companies



do tend to favour either one approach or the other. Nevertheless, organisations may require both if they are to succeed in transforming themselves.

In agreement with Kanter *et al's* (1992) view of successful organisational transition, Kotter (1996) proffers eight key factors which cause transformation efforts to fail and a corresponding eight stage process for successful organisational transformation (Table 1.3).

Table 1.3: Kotter's (1996) Causes of Failures and Successes in Organisational Transformation

Key Errors	Key Solutions
Error 1: Allowing too much complacency.	Step 1: Establish a sense of urgency.
Error 2: Failing to create a sufficiently powerful guiding coalition.	Step 2: Create a guiding coalition.
Error 3: Underestimating the power of vision.	Step 3: Develop a vision and strategy.
Error 4: Under-communicating the vision by a factor of 10 (or even 100 or 1000).	Step 4: Communicating the change vision.
Error 5: Permitting obstacles to block the new vision.	Step 5: Empowering broad-based action.
Error 6: Failing to create short-term wins.	Step 6: Generating short-term wins.
Error 7: Declaring victory too soon.	Step 7: Consolidating gains and producing more change.
Error 8: Neglecting to anchor changes firmly in the corporate culture.	Step 8: Anchoring new approaches in the culture.

(Adapted from Kotter, 1996, p16)

Kotter (1996, p16) maintains that the consequences caused by these errors are that: new strategies are not implemented well; acquisitions don't achieve expected synergies; reengineering takes too long and costs too much; downsizing doesn't get costs under control; and quality programs don't deliver hoped for results. It is stressed by Kotter (1996, p23) that these eight stages are a prescriptive process and accordingly, 'successful change of any magnitude goes through all eight stages...skipping even a single step or getting too far ahead without a solid base almost always creates problems'.

## 1.7 A Framework for Change: Approaches and Choices

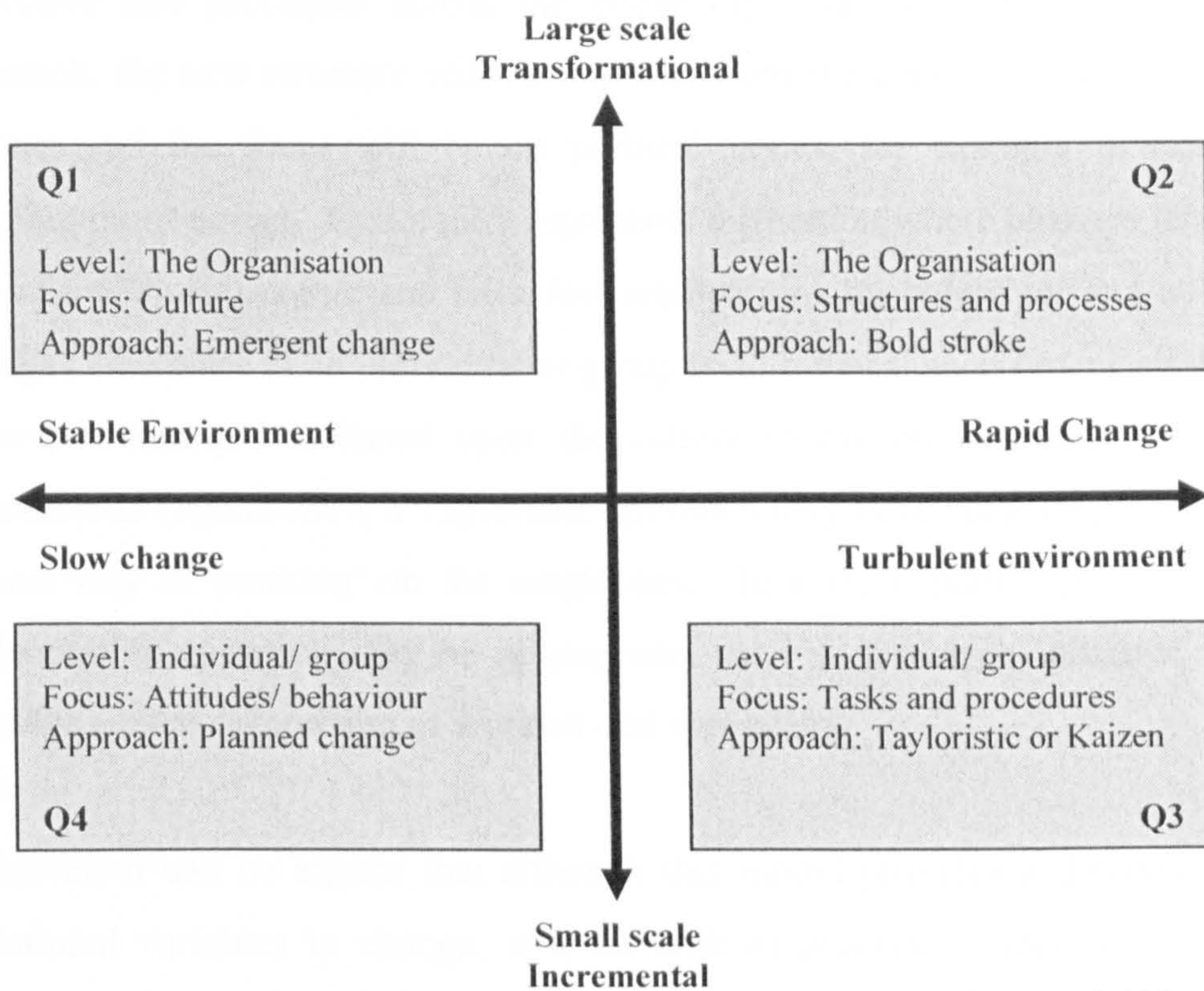
It is clear that neither the planned or emergent approach alone have the ability to cover the broad spectrum of change environments which organisations encounter (Strickland, 1998). In order to address this deficiency it is necessary to take an integrative approach which matches a range of potential organisational situations with the appropriate approaches to managing change.

Planned and emergent approaches tend to stress the collaborative and consultative approach to managing change. Dunphy and Stace (1992), however, identify four approaches to managing change based on the degree to which employees are involved in planning and executing change: collaborative, consultative, directive and coercive. They also argue that consultative and directive approaches tend to dominate, except where rapid organisational transformations are required, when coercive approaches are utilised. Kotter (1996) took a more integrative approach suggesting that the overall direction of change is decided by senior managers, but implementation is the responsibility of empowered managers and employees at all levels. However, Boddy and Buchannan (1992) believe that the way in which change is managed will be variable, depending on whether it is central or peripheral to the organisation's purpose. Davenport (1993) expands on these two issues by constructing a list of five main factors which influence how change will be managed: the scale of change; the level of uncertainty about the outcome; the breadth of change across the organisation; the magnitude of change in terms of attitudes and behaviour; and the timescale for implementation.

The variables which affect the choice of change strategy and the associated management of change are summarised by Burnes (2000). Burnes takes a holistic approach to change by proposing a framework for change which aims to capture the previously discussed approaches to changing situational variables. This model (Figure 1.1) contains four main quadrants, each of which has a distinct change focus.



Figure 1.1: A Framework for Change



(Burnes, 2000, p308)

The quadrants on the left-hand side identify situations where the primary focus is on cultural and attitudinal/behavioural change. As previously argued, these are likely to be achieved through a slow, participative approach, rather than a rapid and directive or coercive approach. For relatively small-scale initiatives whose main objective is performance improvement through attitudinal and behavioural change at the individual or group level, the planned approach, with its focus on collaboration and participation, is most likely to be appropriate. On the other hand, for those large-scale initiatives, whose main focus is cultural change at the level of the entire organisation or large parts of it, the emergent approach, which emphasises the collaborative and political dimensions of change, is likely to be appropriate. The right hand side of the model identifies situations where the primary focus is on achieving change in structures, processes, tasks and procedures.



Quadrant 2 relates to situations where the focus is on achieving major changes in structures and processes across the entire organisation. Thus, in a rapid change approach, the new structure will be imposed from the centre in a directive or coercive manner and the focus will be on political issues, for example in the distribution of power. Quadrant 3 represents a situation where changes tend to be small and of a technical nature and have few implications for behaviour and attitudes. Such changes take place at an individual or group level rather than at organisation level. How these are managed is based upon the culture of the organisation. In a traditional, bureaucratic organisation, a Tayloristic approach may have been adopted which imposes a 'best way of working' on the employees. In a more participative culture, a more collaborative approach may be appropriate, such as a Kaizen initiative which brings together a team comprising of workers and specialists.

However, it can be argued that although this model provides a detailed perception of situational variables in change, it is difficult in practice to identify situations which involve solely cultural changes or solely structural changes. Burnes (2000) argues that the real focus should always be on identifying the main focus of change. In contrast, Allaire and Firsirotu (1984) argue that there is a strong relationship between organisational structures and organisational cultures, and so change in one may require changes in the other. However, it should also be remembered that it may be easier to change organisational structures than organisational cultures (Davenport, 1993). Rapid change is only likely to be appropriate when the main change is a structural one where some level of consultation may be involved or where there is an organisational crisis and a directive and coercive change must be put into place (Burnes, 2000).

It is important to note that not all the change approaches exist alone, but instead may be used in combination. Mintzberg (1994) uses the definition of 'umbrella' strategies to describe change which is both 'intentional and emergent' (Pettigrew *et al*, 1992, p297). Storey (1992b) identifies the need for change projects whose outlines are decided at corporate level with little or no consultation, but whose implementation comprises an

interrelated series of change initiatives, some or all of which could be the product of local co-operation and consultation. Kotter (1996) takes a similar perspective by suggesting that strategic change comprises of a series of large and small projects aimed at achieving the same overall objectives, but which are begun at different times, which can be managed differently and which vary in nature. Therefore, when examining the management of change projects it is essential that they are not seen solely as co-operative or coercive. They may have elements of both, but at different levels, at different times and managed by different people. They may also unfold in an unexpected way which will require rethinking and backtracking from time to time (Buchanan and Storey, 1997; Kanter *et al*, 1992).

### 1.8 The Role of the Manager in Organisational Change

Defining the role of the manager in the change process is not as straightforward as various authors attest (Barnard, 1938; Handy *et al*, 1987; Kotter, 1982; Mintzberg, 1973; and Silverman and Jones, 1976). Hales (1986) suggests that the data presented by many of the studies display conflicting views of *what* managers should do and *how* they should do it in the context of change.

Definitions of the role of managers have ranged from the simple attempts to list basic tasks such as planning organising, directing and controlling the organisation and subordinates (Dakin and Hamilton, 1990, p32), to the more complex attempts to define the essence of a manager's role. Drucker (1985, p53) states that the manager has the 'task of creating a true whole that is larger than the sum of its parts, a productive entity that turns out more than the sum of its resources put into it'. There is a fundamental conflict of opinion between those authors who consider management to be an art (intuitive) or a science (rational). Duncan (1975) attempted to resolve this conflict by taking a more holistic view of the role of the manager by identifying three specific levels of management activity:

- **Philosophical** (goal formation) - concerns the effects of the actions and reactions of other individuals and groups within the internal environment, and the wider social and economic context. Managers formulate clear and precise strategies with associates, and the ethics of managerial behaviour, values and priorities of the organisation are considered.
- **Scientific** (goal accomplishment and evaluation) - management develop plans, methods and techniques for achieving set goals and establish procedures for monitoring and evaluating progress.
- **Art** (implementation of decisions) - concerned with the implementation of decision. Tactical and administrative decisions are made to deploy the organisation's resources and attain the optimum degree of operational efficiency.

Mullins (1989) also argues that management is both a science and an art. Therefore, it is important to note that the extent to which a manager is involved in intuitive and rational activities will be a result of the characteristics of the organisation, the type of job which the manager has, and the manager's level in the organisational structure or hierarchy (Hales, 1986). There is a distinct similarity seen between the three main hierarchical levels and the three levels of management activity which Duncan (1975) proffers. Top management are involved in the policy-making for the overall direction of the company which equates to the philosophical level of activity. Middle management are responsible for the execution and interpretation of policies throughout the organisation which is similar to scientific activities. And line managers or supervisors are responsible for ensuring the execution of policies by their subordinates and the attainment of objectives by their departments which mirrors art level activities. Mintzberg (1975) also take a similar approach by arguing that interpersonal roles are more important to sales managers, staff managers give more attention to informational roles, and production managers focus on decisional roles (Kotter, 1982; Silverman and Jones, 1976; Stewart, 1976).



Hales (1986, p102) concludes that, 'Much of what managers do is, of necessity, an unreflective response to circumstances. The manager is less a slow and methodical decision maker, more a 'doer' who has to react rapidly to problems as they arise, 'think on his feet', take decisions in situ and develop a preference for concrete activities. This shows a pace of managerial work and the short time span of most activities...'. Therefore, it can be seen that there is a discrepancy between what the literature says managers should do and what the managers actually do. Mintzberg (1975, p49) pointed out that this discrepancy even extends to managers' own observations of their role, 'if you ask a manager what he does, he will most likely tell you he plans, organises, leads and controls. Then watch what he does. Don't be surprised if you can't relate what you see to those four words'. However, regardless of the role of managers, there is a strong thread in the literature on organisations which suggests that it is the manager's *leadership* ability, especially in situations of change and crisis, which is the most crucial managerial attribute (Yukl, 1994). Kotter (1996) emphasises the differences between management and leadership. Management, he argues, concerns a set of processes, such as budgeting and planning, for ensuring that organisations run smoothly. Leadership, on the other hand, is a set of processes for creating and transforming organisations, i.e. 'Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen...' (Kotter, 1996, p25). According to Burnes (2000) the role of managing change is complex and skilled and not a role that all managers are able to embrace.

It has been a theoretical belief that the major factor which distinguishes successful organisations from their less successful counterparts is the presence of dynamic and effective leadership (Yukl, 1994). Given the importance attached to leadership throughout organisational literature, it remains an elusive concept (Bennis, 1959, p259). In more recent years, the organisational context has been faced with a greater proliferation of perspectives on the subject of leadership and this has resulted in the topic becoming more augmented than ever before. However, it is possible to separate leadership theorists into three main groups: those who focus on the personal

characteristics and process of leadership; those who concentrate on the leader-follower situation; and those who attempt to relate leadership styles to the overall organisation context and climate.

Early investigations into leadership tended to concentrate on such factors as personal qualities (i.e. intelligence, age, and experience) or personality traits (i.e. extroversion, dominance). Consequently, regardless of the task or situation, if an individual did not possess the appropriate personal attributes, then they were deemed unlikely to be an effective leader. However, studies of leadership failed to reveal any consistent pattern of traits or characteristics related to leadership (Arnold *et al*, 1998; Gibb, 1969; Yukl, 1994). Attempts were also made to view leadership as a process, and thus the focus moved towards examining the interaction between leaders and followers, and how leaders influence the achievement of a given goal. This view, that leadership behaviour rather than attributes may more effectively predict leadership success, has been evidenced in a variety of approaches. Flieshman (1953) identified two separate classes of behaviour as important in determining effective leadership:

- **Consideration**: the quality of the interpersonal relationship between the leader and subordinates, and in particular the degree to which a leader shows trust to subordinates, respect for their ideas and consideration for their feelings.
- **Initiating structure**: the degree to which leaders define and structure their own and their subordinate's roles towards achieving set goals. It also covers the extent to which the leader directs group activities through planning, communication, information, scheduling, trying out new ideas, and praise and criticism.

Kerr, Schriesheim, Murphy and Stogdill (1974) took these two forms of leadership behaviour applied them to a framework that included three situational variables or contingencies:

- *Subordinate Considerations* - such as the subordinates' experience and abilities, and their expectations of the leader.
- *Superior Considerations* - in particular, the amount of influence subordinates have over the behaviour of their superiors.
- *Task Considerations* - includes factors such as time urgency, amount of physical danger, permissible error rate, presence of external stress, degree of autonomy and scope, importance and meaningfulness of work, and degree of ambiguity.

Kerr *et al* (1974) argues that the effectiveness of the two forms of leadership behaviour is moderated by three situational variables which promote high levels of performance from subordinates. It is concluded by Kerr *et al* (1974) that when tasks must be performed under time pressures, subordinates will be more amenable to a higher level of initiating structure and there will be a stronger relationship between job satisfaction, performance and initiating structure. Alternatively, when a task is seen as intrinsically very satisfying to the subordinate, a leadership style with high consideration will not significantly increase satisfaction or performance. Support for the model has been limited. However, Schriesheim and Murphy (1976) did find evidence to prove that high levels of initiating structure did increase performance in high pressure situations, and reduce it under low levels of pressure. However, different levels of pressure did not appear to impact on subordinates' satisfaction with their superiors. In addition, where tasks were viewed as having higher clarity, consideration-based and initiating structure-based styles were not significantly related to satisfaction.

A related dimension of leadership behaviour which also received much attention is participation, i.e. whether the leader leans towards an autocratic or democratic style of management. Both the human relations school and proponents of planned change believed that participation in democracy would prove to be essential components of organisational effectiveness. According to Gastil (1994), there are three key elements of democratic leadership: maximising participation and involvement of group members; empowerment; and facilitating group decision-making.



This emphasis on leadership characteristics gave rise to a number of *universal theories* of effective leadership behaviour which introduced the argument for a 'one best way' approach to leadership (Argyris, 1964; Likert, 1967; McGregor, 1960). These theorists postulate that the same style of leadership is optimal in all situations (Yukl, 1994). One of the most influential universal theories is Blake and Mouton's (1969) Managerial Grid. This grid has two critical dimensions: concern for people (similar to consideration) and concern for production (similar to initiating structure). Through examining how these dimensions interact, in both their strong and weak states, Blake and Mouton identify four different styles of management which they labelled as follows:

- *Team management* - arises from a high concern for people and a high concern for production. The objectives are to achieve high levels of both performance and job satisfaction by gaining subordinates' willing commitment to achieving their assigned tasks.
- *Country club management* - occurs when concern for production is low, but concern for people is high. The main concern of this approach is to achieve the harmony and well-being of the group in question by satisfying employees' social and relationship needs. This may be related to creating a positive psychological contract between the employer and employee.
- *Task management* - can be defined as high concern for production, but a low level of concern for people. The objective is to achieve high productivity by planning, organising and directing work in such a way that human considerations are kept to a minimum. This approach could be seen as Tayloristic or descriptive-functional in nature.
- *Impoverished management* - ensues from a low concern for both production and people. This form of managerial behaviour centres on exacting the minimum effort from subordinates in order to achieve the required result. This suggests a complacent and non-trustworthy environment in which neither management, staff nor the organisation prospers in any way.

Though Blake and Mouton (1969) identify these four forms of management, the most effective according to them is team management where leaders are both task and people orientated. However, it is acknowledged that evidence of these types of universal management approach are limited (Evans, 1970; Filley *et al*, 1976; Wagner, 1994; Yukl, 1994).

Other studies have focused on the importance of matching the leader with the situation in which they are deployed (Fielder and Chemers, 1984). Fielder (1967) identifies three key aspects of a work situation which taken together determine the effectiveness of particular leadership characteristics:

1. The leader-follower relationship: friendliness and loyalty from subordinates increases the leader's influence over them.
2. Task structure: the greater the degree of standardisation, detailed instructions and objective measures of performance, the more favourable the situation for the leader.
3. The leaders' formal position and power: the more discretion and authority the leader has regarding the reward and punishment of subordinates, the more influence he or she will be able to exert.

Although this is one of the most influential and widely utilised situational theories of leadership, it is also criticised. Critics argue that it ignores a manager's ability to change or influence factors such as task structure to favour the style of their leadership (Ashour, 1973; Shiflett, 1973; Vecchio, 1983). Fiedler treats structure as a given, whereas in many instances determining and changing job structure is a major component of a manager's role (O'Brien and Kabanoff, 1981; Vroom and Jago, 1988).

### 1.8.1 The Role of the Manager as Change Agent

Whatever change approach an organisation chooses to implement, the process must be managed by someone who is responsible for ensuring that the change actually takes

place. Whether this person is a manager, team leader, facilitator, coach or autocratic, there is usually one individual who bears the responsibility of the change agent role.

Buchanan and Boddy (1992, p27; *emphasis added*) drew attention to the skills needed to be a successful change agent. In particular, they describe the role as involving ‘...support the ‘public performance’ of rationally considered and logically phased and visibly participative change with ‘backstage activity’ in the recruitment and maintenance of support and in seeking and blocking resistance...‘Backstaging’ is concerned with the exercise of ‘power skills’, with ‘intervening in political and cultural systems’, with influencing and negotiating and selling, and with ‘managing meaning’’. A corresponding model concerning the expertise of the change agent is also proffered which identifies the skills and competencies necessary to achieve successful change. The result of the model is a picture of a highly skilled and well-trained political operator who has both an in-depth knowledge of change processes and tools, and the personal qualities and experience to use them both in the open and behind the scenes.

Buchanan and Boddy (1992, p123) and Mirvis (1988) draw attention to the social construction of the process of change which, they argue, is a creative activity and thus ‘Expertise does not simply involve the mechanical deployment of diagnostic tools, competencies and stereotyped solutions, but involves also the innovative and opportunistic exploitation of other dimensions of the organisational context’. The use of these skills in achieving genuine change progress are described as ‘grace’, ‘magic’ and ‘miracles’ (Senge, 1990). This indicates that it is insufficient only to consider the steps laid down by the prescriptive change theories. Instead, there is a need to adopt novel and experimental methods in order to overcome change obstacles. In a similar fashion, Lichtenstein (1997, p407) concludes that ‘...there is a logical framework that produces rational actions in the first stages of an intervention effort. However, at a critical threshold it is non-linear logic and spontaneous felt action, grace, magic and miracles, that actually supports organisational (and personal) transformation’.



In addition, Schuyt and Schuijt (1998) suggest that rites and rituals can be utilised to smooth the various transitions in organisational and employee life cycles. In the same way, Schuyt and Schuijt (1998, p399) also suggest that change agents or consultants guide and structure important transitions through the use of rituals and symbols. It is these rituals and symbols which have the following key functions: to establish the change agents credentials; to prepare the participants mentally for change; to guide them through the transition; and to reinforce the participants feeling that they are taking part in a controlled and well-managed process of change. So, therefore, the ultimate goal is to reduce the affected organisational member's uncertainty in an environment of change.

### 1.8.2 The Contextual Approach to Leadership

Examination of the contextual approach to leadership highlights that one of the weaknesses of the leadership literature is that it tends to concentrate on the traits of individual managers and their relations with subordinates. The assumption, both explicit and implicit, is that effectiveness is an attribute of the individual manager, moderated by the leader-subordinate situation. However, as Burnes (1991) and Hales (1986) argue, a manager's effectiveness may be determined as much by the nature of the organisation in which he or she operates as by the qualities of the individual manager. Therefore, the contextual approach to leadership emphasises that instead of the narrow leader-follower situation, leaders should focus on the overall organisational context and climate. In addition, it is that only one of the three approaches which incorporates change as a key variable. Vroom and Yetton (1973) developed one of the most influential contingency approaches to leadership which was later extended by Vroom and Jago (1988). This approach suggests that leaders can change their behaviour from situation to situation. Five styles of leader decision-making, ranging from autocratic to the most democratic are identified. To complement these, Vroom and Jago (1988) also identify some key features of problem situations which leaders have to take into account, such as the need to resolve conflict or achieve goal congruence. Arnold *et al* (1998) notes that Vroom and Jago's model has been used to provide some general 'rules of thumb' for leaders. However, this generalist approach may prove to be ineffective in situations where

subordinates' commitment is important and a more participate style of leadership is important or where subordinates do not share the organisation's goals and group decision-making should be avoided. In addition, the general rules of thumb are still subject to being overridden by factors such as time constraints or the development needs of managers and subordinates. Therefore, other contextual models are considered.

Burns (1978) identifies two leadership styles (transactional and transformational), which exist in matching organisational contexts (convergent and divergent). A 'convergent' state occurs when an organisation is operating under stable conditions, i.e. where there are established and accepted goals and a predictable external and internal environment. It is suggested by Burns that a 'transactional' management style is most appropriate in this situation. Transactional managers concentrate on optimising the performance of the organisation through incremental changes within the confines of existing organisational policy, structures and practices. Thus, they focus on working within the status quo.

On the other hand, a 'divergent' state occurs when environmental changes challenge the efficiency and appropriateness of an organisation's established goals, structures and ways of working. The most appropriate style of leadership in this situation is 'transformational'. Transformational leaders are generally opposed to the status quo, i.e. they aim to change their followers' behaviour and beliefs and unite them behind a new vision of the organisation's future. The compatibility between organisational state and leadership style is seen as essential for successful leadership. Where the organisation is required to face a turbulent environment and develop new ways of adapting for the sake of survival, then a purely transactional approach would be counter-productive. However, transformational leadership is just as likely to be counter-productive during periods when the current organisational systems would be most appropriate. Other organisational theorists such as Arnold *et al* (1998), Beatty and Lee (1992), Burnes and James (1995), French and Bell (1995), Gibbons (1992) and Yukl (1994) subscribe to this view that managers must have the ability to adapt their style and approach to the circumstances of the organisation in which they operate. However, Arnold *et al* (1998)

argue that there is little evidence to prove that the contextual approach to leadership is superior to either of the two previously discussed situational or leader characteristics approaches.

Kanter (1989) developed a similar leadership style categorisation to Burns (1978). Kanter argues that archetypal images of managers tend to derive from two basic models: the 'corpocrat' (i.e. the transactional manager) or the 'cowboy' (i.e. the transformational manager). However, instead of arguing that there is a key need to relate these two approaches to their appropriate organisational setting, Kanter (1989, p361) argues that, in the future, organisations will require managers who combine the best of both the corpocrat and the cowboy.

It is clear that, although the literature has produced a conflicting view of the role of managers and approaches to leadership, the idea of considering context and style together does fit, in part, with the argument developed in this chapter. That is, the need to match the approach to change with the context of the organisation. That argument was developed further to include the possibility that managers could reverse this process and match the organisation's context to their own preferred style of working. Thus, there is a certain level of precaution attached to organisational theory which refers to a universal approach to leadership or managerial roles in all organisations. The style-context approach to leadership does offer a useful categorisation for analysing the behaviour of managers. By establishing whether a manager's approach is transactional or transformational and the organisational context convergent or divergent, it becomes possible to judge, not only the appropriateness of their behaviour in a specific operational context, but also the usefulness of the contextual approach to leadership.

### 1.9 Conclusion

This chapter has discussed the contrasting approaches to organisational change. It was argued that the planned approach to organisational change, although supported by a considerable number of useful tools and techniques, has relied on a somewhat rigid and



prescriptive stepped model of change. The subsequent questioning of the 'beginning, middle and end' framework for change and the top-down approach in the increasingly turbulent and competitive external environment placed emphasis on a more flexible approach to change. The emergent approach gains support as a bottom-up and open-ended approach to change. It appears to offer a more appropriate method of accomplishing the stream of adaptations organisations need to make in order to align themselves with their environment. However, it is considered that this approach, when implemented alone, may have as many short-comings as planned change.

Notwithstanding this, the two approaches have some key similarities. Both share a common difficulty in their claims to be universally applicable because of their development for particular change situations, organisation types and environments. The planned approach is clearly predicated on the assumptions that organisations operate in stable or relatively predictable environments, that managers can identify where change is required, that change projects are concerned primarily with group attitudes and behaviours and that change is about moving from one fixed point to another fixed point and that the steps or phases in between are relatively clear and realisable. This approach also assumes that organisations, managers and employees are open, frank, welcome the opportunity to be involved, and are willing to change, or that these attributes can be achieved with the application of the appropriate tools and techniques. It has been argued that this approach is limited in terms of the situations in which it can be successfully applied, particularly in terms of large scale change or changes where political and power considerations are prevalent.

On the other hand, the emergent approach assumes that organisations are open and fluid systems which operate in unpredictable and uncertain conditions over which they have little control. It further assumes that change is a process of continuous adaptation and transformation which, because of its speed and frequency, managers cannot either fully identify or effectively control centrally. Therefore, from this perspective, identifying and managing change must be the responsibility of everyone in the organisation. This

view portrays managers, who are seen as highly competent and adaptable, as capable of changing themselves from outmoded controllers and co-ordinators to facilitators and partners; and employees are seen as willing to take the responsibility for identifying deficiencies and implementing change. However, above all and somewhat contradictorily, change is seen as a political process whereby different groups and individuals strive to protect or enhance their power and position. It has been argued that, even taken together, the planned and emergent approaches do not cover all change situations.

Rather than reiterating the contest between the merits of planned and emergent change approaches, Burnes (2000) change framework was highlighted and examined as a model which provides an overview of the range of change situations and approaches organisations face or are offered and the types of situations in which they can be best applied. Although this type of contingency approach appears to have some strong merits, it is subject to the same sort of criticisms levelled at contingency theory. However, it is argued that, if the environment and other organisational constraints are seen as manipulable and subject to managerial choice, new possibilities may open up in the area of organisational change. Clearly, the concept of a change framework which allows approaches to change to be matched to environmental conditions and organisational constraints is attractive. The fact that it incorporates the potential for managers, and others, to exercise some choice or influence over their environment and other constraints allows the model to move beyond the limitations of prescriptive, mechanistic and rational perspectives on organisations, and into the heartland of organisational reality.

It is clear that though perspectives on organisational change are very different, there are also strong overlaps. In particular, the management of meaning and the creation of legitimacy through the construction and manipulation of symbols is a key area of common ground. The process of change is shaped by the interests and commitments of individuals and groups, the forces of bureaucratic momentum, significant changes in the

environment, and the manipulation of the structural context around decisions. Therefore, although organisational change is often expressed in rational and analytical terms through prescriptive models, change is ultimately a product of a legitimisation process shaped by political and cultural considerations. This more integrative and flexible perspective of organisational change means that managerial aspirations and interests are seen as more important than might otherwise be the case. It also means that managers exercise significant choice with regard to organisational characteristics. However, it should be noted that managerial influence is constrained by a host of factors including organisational goals, policies, performance, their own and other people's self-interests, and the need to portray their actions as being rational and in the best interests of their organisation.

The following chapter considers the interrelationships which may exist between organisational change and organisational culture. Particular attention is given to the question of whether organisational culture can be managed in a change context and the methods for managing culture.



## CHAPTER 2

# ORGANISATIONAL CULTURE AND ITS EFFECTS ON THE CHANGING ORGANISATIONAL ENVIRONMENT

### 2.1 Introduction

This chapter takes a multidisciplinary view of organisational culture in organisations. As the previous chapter has shown, there is increasing interest both theoretically and practically in the role which organisational culture plays in the acting out of organisational change. In some cases culture may become the primary object of organisational change processes. This chapter considers the origins and development of organisational culture and the issues of its definition and content. Thereafter, the key debate over the management or modification of organisational culture is examined with reference to relevant models and theoretical perspectives. This chapter will show that the consideration of organisational culture in the context of organisational change is inextricably linked with the function of human resource management and this link and relevant issues will be discussed in the following chapter.

### 2.2 Theoretical Origins of Organisational Culture

The case for researching 'organisational culture' is best summed up by Deal and Kennedy (1982), who argue that culture, rather than structure, strategy or politics, is the prime mover in organisations. The notions which underpin organisational culture have been developed from the two intellectual traditions of anthropology (Geertz, 1973) and organisational sociology (Ouchi and Wilkins, 1985). These notions raise one of the fundamental questions over the nature and theoretical perspectives of organisational culture; whether culture is something that an organisation 'is' or 'has'. Smircich (1983) made the useful distinction that, depending on whether the theorist leans toward a positivistic, structural-functional or a phenomenological world view, they may either conceptualise organisational culture as a variable, i.e. something an organisation 'has' (anthropological perspective), or as a process of enactment, a 'root metaphor', i.e.

something an organisation *'is'* (sociological perspective). Studies in comparative management and corporate culture treat culture as something an organisation *'has'*. In this case, culture exists either as an independent variable, as when a national culture is imported into an organisation via its membership, or as something produced by an organisation, such as values, language and rituals which exist as a by-product to the production of goods or services. Schein's (1985a) definition suggests that culture should be thought of as a set of psychological predispositions that members of an organisation possess and which leads them to think and act in certain ways.

Whilst this view that culture is essentially a cognitive function that resides in the psychology of organisational participants is widespread, some theorists acknowledge that patterns of behaviour are equally important. Eldridge and Crombie (1974, p89) suggest that, in addition to norms, beliefs and values, 'the distinctiveness of a particular organisation is intimately bound up with its history and the character-building effects of past decisions and past leaders'. Thus, culture is manifested in the stories and ideologies to which members defer and also in the strategic choices made by the organisation as a whole. In addition, the behaviour of employees themselves is bound up with the culture of the organisation to which they subscribe (Schwartz and Davis, 1981; Drennan, 1992).

Meek (1988) points out that this conceptualisation of culture derives from the anthropological tradition of structural-functionalism which rests on a biological metaphor. This perspective gives rise to the focus on culture as unitary and the collective consensus of the organisation. The organic analogy also suggests that culture is defined functionally, as an instrument serving human biological and psychological needs, in effect giving employees a sense of identity and direction, and as an adaptive-regulating mechanism that affects system stability through facilitating integration. Furthermore, the organic functionalist perspective encourages the view that the 'head' of the organism (senior management) has a directive role in developing the collective consciousness.

Following this, Morgan (1986) argues that culture is the latest in a series of metaphors which were developed for the understanding of how organisations work. In the field of organisation, it has long been recognised that metaphors allow the formation of an understanding of organisations in terms of other complex entities (Koch and Deetz, 1981; Smircich, 1983). Morgan (1986, p135) further states that, 'The culture metaphor points towards another means of creating organised activity: by influencing the language, norms, folklore, ceremonies, and other social practices that communicate the key ideologies, values and beliefs guiding action'. Therefore, the metaphoric process is seen as a fundamental aspect of cognition, and is the process by which individuals come to know and understand the world (Lakoff and Johnson, 1980).

In the light of this epistemological perspective, Schein (1985a, 1985b) suggests that, strong cultures can be deliberately created, organisational cultures are created by leaders, and one of the most decisive functions of leadership may be the creation, management, and, if necessary, the destruction of culture. Therefore, there are many writers who impute a culture created by senior management for the lower level employees to follow (Schein, 1985a; Martin, 1985; Lorsch, 1986; Gordon, 1985; Scholtz, 1987; Denison, 1990). This approach to conceptualising organisational culture as corporate culture has been termed the 'integration' paradigm by Meyerson and Martin (1987), where the emphasis is on leaders as culture creators, of shared consistency across cultural manifestation, consensus among cultural members, and denial of ambiguity.

In contrast, culture may be conceptualised as something emerging from social interaction; something an organisation 'is' (Smircich, 1983; Gregory, 1983). According to Smircich (1983), culture may be regarded as a system of shared cognitions, of shared knowledge and beliefs, or as a system of shared symbols and meaning. These become both the shaper of human action and the outcome of a process of social creation and reproduction (Meek, 1988; Whipp *et al*, 1989). Therefore, the culture guides the actions of an organisation's members without the need for detailed instructions or long meetings to discuss how to approach particular issues or problems (Sathe, 1983). When culture is



seen in those terms, it is questionable to what extent senior management can successfully manipulate or unilaterally change it (Meek, 1988). However, it should be acknowledged that, given shared understandings in organisations about the meanings of hierarchy, it is likely that managerial voices will be more audible and influential than those of subordinate employees. This implies that senior managers will not be the only organisational members with voice, nor does it guarantee that their voices will be listened to and internalised. As there are likely to be competing voices, the process of social production and reproduction may spawn a variety of sub-cultures.

The place which organisational culture takes within the broad context of organisational theory is important. There are four main schools of thought which have contributed to the study of organisational culture. The human relations school is based on theories of motivation and group dynamics, and adopts a frame of reference which emphasises that organisations exist to serve human needs (Argyris, 1964; Bennis, 1966). Therefore, there is a key focus on the beliefs and values of individuals in organisations, which help shape the culture perspective. In contrast, the modern structural school considers organisations to be rational, goal-orientated and mechanistic, and focuses on issues of hierarchy and authority as manifested in organisational charts (Lawrence and Lorsch, 1967). While it emphasises the importance of such concepts as differentiation and integration, this school has a minimal influence over the development of the cultural perspective. The systems perspective argues that organisations are interdependent systems linked by inputs, outputs and feedback loops (Katz and Kahn, 1966). The systems perspective influences prevailing theory through the continuing emphasis on analysing the organisation in its environment, the uncertainty of organisations, and the limited scope of employees in exercising their individuality. The power and politics perspective suggests that organisations are complexities of individuals and coalitions with different and often competing values, interests and preferences (Pfeffer, 1978). This shows that far from being an aberration, the culture perspective has drawn from a number of well-established ideas, and is very closely related to other schools of thought.

Interest in organisational culture stems from four main sources which reflect the particular perceptions and theoretical focus of researchers and theorists: climate research, national cultures, human resource management, and from a conviction of approaches which emphasise the rational and structural nature of organisation. There is a close and sometimes ambiguous relationship between organisational culture and climate which has often been overlooked in the literature (Schneider, 1985; Ryder and Southey, 1990). According to Barker (1994), the two terms have been used synonymously. Despite the large number of studies into climate, attempts to define the construct in a way that differentiates it from culture have proven problematic (Field and Ableson, 1982). Moran and Volkwein (1992) argue that while culture and climate are distinctly identifiable elements within organisation, there is some overlap between the two terms. Culture is widely understood to be made up of a collection of external influences and internal influences which give meaning to organisations (Pettigrew, 1979; Sackmann, 1991; Schein, 1985a; Hatch, 1997), some of which have been argued to be beyond managerial control (Alvesson, 1991). In this respect, it is argued that culture is a more implicit concept than organisational climate, which consists of more empirically accessible elements such as behavioural and attitudinal characteristics which are primarily under managerial influence (Drexler, 1977).

A further distinction between the two lies in the contention that the climate of an organisation consists essentially of shared perceptions, whereas culture is made up of shared assumptions (Ashforth, 1985). According to Schneider, Gunnarson, and Niles-Jolly (1994, p18) 'They [perceptions] are not based on what management, the company newsletter, or the annual report proclaim - rather, the perceptions initially derive from the senior managers' behaviour and the actions they reward'. Employees draw conclusions about the organisation's priorities from their observations of both their experiences and those of co-workers and set their own priorities accordingly. Schneider, Gunnarson, and Niles-Jolly (1994) define this as the '*feeling in the air*' that employees experience during their work practices. In a similar vein, Moran and Volkwein (1992)

also suggest that the climate consists of attitudes and values alone, whereas culture exists as a collection of basic assumptions in addition to attitudes and values.

Climate has variously been conceptualised as an individual attribute measurable by a multi-trait matrix (Schneider and Bartlett, 1970), a sub-system phenomenon (Powel and Butterfield, 1978) and an organisational entity (Campbell *et al*, 1970). While formally established guidelines as to the key elemental components of climate are yet to find universal acceptance, the explanatory powers of the concept lie in its potential to conceptually link organisational and individual phenomena (Falcione *et al*, 1987; Moran and Volkwein, 1992). Therefore, Jones and James (1979), have attempted to operationalise and quantify climate by arguing for a multi-dimensional approach. Specifically, Jones and James (1979) derived six dimensions of climate: leadership facilitation and support; workgroup co-operation, friendliness and warmth; conflict and ambiguity; professional and organisational *esprit*; job challenge, importance and variety; and mutual trust. These organisational dimensions are clearly bound up with managerial activity and a further strand of research activity has focused on exposing differences in organisational climate to explain and delineate the determinants of specific managerial activities and practices (James and Jones, 1974; Tierney, 1990; Ryder and Southey, 1990). Thus, organisational climate has been established as a construct of considerable interest within the field of organisational behaviour research, as a result of its demonstrable influence on organisational effectiveness (Likert, 1961; Kanter, 1983), as well as its relationship to individual motivation and behaviour (Litwin and Stringer, 1968; Bowers, 1976).

A further impetus to the development of a new trend in management thinking came with the realisation that organisations in different countries are characterised by differing behaviours and structures. Hofstede (1980) was one of the first to draw attention to the national cultural variances which exist in multinational organisations and which may affect design and behaviour at local level. The work of Hofstede suggests that national cultures can be clustered along the lines of their similarities across a range of



dimensions: individualism; power distance; uncertainty avoidance; masculinity/femininity. Based on these dimensions Hofstede found that industrial countries can be classified, and found that Great Britain, Canada, the USA, New Zealand, Australia and the Netherlands place a strong emphasis on individuals and achievers in society with a level of collectivity and a need to reduce uncertainty. Bowles (1989), amongst others, highlights the absence of a cohesive culture in advanced economies in the West, and that the potential for creating systems of beliefs and myths within organisations provides the opportunity for promoting both social and organisational cohesion. Thus, the scene was set for the introduction of prescriptive cultural change paradigms, such as the culture-excellence approach (Deal and Kennedy, 1982; Kanter, 1983; Peters and Waterman, 1982; Allen and Kraft, 1982; Blake and Mouton, 1969), the Japanese management approach (Turner, 1986) and organisational learning or learning organisations (Argyris, 1992; Burgoyne *et al*, 1994; Senge, 1990). Consideration of the culture-excellence school and to a lesser extent organisational learning and Japanese management introduced organisations as having their own identities, personalities or culture and prescribed particular attributes which are particular to top-performing organisations. This view of culture became so influential in the 1980s and 1990s that Wilson (1992) notes that culture is accepted as a great 'cure-all' for the majority of organisational ills.

The plethora of literature on organisational culture has evolved hand in hand with the burgeoning literature on human resource management (HRM). The links in the development of the culture and human resource management literature are evidence of a theoretical and practical refocusing on *people* in organisations as the means by which sustainable competitive advantage can be achieved - rather than information technology, products, or other intrinsic elements of an organisation, such as structures. The relationship has grown so strong that some human resource specialists claim that organisational culture is the territory of the human resource manager. Thus, human resource managers are often exhorted by theorists and practitioners to be sensitive to the

values and beliefs of their organisation's culture by managing it through human resource policies, programmes and systems.

According to Alvesson and Deetz (1996, p191-2), it is the changing nature of work and competition in the 1980s which forced the organisation theorists to question existing and entrenched assumptions about the world. The postmodern approach to organisational culture rejects both the integrationist perspective, which sees culture as being shared by all members of the organisation, and the differentiation perspective, which sees organisational unity as being broken by coherent and stable subcultures. Instead, it takes a fragmentation perspective, believing that organisational cultures are inconsistent, ambiguous, multiplicitous and in a constant state of flux (Martin, 1992; Meyerson and Martin, 1987). Hatch (1997, p231) observes that 'alliances or coalitions can never stabilise into subcultures and certainly not into unified cultures because discourse and its focal issues are always changing - hence the image of fragmentation'. Therefore, from the postmodernist perspective, organisational culture is clearly linked to the interest in symbols and language. However, postmodernists are sceptical of attempts to manipulate and change culture because attempts to change culture result in changes which may be unpredictable and sometimes undesirable, i.e. there may be increases in employee cynicism toward cultural change programmes. Hatch (1997) also warns against attempts to manage culture as other people's meanings and interpretations are said to be highly unmanageable.

### 2.3 Organisational Culture Defined

Despite conceptual problems and nuances in its definition and operationalisation, the construct of organisational culture is still considered to be one of the most important areas of empirical research in recent years (Adler, 1983; Schein, 1990a; 1990b; Denison, 1990; Hatch, 1993).

A rational perspective of culture is presented by Jacques (1952) who states that, 'The culture of the factory is its customary and traditional way of thinking and doing things,

which is shared to a greater or lesser degree by all its members and which new members must learn, and at least partially accept, in order to be accepted into service in the firm'. This exists in sharp contrast to the belief that instead of employees 'learning' a culture, they become participants in the culture because 'Culture is a pattern of beliefs and expectations shared by the organisation's members. These beliefs and expectations produce norms and powerfully shape the behaviour of individuals and groups in the organisation' (Schwartz and Davis, 1981, p33). Kotter and Hesketh (1992, p141) take this definition further by focusing on the long-term nature of culture development by stating that 'Culture represents an interdependent set of values and ways of behaving that are common in a community and that tend to perpetuate themselves, sometimes over long periods of time'. However, Lorsch (1986, p95) identifies the role of senior managers in the development of cultural behaviour as one which focuses on the shared beliefs of senior managers, how they should manage employees and how they should conduct business. Eldridge and Crombie (1974, p78) attempt to sum up organisational culture by stating that culture refers 'to the unique configuration of norms, values, beliefs, ways of behaving and so on, that characterise the manner in which groups and individuals combine to get things done'. Therefore, all employees judge their own actions and those of their colleagues in relation to expected modes of behaviour which are legitimised or proscribed by the unique organisational culture (Gold, 1982).

Other prominent definitions of culture highlight the existing conflict between those who focus on the taken-for-granted assumptions of culture and those who favour a structural interpretation of culture. Thus, on one hand, Deal and Kennedy (1982) state that culture represents *the way we do things around here*, and on the other hand, Gregory (1983) believes that culture is a *system of meanings*. Deal and Kennedy's (1982) definition views organisational culture as meshed into organisational structure, while Gregory's definition perceives organisational culture as distinct from structure. This divergence is key because if culture is to be managed the aspects of organisational life which cause or comprise manifestations of organisational culture must be understood by managers. Therefore, Meek (1988) suggests that it is important to acknowledge that both 'culture'



and 'structure' are concepts derived from regular observations of actual behaviour. Hence, Geertz's (1973) distinction states that culture may be viewed as an ordered system of meanings and symbols in which social interaction takes place.

#### 2.4 Elements of Organisational Culture

It is a necessity to expand some of the definitions discussed above in order to examine the elements which shape organisational culture. There are a large number of different and overlapping elements of organisational culture identified by theorists.

Silverman (1970) expanded the concept of culture by contending that organisations are societies in miniature and can therefore be expected to show evidence of their own particular cultural characteristics. Allaire and Firsirotu (1984) proffer that culture is the product of a number of different influences: the ambient society's values and characteristics; the organisation's history and past leadership; and factors such as industry and technology. Other writers have constructed similar lists, but as Brown (1995) notes, there does seem to be a dispute over the factors that shape organisational culture and which are an integral part of it. Drennan (1992), for example, lists 'company expectations' as a factor that shapes culture, but these may easily be seen as a reflection of an organisation's values which, as Cummings and Huse (1989) point out, are a key component of an organisation's culture. However, the difficulty in distinguishing between the factors which shape culture and those which compromise culture is a reflection of the confusion about what the term really means in the organisational context (Cummings and Huse, 1989).

Drennan (1992) provides a comprehensive list of the various elements of culture which have been identified by various writers in the field, which helps in the understanding of how culture manifests itself and impacts on individual and group behaviour (Drennan, 1992, in Brown, 1995, p41):

- Influence of a dominant leader
- Company History and Tradition
- Technology, products and services
- The industry and its competition
- Customers
- Company expectations
- Information and control systems
- Legalisation and company environment
- Procedures and policies
- Reward systems and measurement
- Organisation and resources
- Goals, values and beliefs

Nevertheless, as Brown (1995) shows, the production of lists of elements, or focusing on the role of particular elements, tends to present a confusing and partial picture of culture. Thus, it becomes difficult to determine which are key in terms of changing culture and which are more immutable.

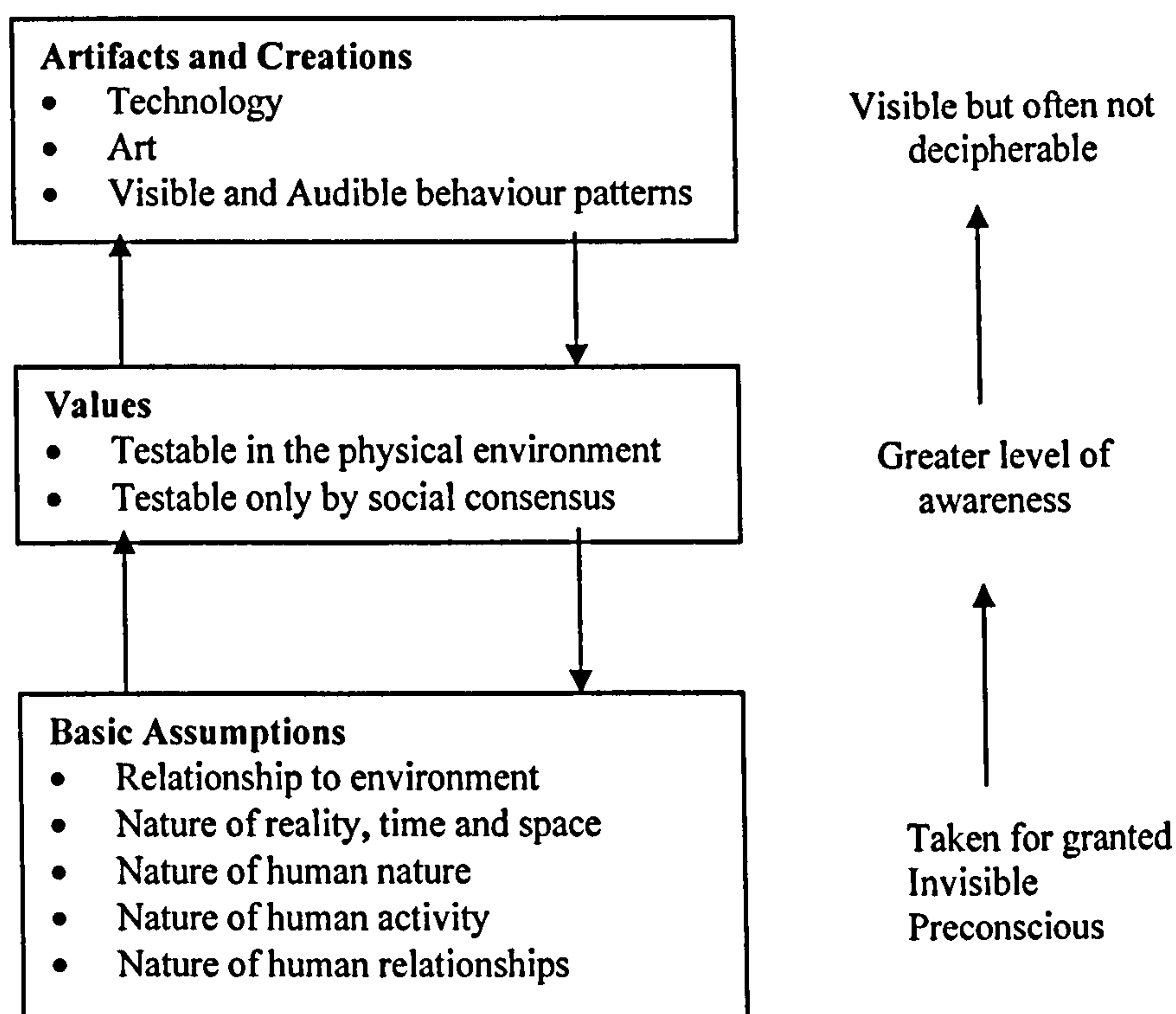
In order to overcome the lack of clarity which spans the various definitions and interests in organisational culture, there have been a number of attempts to identify and categorise the constituent elements of culture through hierarchical models (Schein, 1985a, Cummings and Huse, 1989; Hofstede, 1990). Schein (1985a) presents a comprehensive, integrative three-level model, with basic assumptions at the deepest level, beliefs, values and attitudes at the intermediate level, and artifacts at the surface level.

This model (Figure 2.1) attempts to show the interdependencies and complexities of a culture which is owned by those who comprise the organisational group. This group is defined as a set of people who have been together long enough to share significant problems, to have the opportunity to solve these problems and observe the consequences, and who have accepted and socialised new members.

The surface level of culture is characterised by *visible artifacts* which comprise the organisation's visible architecture in terms of technology, office layout, dress codes, visible or audible behaviour patterns and public documents constitute the surface level

of culture. These are easy to identify, but difficult to interpret without an understanding of the underlying logic. The most visible and superficial manifestations of an organisation's culture are described as artifacts. These artifacts comprise the total physical and socially constructed environment of an organisation.

Figure 2.1 : Levels of Culture and their Interaction



(Source: Schein (1985b) in Legge,1995, p188)

The importance of artifacts, however, stems from the fact that they are assumed to be strong indicators of the 'deeper' levels of an organisation's culture (Wuthnow *et al*, 1984). However, it has become clear that although artifacts are fundamentally important as a shaper of organisational culture, researchers have neglected them in substance because of their superficial nature (Gagliardi, 1990).

*Material objects* such as corporate logos and mission statements also provide insights into an organisation's culture. Hampden-Turner (1990) provides a useful analysis of



corporate logos as corporate symbolism. In addition, mission statements often make reference to the purposes of the organisation, its principal business aims, the key beliefs and values of the company, definitions of its major stakeholders, and ethical principles which govern codes of conduct. Organisational mission statements can therefore, be fundamental sources of initial information regarding culture, although there may be a gap between the intentions expressed in the mission statement and the reality of the organisation's cultural characteristics.

The *physical appearance* of organisations has taken increasing precedence over recent years in the quest for competitive advantage and success. Stylish buildings, office layouts, landscape gardening and corporate uniforms are characteristics of most industrial sectors. Thus, the focus on corporate architecture and corporate identity have become increasingly demonstrative of organisational culture in a post-modern society where aesthetics have become key. Berg and Kreiner (1990) suggest that the architecture of corporate buildings has a significant influence on human behaviour in terms of interaction, communication and performance. In addition, some organisations purposefully reconstitute their buildings to make a visit to them distinctive for customers and as a result architecture becomes part of the organisation's product. The history and development of an organisation is often bound up with the building itself and extensions or changes in location often reflect radical alterations in the strategic direction or general character of the company. Therefore, it is clear that the organisation's architecture and other symbols of corporate identity can provide important insights into culture.

The *language* which individuals and groups employ is not merely a method of communicating, but is also a fundamental determinant of how employees comprehend the organisation. Mutual understanding is gained through the common use of language and conceptual categories. Schein (1985a) notes that common rhetoric such as 'good service', 'high quality', and 'excellence', commonly used to frame strategic and operational objectives in organisations, can mean different things in different cultures. Therefore, serious communication problems may arise if different people or departments

in the same organisation choose to interpret ideas in incompatible ways. However, it is also important to note that the language which generates thoughts on culture can be described as largely culturally bound and therefore, it could be said that individuals are the intellectual prisoners of the social-historical context.

*Metaphors* are words or phrases applied to objects or actions which they do not literally denote and they can be powerful means of communicating ideas. Martin *et al* (1983) define stories as narratives which focus on a single unified sequence of events, and which are apparently drawn from the institutions history. Although metaphors are difficult to verify, they are nevertheless important indicators of cultural values and beliefs; formal and informal rules and procedures; the consequences of deviance from, and compliance to, rules; and social categories and status which shows where the power structure of the organisation lies. In addition, stories also perform an important third order control function in organisations as they exercise control over the fundamental premises which govern decision-making (Perrow, 1979) and also tend to generate and encourage attitudinal commitment by appealing to legitimate values (Wilkins, 1983). Therefore, for managers, stories are a powerful tool in the creation and reinforcement of cultural preferences for certain types of action and decision. In addition, stories also contribute to the corroboration that organisational members believe that organisational culture is unique.

*Myths* are generally cultivated in organisations in the form of narratives and are often indistinguishable from stories, except that they comprise unjustified beliefs which influence how employees understand and react to their social situation. Boje, Fedor and Rowland (1982) suggest four basic types of organisational myth which can all be related to the rationalisation and legitimisation of actions, and are often used by managers in times of change where turbulence and incomplete knowledge often cause political and complex situations (Mintzberg, 1973).

Much attention has also been paid to *ceremonies, rites and rituals* which are strongly linked to patterns of behaviour recurrent in organisations. In particular, rites and rituals may be described as elaborate and planned sets of activities that consolidate various forms of cultural expression into organised social events (Beyer and Trice, 1988, p 142). Therefore, ritualised behaviour is important as it communicates messages to individuals, and also exercises power over individuals. Trice and Beyer (1984) proffer that these rites may be separated into three main categories: *rites of passage* are designed to facilitate and signal a change in status and role through events such as training and induction programmes; *rites of questioning* allow the status quo to be challenged; and *rites of renewal* enable the status quo to be updated and renewed through participation in initiatives including strategy development, vision building and job redesign programmes.

*Norms* are rules for behaviour which dictate and regulate what are considered to be appropriate and inappropriate employee responses. The development of norms is strongly associated with the dominant patterns of power and deference that emerge in organisations. In some organisations respect and power may be gained by hierarchical position, whilst in other organisations it may be through expertise or specific knowledge. However, respect may also be gained through interpersonal relations or an individual's charisma or personality. Thus, norms function as the providers of coherence and structure to the culture life of an organisation and thus facilitate predictable and stable patterns of behaviour.

There are many areas of culture which may be interpreted as *symbols*. Dandridge *et al* (1980) provide a classification of the various functions and types of organisational symbolism which draws together the existence of all visible artifacts that play vital roles in the smooth functioning of the organisation. *Descriptive symbols* are the shorthand means of conveying the experience of working in a specific organisation and are exemplified through stories and myths, ceremonies or corporate logos. *Energy controlling symbols* can have a motivating or demotivating role to play in organisations



and are exemplified through speeches of superiors or humour, rites of conflict and questioning or rites of integration and renewal and posters and reports. Finally, the *system maintenance symbols* help stabilise and justify aspects of organisational activity by offering reasons and guidelines for action and are exemplified through speeches, stories and myths, training and induction programmes and organisational histories or handbooks and codes of ethics.

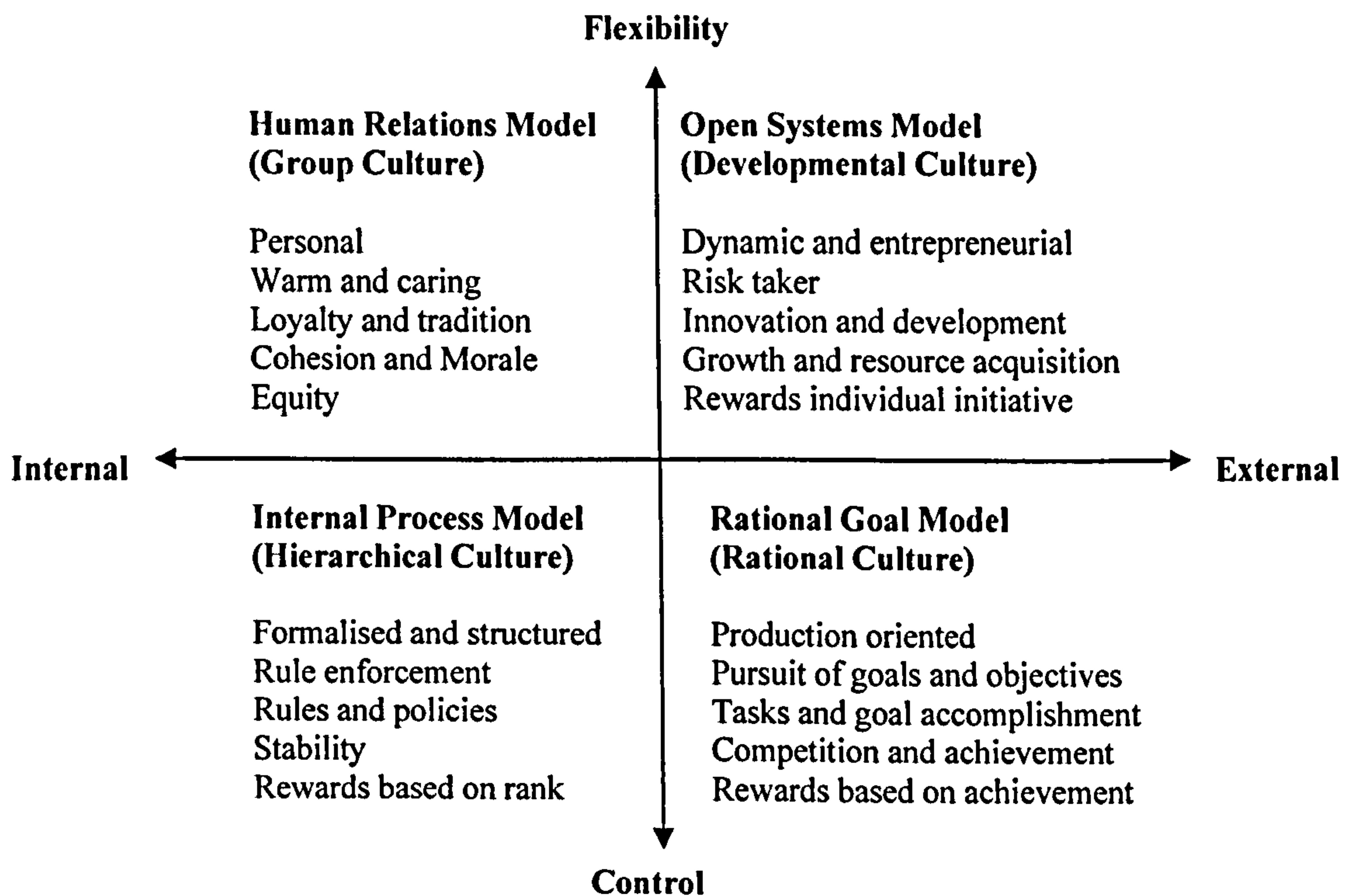
The intermediate level of culture is concerned with identifying the values that govern employee behaviour. *Values, beliefs and attitudes* are part of the cognitive sub-structure of an organisational culture. Much culture research has focused on organisational values that are seen as being the clearest visible manifestation of culture (Deal and Kennedy, 1982). Values are intimately connected with moral and ethical codes which determine what employees think 'ought' to be done. It is the value dimension of culture that is reflected in the cultural artifacts of an organisation (Zammuto and Krakower, 1991). Hofstede's (1980) model describes values as non-specific feelings of good and evil, beauty and ugliness, normality and abnormality, rationality and irrationality. Sackmann (1991) further asserts that values themselves cannot be observed directly, but can be inferred from their manifestations in behaviour. Research into values by Posner and Schmidt (1992) differentiate between personal and organisational values. These different value sub-sets highlight the fact that individual values coincide with values held by others at either the organisational or national level.

Beyond Hofstede's (1980) conceptions, there has been considerable interest in defining and measuring organisational values in the context of their relationship to aspects of managerial behaviour (Flowers and Hughes, 1978; Davis and Rasool, 1988; Woodcock and Francis, 1989). Flowers and Hughes (1978) identify a comprehensive set of twelve discreet organisational values: power; elitism; reward; effectiveness; efficiency; economy; fairness; teamwork; law and order; defence; competitiveness; and opportunity. This general emphasis on values, as a measure of organisational culture, recognises the

fact that values are both more accessible than assumptions and more reliable than artifacts.

The competing values framework (Figure 2.2) explores the competing demands within organisations between their internal and external environments on one hand, and between control and flexibility on the other hand. Organisations with an internal focus emphasise integration, information management and communication, whereas organisations with an external focus emphasise growth, resource acquisition and interaction with the external environment. On the second dimension of conflicting demands, organisations with a focus on control emphasise stability and cohesion while organisations with a focus on flexibility emphasise adaptability and spontaneity (Zammuto *et al*, 1999).

Figure 2.2: The Competing Values Framework



(Source: Zammuto and Krakower, 1991)

When combined, two dimensions of competing values map out four major types of organisational culture. The *internal process model* involves a control/ internal focus in which information management and communication are utilised in order to achieve stability and control. This model has also been referred to as 'hierarchical culture' because it involves the enforcement of rules, conformity and attention to technical matters reflected in the traditional model of bureaucracy and public administration (Weber, 1948; Denison and Spreitzer, 1991; Zammuto *et al*, 1999).

The *open systems model* involves a flexibility/external focus in which readiness and adaptability are utilised in order to achieve growth, resource acquisition and external support. This model has also been referred to as a 'developmental culture' because it is associated with innovative leaders whose vision maintains a focus on the external environment (Denison and Spreitzer, 1991). Leaders are also risk-takers and organisational rewards are linked to individual initiative. These organisations are dynamic, entrepreneurial and characterised by readiness for change (Zammuto and Krakower, 1991).

The *human relations model* involves a flexibility/internal focus in which training with the broader development of human resources are utilised to achieve cohesion and employee morale. This model of organisational culture has also been referred to as 'group culture' because it is associated with trust and participation through teamwork. Managers in organisations of this type seek to encourage and mentor employees. Compliance with organisational norms flows through trust, tradition, allegiance to the organisation, and goals are achieved through consensus building rather than control (Zammuto and Krakower, 1991). In contrast, the *rational goal model* involves a control/efficiency focus in which planning and goal setting are utilised to achieve productivity and efficiency. This model of organisational culture is referred to as a rational culture because of its emphasis on rewards linked to outcomes and goal fulfilment (Denison and Spreitzer, 1991).



While these four types of culture appear to be incompatible, research has suggested that different models of culture can and do coexist in the same organisation. A balance between the four culture types is regarded as desirable (Zammuto and Krakower, 1991). Dysfunctional organisations are considered to be those in which particular culture types dominate, although certain types of culture may dominate within functional organisations because of a range of factors including the sector in which the organisation operates or its public or private status (Howard, 1998).

*Beliefs* are how employees perceive their organisational reality. In practice, it is often hard to distinguish between values and beliefs because beliefs about how the world works frequently involve values. Rokeach (1973, p5) suggests that 'a value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence'. This suggests that values are manifested in beliefs. The cross over in beliefs and values is commonly found in areas where the rhetoric of adaptability, autonomy, co-operation, equality, honesty and rationality are used in organisations (Brown, 1995). According to Schein (1985a), an organisational leader's beliefs can be transformed into collective beliefs over time through the medium of values. If the leader is successful then the employees may accept the values as an accurate description of reality. If the value becomes taken for granted and is seen to work reliably, then social validation may transform it into a rarely questioned basic assumption.

Agyris and Schon (1978) draw the important distinction between the beliefs and values an organisation espouses and those which its employees actually use on a daily basis to guide their work activities. They have described this distinction as the difference between 'espoused theory' and 'theory-in-practice'. The espoused culture refers to a normative or desired state or vision of the organisation. In contrast, an organisation's culture in practice is its actual culture as experienced by employees. The difference between them may be dramatic because commitment to certain values may be espoused, but employees may act according to different value sets. The recognition of the

existence of separately identifiable espoused values and cultures-in-practice explains in part why organisational cultures appear to be confused and contradictory.

Importantly, *attitudes* connect beliefs and values with feelings. An attitude may be thought of as a learned predisposition to respond in a consistently favourable or unfavourable manner to a particular idea or situation. Therefore, attitudes involve evaluations based on feelings. Attitudes, much like opinions, develop over time and are often held as a result of prejudices and stereotypes rather than actual information. However, unlike opinions, they are held relatively consistently and have a more enduring impact on employee motivation. Barrat (1990, p23) claims that, 'values, beliefs and attitudes are learnt, can be managed and changed and are potentially manipulable by management'. This case is also argued by O'Reilly (1989) who states that it is possible to change or manage a culture by choosing the attitudes and behaviours that are required, identifying the norms or expectations that promote or impede them, and then taking action to create the desired effect.

*Ethical codes* may operate on an informal and formal basis in organisations. Increasing numbers of organisations are producing their own codes of ethics as a moral set of principles or guidelines which govern behaviour and which enshrine a set of values and beliefs. Thus, codes of ethics deal primarily with the rights and wrongs of decision-making and often reflect attempts by managers to mould a specific culture in organisations.

In order to understand a culture more fully, Schein (1985a) argues that it is necessary to penetrate the third level of organisational culture - *basic assumptions*. Schein (1985a) proposes that the idea that a culture is defined by its basic assumptions which refer to shared, implicit and deep-rooted notions which guide perception, feelings and emotions. In addition, basic assumptions are neither confrontable nor debatable as they are not only beliefs, but interpretations of beliefs, values and emotions. Some of the key assumptions made in the organisational context concern the nature of human

relationships. The ways in which employees are regarded in the organisation will affect their behaviour and the behaviour of others. Some employees may be seen as motivated by monetary gains, whilst others may be motivated by the need for social approval or the potential for self-actualisation (Maslow, 1943). In addition, the nature of human relationships is an important basic assumption as organisations differ in the way they assume employees should relate to each other. Some organisations may foster individualism, whereas others may facilitate collectivism and co-operation. It is important to note that basic assumptions are often mutually reinforcing and highly interdependent. Thus, in order to be able to interpret an organisation culture, it is necessary to unravel very complex sets of beliefs, values and emotions. This is made more difficult by the fact that cultures are not static entities but continue to evolve over time.

Although *history* is not, strictly speaking, a component of an organisation's culture, it is clear that culture can only be fully understood as the product of historical process. Rowlinson and Hassard (1993) argue that the full potential of the cultural perspective for scrutinising the history of organisations has not yet been recognised. They suggest that leaders, stories, and myths have been mistakenly identified as core determinants of a culture, when a more thorough historical analysis may often reveal far more complex insights into beliefs, values, attitudes and basic assumptions.

In addition to those models which attempt to present the elements of organisational culture, there have been those who proffer typologies of organisational culture. Deal and Kennedy (1982) identify four basic types of culture: the Tough Guy, Macho Culture, characterised by individualism and risk-taking; the Work-Hard, Play-Hard Culture, characterised by low risks and quick feedback on performance; the Bet-your-Company Culture, characterised by high risks and very long feedback times; and the Process Culture, characterised by low risks and slow feedback. Similarly, Quinn and McGrath (1985) develop another four categories of culture: the Market, characterised by rational decision-making and goal orientated employees; the Adhocracy, characterised by risk-



orientated and charismatic leaders and value-driven organisations; the Clan, characterised by participation, consensus and concern for others; and the Hierarchy, characterised by hierarchical, rule-based authority which values stability and risk avoidance.

However, one of the most prominent typologies of culture is that developed by Handy (1979) from Harrison's (1972) work on organisation ideologies. Handy (1986) observes four main organisational cultures which relate to particular forms of organisational structures; power; person, role and task cultures. Handy's (1986) categorisation of types of culture is very useful as it goes beyond generalisations and provides a picture of differing cultures. But it also highlights both the difficulty of defining cultures clearly, and also the profound implications of the cultural approach to organisations. Handy (1986) believes that the latter two cultures are most frequently found in organisations. In relation to these two common cultural forms, Burns and Stalker's (1961) structural continuum, shows a similar approach. Allaire and Firsirotu (1984) also agree that the matching of culture to the appropriate structure is key to an organisation's efficient and effective operation. Given that an organisation's environment can change rapidly, as can its structure, situations will arise where an organisation's culture which may change slowly and organically, may be out of step with changes that take place in the environment, structures and practices of the organisation (Brown, 1995 and Burnes, 1991). However, while the hierarchical and typological models of culture elements are useful, it is important to note that '...actual organisational cultures are not as neat and tidy as the models seem to imply' (Brown, 1995, p8-9).

## 2.5 Culture Change Programmes in Action - Can Culture be Manipulated?

Cultural change programmes aim to achieve employee commitment to those values senior management considers are facilitative to improved organisational performance (Legge, 1995). Ray (1986) suggests that cultural change strategies may be seen as an addition to other forms of control which organisations have tried to implement. Whereas bureaucratic control focuses on the organisational structure of the organisation,

such as the structures of the internal labour market, appraisals and rewards (Edwards, 1979), humanistic control focuses on matching employee needs to satisfying task or work life (Mayo, 1933, 1945). Both of these strategies aim at increasing worker loyalty and ultimately productivity, however cultural control implies that the top management team aims to have individuals possess direct ties to the values and goals of the top management in order to exhibit the emotion and sentiment which may lead to devotion, loyalty and commitment to the company (Ray, 1986). The strategy of cultural control can supplement the other two strategies discussed above and is often undertaken implicitly in broad brush human resource management initiatives where performance-related pay may go hand in hand with enhanced communication and participation and training. However, Ray (1986) suggests that contains possibilities to ensnare workers in a hegemonic system through treating the organisation as an appropriate site for an integrative moral order.

Cultural change programmes over the last century have pre-eminently promoted the values of quality products and services and the elevation of the market place, sanitised into 'customer awareness' or 'customer care'. Other major values of cost effectiveness and flexibility are promoted largely through systems of bureaucratic control, although the rhetoric of 'quality' may enter such change programmes. Companies and industries which have enticed researchers over the last decade reflect very much the concerns of the enterprise culture. It is interesting to note similarities in the espoused values of those companies in newly privatised industries in the 1980s and 1990s, such as British Gas and British Telecom (BT). In moving to the private sector, these companies had to emphasise quality which went hand-in-hand with the espoused value of cost control. The message of cost control may be conveyed symbolically, but the real thrust generally lies in the messages conveyed by bureaucratic controls (e.g. appraisal systems, promotion policies, performance-related pay, and the use of numerical flexibility) (Di Maggio and Powell, 1991; Metcalf and Richards, 1992; Osborne and Gaebler, 1992; Rhodes, 1991).

In order to achieve cultural change it may be assumed that senior managers attempt to change two manifestations of organisational culture: artifacts, including overt behaviour and espoused values. In most cultural change strategies one can recognise an implicit adherence to Lewin's (1951) three step change model and Chin and Benne's (1976) change strategies. Translated into management practices, this generally results in three strategies, often simultaneously applied to different groups of people, at different levels in the hierarchy and at different stages in the change process. These are described as: re-education (including participative communication such as briefing groups, role modelling, quality circles, training and management development generally); replacement (selection, promotion and redundancy); and re-organisation (new structures, appraisal and reward systems).

Many companies have attempted to promote the values of quality and customer service through re-educative methods. Some of the most notable were British Airways 'Putting People First' programme (Young, 1989; Hopfl, 1993) and British Rail's 'Customer Care' and Total Quality Management programmes (Storey, 1992b; Guest *et al*, 1993). Storey (1992a, 1992b) suggests that most companies are engaged in intensive and direct communication with employees as part of wide ranging cultural, structural and personnel strategies aimed at conflict reduction through cultural change. Replacement strategies are also in evidence when companies select new employees not only for staff potential but for appropriate attitudes and values, for example those supportive of flexibility and teamworking. Finally, major structural changes have been used to align organisations closely with the market place. In general terms this has involved decentralisation and increased operational autonomy for identified separate business units, and their change from cost to profit centres. In public sector companies this has often resulted in a move from functional organisation to business and market centred structures. Such initiatives are often reinforced by the implantation of the new 'espoused values' into appraisal systems, supported by the introduction of various forms of performance-related pay.



Most of these strategies have received symbolic as well as instrumental expression. Identification with the organisation and its values is expressed by the vast expansion of company specific work wear, particularly in areas where there is direct contact with the customer. Commercial orientation has resulted in changes in physical artifacts as evidenced by redesign of internal and external buildings from images that convey the aims of the organisation in respect to customer service. Language has also changed in a similar direction with passengers, students and clients being newly labelled as 'customers'. Employee behaviour is also being moulded to match these changes through employees being encouraged to smile at customers and wish them a 'good day' (Ogbonna and Wilkinson, 1988, 1990). Above all, the transformational leaders have learnt the value of symbolic acts (Harvey-Jones, 1988).

What could be argued is that if the 'behavioural consistencies' view of commitment is taken, the bureaucratic controls (restructuring, redesign of work practices and control systems) that have induced new behaviour patterns may result in the eventual internalisation of the values imbedded in the new structures and resultant behaviours. However, in theory this internalisation is only likely to occur if the individuals involved feel that they have some choice and discretion over their new behaviours and that the consequences of engaging in them are positive. If the individual has no choice, or is heavily bribed to participate, the required behaviour may result, but even espoused values of all but senior management remain unchanged. In terms of the taken-for-granted assumptions, it is debatable whether many of the work groups involved in cultural change programmes have had sufficient time to test and be reinforced in the new espoused values for these to be absorbed into unconscious assumptions.

Hopfl *et al* (1992) use the example of British Airways to show the extent to which BA's 'Putting People First' espoused values stood the test of the redundancy programme and the effects of the Gulf War. They consider the redundancy exercise was not seen as a betrayal of the 'caring' values that BA adopted in the 1980s. Three explanations are offered by them for this reaction. Firstly, Hopfl *et al* (1992, p 29) suggest that culture

change programmes of the 1980s may not have been successful, that they 'engaged the mind but left the hearts untouched'. Alternatively, the redundancy exercise could be seen as expressive of and reinforcing espoused values rather than undermining them. Thus, BA transformed their recruitment centre into an 'Advice and Support' Centre, offering a comprehensive and extended outplacement service, supported by very generous severance terms. Hopfl *et al* (1992) also observe that the Advice and Support Centre signalled the extent of BA's concern for its people in difficult times, which included the major effects of external pressures (the Gulf War and recession) which drove the cut backs that were generally recognised and accepted as beyond the company's control. Thirdly, Hopfl *et al* (1992) suggest that the most likely explanation is linked to the way in which the cultural change programmes were positioned. They suggest that in the 1980s it was never the intention or objective of the change process to encourage people to place company loyalty above commitment to family and friendships. Therefore, the change process was rather an attempt to show people that BA believed in and enable individuals to make a conscious choice to opt in and feel good about their contributions. Culture, was a variable to be manipulated to improve performance, but the workforce itself was not seen as a variable to be manipulated. On a fundamental level culture change addressed issues of survival. Concern for the individual was set within this context of making sense of behaviour and experience in such a way as to serve the interests of the survival of the organisation.

In terms of prescriptive procedures and models for changing organisational culture, there have been many. Dobson (1988) identifies a four-step approach to culture change. Step one involves change recruitment, selection and redundancy policies to alter the composition of the workforce so that promotion and employment prospects are dependent on those concerned possessing or displaying the beliefs and values that the organisation wishes to promote. Step two comprises of reorganising the workforce to ensure that those employees and managers displaying the required traits occupy positions of influence. Step three effectively communicates the new value by using a variety of methods such as one-to-one interviews, briefing groups, quality circles, house



journals etc. However, the example of senior managers exhibiting the new beliefs and values is seen as particularly important. Finally, step four concerns the implementation of change systems, procedures and personnel policies, especially those concerned with rewards and appraisals as they act as incentive for employee motivation. Cummings and Huse (1989) widened this approach to change by proposing five main steps to bring about strategic change, placing importance on areas such as clear strategic vision, top management commitment, symbolic leadership, supporting organisational change, and organisational membership.

Many writers advocating cultural change adopt a similar approach, with some such as Peters and Waterman (1982) describing eight prescriptive steps to excellence. However, other authors seem to underestimate the difficulty involved in generating organisational change such as Egan (1994) who suggests that organisations can change their cultures quickly and with ease. No matter how it is applied, the generic approach to culture change can be criticised as being too simplistic, and putting forward recommendations which are far too general to be of use to individual organisations (Brown, 1995; Gordon, 1985; Hassard and Sharifi, 1989; Nord, 1985; Uttal, 1983).

There are those, however, who take note of the complexities of issues which apply when considering culture change. Brown (1995) warns that organisations must be sure that the problems they wish to address through cultural change are actually caused by the existing culture. There can be a tendency to assume that the culture is the root cause of organisational problems, when in fact they may arise from inappropriate organisational structure, for example. He also points out that senior managers may use the issue of culture to redirect blame away from themselves and onto the rest of the organisation. Schein (1985b) takes a similar view by proposing that before an attempt is made to change an organisation's culture, it is first necessary to understand the nature of its existing culture and how this is sustained. Therefore, the values that govern behaviour in the organisation must be analysed in order to uncover the underlying and often unconscious assumptions which determine how employees think, feel and react. Schein



(1985b) suggests analysing the mechanisms which propagate culture, such as the process of recruitment and induction for new employees, analysing critical incidents in the organisation's history, and analysing the beliefs, values and assumptions of those who are seen as the guardians and promoters of culture. Schein (1985b) also emphasises the need to discuss the findings from the above analysis with those in the organisation. Once these mechanisms are revealed they can form the basis of a strategy to change the organisation's culture. Hassard and Shafari (1989) take a similar approach to that advocated by Schein (1985b), but also stress the key role of managers in culture change, particularly in terms of their behaviour and support in the change context.

Schwartz and Davis (1981) provide a contrary viewpoint by suggesting that when an organisation is considering any form of change, it should compare the strategic significance of the change with the cultural resistance which that particular change will encounter. They term this the 'cultural risk' approach and offer a step-by-step method for identifying the degree of cultural risk involved in any particular change project. They argue through this approach that it is possible for an organisation to decide with a degree of certainty whether to ignore the culture, manage around it, attempt to change the culture to fit the strategy, or change the strategy to fit the culture. This approach clearly relies heavily on managerial judgement. Although it constitutes a methodical approach to identifying the potential impact of strategic change at an early stage, it is not clear whether managerial judgement could clearly make exclusive decisions concerning the culture without communication with members of the organisation, as the approaches of Schein (1985b) suggest. However, although the two approaches are different, this does not mean that they are incompatible, instead both could be considered as different aspects of the same task.

Salaman (1979) points out that whilst there may be a dominant culture in an organisation, there will also be subcultures, as in society. Most organisations of any size contain many identifiable subcultures, the beliefs values and assumptions of which may compete with the dominant culture. Organisations exist in a similar way to societies and

as such tend to be fragmented, consist of multiple groupings and be dominated by political activity (Gregory, 1983). One basis for sub-cultural growth is the structure of the organisation itself which often evokes internal differentiation. These differences will develop under the influence of physical separation and are fed by different sorts of professional training which individuals receive, the types of work individuals carry out, and the working conditions which they face. This is particularly true of departments which share different experiences, face different sorts of problems and develop different sorts of solutions to them. It is also possible for various sub-cultures to exist within particular cohorts in organisations such as age groups or union members. Morgan (1986) claims that trade unions are foremost among all organisational subcultures, and argues that they are often involved in ideological struggles with the organisation for loyalty and commitment of employees. It is also often quoted that managers are frequently more committed to the organisation than other employees due to their hierarchical position.

Martin and Siehl (1983) identify three distinct types of subculture - enhancing, orthogonal and counterculture. *Enhancing subcultures* consist of individuals who adhere to the principle beliefs and values of the dominant culture more intensely than in the rest of the organisation. A key example of this culture is long serving employees whose commitment to the organisation contrasts with the weaker bonds felt by new recruits. In contrast, *orthogonal subcultures* are characterised by individuals who subscribe to the core values and beliefs of the dominant organisational culture, while simultaneously accepting a separate and conflicting belief and value set. This is a situation which may occur in departments of an organisation where employees may endorse the organisational culture, but may retain their own departmental identity. However, *countercultures* present a direct challenge to the dominant culture of the organisation. This may occur during periods of change in their organisation where members of the organisation attempt to maintain or expand the influence of their culture over employees. If the dominant culture is seen by some groups to have lost its appropriateness and thus legitimacy, then conflict can occur. The reverse situation may



also be true in organisations where the cultural values and methods of operation which one group adopts may be incongruent when compared with the dominant culture. This behaviour can undermine the authority of managers which, in turn, endangers the efficiency of the organisation (Morieux and Sutherland, 1988).

However, there are important conclusions which can be taken from the culture literature. First, in the absence of unambiguous guidelines on organisational culture, managers must make their own choices based upon their own circumstances and perceived options for cultural change. Secondly, in the absence of strong or appropriate cultures which bind their members together in a common purpose and legitimise and guide decision-making, managers may find it difficult to agree amongst themselves or to gain agreement from others in the organisation. Robbins (1987) argues that in such a situation there is the potential for conflict and power battles to arise.

Although there are many authors who emphasise the potential difficulties of organisational change, there are also those who believe that culture cannot be managed or changed in any way (Meek, 1988; Anthony, 1990; Ogbonna and Wilkinson, 1990; Smith and Peterson, 1988). Filby and Wilmott (1988) highlight the ways in which an individual's values and beliefs are conditioned by experience outside the workplace through exposure to the media, social activities, and previous occupational activities (Smircich, 1983). Hatch (1997) is also cautious of attempts to change organisational culture by suggesting that people's meanings and interpretations are unmanageable. Consequently, managers should manage the organisation with cultural awareness of the multiple meanings which will exist concerning management behaviour. Van Maanen and Kunda (1989) argue that behind the interest in culture is an attempt by managers to control what employees feel, say and do. Thus, culture becomes a mechanism for disciplining emotion. From this point of view, attempts to change culture may be seen as the Taylorism of the mind (Van Maanen and Kunda, 1989). Willmott (1995) expresses similar concerns through the belief that culture change aims to win the hearts and minds of employees by achieving control over the employee's soul. Watson (1995)



concludes this issue by stating that any attempt to manage or change culture is dangerous because it is an attempt to mould human morality, social identity and existential security.

The second issue to be considered is the paradoxical nature of cultural management. It may be argued that paradoxes embedded in the intentions and implementation of cultural management render it self-defeating (Anthony, 1990; 1994). As Anthony (1994) points out, if cultural control (hegemonic in Ray's (1986) terms) is regarded as a more effective substitute for rational bureaucratic control, it is interesting that the mechanisms by which messages of initiative, autonomy, innovation, risk-taking and personal responsibility are conveyed - organisation-wide cascaded briefings, training days, appraisal systems - are themselves highly bureaucratic. This may or may not negate the messages that are preached.

Recent case study evidence appears to suggest that cultural change initiatives appear more successful among their initiators (senior managers) and their immediate collaborators (surviving middle managers) than further down the hierarchy. Storey (1992b) concludes that whilst there is evidence of transformation with line managers as the objects of change, there is much less evidence that this had been carried through into similar behavioural and attitudinal changes at front-line level.

## 2.6 Are Strong Cultures Desirable?

It is clear that a case may be made for the desirability of developing a 'strong' organisational culture to which employees are committed, although the benefits may vary over time and between different groups of stakeholders. Strong culture can act as 'moral glue' binding together a somewhat differentiated organisation. This is particularly relevant when a penchant for loose-tight structures dissolves bureaucratic centralising controls other than the financial. Widely shared assumptions and espoused values can also act as guidelines to facilitate, not just co-ordinated, but rapid decision-making. Strong commitment to shared values is particularly important when the

relationship between an individual's actions and outcomes are uncertain or the instrumental pay-offs are likely to be low. Furthermore, by co-opting an individual's commitment to espoused values and courses of action, and inducing a sense of personal responsibility for them, senior management inhibits that individual's ability to find fault with the same (Salancik, 1977, p445). However, the downside of a strong organisational culture is an inward-looking, conformist, complacent organisation, which is sunk into a morass of group-think and is consequently rigid, rather than flexible in its outlook.

Brunsson's (1982) arguments suggest that strong cultures result in 'objective' ideologies (shared by all organisational members) which, if 'conclusive' in speed of response, can promote adaptability. This is because decisions can be made quickly as the conclusive ideology, i.e. strong culture, acts as an effective filter for the acceptability of an action, eliminating lengthy discussion while generating commitment to implementation. This is similar to Miller's (1993) argument that successful organisations over time, through positive reinforcement, become more focused or 'simple', in developing a homogenous and mutually reinforcing set of world views, goals, structures, processes and culture that, in turn, enhance success (Weick, 1987).

Weick (1987), Coopey and Hartley (1991) and Miller (1993) point out the dangers of strong culture in terms of developing rigid and conformist thinking among its members. If environmental conditions change, the architecture of simplicity that once enhanced success can trigger failure due to lack of mechanisms to sense the need for change and inappropriate responsiveness. Coopey and Hartley (1991) suggest that competing ideologies 'stimulate individuals to think meaningfully about themselves and the world around them' (Coopey and Hartley, 1991, p26), that creative tensions between heterogeneous viewpoints are ultimately more facilitative of flexibility and innovation than the complacency engendered by a shared, unchallenged view of reality. However, it could be suggested that cultural, or indeed any change, programmes may initiate a re-examination of work roles and issues of personal identity that challenge the erstwhile taken-for-granted worlds of work and personal life (Hopfl *et al*, 1993).



However, Brunsson (1982) argues that conclusive ideologies reflecting strong culture may, in the long-term, be more amenable to radical shifts than the broad, ambiguous ideologies, often taken as symptomatic of a 'weak' culture. Superficially, while the latter might appear to allow more flexible responses on the part of the employee, their very vagueness fails to generate the necessary commitment for effective action. Nevertheless, such ideologies tend to survive as they are difficult to disconfirm, being apparently applicable to a wide range of situations. In contrast, the very precision of conclusive ideologies allows their disconfirmation because an individual's own experience of changed circumstances cannot be reconciled with their unequivocal prescriptions and justifications. Thus, in the early 1980s, many employees of British Airways could recognise the inappropriateness of their bureaucratic, technically orientated, almost militaristic culture in a world of high competition and threatened deregulation. Brunsson (1982) also suggests that until a new ideology is in place, it will be impossible for the organisation to take effective action as the period of transition will be marked by conflicts and uncertainties that will inhibit individual's willingness to make a commitment to any one course of action and will hinder co-ordination.

Therefore, it could be said that the relationship between 'strong' cultures, employee commitment, and adaptability contains a series of paradoxes. Strong cultures allow for a rapid response to familiar conditions, but inhibit immediate flexibility in response to the unfamiliar, because of the commitment already generated to an ideology. 'Weak' cultures, in contrast, when equated with ambiguous ideologies, allow flexibility in response to the unfamiliar, but cannot generate commitment to action. Yet strong cultures, through disconfirmation and eventual ideological shift may prove ultimately more adaptive to change, assuming the emergence of a new, strong yet appropriate culture. This, however, may be at the cost of a transitional period when ability to generate commitment to any course of action, new or old, is minimal.

There have been many frameworks produced by both consultants and academics which detail how to successfully manage the dominant or strong organisational culture.



Wilkins and Patterson (1985) have expressed the focal point of the generally accepted framework in the form of four questions which consider the strategic direction of the organisation, the current culture, the gap between the current culture and the future espoused culture, and the plan of action to close the gap. A more widely known form of this framework has been promulgated by Kilmann (1984) who suggests that there are five steps for managing culture:

- surfacing actual norms;
- articulating directions;
- establishing new norms;
- identifying culture gaps; and
- closing culture gaps.

On the surface, according to this framework, managing culture is a relatively straightforward managerial task. Having worked out the actual and ideal state cultures for an organisation, senior executives must take steps to bring the former into alignment with the latter. Unfortunately, the question of how to take action to achieve the ideal cultural state is seldom comprehensively answered and some authors have questioned whether this sort of general framework describes what actually occurs when organisations attempt culture change. For example, Anthony (1994) has suggested that even the apparently simple tasks associated with the process of identifying the existing culture of an organisation are prone to highly political issues and political antagonisms which often cloud rational economic judgements. Therefore, manager's understandings of how the organisation operates are often incomplete or even defective. Managers should make sure that in seeking to understand culture they do not place undue emphasis on culture as the root cause of problems which are actually the result of, for example, inappropriate organisational structures, failure to invest in new technology or poor financial control systems. Whitewashing may also become an issue where senior managers declaim that they are not to blame for organisational problems, but instead

claim that it is the mass of ordinary organisational members who require their cultural orientations to be altered.

Managers may also identify a particular group as culturally deviant, i.e. scapegoats, blaming them for the organisational ills. The organisational culture may be considered as a single unitary culture when in fact a number of subcultures may be discernible to managers. In the light of the existence of subcultures, managers may argue that strong subcultures are a source of weakness, when they may in fact be contributing in a positive way to the cultural identity of the organisation as a whole. It may also be managerial perception that a missionary zeal may be used in organisations in order to make employees believe in and share a single purpose and vision that overrides subcultural interests. Finally, when managers fail to develop a clear understanding of an organisation's culture, history and traditions and how they are linked to the organisation's environment they inevitably create their own false illusion of the organisational culture. These potential errors which may be made by managers certainly do not constitute an exhaustive list, but do offer a valuable indication of the range of biases and prejudices that afflict culture analysis and subsequently its management. Thus, following Siehl (1985), it is important for managers to evaluate which aspects of change can be managed and under which circumstances. This then allows the possibility of managing culture through an examination of the different variables in action. Hassard and Sharifi (1989) summarise the cultural management process which shows the general principles and guidelines they attach to cultural management.

### 2.7 The evolution of High- and Low-performance cultures

Whilst there are no definitive answers as to how cultures which determine good performance develop, Kotter and Heskett (1992) suggest that one possible pattern of organisational development that leads to low economic performance. Their account of how such cultures evolve describes a pattern in organisational culture by highlighting the importance of:



- Employee commitment - when people are committed they are more likely to be successful in their actions. This may be because of excellent leadership or may be sheer luck, that a strategy is formulated and implemented which leads the organisation to command a dominant niche in the marketplace.
- Market dominance - organisational dominance over the market means that organisations may be exceptionally economically successful. This is a period of sustained growth for these companies, and they become increasingly larger and more complex.
- The development of skilled managers - in order to cope with the size and complexity of the organisation, skilled managers are developed within the organisation or brought in from outside. These skilled managers understand structures, systems, budgets and controls, but are less comfortable with 'soft' issues such as vision, culture, strategy and inspiration. Over a period of years these individuals assume senior positions within the organisation. As this process occurs, there is a loss of any collective sense of why the firm was successful in the first place. These unhealthy cultures tend to have three general components: managers tend to be arrogant; managers do not value all the key stakeholder groups; and the cultures no longer value leadership or other change-oriented structures and values.
- Environmental alteration - over time the environment changes and develops, and if managers ignore relevant information and cling to outmoded strategies and practices, economic performance begins to deteriorate. Arrogance, insularity and poor leadership all combine to restrict the organisation's scope for, and ability to cope with, change.

For Kotter and Heskett (1992) sustaining a performance-enhancing culture is a balancing act for which they make the following prescriptions: core values and beliefs must be rigidly adhered to; most other values and practices should be regarded more flexibly and discarded if they become dysfunctional; leaders must always communicate messages consistent with the culture's core values; pride must not be allowed to degenerate into arrogance; and failings must be confronted in a practical and realistic way. However,



according to Martin, Sitkin and Boehm (1985), such an idealistic picture of cultural evolution glosses over much of the detail. They suggest that because real organisational cultures are so complex many authors have chosen to stress the importance of leaders and focus on their contribution, omitting the impact of other opinion-formers and sub-cultures. By emphasising the role of leaders, commentators such as Kotter and Heskett (1992) present what appears to be a coherent narrative of culture development.

Although Kotter and Heskett (1992) identify some leadership-oriented developmental patterns, it should be acknowledged that in the case of any particular organisation, the impact of environmental constraints, organisational technologies, and various subcultures and influential individuals may be less significant. It is at least arguable that the most effective cultures are those which are not only strong, but actively involve large numbers of individuals in consultative and decision-making bodies. In addition, some cultures allow an organisation to exploit a given environment more effectively than others, and are thus more 'strategically appropriate'. If a culture is to adapt to changing circumstances in order to maintain its strategic appropriateness over time, then this too may well be advantageous. It is also suggested that cultures which value large stakeholders and leadership at all levels are associated with superior economic performance.

### 2.8 Cultural Resistance to Change

Resistance to change is one of the most ubiquitous of organisational phenomena. A number of authors have proffered definitions of resistance. Ansoff (1987) defines resistance as a multifaceted phenomenon which introduces unanticipated delays, costs and instabilities into the process of a strategic change. Conversely, Zaltman and Duncan (1977, p63) define resistance as any conduct that serves to maintain the status quo in the face of pressure to alter the status quo. Thus resistance in the organisational setting, is an expression of reservation which normally arises as a response or reaction to change. This expression is normally witnessed by management as any employee actions perceived as attempting to stop, delay or alter change. Therefore, resistance is

commonly understood as the emergence of divergent opinions that detracted from the proficiency of the organisation and the resistant worker was portrayed as a subversive whose individual self-interest clashed with the general interest and well-being of the organisation. However, the application of psychological, sociological and anthropological disciplines related to the study of management resulted in resistance being seen as a function of a variety of social factors including:

- *Rational factors*: resistance can occur where the employees' own rational assessment of the outcomes of the proposed change differ with the outcomes envisaged by management. Such differences of opinion cast doubt in employees' minds as to the merit or worth of the changes and thus they may choose to stand in opposition or voice concern (Ansoff, 1988).
- *Non-rational factors*: the reaction of an individual worker to a proposed change is also a function of predispositions and preferences which are not necessarily based on an economic-rational assessment of the change. These may include instances of where resistance workers simply do not wish to move offices, prefer working near a particular friend, or are uncertain of the outcomes of implementing new technology (Judson, 1966).
- *Political factors*: resistance is also influenced by political factors such as favouritism or 'point scoring' against those initiating change efforts (Ansoff, 1988).
- *Management factors*: inappropriate or poor management styles also contribute to resistance (Judson, 1966).

As organisational theory developed over time, it drew attention to the fact that resistance to change is also built into organisational factors. Systems, processes, sunk costs and so on, all contribute to a kind of inertia that influences an organisation toward greater reliability and predictability which, in turn, acts against change (Zaltman and Duncan, 1977). Thus, resistance can be recognised for what it is - a complex, multi-faceted phenomenon that is caused by a variety of factors, which may in fact not be an enemy of



change, but rather a tool which may play a useful effort in the organisational change effort.

What has become clear is that employees do not resist change *per se*, rather they resist the uncertainties and potential outcomes that change can cause. Thus, resistance to change is not the fundamental problem to be solved, but rather resistance is usually a symptom of more basic problems underlying the particular situation. Resistance, can, therefore, serve as a warning signal to managers directing the timing of technological changes (Judson, 1966, p69). As such, resistance plays a crucial role in drawing attention to aspects of change that may be inappropriate, not well thought through, or perhaps wrong. Either way, the organisation's method of communication, therefore attempting to eliminate resistance as soon as it arises is akin to shooting the messenger who delivers bad news. Specifically, management can use the nature of the resistance as an indicator of the cause of resistance. It will be most helpful as a symptom if management diagnoses the causes for it when it occurs rather than inhibiting it at once.

Much of the literature on resistance to change takes a modernist perspective in which it is assumed that everyone shares the same objective and homogenous reality. In other words, all participants to a change process encounter not only the same initiative, but they do so within the same context. Given this assumption, differences in participant responses, such as resistance, must reflect either misunderstandings about the change, or individual characteristics and attributes that hamper change. The literature on organisational development and change is replete with research on how individual differences influence responses to and experiences of the 'same' change. Accordingly, resistance is objectified as a socio-psychological phenomenon that exists in the individual/group (Dent and Goldberg, 1999). Successfully dealing with resistance, therefore, ultimately depends on an ability to represent accurately and describe the source of resistance in the individual/group and to choose and implement strategies appropriate for addressing and overcoming that source.



However, another perspective is to take the postmodernist, constructivist perspective in which there is no homogeneous reality that is everywhere and the same for everyone. In this reality, it is suggested that resistance becomes a function of the constructed reality in which people live. In constructivist and postmodern perspectives, the reality we know is interpreted, constructed, or enacted through social interactions (Weick, 1987). Thus, in context, resistance is a reality constructed in, by and through conversation. This locates resistance in conversational patterns rather than in the individual. Further resistance is a function of the extent of support agreement that exists for it. In constructed realities, the more conversations that support, are attached to, or in some other way are associated with a particular conversation, the more 'pull' there is to keeping that conversation in place and the more apparent support there is for that conversation. Background conversations are manifest in everyday organisational dealings as a familiarity or obviousness that pervades employees' situations and is presupposed by everyday conversation. Background conversations can be seen to constitute an organisation's culture, its operative set of assumptions, although no one conversation captures the culture in its entirety.

For any particular conversation that proposes or initiates an organisational change there may be several different background conversations (realities) that contextualise, colour, and characterise it. Ford, Ford and McNamara (2002) suggest three generic types of socially constructed background conversations that engender specific types of resistance to change: complacency; resignation; and cynicism.

Ford *et al* (2002) propose that if the backgrounds that engender resistance are generated and sustained through conversation, the task of changing these backgrounds entails changing what is said. Shifting the focus of conversation can produce breakthroughs in organisational performance and change. It matters more that new things are given utterance than whether they are true, real or accurate in some objective sense. It is in the saying of something new that one is given the opportunity to challenge, engage, explore,

and create, thereby discovering underlying assumptions and opening new opportunities for action.

These conversations are therefore not simply reports on reality, they are the process of socially constructing, or generating, the reality of the organisation with which everyone must deal and it is possible for all participants to be responsible for what they are creating. The three constructed backgrounds presented portray resistance as a response to an assemblage of conversations about the nature, meanings and causes of past successes or failures, rather than as a response to the actual conditions and circumstances of the change initiative itself. This means that resistance to change is never only about what is happening now, but is also about what has happened before, and the meanings that have been assigned to possibilities for the future.

## 2.9 Conclusion

This chapter has considered the strong interrelationships which exist between organisational culture and the management of organisational change. The models and definitions of organisational culture have been analysed and compared in terms of their applicability to organisational reality. Culture has been variously defined, typologised and modelled and, as a result, there is no universal agreement on either the elements or causes of organisational culture. The two main threads in the culture debate centre on the question of whether culture is a system of shared cognitions which are socially constructed, or rather if it exists as an independent variable which is produced by the organisation. Depending on the conceptual emphasis applied to organisational culture there is a direct impact on the extent to which managers are able to manipulate culture. Therefore, if managers are to create a change environment in the organisation and manage the organisational culture the aspects of organisational life which cause or comprise manifestations of culture must be understood by managers. The elements of culture, as described in this chapter, tend to encompass all the aspects of organisational life from the impact of dominant leaders, to goals, values and beliefs, to reward and information systems. The categorical and hierarchical models which aim to overcome



the lack of clarity which spans the various definition and interests in organisational culture provide a view of culture which assists in the understanding of how managers can use methods to manipulate or control culture. These methods may involve the use of metaphors, myths and symbols in the form of stories in order to legitimate managerial values and corresponding behaviour, or the development of norms which provide coherence and structure for cultural life. It is also important to note that managers may manipulate the cultural manifestations of values, beliefs and attitudes, as these are learnt by employees through norms.

Therefore, it has been found that, although these models provide a useful way of illustrating the components of what is a very complex phenomenon, culture does not evolve and develop in adherence with these largely prescriptive models. Instead, culture is influenced by both internal and external environmental conditions, which themselves change and develop. Thus, although managers may be able to manipulate culture through understanding the nature and multiple meanings associated with the interaction of employees in their particular organisation and perpetuate a dominant or strong culture, it is evident that their voice and influence will not be the only one. Many organisations contain subcultures which will either adhere to the principle beliefs of the organisational culture or on the other hand will challenge the dominant culture. Both these subcultural groups can undermine the role and authority of managers. Therefore, it is key that managers make choices based upon their own circumstances and the perceived options for cultural change, i.e. that they take a contextual approach to cultural change. In addition, it is also important that the benefits of adhering to a strong culture are understood by managers as these types of cultures make for a more coherent and effective organisation through unified values.

The following chapter considers the role which human resource management plays in commitment to organisational culture and shows the strong interdependencies in the relationship between the concepts of organisational culture, human resource management and organisational commitment.



## CHAPTER 3

# MANAGING THE HUMAN RESOURCE IN A CHANGING ENVIRONMENT

### 3.1 Introduction

The literature review in the fields of organisational change and organisational culture shows that the human resource plays a key role in the effective implementation and success of any managed organisational process through their behaviour and attitudes which manifest the organisational culture. Therefore, it is clear that the field of human resource management has much to offer in the analysis of the interrelationship between organisational change and organisational culture. This chapter investigates the strong interdependence between human resource management and the embedded culture of organisations within the context of change. Particular elements of interest in this chapter are the role of human resource management, as practiced by operational or functional managers, in gaining the commitment which is required for successful cultural change and the methods for gaining such commitment.

### 3.2 The importance of Human Resource Management in the Organisational Context

The role of human resource management in the organisational context has been championed by the human relations school (Argyris, 1964; Bennis, 1966). However, the concept of human resource management is widely discussed as has various practices associated with it in the organisational context. Legge (1995) seeks to highlight the divergence of opinion by introducing the hard/soft dichotomy. The 'hard' model, reflects a *utilitarian instrumentalism*, whilst the 'soft' model is deemed more characteristic of *developmental humanism* (Storey, 1987; Hendry and Pettigrew, 1990).

The 'hard' model of human resource management focuses on the crucial importance of close integration of human resource management policies, systems and activities with business strategy, and on such human resource systems being used to drive the strategic

objectives of the company (Fomburn *et al*, 1984). Hendry and Pettigrew (1986) make it clear that personnel policies, systems and practices are not only logically consistent with and supportive of business objectives, but achieve this effect by their own coherence. From this perspective the human resource, as the object of formal manpower planning, becomes largely a factor of production alongside land and capital and an expense of doing business. This perception of the human as a resource underlies Torrington and Hall's (1987) descriptive-functional model of human resource management, with its particular emphasis on the appropriate factors of production in terms of skills and numbers, at the right (i.e. lowest possible) price. In this model the human resources appear to remain passive rather than active and creative within the organisational context. In essence, the 'hard' model emphasises the 'quantitative, calculative, and business strategic aspects of managing the headcount resource in as 'rational' a way as for any other economic factor' (Storey, 1987, p6). Its focus of the hard model is therefore on *resource management*.

In contrast, the 'soft' model, whilst maintaining an emphasis on the importance of integrating human resource policies with business objectives, views this integration as treating employees as valued assets and a source of competitive advantage through their commitment, adaptability and high quality of skills and performance (Guest, 1987). Employees are viewed as proactive, rather than passive, inputs into productive processes and are capable of development, worthy of trust and collaboration, which is achieved through 'participation and informed choice' (Beer and Spector, 1985). Therefore, the focus of this model is on generating commitment via 'communication, motivation and leadership' (Storey, 1987, p6). If employee's commitment will result in better economic performance it is also sought as a route to greater human development (Walton, 1985). Thus, in this model, the focus is on human resource policies to deliver resourceful humans in the organisational context (Morris and Burgoyne, 1973).

It is clear that both models although different in focus, are not necessarily incompatible. Indeed most of the normative definitions of human resource management contain



elements of both the 'hard' and 'soft' models. This is particularly conveyed by Hendry and Pettigrew (1986), Beer and Spector (1985), Walton (1985) and Guest (1987). However, potential tensions and contradictions exist in the normative models of human resource management, which are expressed in the 'hard'/'soft' dichotomy. Human resource management appears torn between preaching the virtues of individualism (hard human resource management) and collectivism (soft human resource management). Some commentators, observing human resource management's background of collective, union-based employee relations and its highlighting of individual skills and development, along with individually assessed performance-related pay assert that it is individualistic rather than collectivist in orientation (Guest, 1987; Storey, 1987). At the same time there is a parallel emphasis on teamwork whether in the form of quality circles or functional flexibility and above all, the individual's commitment to the organisation, represented not just as the sum of the individuals in it, but rather as an organic entity with an interest in survival. Storey and Bacon's (1993) criteria-based approach to individualism and collectivism in human resource management is recognition of this tension. However, the potential conflict between emphasising the importance of the individual on one hand, and the desirability of teamwork and employee commitment to the organisation on the other, is often glossed over through the general assumption of unitaristic values which underlies the movement towards a strong organisational culture. This tension also points to the reason why human resource management stresses the development of a *strong* corporate culture. Not only does it give direction to an organisation, but it mediates the tension between individualism and collectivism, as individuals socialised into a strong culture are subject to unobtrusive collective controls on attitudes and behaviour.

### 3.3 The Relationship between Human Resource Management, Organisational Culture and Employee Commitment

The fields of organisational culture and human resource management have evolved together and jointly reflect a growing concern with people in organisations. It is, however, possible to detect more intimate links between the two fields of interest (Albert



and Silverman, 1984a, b). It is popularly argued that human resource management plays a key role in managing key elements of culture, including symbols, rites and rituals, norms of behaviour, beliefs and values, and possibly even assumptions (Argyris, 1964; Bennis, 1966). For example, the human resources departments of many large organisations are responsible for managing cultural symbols (Hampden-Turner, 1990). In addition, the human resources function is often centrally involved in rituals and ceremonies such as office social events, staff meetings and award ceremonies. It also has a role in various organisational rites (Trice and Beyer, 1984), especially rites of degradation such as demotions and firings, rites of enhancement in the form of promotion and favourable transfers, and rites of passage such as induction programmes. In addition, norms can be influenced through codes of practice and rule books, beliefs and values may be shaped and conditioned by mission statements, and assumptions can be moulded over time by training programmes, the reward system and the performance appraisal process, all of which are generally within the remit of the human resource manager. Of course with the devolution of human resource activities to line managers, the responsibility for these issues has now become more readily the remit of managers who utilise these human resource areas in their attempts to manage culture (Storey, 1992b).

Thus, human resource systems, policies and practices have a great leverage over an organisation's culture (Legge, 1995). The precise nature of this leverage and dynamics of the interactions between a given system or procedure and any element of an organisation's culture is likely to be highly complex. One consequence is that the results of any deliberate attempt to manage culture using the tools of the human resources function may be hard to predict. What is clear is that the human resource function can most effectively manage culture using what might be termed a *consistent cues approach*. This approach states that all aspects of every human resource programme must unequivocally promote the 'desired state culture'. The aim is that by consistently promoting certain norms, values and beliefs, other cognitive and behavioural

dispositions which the organisation has defined as 'deviant' will disappear. Thus, in effect, the organisation appraises and rewards those behaviours which are desired.

Whilst this may seem straightforward and simplistic, it is difficult for organisations to correctly analyse the full implications of, for example, a particular reward system or promotions policy. This is partly because the full mechanisms of any policy or system are often not evaluated in sufficient detail, partly because those operating the systems or policies do not always follow procedures. This inconsistent behaviour may introduce unintended consequences, and partly because different employees (and whole subcultures) will tend to interpret the results according to their own, often highly personal, criteria. It is this variation of interpretation which massively complicates cultural life, and especially attempts to manage culture. The role which human resource management plays in the consistent cues approach to cultural management lies in the areas of recruitment and selection, induction, socialisation and training programmes, performance appraisal systems, and reward systems.

Individuals are most susceptible to new ideas and suggestions for new ways of behaving during the early stages of employment with an organisation. In its weakest form, attempts to manage socialisation take the form of chats or lectures containing information regarding fringe benefits, mission statements, rules and procedures. More progressive organisations may use their induction programmes to inculcate something of the organisational history and philosophy, often delivered by the chief executive or a senior manager who plays a leading role in the organisation. Naturally, the precise means by which cultural messages are transmitted vary between organisations depending on their history, traditions, ethos and of course, inherent culture. A few of the most obvious transmission vehicles of cultural cues include the following: lectures and seminars focused on stories about an organisation's history, founders and heroes with which employees can identify; role plays of difficult and ambiguous work situations where it is unclear what course of action an employee should follow, especially in situations where ethical and honest behaviour or a focus on the quality of customer



service are required in order to reinforce the company culture; and case studies describing interesting situations, problems or dilemmas from the organisation's past can be used to orient discussions about appropriate and inappropriate beliefs, values, assumptions and behaviours among new recruits. These tools are also the lifeblood of management training and development programmes which again have a key role to play in the management of culture (Albert and Silverman, 1984b).

However, not every organisation accomplishes the development of a training and development programme which ensures a useful cultural-management role. Some programmes are almost culturally neutral in their effects, but in other cases they can in fact be extremely damaging. For example, when a training course is made compulsory by the human resource management department in an organisation where the culture values individual choice and personal responsibility this may cause a high level of resistance. Alternatively, it may be suggested that a series of technical training programmes which progress in difficulty must be taken in sequence, with participants attending the earlier session before they are able to attend the more complex sessions. In an organisation which stresses flexibility and adaptability such a rule may appear out of place. Further examples may be: substandard courses being run in organisations where the emphasis is on professionalism and quality; external tutors or consultants being brought into organisations which officially state that where possible in-house talent should be employed; and courses whose messages blatantly contradict the desired state the desired state values of an organisation. The main point is that such contradictory messages can cause organisations to become dysfunctional. However, if training and development programmes broadcast a consistent set of cultural cues, then they represent an important means of strengthening, re-orienting, and possibly even changing the culture in the long term.

However, it is suggested by various authors that the language of human resource management models is the instrument of cultural change which seeks to redesign human understanding to fit the organisation's purpose (Keenoy and Anthony, 1992; Legge,



1995). Therefore, human resource management in organisations perpetuates the postmodernist perspective that rhetoric *is* the real world. Keenoy and Anthony (1992, p287) conclude that 'In principle, cultural constructions, such as human resource management policies and practices, can be seen to embody this most advanced form of commodification process'. The culture (a product) is employed to create the images (products), which in turn are used to reconstruct culture (a product). The inherent potential of such circularity, du Gay and Salaman (1992, p12) suggest, is that such employee identities can 'be built around cultural change programmes, [and] can be chosen in an analogous way to the consumer's choice of life style'.

### 3.4 The Interdependencies between Employee Commitment and Organisational Culture

Many commentators who write about cultural management and human resource management (Peters and Waterman, 1982) assume that the intention is to develop a strong, unitary, corporate culture, whereby organisational members share a commitment to values, beliefs, and taken-for-granted assumptions that direct or reinforce behaviours considered conducive to organisational success. However, other writers in the field (Coopey and Hartley, 1991; Salancik, 1977) have pointed out that *commitment* in organisational behaviour has been conceptualised in two specific ways.

The traditional approach to conceptualising commitment refers to an individual's psychological bond to the organisation and can be described as '*affective attachment and identification*' (Coopey and Hartley, 1991, p19; *emphasis added*). In a similar manner, Mowday *et al* (1982) define commitment as the relative strength of the individual's involvement with, and in, a particular organisation. In an operational sense, there are three factors which are key to the existence of affective commitment: a *desire* to stay a member of the organisation; a *belief* in and *acceptance* of the goals and values of the organisation; and a *readiness* to exert considerable effort on behalf of the organisation. However, as Guest (1992a) points out, this definition is unhelpful in establishing the outcomes of affective commitment as it conflates process and outcome. In addition, this

type of commitment is also difficult to measure as it rests on the subjective individual and the intangible and personal experiences and feelings of that individual.

Other commentators (Becker, 1960; Salancik, 1977, 1982) challenge this traditional approach by conceptualising commitment as the *binding of the individual to behavioural acts* (Kiesler and Sakumura, 1966). This approach, which has its roots in the theories of cognitive dissonance and consonance, assumes that employees become committed as a result of 'side-bets' in the organisation (i.e. pension schemes, organisation-specific training, and status). These perceived benefits would be lost, at a cost to the individual, if the employee left the organisation (Becker, 1960). Therefore, the degree to which employees develop commitment derives from the extent to which behaviours are experienced as binding. Individuals are most likely to be bound to their acts when the latter are highly visible, when their outcomes are irrevocable and when the individuals perceive their acts as voluntary (Salancik, 1982).

The potential relationships which may exist between attitudinal and behavioural commitment theories have been widely proposed. Mowday *et al* (1982) argue that a reciprocal relationship may exist between attitudinal and behavioural commitment whereby attitudes influence behaviour and vice versa. However, Allen and Meyer (1990) propose that there are three areas of attitudinal commitment: affective commitment which involves the idea of wanting to remain in the organisation having experienced positive membership; continuance commitment (also called calculative commitment) which involves the idea of wanting to remain in the organisation because of accumulated 'side-bets' and lack of alternative employment opportunities; and normative commitment which is the feeling that an individual ought to remain with the organisation because of personal norms and values. The research results of Allen and Meyer (1990) suggest that whilst affective and continuance commitment may be distinguished empirically, there is no conclusive evidence of a normative commitment distinct from affective commitment. McGee and Ford (1987) build on this work by suggesting that continuance commitment comprises of two separate components, one



concerned with sunk costs and the other with a lack of attractive alternatives. Therefore, the implications of these various levels of commitment have varying effects upon the way in which culture is managed and the development of human resource policies to generate commitment in order to achieve the desired behavioural outcomes.

From the point of view of managing culture and developing human resource policies to generate commitment in the hope of achieving desired behavioural outcomes, low labour turnover and high job performance, these contrasting forms of commitment may have very different implications. Guest (1992a) argues that McGee and Ford's (1987) findings point to affective commitment being linked to effort while continuance commitment is linked to low labour turnover. Further to this, attitudinal commitment suggests the continuance of organisational membership, which can be seen as the precondition to the development of any strong culture, follows from a positive decision, resulting from organisational identification. On the other hand, behavioural commitment suggests that it is a passive result of prior decisions and actions which constrain the individual to stay. While both forms of commitment assume instrumental or calculative motivations, attitudinal commitment suggests that commitment is exchanged for valued organisational rewards, in contrast to behavioural commitment which involves a calculation of the cost of leaving rather than the rewards for staying with the organisation. The implicit emphasis of attitudinal commitment that attitudes are prior to, and influence, behaviour would suggest that managers interested in changing or reinforcing a culture should opt for re-educative or replacement strategies designed to change beliefs. In contrast, if the 'behavioural acts and consistencies' (Coopey and Hartley, 1991, p19) conceptualisation is adopted, the preferred strategy might be to induce behavioural change, but through minimal use of material rewards and rely on the individuals involved to develop attitudes consistent with, and hence reinforcing, their new desired behaviours. Therefore, when an organisation wishes to encourage employees to internalise the value of quality, for example, it may introduce a strategy where employee job roles are modified to be responsible for achieving work standards of quality. In using this strategy, based on the theory of cognitive consistency, the



argument is that assuming the employee has a choice as to adoption of their new role, and assuming that their new behaviour was not elicited through promise of great rewards or threat of sanctions, the enactment of the new behaviour could result in attitudes consistent with it and, hence, reinforcing it (Salancik, 1977).

It should also be considered what employees become committed to. If a pluralistic model of organisation is assumed, following Coopey and Hartley (1991), multiple and potentially competing organisational foci of commitment to, for example, job of work, profession, department, union, quite apart from the monolithic abstraction of the organisation. Normative human resource management models, in their preference for unitaristic rather than pluralistic frameworks, overcome this difficulty by backgrounding enacted sub-cultures in favour of managed corporate cultures. Further, a focus on commitment assumes that, fostered by consistent and reinforcing human resource management policies, it does result in desired behaviours, which in turn enhance organisational performance.

According to Legge (1995) virtually all the research which has been conducted on organisational commitment, *per se*, has used the attitudinal conceptualisation and measure offered by Mowday *et al* (1982). Further, as most of the studies are cross-sectional and correlational it is often impossible to establish whether the commitment identified, or lack of it, is a cause or effect. For example, it could be questioned whether a job that meets expectations causes higher commitment or whether high commitment to the organisation encourages an individual to see the job through the organisation's eyes and to define it as meeting expectations. Guest (1992a) provides an excellent review of much of the recent research evidence. First, it has been suggested that the causes of commitment fall into four categories (Mowday *et al*, 1979):

- personal/ individual characteristics;
- role-related experiences;
- work experiences; and
- structural factors.

Human resource management policies may be added to this. The evidence concerning personal characteristics hardly accords with the rhetoric and cultural values of the 'soft' human resource management model because commitment correlates positively with (older) age and lower education. Apart from this, the strongest correlates are confirmed as job expectations, work involvement, and a job design that provides scope for responsibility and for self-expression. Nevertheless, the 'soft' human resource management model of true functional flexibility and multi-skilling and of employee involvement policies does seem a way forward to generating theoretical commitment.

The major consequences of commitment are its impact on labour turnover, absenteeism and job performance. From a 'soft' human resource management model perspective low labour turnover is clearly a precondition to other policy initiatives. In general terms, the longitudinal research studies show that the link between commitment and labour turnover is indirect. This means that commitment is an important predictor of intention to quit, which is invariably the best predictor of actual labour turnover. Commitment provides, at best no more than a small additional independent explanation of labour turnover. And, whilst studies show a strong relationship between satisfaction and commitment, the causality is not clearly from satisfaction to commitment (Guest, 1992a). In terms of absence, it has been suggested that attendance is a function of motivation to attend and ability to attend. While organisational commitment may affect motivation, it will have little effect on ability. In fact, competing commitments, for example, to family, may negatively affect ability to attend. Hence, it is not surprising that the research evidence suggests that the link between organisational commitment and absence is weak (Guest, 1992a).

Regarding job performance, the available evidence shows only a small significant positive correlation with commitment. Again, satisfaction shows a stronger correlation with performance, but again the direction of causality is not always clear. As Guest (1992a) points out, it may not be sensible to expect a strong link between commitment and performance. While commitment may result in greater effort, the link between



effort and performance is mediated by a range of intervening and potentially disruptive variables.

In terms of whether 'soft' human resource management employee involvement policies can generate commitment, Guest (1992a) distinguishes five main forms of involvement:

- Improving provision of information to employees, for example, through briefing groups and company employee reports.
- Improving the provision of information from employees, for example, through suggestion schemes and quality circles.
- Changing the work systems and organisation through the development of semi-autonomous work groups.
- Changing incentives, for example, through employee share ownership schemes and performance-related-pay.
- Changing employee relationships, through more participative leadership and greater informality.

As Guest (1992a) suggests, not all these approaches might be expected to improve organisational commitment, for if they improve the industrial relations climate, they may equally encourage a dual commitment to the trade union.

Various arguments, from a managerial viewpoint, have been suggested for the disappointing results in generating employee commitment. Kelly and Kelly (1991) point out four key reasons for the limited success of such involvement initiatives to achieve employee attitude change: employee's lack of choice about participating in such initiatives; their lack of trust of employer's motivations and ability; unequal status and outcomes; and lack of institutional supports. Marchington *et al* (1994), on the basis of their research into employee involvement, found that employee attitudes to such initiatives are dependent, *inter alia*, on the prior experiences they have of work in general, management's approaches to employee relations and the recent and projected



corporate performance of the organisation. They sensibly conclude that employee involvement initiatives are as much affected by the prevailing organisational culture and environment as they are sources of cultural change.

Guest (1992a, p 128) further states that 'Often techniques are introduced in a piecemeal way, more as the 'flavour of the month' than as part of a coherent strategy. One consequence of this is that they are not sufficiently embedded into company systems and quickly fall into disuse, especially in the contexts where line managers are less than enthusiastic about some of the initiatives'. Therefore, it is suggested that even if commitment shows only a weak link to narrowly specified desired behaviours, surely commitment to a strong and appropriate culture will act as a motivator and guide exemplary general work behaviour, and at the very least serve to integrate the organisation.

### 3.5 Conclusion

There are several points which emerge as key from the preceding analysis and discussion. It is clear that human resource management plays an important role in the quest for cultural commitment to organisational change. The hard/soft human resource management dichotomy suggests that organisational cultures can be influenced by two methods; those management activities which are based around rational and individual approaches such as appraisals, reviews and performance development, and those activities which are based around a collective commitment to collaboration, informed choice and motivation. Clearly, the hard and soft human resource models are reminiscent of the rational and sociological cultures already discussed in chapter two. Therefore, the focus of this chapter has been to discuss the role which human resource management activities play in the commitment to organisational culture, particularly in the context of change. It has been found that in order to develop more than behavioural commitment to an espoused culture, managers must consider consistent and embedded 'soft' re-educative methods in order to change and reinforce employee beliefs. However, it is stressed that normative human resource management models, in their

preference for unitaristic rather than pluralistic frameworks, render commitment difficult through eschewing the complexity of the culture-commitment conundrum.

The first three chapters of this thesis have considered the three key streams of literature identified in Figure 1.0; the management of organisational change, organisational culture and human resource management. It is clear from this detailed consideration of the literature that the three streams overlap and are interdependent. There are key issues which arise from the literature review and which are addressed further in the context of the case study organisation, BAA plc:

- *The challenge to the planned approach to change* - Although there are a wealth of prescriptive models concerning the implementation and management of organisational change (Lewin, 1947a; Bullock and Batten, 1985; French and Bell, 1995; Cummings and Worley, 1997), it is clear that emerging literature focuses on the need for organisations and managers as change agents, to be sensitive to both the internal and external organisational environment (Wilson, 1992; Dawson, 1994; Buchannan and Storey, 1997). According to Burnes (2000) model (Figure 1.1), this means the identification of the main focus of change within the specific organisational situation prior to the choice of change model or programme. This approach aims to facilitate the flexible and effective management of programmes which combine planned and emergent approaches to change in line with the climate and culture of the organisation. It is this emergent or situational approach to organisational change which challenges much of the planned change programmes which are implemented in organisations.
- *The variable and limited role of managers* - The role of the manager in a change process can be extended further than the traditional role of prescriptive implementation. The issue of managers as change agents or leaders of change has led some authors (Mirvis, 1988; Buchannan and Boddy, 1992) to highlight those underlying political and social constructionist characteristics of the management of

change, such as ‘backstaging’, the use of symbols or rituals and opportunism which legitimise organisational change. It is also important to acknowledge that these management tools (prescriptive and political/social constructionist approaches) may be combined and adapted for use within the particular context of an organisation. On the other hand, the context of the organisation, i.e. organisational climate and culture, can also constrain managerial influence. In the context of change, the issue of whether culture can be managed effectively is one which continues to cause debate. However, it is apparent from the literature that although the managerial voice may be used to influence, manipulate or control the organisational culture through understanding the multiple meanings associated with employee interaction, there are other influences from employee subcultures which may undermine the role and authority of managers (Morieux and Sutherland, 1988).

- *The importance of values and artifacts* - The most visible and decipherable aspects of organisational culture consist of artifacts and values (Schein, 1985b). It is these areas which reflect the basic assumptions of the culture, and are seen in the various dimensions of organisational climate (Jones and James, 1979). In particular, a holistic perspective on culture is offered by Zammuto and Krakower (1991) in the Competing Values Framework. This matrix model takes into account the issues concerning internal and external organisational environments and concludes that different models of culture can exist in the same organisation. This is particularly important to organisations in transition.
- *The key role of human resource management* – The ‘soft’ and ‘hard’ elements which compose the practice of human resource management in organisations to a greater or lesser extent can be seen in the process of managing change. It is apparent from the literature review that there is a tendency for change programmes to lean towards either a ‘hard’ or a ‘soft’ approach to the management of people. However, it is also important to note the effect which the choice of change programme and its associated human resource management practices can have on the level of



behavioural or attitudinal commitment which employees have to organisational change championed by managers (Legge, 1995).

The following chapters of this thesis describe the methodology used in this research study and seek to contextualise the key issues of the literature review in the case study company, BAA plc.

## **CHAPTER 4**

### **METHODOLOGY**

#### **4.1 Introduction**

This chapter explains and reflects upon the research strategy and design of this study. The motives and justification for the research design are considered in a holistic manner which involves, not only a description of the research methods themselves, but also the philosophy which shaped the entire research process. Therefore, this chapter focuses on the key areas of the preparation of the research strategy and design with reference to the research philosophy, the use of qualitative versus quantitative research, the research techniques and resulting issues and considerations concerning data quality. Throughout this chapter, reference will be made to the fundamental underlying objectives of this research project and how they are mirrored in the research strategy.

#### **4.2 Undertaking Management Research: Preponderant Observations**

It is important to note that before any research takes place, the academic focus and organisational participants of that research largely set the context for not only the fieldwork stage of the research, but for the entire study. It is with this context in mind that the focus on management in this thesis becomes an important factor in undertaking the research. Easterby-Smith *et al* (1991) recognise that management research poses the researcher with some specific research issues which must be considered prior to making decisions about the general research approach. These issues fall into three main areas relating to management practice: the discipline of management, the job role of managers and the practice of management.

The discipline of management is widely recognised as being multifarious. Although within the wider management discipline there have been distinct subjects defined, this does not negate the prerequisite for managers to have the ability to crosscut cultural, operational and functional boundaries in their work. This issue proposes the researcher with two options, whether to identify one discipline to research or whether to adopt a

cross-disciplinary approach. Whilst the cross-disciplinary approach could be described as 'messy' in its acknowledgement of various influences on management practice, this approach may also be of most practical assistance to managers and also provide academics with a holistic model of research in which individual areas may be considered at a later stage.

The manager's role is characterised by a busy schedule and a level of influence and power. Managers may not allow research access to their organisation unless they can be persuaded of the commercial and/or personal merits of such research. It is also common to encounter the internal political issues which permeate the organisation which can also have an impact upon the research. This suggests that the potential for research fieldwork may be difficult and may only be allowed with specific confidentiality and publication rights. This in turn has implications for the research question chosen, the length of time available for interviews and the number and choice of interviewees.

The issues discussed above allow the researcher to integrate their research methodology with the phenomenon being studied. This assists the researcher in producing a research strategy and design which takes interrelationships between the methodology and the phenomenon studied into account and produces a more tailor made design. Thus, these issues must be considered as a preparatory step to considering methodological choices and research techniques in all management research activities. These key issues will be addressed in greater detail throughout the following sections in terms of the research design.

#### 4.3 Defining Social Reality: The Qualitative-Quantitative Research Paradigm

As a prerequisite to designing and undertaking any research it is important that the researcher understands and defines the intended philosophical approach. Much of the philosophy of research concerns the researcher's overarching perception of the world which will ultimately guide the researcher (Guba and Lincoln, 1994). Therefore, the social world cannot be understood in terms of causal relationships as they do not take



into account the situation or context that human actions are based upon - individual's interpretations of events, their social meanings, interactions and motives. Therefore, the underlying assumption is that human behaviour has an internal subjective logic of its own (Gill and Johnson, 1993). It is also important to acknowledge that the results and practices of social research feed back into social life. Individuals engage in the interpretation of the findings and are participants in the process along with the researcher (Weber, 1949).

The qualitative-quantitative research paradigm is underpinned by the philosophical positions from which research methods may be derived. Therefore, the philosophical traditions of positivism and phenomenology will be considered prior to issues which assist in research design. Easterby-Smith *et al* (1991) provide a clear summary of the main elements of the positivistic and phenomenological philosophies which represent stereotypes of the main traditions associated with research methodologies. These are shown in Table 4.1.

Table 4.1: Key Components of Positivistic and Phenomenological Paradigms

	<i>Positivist Paradigm</i>	<i>Phenomenological Paradigm</i>
<b>Basic beliefs:</b>	<ul style="list-style-type: none"> <li>the world is external and objective</li> <li>observer is independent</li> <li>science is value-free</li> </ul>	<ul style="list-style-type: none"> <li>the world is socially constructed and subjective</li> <li>observer is part of what is observed</li> <li>science is driven by human interests</li> </ul>
<b>Researcher should:</b>	<ul style="list-style-type: none"> <li>focus on facts</li> <li>look for causality and fundamental laws</li> <li>reduce phenomena to simplest elements</li> <li>formulate hypotheses and then test them</li> </ul>	<ul style="list-style-type: none"> <li>focus on meanings</li> <li>try to understand what is happening</li> <li>look at the totality of each situation</li> <li>develop ideas through induction from data</li> </ul>
<b>Preferred methods include:</b>	<ul style="list-style-type: none"> <li>operationalising concepts so that they can be measured</li> <li>taking large samples</li> </ul>	<ul style="list-style-type: none"> <li>using multiple methods to establish different views of phenomena</li> <li>small samples investigated in depth and over time</li> </ul>

(Source: Easterby-Smith *et al*, 1991, p27)



Positivism is largely based on a scientific approach which views the world as an external element and as such its properties should be measured through objective methods (Easterby-Smith *et al*, 1991, p22). As a result, pure positivism does not acknowledge the value of subjective measurement through intuition and reflection. Therefore, the researcher's role is independent of what is observed and consequently, the focus is on quantification of patterns and building on what is already known with a structured methodology to facilitate replication (Gill and Johnson, 1991). Thus, this type of philosophy is often related to quantitative survey methods. For a social scientist, this approach can be problematic for a range of reasons. Positivist research is often inflexible and when data gathering has begun it is often difficult to change direction. This proves difficult if trying to understand a human social environment where perceptions change quickly. Therefore, there is a weakness in this approach when considering social processes because meaning cannot be attributed to findings (Easterby-Smith *et al*, 1991).

Phenomenology, on the other hand, takes the opposing view that the world and reality are socially constructed and given meaning by people (Husserl, 1946). Therefore, this philosophy endorses the approach of understanding and explaining the meaning and constructions that people place on their experience. Thus, the focus lies with the context of the information and the resulting symbolic discourse which takes place. In fact, Habermas (1970) argues against the positivist viewpoint through pointing out that human knowledge and interests guide not only the way in which individuals think, but also the structures of work and authority, but they also condition the way in which individuals enquire into, and construct our knowledge of the world. In order to research such a holistic view of the world, it is often necessary to utilise multiple methods to establish different views of the phenomena observed and take small samples which provide an in-depth picture. This approach allows not only a deeper understanding of individual's meanings over periods of time, but also allows the key reflexive facility (Alvesson and Deetz, 2000) to adjust to new issues and ideas as they emerge. Therefore, this type of philosophy and the resulting methods are particularly suitable for studies

such as this which examine intangible humanistic organisational elements such as organisational culture within the context of organisational change.

One specific form of phenomenological philosophy, namely social constructionism has been selected by the researcher as relevant to this research and thus is worthy of further discussion. Social constructionism aims to understand and explain why different individuals have different experiences of situations and the meaning which they attribute to those experiences. Therefore, the researcher aims to describe and analyse the world from the perspective of those individuals who are involved with its performance through getting close to those who enact the data. Thus, as the researcher collects the data from individuals and develops an understanding of the actions and ideas of those being interviewed, there is a greater likelihood that the researcher's theoretical model will fit with the facts of the situation (Rosen, 1991).

However, although phenomenological research has many strengths, the philosophy retains a level of criticism. This type of research may be perceived by positivist scientists as less credible as it tends to rely upon subjectivity rather than objective and measurable facts. In addition, the researcher when involved in the social context through interviewing techniques and contact with the company, may find it difficult to remain flexible and reflexive. It is also recognised that it is the researcher who defines the quality of the research through their skills, experience and understanding and this in itself remains a subjective effect on the research output. Finally, the openness of the approach may result in a reluctance of researchers to inject theory into their interpretations of data, and therefore being overly dependent on respondents' constructs and interpretative devices. This may result in the researcher assuming that data represents reality when it may only represent a temporal condition in the organisation.

Although it is clear that there are positive and negative issues related to utilising the positivist or phenomenological philosophies to underpin the research design it is the belief of the researcher that the methodological position should be one of the dichotomy



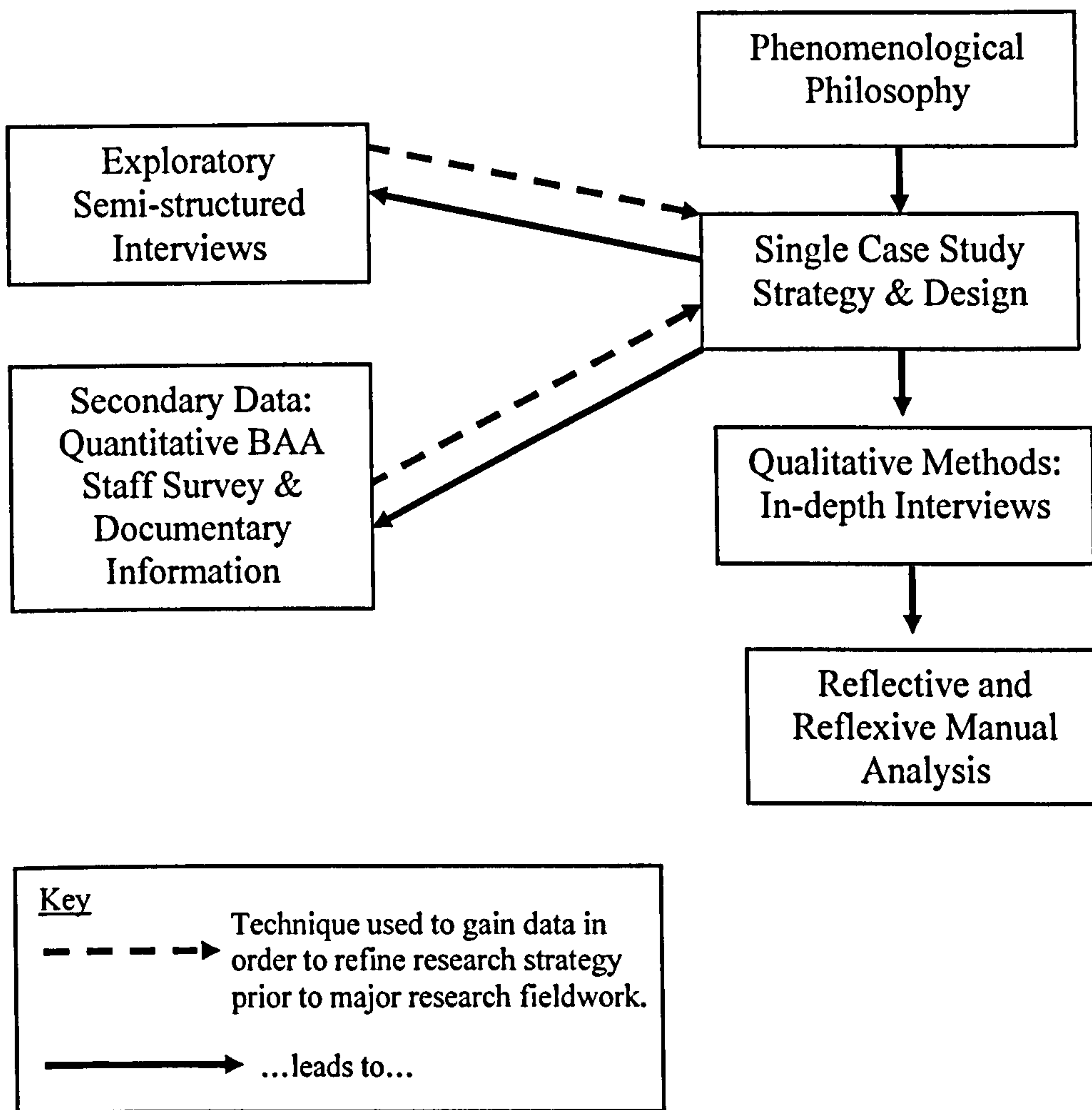
of both paradigms rather than antithesis (Gummesson, 1991). There seems to be growing support for this belief. Burrell and Morgan (1979), Bulmer (1988) and Punch (1986), argue that although at the philosophical level the distinction between the two paradigms may be clear, when it comes to the qualitative and quantitative methods and to the issues of research design, the distinction breaks down. Thus Fielding and Fielding (1986) advocate the use of both quantitative and qualitative methods and Easterby-Smith *et al* (1991) noted that increasingly authors and managers who work in organisations and with managers endorse the mixing of methods to some extent as it provides more perspectives on the phenomena being investigated. Therefore, there is no specific method or practice which can be privileged over any other or eliminated from use (Saunders *et al*, 1997).

Thus it can be concluded that methodology has become many things to many people and hence, in agreement with Bulmer. (1988, p27-28), it can be stated that, 'Methods are rather like a kaleidoscope; depending on how they are approached, held and acted toward, different observations will be revealed.'

#### 4.4 Applied Research Strategy

The applied research strategy in its entirety is shown in Figure 4.1. Each portion of the model will be considered below in more depth. However, the model aims to show that the researcher has provided a research methodology and utilised methods which are consistent with the topic being researched.

Figure 4.1: Research Design Model



4.4.1 Use of Case Studies as a Form of Research

The use of case studies as a research technique allows the researcher a range of options and opportunities to gain detailed and holistic evidence which support ideas and theorisations. Yin (1994, p13) defines the case study as, ‘...an empirical enquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.’

Therefore, a case study is particularly useful when the research covers contextual dimensions, such as those present in this research. The importance of the airport environment and internal culture were particularly pertinent to analysing the affect of

organisational change on the airport. Therefore, the integration of the real-life airport context and the phenomenon to be studied becomes the key to exploring and understanding the case study. In the case of this research, it is also important to note that the researcher aimed to take a 'snapshot' of the organisation at one point in the continuous organisational change process. The case study approach allowed an effective strategy for this type of approach through the focus on using small samples to understand meanings.

Stake (1998) emphasises some important issues to consider when choosing cases to study. Stake (1994) takes a broader view of defining case studies by suggesting that, when chosen by the researcher, case studies are not a methodological choice, but a choice of specific object, in this case the company, to be studied (Denzin and Lincoln, 1998, p86). With this in mind, it is also suggested that the key to understanding the case itself is the consideration of both the integrated systems and behavioural patterns which characterise the case (Stake, 1988). However, it is important not only to consider the case study in context, but also to consider the methods of inquiry, in order to maintain a consistency throughout the entire research design (Yin, 1994).

The case study approach for this research is based on an embedded single-case design (Yin, 1994). Therefore, the single case chosen was BAA plc, with a specific focus on two BAA plc subunits: BAA, Glasgow and BAA, Edinburgh. These two units were well matched in terms of size and employee numbers and in terms of the organisational change issues this thesis seeks to address. The organisational context and development of BAA plc and the subunits are discussed further in chapter 5.

The sample of subunits was based upon opportunism, luck and serendipity through organisational contacts (Bryman, 1988). This approach is related to non-probability techniques based upon the researcher's subjective judgement. It should be noted that although every effort was made to maintain replication logic in both airports (discussed in the following sections) that the researchers relationships with contacts at each airport



were of a different nature and this in turn affected the extent of data available in terms of both documentary evidence and in the interview situations. BAA, Glasgow had been the primary contact for the researcher and a strong relationship had already been developed with key contacts prior to the research. However, contact was established with BAA, Edinburgh for the first time and, as a result, the relationship was not as strongly developed. This limited the extent of information, primarily in terms of secondary data, made available to the researcher.

This case study approach allowed meaningful comparisons in relation to the research questions, theoretical positions and analysis. Therefore, a systematic and focused process was utilised in order to address the issues of comparison and replication logic. In addition, there was scope for a level of consistency in the organisational units in terms of the issues and themes pursued, the levels at which they were pursued and the actual interviewees. This case study represents a unique view of BAA plc which has previously been overlooked or inaccessible for investigation by other researchers.

Although case studies have many merits which render them very valuable when carrying out meaningful research, they have limitations and problems which must be addressed. Case studies in general may provide little basis for scientific generalisation because they are generalisable to theoretical propositions and not to populations or universes. Therefore, it is recognised that whilst this embedded single case study may be generalised in the company context of BAA plc, it is clearly acknowledged that all findings may not be generalised to the wider airport industry. In addressing the justification for generalisation in case studies, Yin (1994) suggests that the researcher should generalise findings to theory. Therefore, the findings of this thesis represent a contribution to academic knowledge and theory building in the areas of organisational culture, change and the management of human resources. Alvesson and Deetz (2000, p203) state that, 'A balance between going beyond the specific case and avoiding generalising consistency in human behaviour (also in the case of one organisation or the people figuring in the situation) should be aspired to'.

#### 4.4.2 Securing and Maintaining Organisational Access

At the outset of any research project it is essential that careful attention is given to negotiating access. Several writers acknowledge that gaining access to organisations is a continual process (Gummesson, 1991; Marshall and Rossman, 1989; Robson, 1993). Therefore, the act of *negotiation* can be described as that personal skill which is essential in order to discover and maintain direction throughout the research journey. What follows below is an account of how the use of effective negotiation and the maintenance of opportune relationships has been central to this study.

Managers and supervisors are busy individuals and consequently it is not surprising that they may not always be willing to give voluntary time and possibly resources required for research to be conducted. Therefore, it was with these facts in mind that the researcher adopted an opportunistic and serendipitous approach (Bryman, 1988; Buchannan, Boddy and McCalmans, 1988) in order to capitalise on any and all opportunities to make contacts in and gain information about BAA plc. Initial contact with the company came through winning an award for 'Best MSc Dissertation', in the Department of Hospitality, Tourism and Leisure Management at Glasgow Caledonian University, sponsored by BAA plc. A sample of the subsequent correspondence between the researcher and both Glasgow and Edinburgh airports is contained in Appendix I. The Human Resources Director for BAA, Scotland and the Learning and Development Manager for BAA, Scotland both acted as main company contacts throughout the research process. The merits of such a relationship with managers from the personnel area are recounted by Easterby-Smith *et al* (1991, p48) who state that 'Personnel and training managers often act as Brokers because, although they have little formal power, they usually have a wide range of contacts at all levels of the organisation which can give them additional influence'.

These contacts proved to be instrumental in gaining access to secondary information and in negotiation for access required to carry out semi-structured interviews. In addition, they later became my company mentors for the period of my PhD and were able to

discuss research ideas, negotiate access requirements and were involved in piloting interview questionnaires. The way in which a strong and successful working relationship was developed with these two senior managers are threefold:

- *The value of the research in relation to the organisation and individuals with it:* the interest for this project stemmed from the changing climate of the company and the interest of senior managers in an impartial and academic 'outsiders' view. BAA plc as a company continue to be interested in new ideas and concepts, especially those which come from sources where they are supported by a fundamental root, i.e. academia. In addition, the researcher portrayed a flexible approach towards facilitating manager's participation and was able to recount the benefits of the research for the company, making the offer of regular reports of progress and a summary of results when the PhD reached completion.
- *The nature of the topic:* When access was first gained, the company was in constant transition and was not only searching for effective and efficient models of change for the company, but also looking to analyse what effects changes were having on the organisation. Therefore, the aims of the researcher coincided with those of the organisation and it was straightforward for managers to allow access because of a common interest.
- *Researcher credibility:* There were obviously initial concerns about confidentiality and the sensitivities which staff may have to the changes happening in the organisation. This was easily resolved by reassurances of anonymity throughout the contact with managers and directors.

From the initial negotiations with human resource professionals from BAA, Scotland, it was decided that BAA, Glasgow and BAA, Edinburgh provided interesting and challenging issues for a cross-case comparison. Therefore, contact was sought with staff who could easily organise access to each airport for interviews and for the accumulation



of secondary data. In order to gain this information and data, the relationship with personnel managers was essential as they largely represented company 'gatekeepers' who were able to exert influence on other organisational stakeholders interested in participating. For Glasgow Airport the Learning and Development Manager for BAA, Scotland, based at Glasgow Airport, organised a list of names and phone numbers of various staff who could be contacted by the researcher to arrange an interview. This manager also provided the contact details of a change manager at BAA, Edinburgh who agreed to discuss the research topics and the requirements for fieldwork and subsequently arranged interview schedules with the researcher's choice of participants. Therefore, the researcher built key social networks in both airports in preparation for the fieldwork stage.

Within the context of building successful contacts within BAA plc, it is important that the influence which these contacts wielded over the researcher and the research are considered. It is not uncommon for organisations to allow access to their resources when they are aware that they may gain important findings from the completed research. Therefore, the question is not how to avoid the potential influence of organisational contacts on the research process, rather it is how to deal with the political influences which unavoidably affect research. Easterby-Smith *et al* (1991) state that it is important that, rather than becoming irritants, the processes of gaining access and the discussion and dissemination of results should be seen as relevant to the overall research study. Punch (1986: p13) agrees that to a greater or lesser extent, politics suffuses sociological research.

In the case of BAA plc, it must be recognised that the core contacts which were retained for the period of the study were senior organisational stakeholders who retained a high level of power. Therefore, there was the potential for them to impose some level of control over the research design and process. However, the results of this thesis are very much affected by the open and honest mutual relationship which was forged early on with the organisational contacts. Therefore, instead of a high level of company bias and

control entering into the project, it is rather characterised by research ideas which have evolved in an incremental way through the continual process of negotiation (Pettigrew, 1985).

It is suggested that, within the context of the nature of this research and the access to BAA plc, the researcher had a great deal to contribute to the success of the research. The motivation of this research stemmed from a personal interest in the travel industry coupled with an academic interest in organisational behaviour and human resource management. Therefore, the opportunity to research both of these areas of interest provided a large level of motivation to succeed. Buchannan *et al* (1988) describe the practical elements of research and consequently refer to the central phase of research work as 'getting on'. This suggests that although gaining access is an important first hurdle for many researchers it is critical to the success of the research that the researcher obtains co-operation and trust from the case-study organisation.

Various authors (e.g. Easterby-Smith *et al*, 1991; Saunders *et al*, 1997; Buchannan *et al*, 1988) suggest that this is largely a function of the personality of the researcher, and whether there is a genuine interest in what is happening in the organisation. It is also said to be function of the researcher's skills in dealing with what can sometimes be described as very complex interpersonal relationships. The complex interpersonal relationships encountered within the organisation are described by Easterby-Smith (1991) as being on both micro and macro levels. On a micro level, issues may become apparent which relate to relationships between individual managers in the organisation. When interviewing and discussing research ideas with managers, it became apparent that confidentiality was of high importance and therefore great care had to be taken by the researcher not to unintentionally divulge information to one individual when it was given in confidence by another. This issue was particularly sensitive when managers opened up a line of conversation which would have caused tensions in the hierarchy if confidentiality had been broken. It became clear that in some operational functions within the airports there were tensions which existed between the supervisory and the

management level employees. At times when these became apparent during interviews, the researcher did not give opinion, but instead explored *why* they existed.

In addition, managers instinctively relate circumstances and situations to particular interview questions in which they may mention other staff members and others opinions and responses. This became particularly significant as the questions asked related directly and indirectly to the culture of the organisation which included the political setting and climate of departments and the organisation as a whole. Therefore, great care was taken not to damage the interests of the informants. At the macro level, it is possible for the researcher to become caught between two major groups or factions in the organisation, such as managers and front-line workers.

In the light of the success of gaining access with apparent ease, which may be reflected in this chapter, it has to be acknowledged that the researcher had to use a high level of persistence, determinism and patience along the way. Much time had to be given to making telephone calls, writing formal letters and sending email correspondence (Appendix I) and arranging face-to-face discussion meetings. Therefore, in this study the researcher adopted a 'stop-go' approach (Saunders *et al*, 1997, p98) where the researcher had to pause to negotiate and sometimes renegotiate the details of research access, However, this was minimised through the effective relationships developed in the company where the organisational contacts already knew the type of information required and could access it or arrange it fairly quickly.

#### 4.4.3 Sampling of Managers and Supervisors

The choice of case studies has already been discussed above, however, it is important to examine the way in which the participants were identified, i.e. sampled, for the in-depth interview stage which comprised the major part of this research project. Firstly, an explanation of the rationale behind the use of primarily managerial views is given.



The decision to focus on managerial views to a great extent and supervisory views to a lesser extent was based on the nature of the research context (managing organisational change and culture) and the objectives of this research. It is clearly recognised that managers are key stakeholders in the organisation, not only in terms of change programmes, but also in the nature of the organisational culture and the ensuing employment relationship (Legge, 1995; Hendry and Pettigrew, 1992; Burnes, 2000; Clarke, 1994). From a cultural stance, Schein (1985a; 1985b) places emphasis on the role of managers as leaders who create the culture of the organisation and consequently 'manage' it whilst other authors suggest that managers play a key role influencing and projecting the culture to stakeholders (Meek, 1988; Smircich, 1983). Hence, the role of the manager has a level of impact upon the organisational culture and consequently the employment relationship. Likewise, in the area of organisational change, the role and behaviour of the manager is said to be the key to success and a decisive factor in creating a focused agenda for change and gaining commitment to change (Clarke, 1994; Mabey and Mayon-White, 1993; Kanter *et al*, 1992; Buchannan and Boddy, 1992). Consequently, the management role is considered to be central to the concepts discussed in this thesis.

It is also important in this context to consider the importance of supervisory participants in this research. Whilst managers are considered highly significant stakeholders in this research, supervisory employees play a key mediatory role between the front-line employees and management. Therefore, their perceptions were considered to hold some weight in assisting the researcher to gauge the extent of managerial perceptions concerning the organisation and whether they realistically reflect the experiences of those working closer to the front-line. Various authors acknowledge that supervisors play a key role in the flow of top-down change to the front-line. Therefore, supervisory views were considered to hold some insight into the tensions and contradictions which may exist in the employment relationship between managers and employees (Ogbonna and Wilkinson, 1990; Storey, 1992; Salancik, 1977).

It is important to acknowledge the fact that there is a lack of both trade union voice in this study. Although the inclusion of trade unions would certainly have brought additional richness to this study, the organisational climate in BAA plc, at the time of the fieldwork in 2000, was not conducive to this. BAA plc had begun negotiations with the trade unions in BAA, Glasgow and BAA, Edinburgh in order to develop a 'Partnership Agreement'. Therefore, the interjection of a researcher completing interviews in the area of change management was seen to be sensitive by the organisation and may have negatively affected the researcher's relationship with key contacts in the airport units and further access to the organisation to undertake interviews or research may have been problematic.

Moser and Kalton (1986) and Henry (1990) emphasise that the key benefit of sampling is that it allows the researcher to gain a higher overall accuracy because the smaller number of cases for which data is collected means that more time can be spent designing and piloting the interview questions. Collecting data from fewer individuals also means that the researcher can collect more detailed information which can then be sorted and coded before analysis.

Due to the case study research strategy and design and the behavioural and attitudinal nature of the research, it was decided that a non-probability or judgmental sampling technique would be used. Whilst the preparatory research combined semi-structured interviews with specific key informants and a probability sampled staff survey which was representative of the organisation, the in-depth interviews were designed to gain individual manager and supervisor perspectives from the major operational and office-based functions of BAA plc. Therefore, the sample for each airport was selected purposefully, if at times opportunely.

The job functions of the managers and supervisors interviewed between July and September of 2000 can be viewed in Table 4.2.



Table 4.2: Airport Interview Respondents: Managerial and Supervisory

BAA, Glasgow	BAA, Edinburgh
<b>Managerial Respondents</b>	
<ul style="list-style-type: none"> <li>• Airport Director 1</li> <li>• Airport Director 2</li> <li>• Manager, Airport Operations</li> <li>• Manager 1, Terminal Operations</li> <li>• Manager 2, Terminal Operations</li> <li>• Manager 3, Terminal Operations</li> <li>• Manager 1, Airfield Operations</li> <li>• Manager 2, Airfield Operations</li> <li>• Manager, Airport Security</li> <li>• Manager 1, Finance</li> <li>• Manager 2, Finance</li> <li>• Manager, Engineering</li> </ul>	<ul style="list-style-type: none"> <li>• Airport Director 1</li> <li>• Airport Director 2</li> <li>• Manager, Airport Operations</li> <li>• Manager 1, Airfield Operations</li> <li>• Manager 2, Airfield Operations</li> <li>• Manager, Airport Security</li> <li>• Manager 1, Finance</li> <li>• Manager 2, Finance</li> <li>• Manager, Human Resources</li> <li>• Manager 1, Engineering</li> <li>• Manager 2, Engineering</li> </ul>
<b>Supervisory Respondents</b>	
<ul style="list-style-type: none"> <li>• Supervisor, Terminal Operations</li> <li>• Supervisor, Airport Security</li> <li>• Supervisor, Airfield Operations</li> <li>• Supervisor 1, Engineering</li> <li>• Supervisor 2, Engineering</li> </ul>	<ul style="list-style-type: none"> <li>• Supervisor, Terminal Operations</li> <li>• Supervisor, Airport Security</li> <li>• Supervisor, Airfield Operations</li> <li>• Supervisor, Engineering</li> </ul>

The main airport areas covered include: terminal operations; airport security; airfield operations; airport operations; finance; and human resource management. The choice of varying levels of managers from each main airport's operational or functional departments provided the researcher with the opportunity to consider various perspectives. In addition, managers also offered additional contacts for interviews which created the opportunity for snowball sampling. This was useful where it was difficult to identify or contact desired members of the organisation. This was especially the case in terms of supervisory staff as managers were able to locate a supervisor who could be made available during shift hours to complete an interview. It is recognised that there may be an element of bias if a manager suggests a supervisory informant who they know will create a particular view of the company as opposed to another informant. However, in difficult circumstances in an environment where security is paramount and access for interviews with those who work on the front-line on the tarmac side of the airport can be almost impossible, this was the most appropriate course of action.



#### 4.4.4 Preparing the Way for Fieldwork: Company and climate analysis

Prior to any in-depth interviews taking place the researcher deemed it necessary to explore the organisational climate from an employee perspective (inclusive of those who work in the front-line). Therefore, two preliminary exploratory techniques were utilised. Firstly, the researcher arranged exploratory interviews with key change agents for BAA plc. These interviews were semi-structured (Appendix II) to allow some scope for highlighting and discussing important issues with respondents. Three exploratory interviews took place:

- Change Manager (Freedom to Manage, BAA, Glasgow)
- Business Change Facilitator (Freedom to Manage, BAA, Edinburgh)
- Enterprise Change Manager (Scotland)

These interviews allowed the researcher to gain an initial insight into the logistics of change processes themselves. This process also allowed the researcher to make initial and effective contacts within the company for the purpose of obtaining secondary company information to assist in the exploration of company background and current issues.

#### 4.4.5 Use of Secondary Data and Documentation

An opportunistic negotiation with BAA allowed the researcher to obtain the raw data from a pertinent and timely BAA plc staff survey. The BAA, Scotland Staff Survey 1999 held important information about the company climate, but also about the response of varying levels of employees to the Freedom to Manage change initiative which had been implemented. This information could readily be analysed and therefore provided a means by which the important climate issues could be extracted and then discussed in greater detail in the in-depth interviews. In addition, this survey provided a key means of gauging, albeit in a limited manner, the general perceptions of front-line employees who were not made available for interview because of logistical and security concerns

relating to access to the 'back-of-house' areas of the airport beyond the public terminal building.

The organisation itself and the consultant who carried out the survey both provided summaries of the analysis which had been completed which are summarised in Chapter 6. However, the findings were found to be limited in terms of providing the researcher with information which would assist in meeting the particular objectives of this research. Therefore, an independent analysis by the researcher was completed.

The questionnaire is shown in full in Appendix III. The questionnaire structure and the particular questions utilised in the analysis is discussed and listed fully in Chapter 6. The response rates in each airport are listed below (Table 4.3).

Table 4.3: Staff Survey Sample Numbers and Response Rates

<b>Airport</b>	<b>Sample Size Vs Population Size</b>	<b>Response Rate (%)</b>
BAA, Glasgow	183 (population size 500)	37%
BAA, Edinburgh	153 (population size 400)	38%

This data, although not collected specifically for the purpose of this research, provided a useful source from which to begin to answer the research question. More details concerning the exact nature of the analysis of this survey are detailed in Chapter 6.

In addition to the consideration of how the staff survey could contribute to answering the research question, it was also considered whether the survey would meet reliability and validity criteria. The survey was commissioned by BAA plc and carried out by the consultancy company Selby MillSmith who are regularly utilised by BAA plc and therefore were assumed reliable for producing credible data. Therefore, it was also assumed that their procedures for collecting and compiling data would be valid. The methods utilised to collect the data were a straightforward anonymous postal survey in the form of a questionnaire sent out to all employees in BAA. Again, a critique of the questionnaire and the method of collection can be accessed in Chapter 6. Extensive

details on utilising secondary data sources are listed by Dale *et al* (1988) and Stewart and Kamins (1993) and Hakim (1982).

In addition to the survey data, documentary secondary data was also used to provide both a historical and current context of the company. Through using company magazines and documents, it was possible to build a picture of the organisation prior to the main fieldwork stage. However, this knowledge which was developed also assisted during interviews as it made the researcher more knowledgeable and competent and allowed the researcher to understand the context of comments and remarks made and gain a deeper understanding of them during the interviews.

#### 4.4.6 The Use of Qualitative Methods: Interview Techniques

The essence of the word *qualitative* implies the emphasis on processes and meaning. Van Maanen (1993, p9) defines qualitative methods as, ‘an array of interpretative techniques which seek to describe, decode, translate or otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world’. Indeed, qualitative researchers emphasise the socially constructed nature of reality, the intimate relationship between the researcher and what is studied, and the situational constraints that shape inquiry. Therefore, the value-laden nature of inquiry is key in studies which consider how social experience is created and given meaning. In contrast, quantitative studies emphasise the measurement and analysis of causal relationships between variables, not processes.

Easterby-Smith *et al* (1991) state that the most fundamental qualitative method is in-depth interviewing. The primary purpose is to understand the meanings interviewees attach to issues and situations in contexts that are not structured in advance by the researcher's assumptions. The importance of the interview lies in the fact that it allows ‘the opportunity for the researcher to probe deeply to uncover new clues, open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience’ (Easterby-Smith *et al*, 1991, p45). This definition highlights the



face-to-face and personal nature of the interview which should create opportunities for insights to be gained.

In this research, semi-structured, in-depth interviews were utilised in order to gain a richness of information which went beyond a purely superficial exchange of information. In order to achieve this, it was important that the researcher was sensitive and skilled enough to understand the interviewee's view, but also to assist the interviewee in exploring their own beliefs.

The issue of the extent to which the interviews were structured was an important issue considered in the interview questionnaire design. All researchers will have made suppositions before the interview which should assist them in listing some preliminary questions. For the researcher, the interview process becomes like a journey where each interview represents another experience which shows patterns in the data. The researcher can then use this preliminary understanding to explore certain issues rather than others as the interviews proceed. Therefore, the researcher should be free to make choices as they collect their data as to which particular line of questioning they should explore further and those which they wish to discard. Appendix IV shows the semi-structured interview questions chosen for the managerial and supervisory interviews. This shows that there was an initial framework for questions set out prior to the interviews. The questions were allocated under main topic guides which reflect the initial research question set at the outset of this thesis:

- Personal Details
- Organisational Change
- Organisational Culture
- Leadership Style
- Empowerment

These guides were part of the framework of primary concepts which would be utilised later in the research process in order to analyse the copious data gained from the

interviews. Although questions are listed they still formed a loose structure which allowed the ability to follow more interesting lines of enquiry where necessary and to facilitate an unbroken conversational discussion.

In this type of interview situation, the interviewer must be skilled in order to be able to probe and clarify issues which may be unclear. This approach was undertaken in the interviewees in this study as many of the concepts and issues dealt with held some level of ambiguity, particularly the concept of organisational culture. Therefore, the relationship between the interviewer and the interviewee was essential in being able to clarify meanings and develop further questioning along appropriate lines. This involved a wealth of listening and abstaining from projecting personal opinions or others opinions on matters. What the interviewees do not say can sometimes be as important as what they do say as non-verbal cues and such as loss of eye contact or a changed facial expression may give an indication of the interviewee's reaction to certain areas of questioning or issues discussed.

Another issue which the researcher must consider is their social interaction with interviewees because it is natural for people to attach meaning and significance to situations which they are in. Therefore, the questions which the interviewer will ask and the resulting answers the interviewee will give are a direct result of the way in which their situation is defined. Certain conclusions may be drawn from the dress, mannerisms and voice or language of the interviewee and it is important that the researcher takes care not to allow these to bias their attitudes and perceptions of the interviewee. Similarly, the interviewee will consider and judge the interviewer from their first impressions and this, in turn, will affect their interviewee's perception of whether the interviewer can be trusted or not and whether the data they provide will be utilised correctly or harmfully. It could also have an affect upon how much and the depth of information interviewees provide to researchers in their interviews.

In addition, the potential interviewees were telephoned to make an appointment for an interview. This was felt to be more personal and meant that an initial relationship could be developed and interviewees could easily be placated concerning interview issues or questions which the interviewee may need to ask concerning the interview. It was interesting to note that the researcher's enthusiasm for the project and the opportunity to interview the manager or supervisor often had a positive effect on the manager's response and the time made available for the interview. This assisted in developing an open and trusting relationship. As a result of the interviews being described to managers as 'informal interviews', signifying a relaxed approach with a conversational discussion in mind, it was felt that letters stating the complete contents of the interview would not be required unless expressly asked for by the interviewee because the researcher did not wish to be bombarded by prepared answers. In addition, due to the changing nature of the company and the intention to take a snapshot of the organisation, it was felt that managers should not be given the opportunity to prepare their interview answers because change happens on a daily basis and the researcher was looking for the manager's reactions to this process.

In this study it was found that the location of the interview was not found to have a negative effect on the reactions of the interviewees to the interview questions. Interviews were carried out in various conditions ranging from coffee shops, to offices and staff areas. Overall, the answers gained from the interviews were found to be detailed and in-depth with an air of realism and honesty.

The final issue which must be considered is the use of using audio tape recording in interviews. The decision on whether to use a tape recorder in the interviews at each airport was not taken lightly as there are serious advantages and disadvantages to using a tape recorder, as Table 4.4 shows.



**Table 4.4: Advantages and Disadvantages of Tape Recording Interviews**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Interviewer concentrates on questioning and listening</li> <li>• Questions asked at interview are accurately recorded for use in later interviews (if appropriate)</li> <li>• Interviewer can re-listen to the interview</li> <li>• An accurate and unbiased record is provided</li> <li>• Direct quotes can be utilised</li> <li>• A permanent record is maintained</li> </ul>	<ul style="list-style-type: none"> <li>• May adversely affect the relationship between interviewee and interviewer (where tape recorder becomes the focus)</li> <li>• May inhibit interviewee responses and reduce reliability</li> <li>• Technical problems may occur during interview</li> <li>• Flow of discussion may be interrupted when changing tapes</li> <li>• Transcribing tapes may be time consuming</li> </ul>

(Source: Easterby-Smith *et al*, 1991)

One of the major considerations in using this approach was the anxiety which recording could cause the interviewee and the resulting effect on their answers. This issue was solved by the honest and open seeking of permission to tape the interview and then reassurance at the outset of the interview that confidentiality would be upheld and that the interviews were for the researcher's use only in this study.

On the whole, managers appeared to forget that they were being tape recorded because of the social interaction between themselves and the researcher which included eye contact and open body language. In addition, the interviewee was assured that the tape would be switched off at their request at any point in the interview if required. This opportunity to switch off the tape was taken by two managers who both wished to talk about issues which were particularly sensitive to the company. In these cases, notes were taken instead. This meant that the relationship of trust would be withheld and that managers continued to talk freely.

All of the questions in the interview were designed as open questions to avoid bias. However, this design brings with it the propensity for interviewees to stray from the main themes and explore areas which may not be relevant to the research. In order to focus on specific areas which are of value to the research, intervention probes were used. This allowed the researcher could sharpen up and improve the details of the

interviewee's response. Therefore, the focus is still on the interviewee's meaning and the interviewer is not leading the interviewee to respond in a certain way. The basic probes suggested by Easterby-Smith *et al* (1991, p80) were utilised throughout the interview process to draw further information from the interviewees.

The relevance of the research to the interviewee and to BAA plc is an important factor in the quality of data gathered during the interviews. It is important that the interviewees understand the aims of the research, in some cases only in a simplistic way, and that the researcher is completing the research largely for the research study. In BAA plc this fact provided solace for managers, as the researcher had no commercial links or intentions as part of the research. In fact, managers often stated that it was refreshing for them to talk with an independent outsider rather than the internal personnel who carry out regular research interviews because the researcher had an 'outsiders' perspective on matters and was not biased by the internal politics or those who worked within the organisation. It was also agreed that the researcher would send all interviewees a summary of the results and conclusions of the study once completed.

It should be noted that at the time of the interviews the post of Human Resource Manager in BAA, Glasgow was vacant. Therefore, the Human Resources Director (BAA, Scotland) and the Learning and Development Manager for (BAA, Scotland), both based at BAA, Glasgow, were interviewed concerning their views on BAA, Glasgow. In addition, the seniority of managers from the functions have not been made distinct in order to preserve their anonymity. In addition, the airport structure is not entirely hierarchical. All managers are in the *management team* and are not defined by the company as senior, middle or line managers, so it is by their request that levels of seniority are not listed. Appendix V illustrates this 'team' management structure.

#### 4.5 Data Quality Issues Addressed

In order to ensure that the research design, i.e. the case study methodology, represents a logical and unbiased view of the situation being researched it is necessary to utilise the

following tests: reliability and validity. Reliability can be described as ensuring that the operations of the study such as the data collection methods can be repeated with the same results. It should be noted that in the case of this research that the case study approach gained a 'snapshot' of two units of an organisation undergoing continuous change and whilst the methods of gathering data may be effectively utilised again in the organisation, the results would be altered in line with the organisational changes which have taken place. Therefore, the concern during the preparation for data collection for interviews was that the questionnaires could be effectively utilised in future research in order to consider the same issues in future change processes.

Another important issue when considering the reliability of the case study approach is that of the bias of the interviewer and the interviewee. In the subjective areas which this thesis seeks to study, it was important to consider the issue of subject bias, i.e. the possibility that interviewees may give responses espoused by the company or by superiors. However, as mentioned previously, the technique utilised by the researcher was that of eliciting trust in the relationship from meeting the interviewee and making them feel comfortable in the interview environment. In terms of bias on the part of the interviewer (the researcher) it is recognised that there had been a strong relationship developed in order to gain a level of access to the organisation on various levels, and therefore, it is not denied that there may have been observations developed from meetings with those close contacts in the organisation. However, in recognising this point care was taken in the interpretation of interviews. The tape recording of the interviews allowed the researcher to consider responses in their full context rather than make assumptions at the time of the interview which may have been biased or subjective.

The validity of this research is considered in terms of construct validity. Construct validity concerns the establishment of correct operational measures for the subject which is studied. Whilst it is acknowledged that research which cuts across various areas of social science is open to subjectivity it is possible to increase construct validity by using



multiple sources of evidence. This research has endeavoured to utilise secondary data in the form of company documentation and a timely staff survey, whilst gaining rich and detailed data from in-depth interviews with various levels of managers and supervisors. This allowed the researcher to uncover converging lines of enquiry throughout the data collection stage. In addition, the researcher has aimed to maintain a chain of evidence (Yin, 1994) in order to allow the reader to establish the details and scenarios of the study from the initial aims and objectives through to conclusions without losing case study evidence through bias or carelessness. Finally, the general results of the interviews were discussed, whilst maintaining the anonymity of the interviewees and the text of their interviews, with key contacts in the organisation. This allowed a forum for discussion which confirmed that the general observations of the research were correct.

#### 4.6 The Use of Alternative Methods of Analysis

When considering the methods to employ in order to extract the most effective data from research participants, various methods were considered and some were discarded. One of the considerations was the use of a quantitative questionnaire which would gauge all levels of employee perception concerning the effects of organisational change on organisational culture and the employment relationship. Whilst this approach may have produced a representative sample of employees from various levels, the organisational circumstances were preventative. An in-depth employee survey had recently been conducted by BAA plc and consequently discussion with contacts in BAA plc revealed that there was the clear expectation that an external survey would yield a low response rate because employees would experience 'questionnaire burnout'. Therefore, for the sake of further successful organisational access and in order to preserve relations with key participants, the raw data from the organisation's own staff survey was utilised. Whilst this was not the most appropriate decision for the research, it was a decision based on political and social rationales which, in effect, preserved a relationship with key contacts who were instrumental in the major qualitative portion of the research.

In terms of data analysis of the qualitative interviews there were other options considered apart from the manual analysis which was chosen. The researcher took time to learn the use of 'NUD.IST' software which allows the analysis of the text of interview transcripts. Whilst it is recognised that software can be a key aid in qualitative data handling and analysis, there are no packages which can substitute the interpretative skills of the researcher (Easterby-Smith *et al*, 1991). Many packages alleviate the clerical task of sorting words, concepts and passages contained in transcripts, but the identification of themes, patterns and categories still must be completed by the researcher. It is also important to note that software packages must be chosen for and appropriate to the tasks required. In the case of this research the researcher had completed all interviews and also transcribed them. Therefore, throughout this process, a knowledge of the data was developed and key themes were noted as they emerged naturally through this process. In addition, the number of interviews in each location were considered by the researcher to be manageable in that analysis could take place without the aid of software. It was also considered that in the case of this research, the use of the software was not entirely appropriate because of the clearly contextual, ambiguous and subjective nature of the concepts being analysed. Therefore, it was concluded that the computer analysis of these concepts may have led to an emphasis on counting the frequency of categories at the expense of understanding the *quality* of ideas and experiences contained in the data.

The other software package in which the researcher became proficient was that of 'Decision Explorer'. This software is a hierarchical mapping tool for data collection and analysis which allows the researcher to analyse decision-making in context. Whilst this tool can be extremely helpful and effective in the appropriate research circumstance, it did not match with the aims of this research. The focus on hierarchically structuring data and problem-solving and decision-making did not allow sufficient scope to consider the largely humanistic and interdependent nature of the concepts considered in this thesis. Therefore, although the skills gained in the use of this software are useful for other projects, they were not appropriate for this research.

Thus, it was concluded that manually analysing the interview data was most effective as the analysis had already begun at the point of the interview and in the transcribing stage. Therefore, there was not a specific need for software to categorise data as this was being completed successfully manually through a continuous process by the researcher. In addition, it is clear that in research concerning soft management areas such as organisational culture, that the context of the organisation is key to understanding the interviewee responses and this is not an area of expertise which a computer can provide for the researcher. However, the fundamental knowledge and skills gained will be useful in other projects.

#### 4.7 Analysing the Data

The use of a multimethod approach generated two distinctively different sets of data, one of which was derived from a qualitative stance and the other rooted in a positivist quantitative stance. Therefore, each required to be analysed through different means. However, this did not prevent the combination of the findings within a data analysis approach which was designed to complement both types of data. The following section explains the approaches taken to analysis, and the sequence of activities which combined the qualitative and quantitative findings.

The raw data extracted from the Staff Survey questionnaire was analysed using SPSS. This approach was standardised and mechanistic in comparison to that of the qualitative data. The data was passed to the researcher in its raw form, already coded and inputted into an SPSS file. Therefore, the researcher had the task of deciphering the coding framework and then beginning to extract those portions of the questionnaire data which were appropriate to this research. When the appropriate data had been extracted the data was processed first to produce frequency tables which enabled descriptive statistics to be presented. Secondly, use was made of the factor analysis capabilities of SPSS. This allowed the researcher to produce scientifically developed themes (factors) which could be used as a key tool to inform the future qualitative interviews. These themes consisted of a range of related statements or questions (variables) contained in the questionnaire.



The Spearman rank correlation (Spearman's Rho) was then applied to these variables in order to ascertain the degree of association between the range of variables within each theme (factor). From this information relationships between cultural facets and areas of the employment relationship were developed which assisted in the creation of interview questions reflecting the key issues in the organisation.

The majority of data collected was qualitative in nature. Therefore, there was a need to create some structure, order and meaning to batches of non-standard data. The analysis itself aimed to develop systematic methods for drawing conclusions, testing them carefully and facilitating replication by future researchers. This meant that the analysis aimed to interpret, and derive themes, patterns and categories, and also identify linkages between key organisational activities and their outcomes. It has already been shown that the quantitative analysis combined with the key literature themes yielded the areas of interest for the qualitative questionnaire research. Therefore, there was a flexible framework for analysis already identified. Through the process of transcribing the interviews, the researcher noted key themes which required further reflection. The full analysis of the complete interview transcripts resulted in the identification of a range of core concepts which were used as explanatory variables. These variables were then revisited with reference to the interview data and themes, concepts and variables were methodically highlighted as they appeared. Core concepts were then catalogued on the right hand margin of the transcripts using coloured markers. These were then deepened into specific variables pertaining to the key priorities within each concept, for example culture as a core concept may be disseminated into variable such as value, mission and employment relationships. This allowed reflexivity and sensitivity when analysing the data and equates to an intuitive approach which alleviates the mechanistic processes which may damage the power of explanation. In addition, in order to link interrelated data the researcher also reordered the data in a form which allowed a question-by-question analysis, rather than the full transcript. This proved to be an effective way of considering core concepts and variables across departments in the airport environment and across employee status levels. This process was one which was ongoing as the data

proved to be rich and provide many key research areas. Therefore, there was a continual process of re-evaluation through returning to the data, structuring the data and linking it to key theoretical concepts and literature themes.

Whilst this approach to analysing the data may seem complex and somewhat messy it is prudent to note that Easterby-Smith *et al* (1991, p46) state that 'It is now clear that some of the most significant advances come about haphazardly, rather than through steady accumulation of data and evidence'.

#### 4.8 Justification of Approach

The nature and characteristics of the key research issue, objectives, and participants render the research strategy exploratory and qualitative. This is considered as justifiable as the reality of the airport industry and concepts of organisational change and culture in this context is an area about which little is known. Instead, the major focus in current literature lies in airport operations and the successful management of an airport (Doganis, 1992). Furthermore, the study of organisational culture in the context of organisational change needs to adopt a qualitative stance to capture the idiosyncrasies and complexities of relationships (Pettigrew, 1983; Silverman, 1970; Walker, 1985). It is strongly believed that only by investigating the 'real' context of organisational culture in the changing airport industry that researchers can begin and continue to understand and provide models and appropriate findings which underline the complexities of the employment relationship in the airport environment. Thus, the inductive approach utilised is based on the recognition of the importance of being reflexive and thus moving closer to the social reality of the organisation and all the key elements associated with its culture.

#### 4.9 Conclusion

This chapter has defined the research strategy utilised to carry out the research throughout this study. A primarily qualitative focus was utilised in order to ensure that a deep insight was gained into BAA at various managerial and supervisory levels across

organisational functions. However, measures have been taken throughout the research to ensure that bias and validity have been considered in order to minimise the negative effects of issues such as close organisational contact and subjectivity. In terms of the qualitative research methods, it is acknowledged that the data gathered is from a primarily managerialist viewpoint, however the completion of complementary supervisory level interviews provided a mediatory view which created a means by which to critically analyse managerial perspectives. Therefore, it is considered that the research strategy, methodology and methods which the researcher utilised were particularly appropriate to answering the research question.



## **CHAPTER 5**

### **THE DEVELOPMENT OF BAA PLC**

#### 5.1 Introduction

This chapter reviews the development of BAA plc in the years following privatisation. The focus lies in the specific areas of business streams throughout the company, with a particular emphasis on airport operations. Also considered are the strategies and policies which characterise one of the most prominent airport organisations in the world. Particular attention is given to change management programmes which BAA plc introduced in the post-privatisation era: Freedom to Manage and Enterprise. The airport industry context will be examined prior to the discussion of BAA plc and the case study units.

#### 5.2 The Airport Industry

There is no denying that ‘airports are big business’ (Doganis, 1992). During the last 25 years, the airport industry has been transformed from being a branch of government into a commercially oriented business and is in many ways a demonstration of late 20<sup>th</sup> century democracy (Cameron, 2000). This section summarises the origins and development of the UK airport industry, with reference to issues which affect the airport business in its operative state.

Prior to the 1970s, airports, as publicly owned and often strictly controlled organisations which were little more than central or local government departments, gained a strong reputation as public utilities with public sector obligations (Doganis, 1992). However, in the 1970s and 1980s, as the air transport industry began to mature and grow and the climate was characterised by airline deregulation and privatisation, the make up of the airport industry and attitudes towards its management began to change. The gradual transformation began towards airports as commercial enterprises and consequently a more businesslike approach to management was espoused. These moves towards airport commercialisation were reflected in a number of interrelated developments which

resulted in fundamental changes to the industry. Many airports loosened their ties with government owners. This was achieved by 'corporatisation', which involved setting up an airport company with public sector shareholders. The development allowed airports more commercial and operational freedom and at times resulted in the opportunity for involvement in private sector partnerships and investment. Commercial freedom resulted in a diversion from the traditional focus upon operational concerns to an additional focus upon areas such as financial management, non-aeronautical revenue generation, such as retail and property interests, and airport marketing, such as promotional campaigns and pricing tactics to attract new customers. Therefore, staff numbers in these areas were expanded. Management tools which largely characterised private sector companies also began to be implemented, such as the benchmarking of financial performance and quality management techniques. This brought with it the opportunity to move away from the traditional functional structures for finance, operations, and administration, towards an approach focusing on customer needs and taking into account airline or passenger services.

In the UK, in 1987, all major regional airports became public limited companies, making airport privatisation a reality. In an international sense 'airport privatisation' can have various meanings, however in its widest terms it is described as the transfer of the management of an airport and usually the ownership, to the private sector (Graham, 2001). The arguments for and against privatisation have been widely discussed theoretically (Beesley, 1997; Jackson and Price, 1994) and there are some main privatisation issues which have been highlighted. It will reduce the control which the government wields over the company and therefore may offer opportunities for an organisation to diversify beyond the core service offered. It also may bring about improved efficiency and performance, greater competition and a wider share ownership. On the other hand, it is likely to create a private monopoly and possibly less focus on the environmental impacts of the business as well as the issues of social justice which may ensue. These issues continue to be politically sensitive and sometimes controversial areas. The inherently monopolistic characteristics of airport companies continues to

cause concern as the bottom line responsibility is to shareholders and investors as opposed to the community and the users of the airport. In addition, less favourable employment conditions than those in the public sector may result from privatisation as companies develop cost effective strategies where labour may be one of the key savings.

It is clear that the development of the air transport industry has affected the manner in which airports have developed in terms of privatisation over the 1980s and 1990s (ICAO, 2000a). The demand for air travel continues to grow and is predicted to grow well into the future and has been bolstered by the deregulation of the airline industry. Thus there is increasing demand for facilities to meet the need of increased passenger loads and therefore, the case for airports, as part of the transport infrastructure has grown stronger. The privatisation of the airports is seen as a way of injecting additional finance into the airport system to pay for future investment. In addition, public sector funds, previously relied upon by airports as a traditional funding source, have become increasingly scarce in the current economic climate as governments frequently focus upon cutting public sector spending or shifting the focus to non-profitmaking areas such as education and health.

The British government was the first to tackle airport privatisation in the real sense. The first major airport privatisations took place in the UK and reflected the overall aims of the Conservative government of the time to privatise nationalised industries such as utilities and communications and to increase share ownership among the UK population. For the UK government, the issue of airport privatisation was resolved in June 1985 in a White Paper on Airports Policy (HMSO, 1985). This paper re-emphasised the government's commitment to the non-subsidisation of airports and air services by stating that:

- airports should operate as commercial undertakings; and



- airports policy should be directed towards encouraging enterprise and efficiency in the operation of major airports by providing for the introduction of private capital. (HMSO, 1985)

Proceeding this White Paper, airport privatisation resulted from the Airports Act, a major piece of legislation which was introduced in 1986. The first part of the act was concerned with the then government owned British Airports Authority (BAA) which operated in seven UK airports, namely London Heathrow, London Gatwick, London Stanstead and the four Scottish airports - Aberdeen, Edinburgh, Glasgow and Prestwick. The Act made specific provision for BAA to become a private company through a subsequent 100% flotation in 1987. The second part of the Act required all airports with a turnover of more than £1 million in two of the previous three years to become companies. There were a total of sixteen airports covered by this part of the Act who transformed from various sizes of local government controlled airport to private companies. The Act stated that the shareholders of these airport companies were initially to be the local government owners, but the shares could then be sold off to private investors if desired by the public sector owners. This was the ultimate aim of the conservative government. In addition, the Act also introduced economic regulation at these airports.

BAA plc was floated in 1987 with £1.2 billion allocated to the government. This gave BAA plc the freedom to borrow from commercial markets and diversify into areas of operations such as hotels and property management in its first years of operation (Doganis, 1992). This gave regional airports more opportunity to commercialise their activities. BAA plc has also since expanded the retail portion of the business and has become a global player in airport management. This will be discussed further in the proceeding chapter concerning the development of BAA plc.

According to Graham (2001), the most significant impact of the Airports Act has been the change in ownership patterns which have emerged (Table 5.1).

**Table 5.1: Ownership Patterns in UK Airports**

<b>Airport</b>	<b>Present Ownership (2001)</b>	<b>Private Interest (%)</b>	<b>Privatisation Date</b>
Aberdeen	BAA	100	1987
Belfast International	TBI	100	1994
Birmingham International	Local Authorities/ Aer Rianta/ Nat West Ventures/ Employees/ Other investors	51	1997
Bournemouth International	Manchester Airport	100	1995
Bristol International	Cintra/ Macquarie Bank	100	1997
Cardiff International	TBI	100	1995
East Midlands	Manchester Airport	100	1993
Edinburgh	BAA	100	1987
Exeter and Devon	Local Authorities	0	n/a
Glasgow	BAA	100	1987
Highlands and Islands Airports	Highlands and Islands Airport Limited	0	n/a
Humberside International	Local Authorities/ Manchester Airport	83	1999
Leeds-Bradford International	Local Authorities	0	n/a
Liverpool	Local Authorities/ Peel Holdings	76	1990
London Gatwick	BAA	100	1987
London Heathrow	BAA	100	1987
London Luton	TBI/ Bechtel	100	1998
London Stanstead	BAA	100	1987
Manchester	Local Authorities	0	n/a
Newcastle International	Copenhagen Airport	49	2001
Norwich	Local Authorities	0	n/a
Prestwick	Infratil	100	1987
Southampton International	BAA	100	1961
Teeside International	Local Authorities	0	n/a

(Recreated from Graham, 2001)

The table shows that although there is now a higher level of airport ownership in the private sector, the government still retains a significant level of ownership across the UK. In the early 1990s, airports were finding it increasingly difficult to obtain permission to borrow funds for investment and, in 1993, the government announced that there would be no further spending allocation for airports. Therefore, the only alternative for airports to gain funds and remain commercial was privatisation, which a number of airports had no choice but to adopt.

### 5.3 Background to BAA plc

BAA was privatised by the Government in 1987. Privatisation freed BAA plc from those financial constraints and allowed the organisation the ability to fund development through commercial sources such as banks. In addition, as a state owned authority, BAA plc was limited to operating airports, whereas once privatised BAA plc had the opportunity to expand the scope of its business activities, especially those which would assist the company in realising the full commercial value of its large land assets. Therefore, in the 1990s, there was a movement towards diversification in the areas of hotel development on airport land, rail links, property development and retailing. In addition to accommodating passenger airlines, BAA plc also placed increased emphasis on the expansion of the air cargo business at its airports. However, one of the most important advantages of privatisation was that of improved efficiency as it is seen as a way of focusing manager's minds on financial responsibility when civil constraints are lifted.

Salama and Easterby-Smith (1994) present an interesting perspective of how BAA plc responded to the public-private transition both in terms of culture, structure and leadership. It is not only structural and operational concerns that are affected when this type of organisational transition takes place. BAA plc also experienced major changes in their organisational values and beliefs. Sir Norman Payne was the Chairman of BAA plc from the inception of the organisation until post privatisation days in 1991. Previous research describes his influence on the organisation as resulting from his 'charismatic' leadership approach (Salama and Easterby-Smith, 1994). The values most prized by the chairman were openness, flexibility and innovation. These values were exemplified in the dominant values associated with BAA plc - a strong commercial awareness of the airport management business and receptiveness to organisational change. In the light of privatisation a more accelerated pace of change occurred. The organisation's core mission changed in its emphasis to focus on profits rather than the services offered by the airport. However, it is interesting to note that Salama and Easterby-Smith (1994) provide evidence that prior to and throughout organisational change the features of the



culture remained similar, characterised by flexibility, innovation, openness and a participative management style. In terms of organisational structure, radical changes resulted in decentralisation and a subsequent increase in managerial responsibilities. Financial concerns also became of more importance post privatisation resulting in managerial training in the area of budgeting and other financial tools. Reward and appraisal systems also were affected by being tied to profitability achieved. The growth and diversification of BAA plc has served to emphasise the need for 'generalists' to manage the organisation. This change went hand in hand with the move away from 'personnel' management towards the devolution of personnel issues to managers. Therefore, there was an attempt to train managers in order to equip them with management tools for dealing with changing environmental demands. All these factors work together to suggest that BAA plc placed emphasis on the company values rather than individual values. Thus, the BAA plc human resource policy is to develop and maintain employees through providing them with a wider view of the business in order to encourage them to change their own sub-cultural and individual behaviour in line with company transitions.

BAA plc operates and has interests in six main business streams: airport management; projects; railways; retail; property; and consultancy services. The structure for managing these business streams is shown in Appendix VI which shows the BAA plc group management structure. BAA plc's board of directors is legally responsible for the running of the company on behalf of shareholders. It comprises executive and non-executive members. The executive committee develops and recommends business objectives and strategies to the board. In addition, it reviews the company's performance and ensures the delivery of agreed business objectives and plans.

In terms of airport management, BAA plc are responsible for all aspects of airport management, which can be split into two areas - terminal management (the buildings, passenger services and cargo) and airfield management (the runways, aprons and taxiways). In the years following 1999, BAA plc developed the strategy of focusing on

their core airport business - airport management. Consequently, BAA plc has invested £516 million in new and improved facilities to enable the UK airports to handle the continuous growth in passenger numbers. The main challenge for BAA plc is to make the investment in quality airport facilities whilst continuing to recognise the need for driving positive financial performance. To provide facilities for this growing level of traffic will involve capital expenditure of more than £600 million each year for the next decade which is seen as crucial in order to offer high levels of service to passengers using the airports and to airline customers.

BAA plc owns and operates seven airports in the United Kingdom: Heathrow; Gatwick; Stanstead; Glasgow; Edinburgh; Aberdeen; and Southampton. Heathrow Airport, opened in 1946, serves as the world's busiest international airport as well as the world's second busiest cargo port handling approximately 1.3m tonnes of cargo. The airport has two runways and four terminals which service around 60 million passengers per annum and 90 airlines which fly to 170 destinations. Gatwick, opened in 1958, is the busiest single runway airport in the world and the second largest airport in the UK with two terminals. This airport is also the seventh busiest international airport in the world, serving around 30 million passengers and 70 airlines flying to 200 destinations. Stanstead Airport, reopened in 1991 on the site of the former airport, is London's third intentional gateway and one of the fastest growing airports in Europe. It is home to many of the UK's low cost airlines, serving mostly European and Mediterranean destinations. The airport serves around 14 million passengers per annum and 40 airlines flying to 100 destinations. Southampton Airport, opened in 1994, is one of the most modern regional airports in Europe and boasts the shortest train to plane connection of any European airport. It serves around 800,000 passengers per annum and 10 airlines flying to 20 destinations.

Glasgow Airport, opened in 1966, is the busiest Scottish airport and the sixth busiest international airport in the UK. It serves 7.3 million passengers and 40 airlines flying to 80 destinations. Edinburgh Airport, opened in 1978, is largely a domestic and European

airport with approximately 90% of passengers travelling on scheduled UK and European services. It serves around 6.3 million passengers and 30 airlines flying to 55 destinations. Aberdeen Airport, opened in 1935, is the world's busiest commercial heliport, serving Europe's oil capital with more than 36,000 rotary wing movements each year. It serves 2.5 million passengers per annum and 12 airlines flying to 30 destinations. BAA plc is also the largest global airport operator, having management contracts or stakes in eleven airports outside the UK.

BAA plc professes to take a step by step strategic approach to international expansion which favours democratic countries and familiar legal systems. Thus, BAA plc take measured risks through the influence of opportunities as they occur. BAA plc acknowledges that different countries require different approaches and whilst operation in the USA or Australia means simply securing financial support, working in the South East Asian or continental European markets require a local partner to avoid the pitfalls created by the local business culture. In Naples, BAA plc works with the city, the province and the national airline, Alitalia. The aim of BAA plc which overrides any investment or management contract is the need to have sufficient influence to manage the investment and to take the BAA plc core values to that investment.

BAA plc manages all the commercial facilities at their airports including shops, restaurants, pubs, bureaux de change, car hire and car parks. Throughout their retail business in airports, BAA plc aim to offer customers value for money, leading brands and a wide range of quality products. The company's success in this area has been largely based upon their ability to turn the airports it manages into highly profitable shopping malls which in effect give BAA plc a competitive advantage both at home and abroad. All UK airport (including online) advertising opportunities are managed under the single identity of media@BAA plc. World Duty Free, the BAA plc duty and tax-free retailing business, is the world's number one retailer of duty-free liquor and tobacco. BAA plc own three duty-free shops and some of the specialist shops at the UK airports, which are operated by a subsidiary company of BAA plc, World Duty Free Europe.



Transport infrastructure links to and from airports have often become part of the government's political and social agenda as the demand for air travel increases. The government's White Paper on the Future of Transport states that a modern transport system is vital to the future of the UK. This transport system should be sustainable in order to support policies for more jobs and a strong economy which helps increase prosperity and tackles social exclusion. Clearly, any sustainable transport system must also provide a better quality of life without damaging health or the environment. Those airports which are already leading aviation hubs are constantly being urged to become fully integrated public transport hubs. BAA plc addressed this issue when they financed and built the £450 million Heathrow Express rail link to London Paddington. BAA plc owns the infrastructure and rolling stock of the Heathrow Express. However, the issues relating to the development of further integrated transport networks supported by airport expansion have recently been brought to public attention again through the Department of Transport's national consultation document concerning the future of air transport in the UK (DETR, July, 2002).

The mission of BAA plc is to make BAA plc the most successful airport company in the world. This means that the organisation must focus on customer needs and safety, achieving continuous improvements in the profitability, costs and quality of all process and services, enabling all employees to give of their best, and growing the company with the support and trust of its neighbours. In order to achieve this mission, BAA plc aim to take action in the main areas of:

- safety and security;
- people and leadership;
- customers;
- suppliers and business partners;
- shareholders, community and environment; and
- strategy.

BAA plc aim to provide a healthy and safe work environment by giving safety and security the highest priority at all times. In order to do this, BAA plc systematically assesses and manages risks through audited best practice management systems. BAA plc also aims to inspire employees to excel through demonstrating the highest levels of personal performance, clear leadership and recognition of significant achievement. Hence, they aim to create an innovative environment which encourages teamwork, sharing and learning, and open communication and which produces measurable performance improvement. BAA plc also have the key objective of ensuring that the services which they provide to passengers and airlines are excellent and good value for money through working with their suppliers and business partners to measure and improve processes and service so that they can create added value. In addition, investors are encouraged to believe in the company by giving shareholders strong continuous growth in earnings and dividends, and by generating the funds to deliver the mission.

BAA plc's highest priority is the safety and security of its passengers, staff and the organisations that operate at its airports. The company aims to integrate safety and security into every business process and, consistent with this, have integrated safety and security into their overall mission statement. BAA plc claim to have developed a self-proclaimed 'health and safety culture'. The health and safety management system is designed to ensure that health and safety is embedded within everyday business processes and therefore the responsibility for health and safety rests with the operational management teams. In order to contiguously develop this culture BAA plc are committed to:

- Changing the behaviour of people within the workplace through revised values and training;
- Simplifying and clarifying health and safety policies and standards
- Improving openness and accountability
- Working in close collaboration with stakeholders
- Rejecting sub-standard health and safety performance

- Monitoring and evaluating initiatives to ensure best practice is implemented in a cost effective and consistent manner.

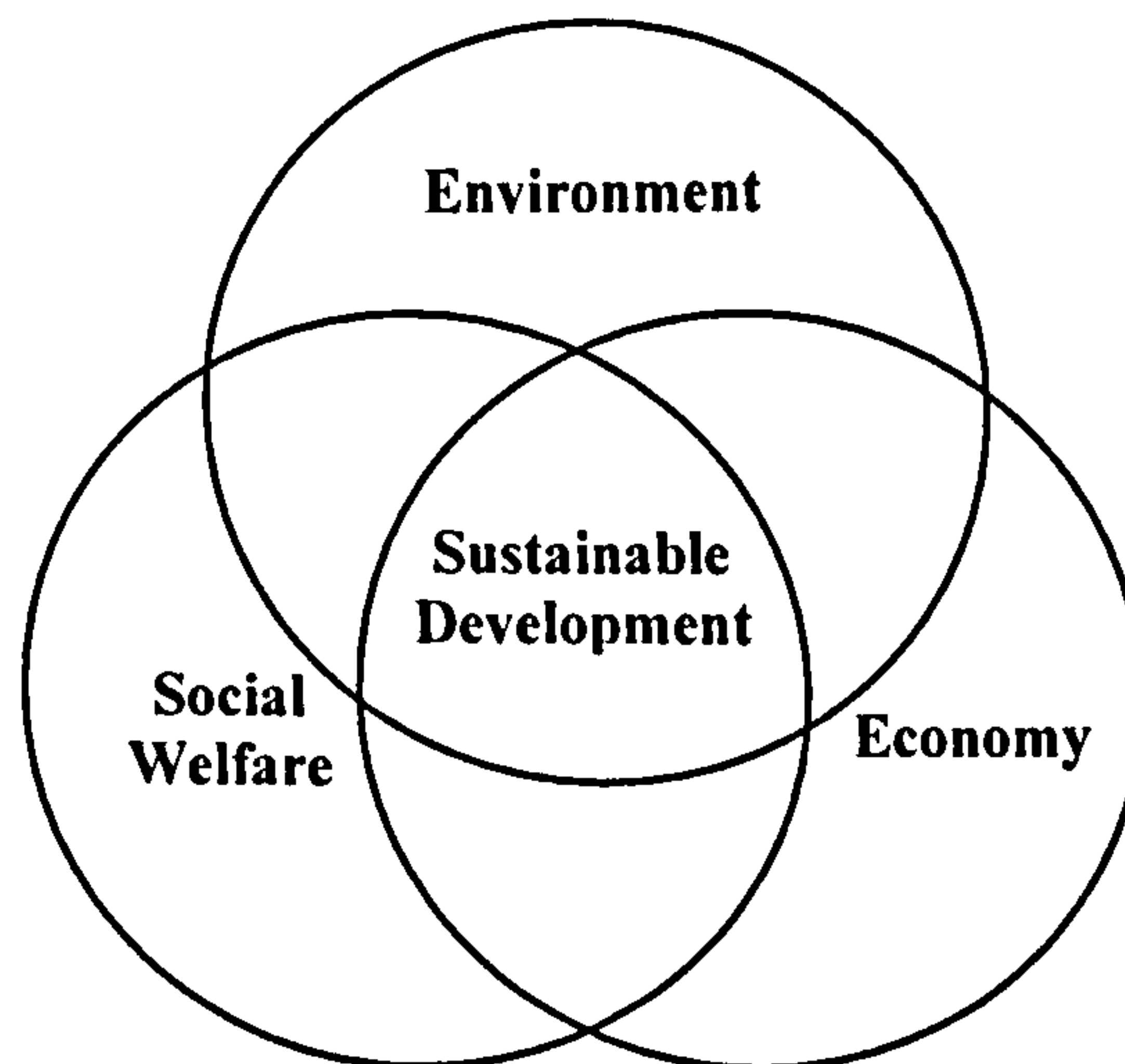
In order to communicate the mission, philosophy and objectives of BAA plc to all employees, the communication process becomes important. Monthly issues of the staff newspaper are produced and distributed throughout the airports. The success and effectiveness of the paper is measured every six months and has consistently shown increased popularity among staff. The Airwaves newspaper has also been recognised and rewarded internationally with an IABC Award 2002 (International Association and Business Communicators). A programme of visits by the CEO and Deputy CEO have been undertaken at all airport with the aim of encouraging greater opportunities for employees to question and discuss ideas about the business with the senior team. A new staff intranet site has also been launched to communicate news on a 24 hour basis if necessary. A selection of staff face-to-face events are also organised in each business unit to communicate and explain the annual and interim results. In addition, BAA plc regularly benchmarks its performance against other companies. In 1999/2000 BAA plc achieved the highest score in The Global Reporters Survey of the top 50 company reports world-wide for its sustainability reporting. This suggests that BAA plc is effective in getting their corporate message across to interested parties about their commitments, management quality and performance.

Airports make a major contribution to the social and economic sustainability of the communities in which they exist and also to wider society, but clearly have a number of impacts. BAA plc is committed to minimising those impacts, while protecting the social, environmental and economic benefits of the airport business through an integrated approach. This approach is described as the 'Sustainability Concept' (Figure 5.1) and focuses on integrating environmental, social and economic factors in the BAA plc decision making process and business strategies through considering the impact of the airport business on the environment, BAA plc's role as an employer in terms of



social welfare of the community and employees, and the economic benefits which airports may bring to the community and to the company.

Figure 5.1: The BAA plc Sustainability Concept



(Source: BAA plc Annual Report 2000/2001)

The sustainability concept aims to facilitate air travel as passenger numbers increase, but with a focus on public and government acceptance. Thus, the organisation must be more sensitive to the concerns of the wider community in order to avoid conflict, less time and less expense. Through this transparent and comprehensive approach, BAA plc aims that business is seen to make commercial and ethical sense.

BAA plc operate an agenda of sustainable development in the airport business that supports the UK Government's sustainability strategy and aims for:

- social progress that recognises the need of all parties affected by the airport business;
- effective protection of the environment;
- prudent use of natural resources; and
- maintenance of high and stable levels of economic growth and employment.

The Government's White Paper on the future of aviation 2002 provides the framework for aviation policy over the next 30 years (DETR, 2002). The Government consultation has considered a range of views, from those who do not think that further expansion of aviation should be allowed for environmental reasons, to those who believe further runway capacity should be provided at all locations and those who are seeking a solution to sustainable aviation growth.

In terms of the sustainability of social objectives, BAA plc aims to evaluate its effectiveness as an employer. BAA plc claims to recognise that the success of the business can only be assured through the efforts of a well-managed and motivated workforce, which has a wide range of skills, and a diversity which reflects the communities and customers which they serve. BAA plc employs over 11,000 people across the seven airports, their overseas interests and associated businesses including World Duty Free and Heathrow Express. This composition of the total figure is shown in Table 5.2.

**Table 5.2: Breakdown of BAA plc Employees in 2002**

<b>Area of BAA plc Business</b>	<b>No. Employees</b>
BAA plc UK Airports Group	8563
World Duty Free	1872
Heathrow Express	265
BAA plc International (overseas)	961
<b>Total</b>	<b>11661</b>

(Source: BAA plc Annual Report 2001/2002)

The overall staff turnover of BAA plc in the UK is 5% which can be compared to the UK's 2000 national average of 26.6%. The age profile of those employed by BAA plc is composed of a distribution of employees between 16 and 60, with BAA plc's retirement age being 60 years old. The BAA plc UK employee gender distribution is 60% male and 40% female employees. Within this context 58% of male employees are in a management grade and 42% of females are in a managerial grade. There is a male domination in terms of senior management grades with 83% of males and only 17% of

females in a senior management grade. In addition, employees are 95% white and only 5% of employees are of non-indigenous origin in the UK. One of the major goals of BAA plc is to be the employer of choice wherever the company operates and to achieve this they are committed to offering opportunities to all staff based on merit.

BAA plc's Equal Opportunities policy is supported by the appointment of a senior manager to develop equal opportunities and diversity across the group. A number of priorities for the business have been set by an action group which is made up of representatives from trade unions and staff from all BAA plc locations in the UK. Each area of work is sponsored by a director or senior manager within the company and they lead groups made up of a wide range of staff. The key areas of activity include: work/life balance; ethnic minority representation within management; a review of internal and external recruitment processes; identifying the diversity skills needed for managers; cultural awareness during training; and addressing the needs of people with disabilities. A group is also focusing on how equality performance is measured with the aim of providing data to help with the planning process.

Where employee job roles are affected as a result of business change or restructuring, BAA plc is committed to redeploying staff to suitable, alternative roles wherever appropriate. In order to achieve this, BAA plc have a formal business change process called 'connections' which provides a high level of internal and external support to enable the successful redeployment of individuals affected. Appropriate training is provided to equip individuals with the necessary skills to effectively carry out a new role.

BAA plc also has a policy of union consultation and accordingly recognises four unions for the purposes of collective bargaining. These unions are the Transport and General Workers Union (TGWU), the AMICUS (formerly the Amalgamated Engineering Electrical Union, AEEU), Prospect (formerly the Professionals managers and Specialists, IPMS), and the Public and Commercial Services Unions, PCS). BAA plc



also recognises ten other unions worldwide. The views of trade union representatives are sought on a range of issues that affect the business and have a direct impact on members of staff, for example equal opportunities. Many policies have been developed jointly. Each of the airports has a consultative process which allows involvement from department, functional and business unit level. This process is complemented by a formal employee communication process operated by public affairs.

BAA plc provides family friendly policies through the provision of paid paternity leave, adoption leave and emergency carer leave to deal with emergencies involving a dependant. BAA plc also successfully piloted a new policy on alternative work style, providing greater flexibility of work arrangement during 2000/01. This was introduced across the business in 2002. It benefits BAA plc through better use of accommodation and improved personal effectiveness as well as providing employees with an opportunity to improve the balance between work and home commitments.

In terms of learning and development, BAA plc have developed and started to implement a leadership development strategy, an important component of which is a new pilot programme which aims to build leadership responsibility and the skills needed to make BAA plc leadership more effective. BAA plc have also developed an approach (integrated with business planning and performance planning processes) which helps teams and individuals to explore the leadership priorities for their business and their current capabilities as identified through 360 degree feedback. Thus, teams are able to develop plans to ensure that they are better positioned to deliver the business goals of the future. In 2000/2001, BAA plc introduced a new umbrella structure for their training programme based on a 'virtual university'.

BAA plc also continues to manage its pay and benefit arrangements in relation to the marketplace, to facilitate the recruitment, retention and motivation of employees to meet the needs of the business. All employees are eligible for an annual bonus based on company performance. Additionally, managers have bonus arrangements linked to

personal performance as well as a range of key company performance measures. BAA plc ran a Sharesave Scheme for employees during the year ended March 2002. Eligible staff were invited to subscribe to either three or five years savings scheme for a fixed sum not exceeding £250 per month. BAA plc also runs a 'Give as You Earn' scheme, encouraging employees to make charitable contributions by matching them from company funds.

BAA plc is keen to gather views and suggestions from employees and conducts biennial climate surveys across the airports business. Since the last survey was carried out in 1999 the company has concentrated on a more tailored approach conducting surveys in line with development initiatives, e.g. change management and local climate surveys. Each airport has a framework for consultation and discussion of collective issues through staff forums. The Airports Forum meets on a biannual basis, then there are the standing forums which consider issues related to BAA plc's UK airport in the areas of health and safety, security standards, learning and development and staff car parks which meet at various times from every 2 months to every 6 months, and finally there are the local forums which meet departmentally on a quarterly basis and within those departments the section forums which meet every six to eight weeks and consider issues related to the terminal, airport operations or engineering, for example. The aspiration is for matters to be resolved quickly and locally wherever possible. All airports have written grievance procedures and individual grievances are handled by the immediate supervisor where appropriate.

The BAA plc Board has overall responsibility for managing business risks and their main role is to guide, endorse and support the implementation of health and safety, security and environmental policy and strategy for the BAA plc Group. Risk identification and assessment processes identify those activities that may significantly impact upon any one or combination of health and safety, security, environment, financial, legal or reputation of the business. This process also enables the production of a 'risk register' which enables the development of adequate controls. The embedded

monitors and early warning indicators allow the relevant management team, whether at plc Board level or local management level, to respond to the changing nature of risk within the business. BAA plc's principle corporate risks are in the areas of safety and security, regulation, project cost, the Competition Act, capacity shortfall, changes in demand and treasury risks. The inherent safety and security risk in airport operations is regarded as the most important to manage in the group through adopting and enforcing rigid policies and procedures supported by training and investment. The airports are also subject to regulation which becomes a risk as an adverse outcome from a review by the regulatory authority would damage returns. Therefore, full compliance with formal regulatory requirement is essential for business survival and success. In terms of project costs, the group has proposed a capital expenditure programme of £8.1 billion for the next 11 years. Overspend on key projects could damage financial standing, therefore reviews before project approvals are essential. The substantial financial penalty for failing to comply with the 1998 Competition Act and relevant EC Law is regarded as an important risk to manage in BAA plc given its dominant position in UK airports. In addition, failure to secure necessary planning permissions would lead to BAA plc having insufficient capacity to meet the demands of the industry. This would, in turn, cause increased congestion and declining passenger service. The risk of unanticipated changes in demand for air travel could lead to misaligned operational capacity within BAA plc, so evaluations through scenario planning exercises are essential. The key risks arising from BAA plc's financial instruments are interest rate, foreign currency, funding and liquidity, covenants and counterparty credit risk. Therefore, the policies for managing these risks are important.

#### 5.4 Managed Change in BAA plc

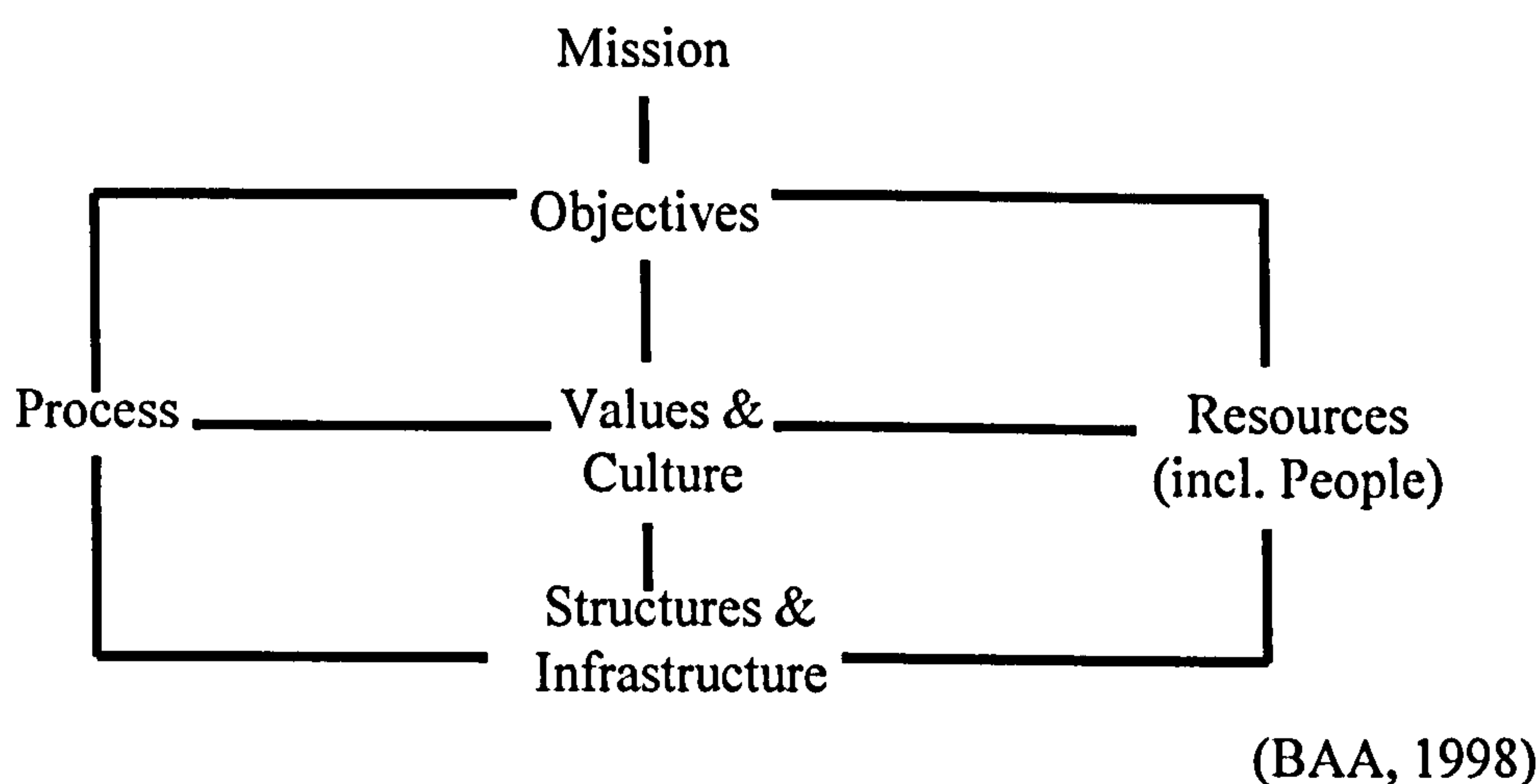
In 1994 and 1995 the Freedom to Manage (FTM) change programme was introduced as a group initiative in all BAA plc airports with a specific and well-advertised agenda. This initiative was designed to surpass the traditional BAA plc management style, which often relied on bureaucracy and regulation, and move towards a new management style at all employee levels which harnesses the initiative and enthusiasm of employees and



improve the individual performance of employees, thereby improving the overall performance of the airports in BAA plc. Therefore, this programme was conceptually focused on 'soft' human resource management policies (Legge, 1995) by fostering the new philosophy of viewing, treating and managing employees. Therefore, this programme was described as a *cultural change programme* by BAA plc and shows some similarities to the planned organisational development model of planned change (French and Bell, 1995).

BAA plc based the concept of Freedom to Manage around a model of organisational effectiveness shown in Figure 5.2. This model shows the concepts of culture and values as the core factors for achieving organisational effectiveness in operational infrastructures and processes.

Figure 5.2: BAA plc Model of Organisational Effectiveness



The fundamental principle underlying Freedom to Manage was that, given the opportunity, the majority of employees would be able to make a far greater contribution to BAA plc performance than traditionally expected. This contribution was to be encouraged through giving staff personal responsibility for their own areas of the business and complete authority to act, within certain common-sense limits. This espoused employee behaviour aimed to make the organisation more effective and more

energetic. In achieving the greater contribution in their particular areas of the business, it was assumed that employees would feel rewarded and that their job would be more enjoyable.

The communicative booklets provided by managers were intended to provide clear guidelines on the different areas for change combined with the flexibility to assign individual priorities to different issues. There are ten main areas for change: leadership style; communication; people management and satisfaction; training and coaching; empowerment; process improvement; measurement and steering; customer satisfaction (internal and external); safety and environment; and profitability. Within these areas there is a set of milestones which allow a step by step approach to managing change:

- **Vision:** Set the direction, create the will and desire to change and describe the future.
- **Preparation:** Prepare the ground, identify supporters and define the present.
- **Performance requirements:** Analyse the gap.
- **First action:** Performance lift-off.
- **Reinforce:** Make it stick.
- **Sustain and improve:** Strive for continuous performance improvement, push the limits.

In order to identify in more detail the main issues associated with these changes each individual change area will be considered consecutively:

- Leadership style: Freedom to Manage defines the leadership style which should be adopted across the organisation in order to provide consistency of action in the business which can be measured on a regular basis. The 'Management Style Statement' produced by BAA plc provides details of a leadership style which aims to acknowledge each individual employee's potential in a way which contributes to the overall performance of the organisation. The statement focuses on a range of well-recognised leadership buzzwords, such as: integrity; honesty; openness; ability to

listen; ability to innovate; setting an example; support for employees; give a clear sense of purpose; provide freedom for employees to perform within limitations; help provide solutions to employee problems of performance and attitude; no blame or criticism; and coach employees.

- Empowerment: According to BAA plc, empowerment is at the heart of the *Freedom to Manage philosophy*. The literature suggests that empowerment 'demands that employees, the lifeblood of the business, take a more dynamic role in the day to day performance of their duties' (BAA plc, 1996) In the organisational context this means finding new, improved ways of working, taking more job responsibility, using initiative or making balanced decisions. The empowerment framework combines a three step process which covers understanding the process which govern each job, helping employees to identify improvement opportunities, and allowing employees to *unleash their own creativity and ingenuity* through generating new ideas on how to improve their own work environment. After managers have assessed the extent of each employee's job responsibility, job boundaries or 'picket fences' can then be set up to ensure that employees are empowered to work within clearly defined areas. There are three zones of empowerment in which employees must operate: in the green zone, the employee is free to act without approval; in the amber zone, some interaction with management either before or after the action is carried out as the action may affect other departments or employees; and in the red zone, management reference is essential. This system is designed to outline employee responsibilities and remove uncertainty in their job roles.
- Training and Coaching: The company's competitive strategy is based upon the rate at which employees can learn from situations and incorporate new experience and skills into the way they tackle their jobs. The organisation is seen as a *learning organisation* where managers *help* employees to identify and develop learning opportunities in the workplace. Individual learning means that employees should learn from colleagues with an open and honest attitude which should foster an



organisational learning culture. Through this culture, it is intended that the employee perceptions that managers should, and do, have all the answers will decrease and instead, employees themselves will seek new solutions to the work problems they encounter. BAA plc, therefore, intend that continuous learning will become embedded as a way of working life in the operational processes. The manager's role in the learning environment is key to the success in terms of understanding employee learning styles and providing employees with the most appropriate opportunities and support to learn. The managers' role therefore becomes that of a *coach*. This coaching framework must involve a combination of trust, support, clear milestones and an acknowledgement of the learning possibilities of situations which can enable managers to help employees to make dramatic and rapid strides in workplace learning and experience.

- People Management and Satisfaction: In the new environment, it is important that employees experience a new relationship with managers which reviews their performance, sets targets and measures performance effectively. In order to do this it is necessary to identify core competencies or skills areas which are essential for the success of BAA plc, namely: managing customer needs profitably; managing the processes; leading people; self-management; and maintaining health and safety standards. In order to sustain these core competencies, there is a requirement for informal approaches to feedback. Regular and frequent positive discussions with employees aims to assist them to make the most of their learning opportunities and not only clarify, but also help them to understand what is expected of them. This type of feedback is aimed at fostering an open, trusting and honest atmosphere with the team. The BAA plc performance review consisted of four main strategies: reviewing performance; setting and agreeing targets; exploring aspirations; and planning training and development. This stepped process was designed to improve employee performance and increase employee satisfaction, motivation and loyalty. As a direct result of the review process each employee has a personal development plan which covers both their short-term and long-term career growth needs. It is also

important that when employees do improve or sustain good performance, that they are recognised by their superiors. This activity can boost morale and motivate staff to succeed. The recognition can be part of the formal review strategy, but it is suggested by BAA plc that it also becomes a daily part of the Freedom to Manage management style. Giving praise as soon as possible is important so that employees know they are appreciated by the company and the management.

- **Communication:** Making the most of communication facilities in the company is vital to put across to all levels of staff the correct Freedom to Manage Philosophy. Verbal communication concerning change and what is expected of employees is as essential as listening to their concerns and ideas. BAA plc have laid down a formal communication infrastructure to assist the change process. The key players who drive the communication of Freedom to Manage messages to staff are the operational managers, communication representatives and the communication executive. Operational managers are responsible for cascading information down from management level to their staff. Meetings are an effective way of gathering managers and supervisors to disseminate the relevant information to their subordinates. Communications representatives play an active role in moving information from grass root to management level (a bottom-up approach). They provide the contact for staff to express their opinions as well as acting as representatives for airport publications, newsletters and Customer Service Awards and encouraging staff to attend communications forums. The methods of communication in the formal communication strategy are varied in order to cover the maximum number of employees. These methods aim to be clear, open and honest and continually reinforced. The introduction of regular communicator meetings which the communications representatives attend provide opportunities for staff to discuss issues that not only affect one department, but other areas of the business and provides a forum for discussion of team successes and learning points. Employees can then take their own notes and disseminate them to the rest of the team if required. The noticeboards in the staff areas are particularly important for front-line

employees. The company newsletters and newspapers provide a voice for all activities in the business and can feature special articles with positive customer feedback, social gatherings and business news. The consistent use of IT is decreasing the communication gap between departments and airports and is being developed further through the email and intranet activities.

- **Measurement and Steering:** The measurement and steering methods which managers may introduce are aligned to the particular targets set for the business unit. BAA plc's past performance measures were focused on the traditional area of finance and tended to ignore the other aspects of business such as customer service. For the measurement of Freedom to Manage a new set of measures were developed which reflect the five most important factors in the success of the company. These Critical Success Factors (CSF) are defined as: safety; profitability; productivity; service; and empowerment. These top-level factors are designed to give a clear direction to the business priorities. Underneath these factors lie a number of Key Performance Indicators (KPI) which can be tracked to understand the company's performance. Whilst some of these KPIs are standard, some may be developed by different units and teams.
- **Process Improvement:** Continuous process improvement is seen as a competitive advantage in the airport environment. There are four main steps BAA plc defines towards process improvement. First, identify the key processes and prioritise them within the department or team. Secondly, prepare for improvement by using the teams skills mixed with training to build commitment and confidence as well as appointing a process owner and setting clear improvement targets. Thirdly, analyse the current process and redesign where appropriate. Fourthly, the implementation of new procedures with attention to continuous measurement and fine-tuning.



- **Safety and Environment**: Providing adequate protection for the employees, passengers and the local and global environment is also identified as a key driver of success. The corporate vision for health and safety is the elimination of all preventable illness, injuries, and the business losses due to unplanned events on the premises. The safety management system in line with Freedom to Manage aims to empower all the employees to be actively involved with all safety issues (within their own empowered zones). The safety management system outlines a clear approach which the company wishes to take to all safety issues which includes mandatory staff training. In addition to health and safety inside the work place employees must also be aware of environmental issues so that they can be empowered to improve working practices and also the health of future working generations. The BAA environmental policy aims to progressively reduce the impact of the airport on the environment and local communities. The staff are encouraged to participate in a range of initiatives already in place, such as the office waste recycling, gearbox refurbishment and campaigns to encourage shared transport.
- **Customer Satisfaction**: BAA plc's customer base is made up of a number of different groups all of whom have different needs. The external customers encompass both the passengers and the business partners. Therefore, BAA aim to enable passengers to pass through airports as smoothly and comfortably as possible by providing excellent service and a use-friendly environment and also to serve their business partners (i.e. the airlines, retailers and airport tenants) by carrying out their activities in the most efficient and profitable way. On the other hand the internal customers are those department who do not provide facilities directly to external customers, but offer support services to ensure the smooth running of the airport as a whole. Internal customers require certain standards of service, speed of response, and cleanliness to keep their external customers satisfied. Internal service levels have an immediate effect on external service which in turn will affect customer loyalty in the long run. In this environment, the use of empowerment amongst employees

becomes important in order to deal with unpredictable and changeable circumstances and continue to be responsive, flexible and rapid in terms of decision-making.

- Profitability: According to BAA plc, one of the most important changes which Freedom to Manage embraces is the idea that finance is too important to be left to the accountants. Instead, operational employees, who understand the needs of their part of the business, should take a far more active role in financial management. In addition, staff will also take responsibility for their actions and will ultimately be held responsible for them. Therefore, employee's actions should ultimately affect the budget which managers are responsible for. This means not assigning blame when things go wrong, but assisting employees to consider the implications of their actions.

This new way of working for employees is bolstered by the communication of the business benefits. Managers benefit from empowerment through harnessing the energy and enthusiasm of their teams and doing more work which is value added rather than focusing on the specific details of the activity. The business also benefits through improvements which may result from employees taking their own initiative. The rewards for employees are not consistently monetary or career enhancement related, but instead are linked to opportunities for learning and increased job satisfaction, trust in the employees relationship with the company or their managers and pride in the job. The management of such an empowerment initiative meant that managers were being placed in a differing role by the company through playing a *helping* role.

In the year 2000, preparations began for the initial communication to employees of the newest BAA plc change programme – Enterprise. The Enterprise change programme is a *resource planning system* which is centred on a packaged business software system. Among the most fundamental attributes of Enterprise are its ability to automate and integrate the majority of business processes, share common data and practices across the entire organisation and produce and access information in a real-time environment. The

Enterprise programme has an overarching fundamental vision statement: 'To remain the most successful airports business in the world, supported by cutting edge business processes, capable people and information systems that deliver tomorrow's possibilities today' (BAA, 2000). Therefore, it is suggested that this change programme has tendencies towards the 'hard' model of human resource management (Fomburn *et al*, 1984).

Those who manage the Enterprise change programme are at various organisational levels and functional areas of management. The steering group consists of those of director status in the organisation:

- The Scottish Airports' Human Resources Director who is the Enterprise Sponsoring Director for Scottish Airports;
- The Finance Director who is the Steering Group Chairman;
- Glasgow Airport Managing Director;
- Edinburgh Airport Managing Director; and
- Aberdeen Airport Managing Director.

There is also an Implementation Team which consists of a programme manager, a change manager and a programme support manager. There are also the process implementation managers for each of the main three areas of Enterprise. Finally, there are the local implementation managers both for Scottish Airports as a whole and for each airport location of Glasgow, Edinburgh and Aberdeen. The local implementation teams work on behalf of the airport directors and work with heads of departments to ensure that the implementation of Enterprise has taken place in all BAA plc, Scottish Airports in February 2001 and subsequently monitor the change process.

The Enterprise change process is a planned programme of change (Lewin, 1947) which aims to change the way in which employees work in order to deliver consistent and efficient business support over all UK airports and in the BAA plc Corporate Office. This planned change programme focuses on three key processes: Plan and Develop the



Business (PDB); Acquire and Maintain Assets (AMA); and Resource, Develop and Motivate People (RDMP).

The change area of Plan and Develop the Business (PDB) is the process for business planning and capital investment. There is a greater focus on target setting with managers reviewing and reporting against their business plans on a monthly basis. This should result in a movement away from the prolonged annual business plan process. In addition, organisational members will be able to make better informed business decisions which will improve the use and investment of capital. The business targets will then be reflected in employee's personal targets and thus the employees should be able to see where they contribute to the overall organisational picture.

The Acquire and Maintain Assets (AMA) process addresses the procurement, maintenance, project and logistics needs of airport operations. The aim is to receive goods and services for the operation of the airport in a timely and cost-effective way. Therefore, the traditional 'paper chase' should become extinct. The development of service level agreements (SLAs) with customers should also allow for better use of and maintenance of operational resources and should result in a move away from a reactive working pattern towards a managed and planned work environment. AMA aims to ensure that airport operations are consistent, effective and efficient in the four areas of engineering maintenance, supply chain, projects, and logistics. In Engineering Maintenance, which is one of the key areas of AMA, the aim is to ensure that the correct balance is struck between planned and reactive maintenance regimes. Managers play a key role in the AMA process. By working with maintenance to identify which are the business critical facilities in specific departments, managers allow the actions which bring the most significant customer service benefits to be planned and implemented. This means that teams of technicians will be able to spend their time more productively and meet customer requirements. Each team of technicians will be led by managers whose principle focus will be on the delivery of the work schedule in accordance with service level and budgetary targets.

The AMA process will also change the way in which the supply chain works in the organisation. For those who purchase goods and services for themselves or for their departments there will be clearly defined purchasing routes. Firstly, there will be shopping from an electronic catalogue available online, 24 hours a day, with online help from the Supply Chain Intranet Site. This is the preferred system for ordering goods and services for BAA plc airports as it contains a list of BAA plc's approved suppliers with whom BAA plc has already negotiated a deal on behalf of the whole of the company to make sure value for money is gained. If it is the case that the system does not contain the good required then a purchasing card (for goods and services under £200) can be used to buy an item. These cards are used in the same way as a credit card. The third route is the allowance of one-off purchases of under £5000 in value. If the item the employee requires is not on the system but a supplier can supply it, the employees may talk with the supplier, get a quote and order the item. The fourth route is for purchases which are more complicated which are not in the catalogue and may require to be dealt with on an individual basis. If the item is over £5000 the location Account manager should assist in finding and ordering the item. Therefore, managers become the gatekeepers of the system ensuring that it is used correctly. The Business Support Centre will centrally process all transactions across the group which aims to allow all locations to concentrate on adding value to the core business.

Resource, Develop and Motivate People (RDMP) is the process for dealing with *people management* activities. It aims to enable all employees to take more responsibility for their own development. The line managers are given the additional skills, processes and systems to support their human resource management activities whilst individuals should have more opportunity to develop their skills in support of the business. The targets set for employees will also reflect the business strategy and goals, so that the employees are able to see their personal contribution to the overall organisational picture. This new environment in which employees will work aims to facilitate staff to give of their best. All managers, but especially operational managers, will have a crucial

role to play in creating this environment through three main actions, resourcing, reward and recognition and learning and development.

Resourcing is seen, not simply as the way in which managers recruit to fill jobs, but how they reach the decision to recruit; how they deal with absences from work; how people move between jobs and how they leave the company. Managers who recruit on a frequent basis will have access to, and be trained on, the Oracle Recruitment System and in all other cases, the human resource department will provide help and guidance. The Career Development Opportunity Intranet site will be replaced by the Oracle Website and job vacancies will be posted electronically by the recruiting manager. Thus, initial interest from an applicant will be sent electronically via the system. The selection process itself will be driven by the operational manager, with some help from the human resources department if required, or in some instances from an external service provider. The job profiles will be standardised throughout BAA plc, using general and technical competencies. Managers will also use standard pre-designed selection tools (for example, criteria based questions) designed to test the applicants competence.

The way in which managers determine and put into operation the reward decisions about members of their teams is key to employee productivity and satisfaction. In the future, managers will have direct access to pay details of all their own employees, and with advice from the human resources department, will be able to enter, update and change pay details of individuals within their team. They will also be able to deal with queries and analyse staff costs for their own department and therefore make more informed business decisions. Reward processes, such as annual salary reviews, will be made simpler as the new system will generate standard reports giving managers the ability to input their recommendations directly onto the system, rather than completing large numbers of forms.

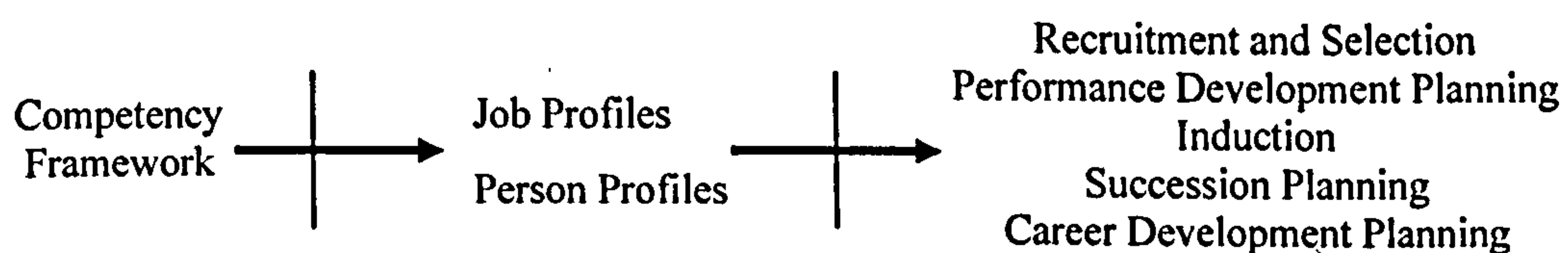
Through the use of learning and development strategies for all employees managers will ensure that employee targets contribute to business objectives, enable employees to



become better at their jobs and then review their performance and will provide learning and development in the most effective way. The aim is to be a true 'learning organisation', i.e. an 'agile, dynamic [organisation], with a forward looking culture in which learning and change are the norm' (BAA, 2000).

Performance development is a key building block in RDMP processes, and managing and developing performance is a key managerial skill. RDMP allows managers the tools and knowledge they require to work with their teams to produce performance development plans aligned to local or departmental business objectives. The aim is that each employee will have a Performance Development Plan and managers will be able to identify appropriate training to develop competencies. Putting the development plans into action will be made easier through the access which employees will have to learning and development resources online through the BAA plc intranet. The Performance Development Process has three phases; a consistent method for setting and recording targets, the drawing up of a development plan helped by access to a library of activities based on developing competencies and covering different learning styles. A detailed learning guide will help managers to identify the most suitable learning activity for each employee and also the review process which ensures and confirms that the development plan agreed is on track. The figure below (Figure 5.3) shows the way in which the competency framework will be used throughout BAA plc.

Figure 5.3: The BAA plc Competency Framework



(Source: BAA, 2001)

The learning guide states that there are five key principles which underpin learning and development in BAA. The first principle is that of excellence in performance. The

current employee performance is captured in a Performance Development Plan (PDP) with the emphasis on performance, and future development is captured in a Career Development Plan (CDP).

In order to gauge the way in which employees learn throughout the organisation various tools have been introduced for use which are seen as alternatives to the traditional training courses. These include shadowing a senior member of staff, secondments for a six month period to other departments or airport, being involved in team briefings, delegation, coaching, and involvement in project groups.

The BAA plc general competency framework contains a range of specific competencies which employees must consider prior to putting together their performance development plan. The 18 general competencies which employees and managers can put into the context of their specific department or job role include: analytical thinking; a commercial or profit focus; communication; creative thinking; customer focus; delivering high performance; a passion for success; learning from others; and managing change.

The second principle is that competencies are the foundation of all development activities from annual performance reviews right through to the training undertaken to improve performance. Competencies describe both what is required within a role and the behaviours an individual employee needs to demonstrate in order to be successful. Where there exists a gap between the requirements and the behaviours there is a development need. The third principle is that learning and development support business planning and strategy. Thus, learning must take place at both the individual and organisational level in order to ensure future survival in a changing internal and external environment. The fourth principle is the need for both efficiency and effectiveness in operations which are largely standardised whilst accepting that needs sometimes differ. BAA does not intend to reinvent the wheel, but instead aims to take full advantage of all the good practice there is in the current learning and development

activities. The fifth principle is that of managing learning and sharing knowledge. Each employee in BAA should 'learn how to learn' and 'manage their own learning'. The aim is that all employees will be effective learners and open to change through never being satisfied with the status quo and never complacent. Through this constructive approach, skills will be improved in learning and development as well as improving the ability to share knowledge across the organisation.

Some of this information, such as training history, will be built into the system over time, and some will be transferred over from other systems. Managers will also be able to review this information and use it to help them manage their part of the business better. The intranet and information technology system will mean that more information than ever is readily available at the touch of a button. It will, therefore, mean less time will be spent paper-chasing and form filling and more time will be spent on managing, guiding and developing teams.

The success of Enterprise in this area depends on managers working together to create a high performance culture; on them acting as coaches to help their employees to develop the skills they need in their jobs; and on them ensuring that all organisational members are focused on and supporting the overall objectives of the organisation. This approach is seen by BAA as 'a whole new way of working and managing' (BAA, 2000) which is dependent upon all employees of all levels being committed to change and having an understanding of their role in the organisation. Therefore, the changes which take place should result in the development of a high performance culture in which everyone's contribution is aligned with and supports the overall objectives of the company. Therefore, according to BAA plc, 'processes are a means rather than an end' (BAA, 2000).

What is clear from the discussion of the content of the Enterprise change programme is that there is a hardness of technology which is used by the management team to underpin the aim of process improvement. The hardness of the political programme is a



central issue. Technologies such as those used in Enterprise, are embodied in artefacts which are essentially described as 'hard'. In addition, technology becomes an icon for the organisational members to follow which can result in both inclusion and exclusion of certain organisational members in respect of their place in the organisational structure or their geographical location in the organisation.

The information technology (IT) used in the Enterprise change process is cross-cutting technology which offers functionality aimed at the whole spectrum of department in the airport. It offers cross-cutting technical integration of these functions. Information technologies are socially constructed items and cannot be understood independently of the social groups which surround it. Instead the people and technology could be said to form a socio-technical ensemble. Thus, in the case of Enterprise, BAA plc are utilising IT as a type of 'social glue' to gain organisational consent for use of the whole Enterprise change programme. Attempting to use technology as a type of social glue can cause contradiction in the organisation. As different organisational members in the Enterprise process interpret and use the systems in different ways and for different means, there can be resistance to change as well as consent which can cause instability in the change process. In fact, technology may be used as a steamroller by management in order to control change processes in their specific agenda. In addition, the crosscutting IT systems such as Enterprise are sold as a *commodity*, not only to the company, but to the organisational members by managers. This highlights the issue of organisational politics in the new shaping of the organisation through the Enterprise systems. A further expansion of the human resource management issues related to these change programmes can be extracted from Farquharson and Baum (2002).

### 5.5 BAA plc Case Study Units: BAA, Glasgow and BAA, Edinburgh Airports

The airports which have been identified for this research study have already been referred to in Chapter 4 as BAA, Glasgow and BAA, Edinburgh. Whilst details have been given for BAA, Glasgow and BAA, Edinburgh airports relative to the other airports

owned by BAA plc, it is necessary to provide a more detailed examination of each airport as each exists as an autonomous airport entity in its particular environment.

### 5.5.1 BAA, Glasgow

Glasgow Airport not only serves the main local areas around the airport, but also provides the main air links for the West of Scotland and for long haul services for Scotland as a whole. BAA, Glasgow employs a total of approximately 400 employees who work directly in BAA plc airport operational, functional and management roles. Table 5.3 shows how the airport operations are segregated and the number of employees in each segment of BAA, Glasgow.

Table 5.3: Direct Employees in BAA, Glasgow in 2001

<b>Airport Department</b>	<b>No. of employees</b>
Airport Management	18
Engineering & Maintenance Technicians	70
Business Management, Property & Procurement	13
Operations	26
Airport Fire Service	72
Airport Support Unit	53
CSU	21
Terminal Management & Retail	22
Security	134
Human Resources/ Office Services	3
<b>TOTAL</b>	<b>432</b>

(Source: BAA, Glasgow, 2001)

The staff turnover rate for those permanent employees who work directly for BAA, Glasgow is consistently less than 1% (BAA, Glasgow, 2001). BAA, Edinburgh directly employs an average of 365 employees at the airport each year with a staff turnover rate of around 8% in 2001 (BAA, Edinburgh, 2001).

Around 5,000 people work at Glasgow airport (directly and indirectly) and cover a diverse range of activities and skills. A further 11,000 people rely on the airport for their livelihood in activities such as hotel management and the provision of transport

services. Many companies, from large multinationals to small family run businesses, have established themselves around the airport or along its transport corridors. In the competitive marketplace of today, convenient access to markets and components is vital for business survival and prosperity. The increasing focus on 'just in time' production methods and access to key personnel mean that fast, frequent and reliable global connections are essential. However, Glasgow Airport is not only providing links to the business community. Air services are also essential for the social and economic wellbeing of the more remote Highland and Island communities. In addition, around half of the seven million passengers who depart from the airport annually are travelling for their holidays, both on charter and scheduled services. The increase in disposable incomes mean that more people are able to take either one or two overseas holidays, and with the advent of the 'no frills' airlines, the market continues to grow steadily.

Glasgow Airport was opened by Glasgow Corporation in 1966 and subsequently acquired by BAA plc in 1975. Since then, the airport has become Scotland's busiest airport with around 85,000 air transport movements and almost seven million passengers annually. At the airport 42 scheduled and charter airlines fly to some 85 destinations. With this reputation Glasgow has become Scotland's main holiday airport. Over the past 10 years, more than £170 million has been invested to expand its terminal facilities. However, when stage two of the redevelopment was under completion, a major reassessment of international services to the regions was underway by a number of airlines. Glasgow and Manchester Airport both suffered heavily as airlines, particularly the US majors, moved from a policy of fierce competition and market share wars to a policy of strategic alliances and code sharing.

This downturn escalated in 1994 as the full effects of the post-Gulf war recession became apparent in the 1993 airline results. The withdrawal of several airlines negatively affected Glasgow's reputation and morale more than its traffic performance, as most passengers either went by a different route, such as Amsterdam or Reykjavik, or used the growing range of charter destinations. However, one of the most formative



limitations on the role which Glasgow Airport had hoped to assume - that of Scotland's premier international airport - was becoming apparent in the shape of the deficiencies in Scotland's surface transport infrastructure. With slow completion of motorway upgrades and no through rail network between the main termini in Glasgow, business traffic on European services was progressively moving to Edinburgh Airport. However, in the years of 2000 and 2001, Glasgow Airport refocused on both charter holiday flights and international airlines and was close to exceeding 7 million passengers per year (Cameron, 2000). A major upgrade and refurbishment of its runway at a cost of £11 million was completed in 2001. BAA, Glasgow is again currently involved in a competitive battle with BAA, Edinburgh for the development of transport infrastructure and an addition runway to increase airline capacity (DETR, 2002).

From a BAA point of view, it takes a staff compliment of around 350-400 operational employees to run the BAA aspects of the terminal and at any one time there may be 80-100 BAA staff on duty within the terminal building, covering functions ranging from snow clearance, trolley collection, security search, customer service, switchboard, planned and reactive maintenance and airfield operational management. In an airport the staff and the building must develop an ability to handle both the busy and quiet periods with the same skills, quality and customer service. In an operational context, in an average November day the airport will process 9-10,000 passengers and the corresponding throughput for a day in July could be up to 25,000 passengers with at any one time 4,000 passengers and public in the building and possibly 30 aircraft parked on the ground.

The scheduled and charter airlines serving Glasgow Airport are shown in Tables 5.4 and 5.5.

**Table 5.4: Scheduled Airlines operating from Glasgow Airport (October 2001)**

Scheduled Airlines		
Aer Lingus	British Airways	KLM UK
Air 2000	British European	Loganair
Air Canada	Canada 3000	Manx Airlines
Air France	Continental Airlines	Royal Airlines
Air Malta	EasyJet	Sabena
American Airlines	Go	ScotAirways
Bmi British Midland	Iceland Air	

**Table 5.5: Charter Airlines Operating from Glasgow Airport (August 2001)**

Charter Airlines		
Air 2000	Britania Airways	Islandsflug
Air Europa	Bmi British Midland	JMC
Air Foyle	British Airways	Lauda Air
Air Malta	Excel Airways	Monarch Airlines
Air Transat	Futura International	SATA
Airtours International	Helios Airways	Spanair
Atlanta Iceland	Hemus Air	Plus 13 other carriers
Braathens	Iberworld	with ad hoc services

The airlines serve 32 domestic destinations in Scotland and the rest of the UK. There are 15 scheduled international services to destinations in Europe, America and Canada. The chartered airlines provide services to 40 international destinations, predominantly within Europe. During the summer peak season, chartered flights intensify and more scheduled international routes are operated. More routes are under review for addition to Glasgow's Schedules. In 2000, the airport handled approximately 10,200 tonnes of air cargo and 3,100 tonnes of mail. Large volumes of road freight also pass through the airport's facilities for consignment consolidation. An air ambulance also operates from Glasgow Airport, servicing the Highlands and Islands.

### 5.5.2 BAA, Edinburgh

Passenger levels in Edinburgh airport have more than doubled, rising from 2.5m in 1993 to 5.2m in 2000. Independent studies show that Edinburgh Airport and related businesses contribute an estimated £143m to the city and surrounding region (BAA, 2000). Economic activity at the airport supports almost 5600 jobs, creates £268m worth of output and generates £128m of Scottish income.

The £54m development of BAA, Edinburgh's terminal building was opened in spring 2000. It provides an additional 171,500 square feet of operational floor space. To reflect Edinburgh's growing international gateway status, terminal facilities include a 46 desk check-in hall, a new hold baggage sort and screening system, airline executive lounges, a joint departure lounge for use by all departing passengers and greater choice for travellers in a wide variety of shops, bars and eating establishments. In the year 2000, there was also a major store opening in BAA, Edinburgh which brought a range of local merchandise to the airport. Jenners opened a retail outlet in the terminal building, which enables passengers and greeters or visitors to shop. The shop will be situated in the recently expanded retail area and will offer traditional Scottish fine food and gifts together with an element of its signature range. The idea behind the use of Scottish retailers in the Scottish airports is to present a sample of Scotland's best items and bring a sense of place to Scottish airports. The £12m international arrivals hall and associated lounges were completed in 2001.

A new public transport interchange has also been built directly opposite domestic arrivals and new courtesy coaches, buses and taxis leave from this area, easing traffic congestion and the terminal forecourt and making journeys to and from the airport by public transport easier than before.

A number of scheduled and charter airlines serve Edinburgh Airport, these are listed in Tables 5.6 and 5.7.

Table 5.6: Scheduled Airlines Operating from Edinburgh Airport (August 2001)

Scheduled Airlines		
Aer lingus	Eastern Airways	Ryanair
Air France	EasyJet	Sabena
Bmi British Midland	Go	SAS
British Airways	KLM UK	ScotAirways
British European	Logonair	
Crossair	Lufthansa	



**Table 5.7: Charter Airlines operating from Edinburgh Airport (July 2001)**

Chartered Airlines		
Air Europa	Bmi British Midland	Monarch Airlines
Air Transat	Eurofly Service	Onur Air
Airtours International	Futura International	Spanair
Britannia Airways	Hemus Air	Plus 14 other carriers
British European	Iberworld	with as hoc services

These airlines serve a range of domestic destinations in Scotland and the rest of the UK. Scheduled airlines serve western European countries, while international chartered flights serve European and Canadian airports. During peak season, chartered flights intensify and more international routes are added.

BAA, Edinburgh is Scotland's largest cargo and mail airport in terms of flown tonnage and is the major centre the Scottish Operations of Royal Mail and Parcel Force, handling around 17,000 tonnes per year with a recent growth rate in excess of 30%. Edinburgh is also the Scottish base for the major companies TNT, UPS and DHL. Additional aircraft stands were completed in 2000 in order to accommodate the wide-bodied cargo operations such as the Airbus 300B4 (BAA, 2000).

### 5.6 Competition and Conflict between Key Scottish Airports

A key issue relating to the development of air transport at both Glasgow and Edinburgh Airport is that of the viability of rail links. Rail access to airports in Scotland has been considered since the early 1990s, however the Scottish Executive have brought the issue to light in recent times by declaring rail links to both airports as key priorities in their transport improvement objectives. Their investigation into airport rail links showed that, in terms of demand for dedicated rail links, the use of public transport to and from the airports is low (8%) at Glasgow and only modest (16%) at Edinburgh. In addition, the proportion of airport passenger trips which start or end in the city centre is low (13%) in Glasgow, but is more substantial (33%) in Edinburgh. It is also important to consider that travellers away from home and foreign travellers will use public transport and may benefit from the rail links, but the proportions of these are only modest. Leisure

travellers away from home are most likely to use public transport, but these travellers only form 13% of all passengers at both airports. Therefore, although both airports have similar considerations in terms of demand for rail transport, Glasgow Airport is characterised by dispersed demand patterns which are difficult to serve by rail. It is easier to link Edinburgh Airport to the wider rail network because it is closer to the city centre and is surrounded by main rail lines. This issue continues to be argued in the media and remains discussed in the Scottish Parliament. These issues are discussed in more detail in the national consultation paper on the future development of airports in the UK (DETR, 2002).

### 5.7 Conclusion

This chapter has provided an in-depth view of the operation of BAA plc as an organisation. It is clear that BAA plc's core area of interest is airport operations and it is in this area in which the organisation holds unique competencies. The development of the organisation into a competitive semi-monopolistic company has resulted in the divergence of interests throughout the world, most of which are related to the core area of airport operations. In particular this chapter has highlighted the key areas of development of the two case study airport units involved in this thesis, BAA, Glasgow and BAA, Edinburgh. What is interesting in terms of development is that in the 1990s BAA, Glasgow held a place of prominence over BAA, Edinburgh and was earmarked for heavy development which resulted in higher passenger numbers and increased profits. However, in 2001, a major refurbishment was completed on BAA, Edinburgh which has increased its ability to compete with BAA, Glasgow and consequently Edinburgh Airport is continuing to see a rise in passenger numbers, airlines served, and operating profits. In terms of future developments, therefore, it cannot be assumed that BAA, Glasgow will remain the flagship airport and instead it must be acknowledged that the effects of increased competition between the airport should be taken into account in further research.

The change programmes which have been highlighted in this chapter and which are the focus of this study have shown differing foci in terms of their approach to the management of human resources. Freedom to Manage is reminiscent of the planned organisation development approach with a tendency to emphasise the 'soft' elements of human resource management and an intangible approach to the development of a new open and communicative organisational culture. On the other hand, Enterprise shows strong links to the more rational change models which focus on 'hard' human resource management practices, treating employees as a resource which can be prescriptively moulded. Chapters seven and eight will endeavour to expand further on these issues in the two divergent change processes.

The following chapter considers the key results of the BAA plc Staff Survey 1999 and aims to draw out themes for further research.



## **CHAPTER 6**

### **QUANTITATIVE ANALYSIS: BAA PLC STAFF SURVEY, 1999**

#### **6.1 Introduction**

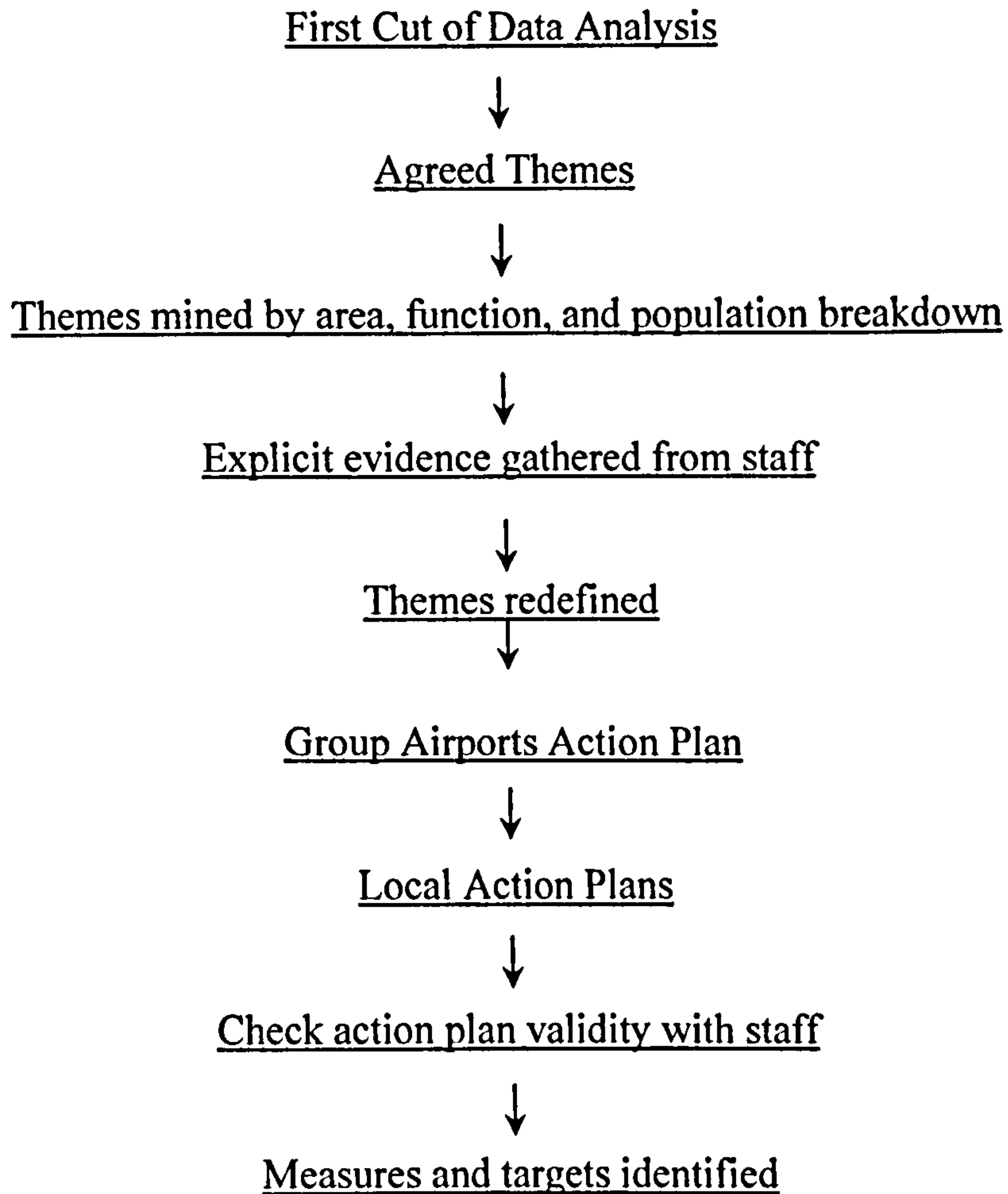
This chapter outlines and discusses the quantitative data extracted from the BAA Staff Survey, 1999, in terms of the procedures for analysis and the results. The company's rationale for commissioning the survey and the researcher's rationale for utilising portions of the survey data are clearly stated prior to the analysis of the questionnaire data. Methods for extracting key questions from the survey are also explained with reference to the objectives of this research and the literature review. Then, finally, the data from BAA, Glasgow and BAA, Edinburgh is analysed and compared using SPSS software and the main issues resulting from the analysis are stated and examined.

#### **6.2 Background: BAA plc Staff Survey, 1999**

The BAA Staff Survey was commissioned by BAA Plc as an organisational climate study and was carried out by the consultancy group Selby MillSmith during the months of January and February 1999 throughout BAA, Scotland. The survey questionnaires themselves were posted to each individual employee through the BAA internal mail system to be returned in the attached envelope to Selby MillSmith or deposited in the appropriate collection box. This allowed an easy and anonymous return route for the completed questionnaires.

This staff survey was a routine component of the BAA organisational diagnosis process and consequently the results were used to feed into not only strategy formation, realignment or change, but also to address operational issues in the context of change. The outcome of this staff survey at the organisational unit level was an Action Planning Process which resulted in the steps shown in Figure 6.1.

Figure 6.1: The Action Planning Process



The survey was a general organisational climate survey which included all members of staff and concerned operational issues (e.g. customer service and security), work relationships with colleagues, leadership style (i.e. the type of style which is encouraged and experienced), and the work environment (i.e. the mission statement, appraisals, satisfaction with work, and organisational structure). The questions were mainly scored on a Likert scale as follows: 1=To a very little extent; 2= To a little extent; 3= To some extent; 4 = To a great extent; and 5 = To a very great extent. This general approach not only provided the researcher with the opportunity to identify various levels and types of staff opinions and feelings, but also allowed the scientific categorisation of key data which assisted in the identification of organisational issues which required further research.

The survey was administered at a key period in the transition process of BAA, Glasgow and BAA, Edinburgh. In January and February 1999, both units had already experienced the objectives and activities associated with the Freedom to Manage change programme and were also beginning initial preparations for the implementation of the Enterprise change programme. Therefore, the survey is placed in the transitional gap between change programmes. In this way, the staff survey becomes an important tool for diagnosing the general climate of an organisation undergoing continuous improvement activities.

### 6.3 The Staff Survey Questionnaire: A Critique

The staff survey questionnaire, fully shown in appendix III, was designed by consultants Selby MillSmith to provide BAA, Scotland with a general climate survey of all BAA units. Therefore, it is important to recognise the commercial nature of this questionnaire which was not undertaken for academic purposes or for the specific purpose of this research. However, that did not prevent careful use of this questionnaire as a means of gaining a valuable, if general, view of BAA, Glasgow and BAA, Edinburgh in terms of various operational issues, and employee perceptions and feelings.

In terms of survey questionnaire content, the data derived from this survey is interval; i.e. data put into ordered or ranked categories, for example through the use of the Likert scale. This resulted in limited use of statistical tests carried out on the data. Therefore, the tests chosen were those which complement the data type and effectively identify trends and dimensions in organisational climate. Hence, the tests chosen and utilised were those which yielded the appropriate results in order to further this research.

The Likert scale, although easy to complete from the respondent's point of view, leaves opportunity for consistent selection of the middle response (3= to some extent). This can have the effect that the results lack depth and consequently practical issues cannot be highlighted in a scientific way. Therefore, the researcher's level of insight into real organisational issues can become skewed. The results in Table 6.2 and 6.3 concerning



factor analysis show that there has been the propensity to mark the middle response in a variety of cases. This could be explained by the nature of the questions which have been chosen. Many of the questions invite the respondent's opinions or feelings about organisational issues which relate to their job, their colleagues or their managers. Other questions may be seen as controversial (i.e. those concerning pay scales). The employee response to these questions may also be the result of the prevailing nature of the organisation prior to the public-private transition which may have caused a level of mistrust, scepticism or cynicism amongst employees concerning the use of surveys. In addition, with a large survey questionnaire such as this, employees may be anxious about their anonymity and may chose to be neutral on certain issues.

The issue of maintaining complete respondent anonymity is reflected further in the questionnaire because, as the following section will show, the questionnaire results do not provide a robust demographic sample which is representative of the population of workers in BAA. This has resulted in the use of general results from the survey in order to produce a general overview of the climate in both of the organisations.

### 6.3.1 Demographic Analysis of Survey Data

In order to consider the background details of respondents the available demographic variables were examined. The totals of valid responses collected through the BAA Staff Survey, 1999 amount to 183 responses from BAA, Glasgow and 153 responses from BAA, Edinburgh (Table 6.1). This is approximately a 38% response rate in relation to the total numbers of employees in each organisation.

An examination of the data reveals that the demographic profile of respondents in BAA, Glasgow and BAA, Edinburgh reflects the general traditional composition of the workforce in the airport environment (Chapter 5). Males accounted for approximately two thirds of the sample size in each airport, whilst one third were females.

**Table 6.1: Respondent Profiles**

Respondent Profile	BAA, Glasgow (n=183)		BAA, Edinburgh (n=153)	
	Frequency	Percentage	Frequency	Percentage
<u>Gender</u>				
Male	122	66.7	100	65.4
Female	55	30.1	47	30.7
<u>Length of Service</u>				
Under 1 year	3	1.6	10	6.5
1-10 years	86	47.0	81	52.9
11-20 years	60	32.8	32	20.9
Over 20 years	23	12.6	9	5.9
<u>Staff Type</u>				
Full-time	161	88.0	145	94.8
Part-time	16	8.7	4	2.6
Permanent	172	94.0	132	86.3
Temporary	6	3.3	13	8.5
Shift worker	111	60.7	104	68.0
<u>Job Function</u>				
Security	43	23.5	20	13.1
Terminal Operations	52	28.4	55	35.9
<u>Job Status</u>				
ASM (Airport Senior Management)	13	7.1	16	10.5
Managerial	40	21.9	27	17.6
Supervisory	51	29.7	34	22.2
Technician	27	14.8	11	7.2

In terms of length of service, there was a continuing trend of long-serving employees within BAA. There were those who had been employed for more than ten years, since the post-privatisation era; BAA, Glasgow employed a higher proportion of these types of employees (45%) than BAA, Edinburgh (27%). However, both airports showed a high level of employees (50%) who had been employed for up to ten years, i.e. those who were employed post-privatisation. This may have been due to the change from public sector to private sector recruitment practices which include a higher propensity to seek 'new blood' from out with the company.

However, it should be noted that many public sector traditions were still anchored within the company's personnel policies. A clear example of this is the concentration of employees who were not only full-time (BAA, Glasgow 88%; BAA, Edinburgh 94%), but also those who were permanent members of staff (BAA, Glasgow 94%; BAA,

Edinburgh 86%). Further analysis shows that around 85% of employees in each airport were full-time permanent status. BAA, Glasgow had a larger remaining percentage of 7.7% of employees who were part-time permanent employees, while BAA, Edinburgh has a remaining larger percentage of 7.2% of employees who were full-time temporary employees. It is not surprising that between sixty and seventy percent of employees in each airport were shift workers as a result of the nature of the business.

It can also be seen from Table 6.1 that there was a disappointing response in terms of both the functional department in which employees work and their job status. It is clear that these portions of the survey questionnaire do not appropriately reflect the breadth of operational and functional business and job roles which make up the airport environment (Chapter 5). In addition, in terms of the data collected on job status, the responses are categorised into groups of Airport Senior Management (ASM); Management; Supervisory; and Technician status. The design of the survey questionnaire has resulted in high levels of managerial level responses and accordingly, it is important to acknowledge that the job status categories fail to properly represent front line employees in the airport environment. It is also apparent from Table 6.1 that employee responses to these sections were limited because of non-response. According to BAA plc this resulted from a fear of loss of anonymity amongst employees. Therefore, neither the functional department nor job status portions of the survey are utilised in this study for further analysis.

Overall, the demographic data collected in this survey is disappointing, as it is not robust enough to provide a detailed representation of the responses of individual groups. However, there is a strong case for use of the survey as an exploratory and diagnostic tool to identify key themes which may be explored further in the qualitative analysis.

#### 6.4 Selby MillSmith and BAA plc Findings

The data which Selby MillSmith gathered from the Staff Survey was analysed and their results passed on to BAA plc for their further perusal. Access was gained to their



findings and to hard copies of company presentations of these results to employees. Selby MillSmith provided BAA with base data organised as percentages of the total number of questionnaires received which was helpful in gaining an initial overview of the data. They also provided BAA with the data set up as percentages by job location. As expressed before, this data was disappointing as many employees chose not to express their job locations. Selby MillSmith identified the results of the data analysis under key themes specific to each airport unit. The themes were identified as '*Positive Themes*' and '*Areas of Concern*'.

The *Positive Themes* for BAA, Glasgow were identified as: Mission; Pride in BAA; and Teamwork. The company mission was clearly understood by 63% employees. The employees and the organisation as a whole had achieved good results from key elements such as safety and security (66% of employees stated that they work in a safe environment), environmental policies (50% of employees had pride in environmental activities and 70% considered the local community important) and the majority of employees (67%) perceived that BAA provided the support and service that customers needed.

The second key theme, Pride in BAA, showed that employees had a sense of pride in working for BAA (50%). However, only 38% of employees looked forward to coming to work. Nevertheless, 48% of employees were satisfied with their job and 72% were prepared to take action to tackle problems highlighted to them.

The third key theme for BAA, Glasgow was that of teamwork. The relationship between colleagues in the airport environment seemed to be strong with 55% of employees stating that they had 'trust and confidence in their colleagues'. The issue of colleagues being knowledgeable about their job roles was also important to effective teamwork, with 73% of employees suggesting that colleagues knew their jobs and how to do them well. In comparison, 43% of employees shared and discussed information about work situations. This relationship which works toward achieving effective

teamworking was bolstered by employees who strove to maintain high standards (46%) and help one another in their job roles (49%). However, it was clear that employees did not perceive that their colleagues encouraged them to give their best efforts (40%). In addition, in terms of the co-ordination of teams it was apparent that only 36% of employees planned together as a team and that this may have been a result of the high levels of bureaucracy identified by 61% of employees.

Four key *areas of concern* were identified in BAA, Glasgow: leadership; acknowledgement; career development; and management style. In terms of leadership, managers appeared inconsistent and unresponsive and may have seemed unaware of how they treated staff. Only 14 % of employees stated that their ideas and suggestions were put into practice. This may have been because only 27% of employees were given feedback and support by managers. In addition, whilst 40% of managers were friendly and easy to approach, only 32% of managers were willing to listen to employee problems and 29% encouraged ideas and opinions. Group meetings were not used effectively, 51% of managers did not use group meetings to solve important departmental problems and only 34% of managers provided help and guidance to employees. The strength of the manager-employee relationship was also in question with employees stating that although 46% of employees perceived that managers had confidence in employees, only 32% of employees had confidence and trust in their managers.

In terms of the process of employee acknowledgement in the workplace, although 65% of employees felt that the business had become more efficient over the previous two years, 64% felt that BAA had lost the 'caring' edge which previously characterised the company. Employees perceived their treatment by managers in a negative light. Employees (49%) stated that they did not experience managers helping them to succeed in their job roles. It was also noted that whilst 50% of employees were made to feel an important part of the business, 58% stated that their achievements were not rewarded. In terms of the tools which managers used to reward employees for their achievements,

41% of employees felt that they received little regular feedback and 64% of employees stated that they were less likely to be praised for good performance than criticised for poor performance.

Career development was also an area of concern for BAA as the results showed that it did not exist for the majority of staff, either within departments or on a broader level. Around 50% of employees perceived that managers did not have concern for each individual's career development plan. In addition, only 36% of employees agreed that they had a personal development plan. Promotional issues have also caused consternation with 59% of employees suggesting that promotions were not based on merit and ability. Consequently, 54% of employees were not satisfied that they could get ahead in BAA.

The final key area was that of management style. Management acceptance of upward delegation had become the norm in BAA, Glasgow and conflict was unlikely to be handled openly because of the bureaucratic issues and was emphasised by the fact that 61% of employees stated that there was increasing bureaucracy in their respective departments. Almost half of the employees (49%) surveyed perceived that managers were not doing whatever it took to help them succeed in their jobs. The level of favouritism was identified as a key issue and consequently the data was broken down into the major areas of the business, showing that favouritism occurred most in the areas of security, the Fire Service and terminal operations (Figure 6.2).

Whilst around 50% of employees are likely to be satisfied with their job and with BAA, it seems that only 39% of employees are satisfied with their immediate managers. This was broken down as shown in Figure 6.3.



Figure 6.2: Favouritism in BAA, Glasgow and BAA, Edinburgh by Business Area

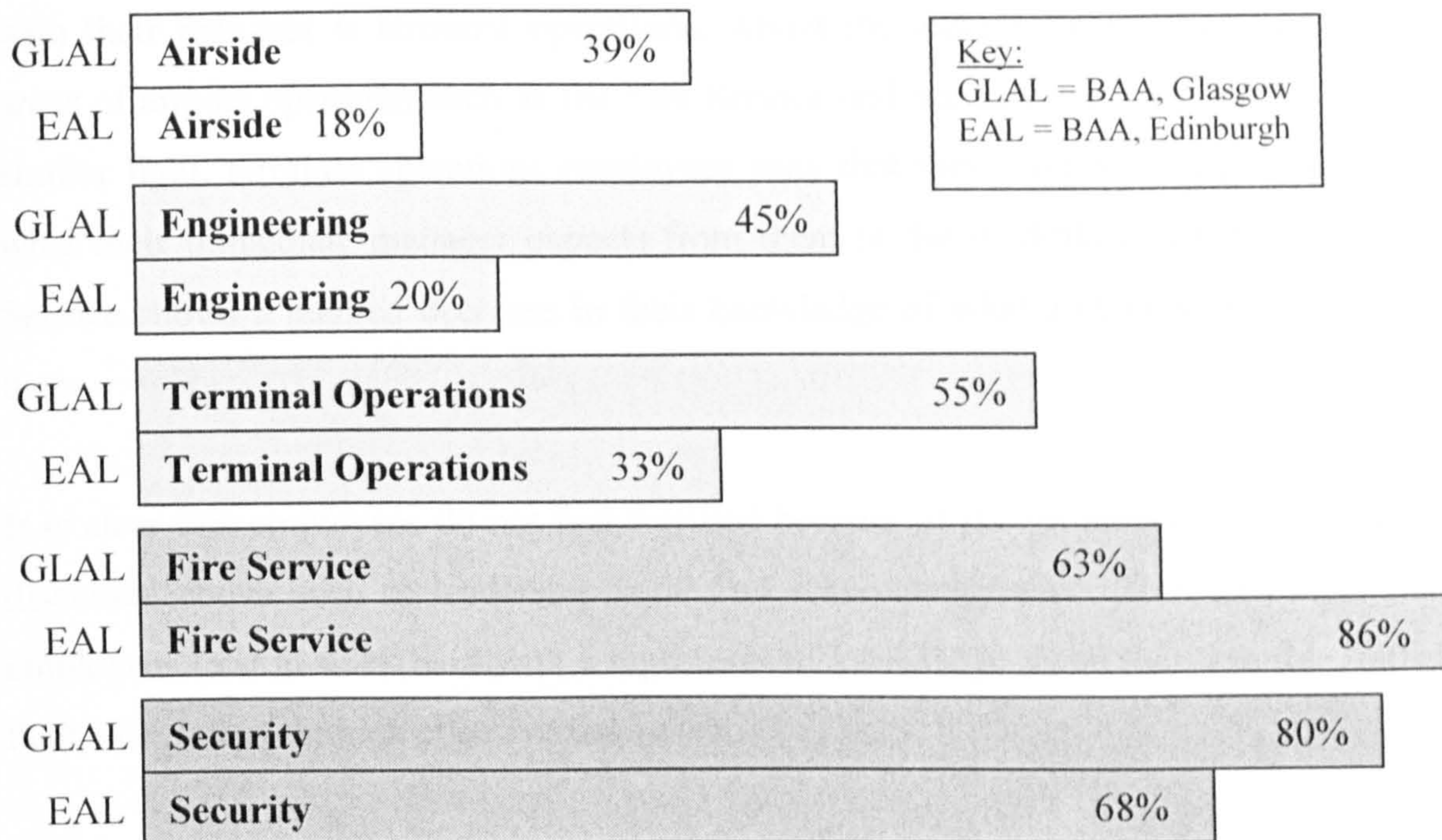
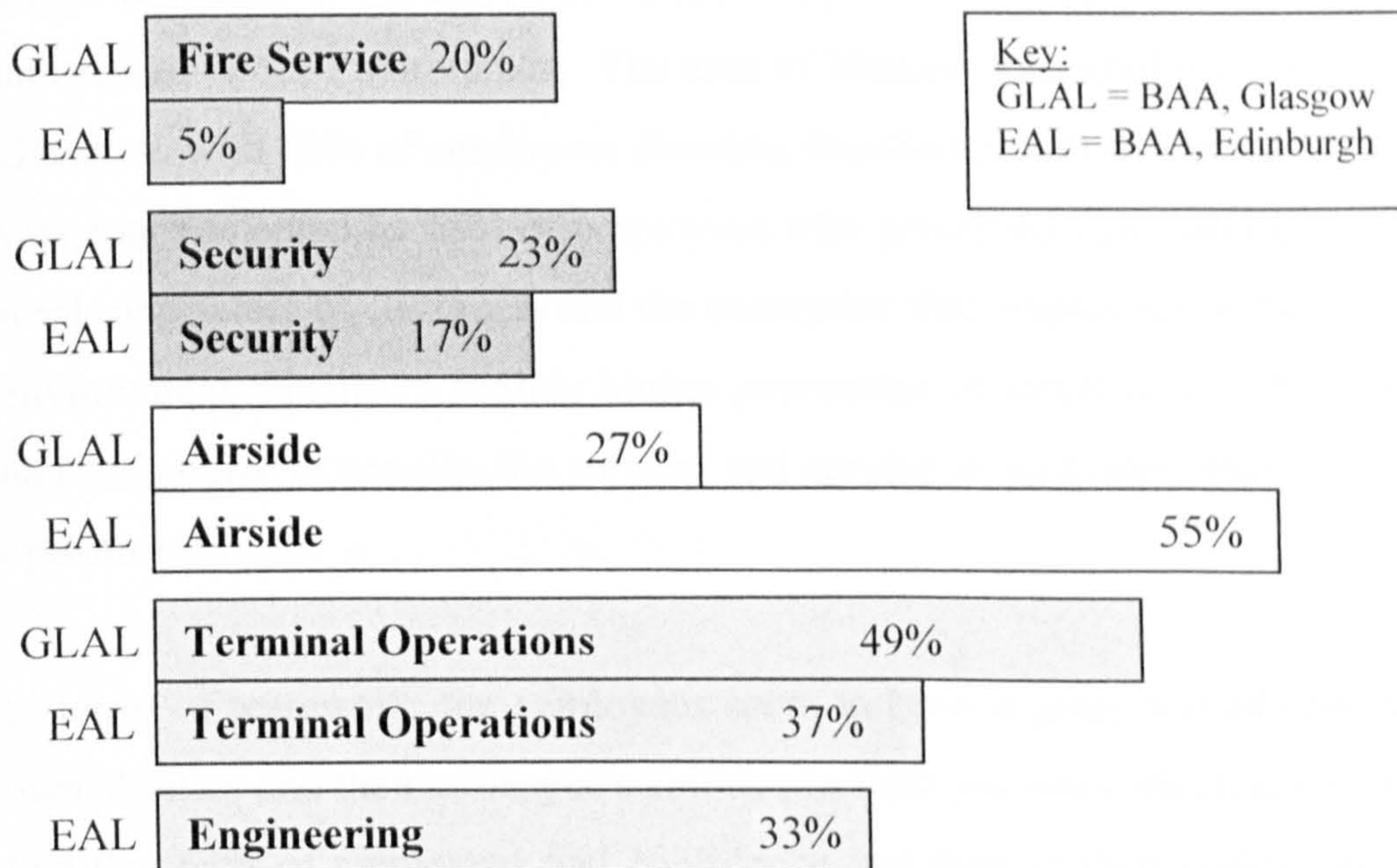


Figure 6.3: Level of Satisfaction with Immediate manager by Area of the Business



(Note: Engineering employees in BAA, Glasgow did not identify themselves when answering this question and were therefore absent from the breakdown of this question into business areas.)



This figure shows that the business area which displays those who are most satisfied with their manager is terminal operations, whilst the more formalised and restrictive areas of airport operation such as the Fire Service and security are least satisfied. In a similar light, terminal operations employees state that they have a clear perception of what their immediate manager expects from them in the workplace, whereas the Fire Service shows a marked decrease in their knowledge of what a manager expects from them.

It is clear that employees do not feel fulfilled because of the problematic areas already discussed above such as leadership style and acknowledgement. It is also clear that employees tend to work hard with a high level of knowledge about their job role, rather than work smart through effective teamwork.

The themes for BAA, Edinburgh, although similar to BAA, Glasgow, did highlight those issues which had become specific to and characteristic of the organisational environment or climate in BAA, Edinburgh. The *Positive Themes* were Mission and Teamwork, whilst the *Areas of Concern* were: Leadership; Acknowledgement; Overall Satisfaction; and A Fair Work Environment. The area of Mission was similar to the results of BAA, Glasgow, with 66% of employees showing familiarity with the mission statement. This was complemented by 66% of employees who perceived that managers emphasised the needs and safety of customers and the perception that employees (65%) worked in a safe environment. Finally, a slightly higher percentage of employees (72%) stated that they had the ability to provide the support and service to customers that was needed on an operational basis.

In terms of teamwork, the employees seem to have a great deal of confidence in their own abilities and their colleague's abilities in their job roles which is emphasised by the fact that 61% of employees had confidence and trust in their colleagues. The way in which jobs are carried out also seems to be important, as 81% of employees knew what their jobs were and how to do them well and 63% of employees maintained high

standards of performance. These figures show that employees in BAA, Edinburgh seem to have a higher level perception of the strength of colleague relationships when compared to BAA, Glasgow.

It is obvious that in BAA, Edinburgh, there were a greater number of *areas of concern* addressed. The key area of leadership was highlighted by employees as an area of dissatisfaction. Only 26% of employees are satisfied with their immediate manager and a further 18% found managers friendly and easy to approach. This could account for only 15% of employees stating that managers were willing to listen to problems and only 11% were encouraged to give opinions and ideas on job-related problems. In terms of the manager-employee relationship, whilst 25% of employees would expect managers to have confidence and trust in them, only 13% of employees would have had confidence and trust in management. This relationship of mistrust may be a factor in the result that only 13% of employees stating that managers would do whatever it took to help employees succeed.

An area which is closely related to the style of leadership and the management tools used in that style is the acknowledgement of employees by managers, who are in essence representatives of the company. A large part of acknowledgement is communication by managers directed towards employees in mutual and inclusive conversations, however in BAA, Edinburgh this was a concerning issue as only 13% of employees received regular feedback from management and a further 70% of employees were more likely to be criticised for poor performance than praised for good performance. This perceived behaviour of managers could be the result of the low numbers of employees feeling a part of the company (14%). In addition, these areas of concern for BAA, Edinburgh may have caused problems with the overall satisfaction of employees in not only their job roles, but with the company, and even their pay. In general, over the two years prior to the staff survey (1997-1999), 48% of employees perceived that the business had become less caring. This can be contrasted with the 59% of employees who stated that the business had become more efficient over the last two years, which suggests a



negative relationship exists between the company's drive for efficiency and the employee's inner needs for a caring organisation. In agreement with this suggestion, 68% of employees perceived that morale had declined to a great extent. As a result, only 26% of employees were satisfied with pay, 31% were satisfied with BAA and 29% were satisfied with the staff benefits. It is not surprising, then, that 33% of employees feel proud to work for BAA and 22% look forward to coming to work each day. Another factor in the low levels of satisfaction was identified as the existence of a fair environment. A high percentage of employees (65%) stated that promotion was not based on merit and ability and as a result 66% stated that they were dissatisfied with their chances of getting ahead in BAA.

What is clear from this simplistic analysis through percentages and comparisons between the airport units and the limited comparison between business areas, is that whilst both airport units demonstrate that the employees understand the mission statement and the importance of its constituent parts, and also have confidence and trust in their work colleagues which fosters teamwork, there is a key issue with the manager-employee relationship and the associated implications which this relationship has on the job role of employees, their perceptions of the company and the overall work environment or organisational climate in which employees work. From the data provided by Selby MillSmith, a preliminary assumption may be made that employees in BAA, Glasgow are more satisfied in their job roles and with the organisation than their counterparts in BAA, Edinburgh. Whilst there remain issues of contention in the manager-employee relationship in BAA, Glasgow, it is clear that BAA, Edinburgh has particular areas of concern with fundamental managerial tools such as listening, implementing suggestions, support and feedback.

In order to further analyse this situation, Selby and MillSmith categorised the survey results into the organisational culture dimensions of: avoidance; achievement; dependent; conventional; affiliative; perfectionist; humanistic; and self-actualising. The analysis showed that BAA, Glasgow and BAA, Edinburgh were characterised by

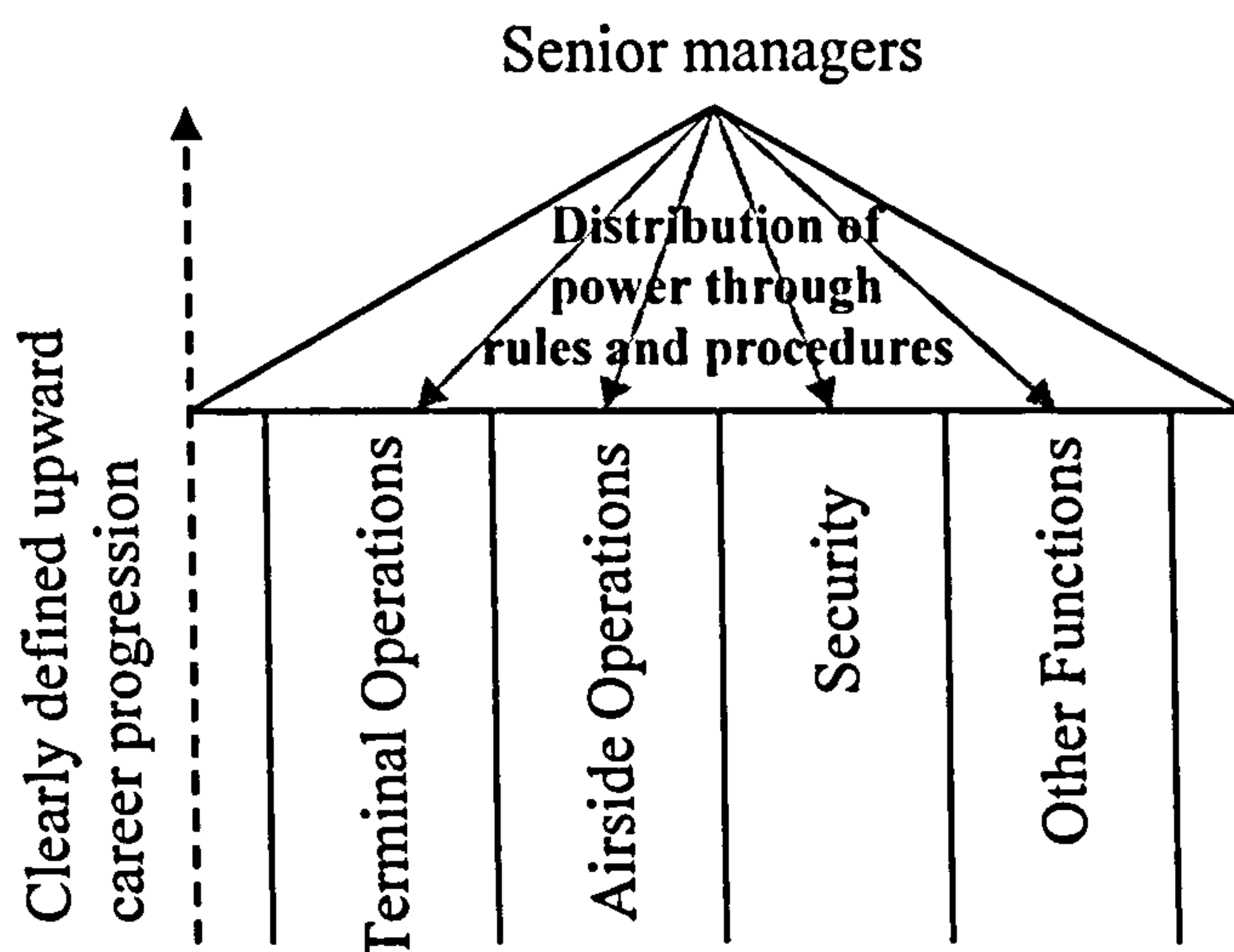
contrasting organisational culture dimensions. BAA, Glasgow was characterised by achievement, affiliative, humanistic and self-actualising dimensions. This result suggests that BAA, Glasgow shows evidence of a culture which is characterised by effective colleague relationships which foster teamwork through trust and communication. Therefore, the results show an 'open' environment in which employees are 'self-actualising' in terms of empowerment, participation or involvement of various types. This area is also linked to the drive for achievement within the culture - employees are assumed to have the motivation to succeed and achieve the objectives stated in the company mission statement.

In contrast, BAA, Edinburgh was characterised by avoidance, dependence and conventionalism dimensions. These dimensions show that the organisation evidenced a culture in which employees distrusted managers and the company, and as a result morale was low. This in turn had manifested itself in employees avoiding areas such as change and controversial issues. It was also clear that employees were dependent on managers as leaders for guidance and support, which in fact the analysis showed was lacking from the organisation. However, in the face of a transition, employees automatically look for guidance from leaders and prefer being 'told' their duties rather than being empowered or self-actualised. In addition, employees may not react well to change because of the high score on the conventionalism characteristic which means that they prefer the status quo of the traditional organisation and often do not take kindly to changes by management or the company.

According to Selby MillSmith, these characteristics resulted in BAA, Glasgow and BAA, Edinburgh representing a mix of Handy's (1985) cultural typologies: person, role, task and power. Both airport units were characterised by the combination of role, task and power cultures. The role culture, in particular, highlights the earlier analysis of the staff survey which showed that bureaucracy was seen at a high level in both airport units. Therefore, the operational functions (Terminal Operations, Airside Operations, Security

and other functions) may be seen as strongly demarcated and controlled by a narrow band of senior managers (Figure 6.4).

Figure 6.4: Illustration of Role Culture in BAA, Glasgow and BAA, Edinburgh



Thus, the interaction between the operational functions is controlled by the norms of rules and procedures for communication and demarcated job roles with specific performance targets. As a result, often the role or job description becomes more important than the individual who fills it. Handy (1985) suggests that this type of culture is most likely to be successful in stable and predictable environments over which the organisation has some control. These characteristics mirrored the traditional public sector circumstances of BAA plc prior to privatisation. This type of culture is slow to recognise and react to change, because of the high level of security and predictability offered to employees which is part of the psychological contract. For the individual employee, the role culture offers a predictable progression up the hierarchical careers ladder and rewards tend to be given to those who reach the designated standards of the organisation. The staff survey has shown that in BAA, Glasgow, which was defined as self-actuating, a role culture may be frustrating as more interest is generally shown in the results produced from work rather than the method of work.



The power culture is also evident in both airport units. The power culture depends on a central power source, from which power spreads out around the organisation. If those in the centre, the senior management, choose the right people who can internalise the mission and values of the organisation, then they can be allowed to work independently as empowered individuals. This negates the need for rules and procedures and there is little bureaucracy. Instead, control is exercised by the centre largely through the selection of key individuals, by edicts from the centre of summonses to the centre. Thus, the organisation becomes a political organisation where decisions are taken largely on the outcome of a balance of influence and a lot of faith is also placed in individuals. Thus, the relationship between managers and subordinates is crucial. In the light of this, areas such as performance assessment become highly personal and subjective, with promotion depending on personal or political 'fit'. This was a key issue in BAA, Edinburgh where employees highlighted their belief that promotion was not based on merit or ability, but rather that favouritism existed in the organisation. Thus, the formal systems of people management begin to be eroded by the existence of areas of this culture in the organisation.

The task culture also characterises BAA, Glasgow and BAA, Edinburgh. This culture is project orientated and its associated structure is similar to a net. Much of the power and influence lies at the interstices of the net, at the knots. The matrix organisation is a structural form of task culture. This culture is an innovative team culture where there is no fully appropriate presiding deity, but instead the emphasis is on completing tasks. To this end, the culture seeks to bring together the appropriate resources and the right people at the right level of the organisation in order to complete tasks efficiently. Thus, influence is based more on expert power and is more dispersed than in other cultures. However, the task culture utilises the unifying power of the group to improve efficiency and to identify the individual with the objective of the organisation, therefore obliterating individual objectives and status and style differences. In addition, rewards, often of a financial nature, are related to results. In BAA plc, examples of this type of culture may be found in project teams put together to investigate particular operational

issues. Individuals who work in these teams have a great deal of control over their environment, are judged by results, have positive working relationships with the group which are characterised by mutual respect. This culture may also be obvious in operational areas where specific operational teams with clear objectives exist on a permanent basis, for example in Engineering. These permanent teams provide flexibility, creativity and sensitivity to the work environment and may also provide speed of reaction to problems and issues. Handy (1985) cited this culture as most in-tune with the ideologies of change and adaptation, and individual freedom (empowerment).

Selby MillSmith rendered both airport units as characterised to only a small extent by the person culture. The person culture is unusual, yet many individuals in organisations will cling to its values. In this culture the individual is the centre point and the organisation and its structure exist only to serve and assist the individuals within it. It is suggested that, in BAA, Glasgow and BAA, Edinburgh, some departments may hold the values of a person culture, as it is clear from the survey that staff have strong relationships with their colleagues. When this relationship exists in conjunction with flexibility and creativity and a level of empowerment, then it may be more likely that the values of a person culture may exist in departments. However, the actual existence of the person culture is almost impossible due to the influence of the control mechanisms and management hierarchies already present in the other cultures which characterise the airports to some degree.

Therefore, it has been observed that Handy's (1985) cultural typologies may be seen to varying degrees in both BAA, Glasgow and BAA, Edinburgh. BAA, Glasgow leans towards the areas of culture which are more focused on innovation, teamwork, and self-actualisation (empowerment) in a more humanistic and affiliative environment. However, BAA, Edinburgh shows movement towards the other side of the spectrum where employees are set in the conventional operational ways of the organisation and tend to avoid changes in their status quo. Work is carried out in a dependent

environment where managers play a directive role and consequently, employees do not always use their initiative.

In conclusion, it can be concluded that the data analysis which Selby MillSmith, although initially simplistic in nature, did provide the researcher with a strong base of background cultural issues to base further research upon. The main issues which this analysis did not cover, however, were that of scientifically proving that the research themes identified exist in the survey questionnaire and the strength of relationships between those variables which exist in the research themes.

### 6.5 Factor Analysis: Identifying Research Themes

A factor is a construct or latent variable that is assumed to underlie tests or measures (Kerlinger, 1992). Factor analysis is valuable for the very purpose of identifying unobservable constructs because it posits that any correlation among the indicators or variables is due to common factors. It is an interdependence technique in which all variables, e.g. all 26 variables identified in this staff survey, are simultaneously considered.

The identification of survey questions (variables) which feature in the factor analysis were chosen as a result of themes identified by consulting previous theoretical research in the field of organisational climate. The concept of organisational climate has already been discussed in Chapter 2. However, in summary, it is clear that climate is based around 'perceptions' which employees derive from senior managers' behaviour and the actions which they reward (Schneider *et al*, 1994). These 'perceptions' which are identified in the BAA Staff Survey 1999 reflect employee's experiences of work within the organisation, and those of their co-workers. It is these perceptions which translate into employee attitudes to work and relate to their values in the workplace. In particular, the multi-dimensional approach of Jones and James (1979) provides key areas which reflect organisational climate:



- leadership, facilitation and support;
- workgroup co-operation;
- friendliness and warmth;
- conflict and ambiguity;
- professional and organisational *esprit*;
- job challenge, importance and variety; and
- mutual trust.

It is specifically these areas of interest which informed the identification of 26 questions from the BAA Staff Survey 1999 to form the variables for the factor analysis. The chosen survey questions and their associated variable names are shown in Appendix VII.

The variables analysed were assumed to be interval and the 1-5 scales used in this research survey were assumed to provide interval-level data. As a general rule, Hair *et al* (1987) suggest that there should be at least four or five times as many observations as there are variables to be analysed. In BAA, Glasgow (n=183) and BAA, Edinburgh (n=153) there were 26 variables analysed (26 x 5= 130), so the research remains within the guidelines. In addition, the communalities for the factor analysis in both organisational units, shown in Tables 6.2 and 6.3, are significantly high - between 0.3 and 0.8. The test used to measure the appropriateness of factor analysis for the chosen variables is the Kaiser-Meyer-Olkin measure of sampling adequacy (MSA). According to Stewart (1981) this is the best method currently available. The MSA provides a measure of the extent to which the variables belong together and are thus appropriate for factor analysis. Kaiser and Rice (1974) give the following calibration of the MSA as a guide:

- 0.90+ = marvellous;
- 0.80+ = meritorious;
- 0.70+ = middling;

- 0.60+ = mediocre;
- 0.50+ = miserable; and
- below 0.50 = unacceptable.

From the tests conducted, the MSA in BAA, Glasgow is 0.953 and the MSA in BAA, Edinburgh is 0.938, it would appear that there is sufficient evidence to support the appropriate use of factor analysis on the organisational climate issues.

A principle component analysis with Varimax rotation was performed on the 26 variables to yield a factor matrix, a table of coefficients that express the relationship between the test and the underlying factors called factor loading. This is the most common rotation procedure and has been shown to be among the best orthogonal rotation procedures (Dielman *et al*, 1972; Gorsuch, 1974). The Varimax process produced a clear factor structure with relatively higher loadings on the appropriate factors for each airport unit. Four factors were derived from the loading of the eigenvalues for BAA, Glasgow, whilst five factors were derived from the loading of the eigenvalues for BAA, Edinburgh. The variables with higher loadings signalled the correlation of the variables with the factors on which they were loaded. Reliability analysis (Cronbach's coefficient alpha) was calculated to test the reliability and internal consistency of each factor. In this research only items with factor loadings equal to or greater than 0.50, and with eigenvalues equal to or greater than 1, were considered significant. The 0.50 level of significance of factor loadings was chosen in order to obtain greater explanatory power and identify underlying effects that may be important below 1.0 level. The standardised factor scores generated for the factors from each airport unit were used as independent variables in explaining employee perceptions climate of the organisation. The factors with varying degrees of significance were then tested for the extent of their relationships using the Spearman's Rho test (Appendix VIII and IX). The identified factors are shown in Tables 6.2 and 6.3 and reveal findings in the following areas:

- the organisational issues loaded on each factor;
- the factor name;
- factor loadings;
- eigenvalues;
- the variance explained by each factor;
- communalities;
- factor mean; and
- Kaiser-Meyer-Olkin measure of sampling adequacy (MSA)

#### 6.5.1 BAA, Glasgow: Commentary on Factor Analysis and Spearman's Rho Test

The Varimax rotated factor matrix for BAA, Glasgow yielded four factors and represented 65.7% of the explained variance (Table 6.2). These factors were extracted from the original 26 variables. The factor analysis results show that 25 of the 26 original variables were included in the four factor result as they loaded most heavily (loading >0.50) on them. The factor which proved to be less significant with a loading of < 0.50 and was consequently dismissed from factor analysis was that of 'time wasted on unproductive activities'.

##### *Factor 1: Leadership behaviour*

This factor proved to be the largest and most significant, containing 14 leadership related variables and explaining 50.6% of the variance in the data with an eigenvalue of 13.2. The items associated with this factor deal with the way in which managers behave in their leadership job role (according to employee perceptions). The factor mean of 2.6 shows employees perceive that management behaviour is unsatisfactory and equates to management behaviour variables which amount to only 'to a little extent' in the staff survey. Taking a closer look at the Spearman's Rho tests in Appendix VIII, it is clear that there are highly significant interrelationships between all variables in this factor.



**Table 6.2: Factor Analysis Results with Varimax Rotation for BAA, Glasgow**

Factor <sup>a</sup>	Factor Loading	Communalities	EV <sup>b</sup>	Variance <sup>c</sup> (Percent)	Factor Mean <sup>d</sup>
<b>Factor 1: Leadership Behaviour</b>			<b>13.2</b>	<b>50.6</b>	<b>2.6</b>
Opinions & ideas encouraged	0.770	0.763			
Group meetings utilised	0.764	0.684			
Help, training and guidance provided	0.762	0.722			
Recognition and respect for good work	0.749	0.640			
Listen to employees	0.744	0.744			
Feedback and support	0.730	0.676			
Innovation encouraged	0.730	0.672			
Appropriate praise and criticism	0.725	0.586			
Employees have confidence and trust in mgt.	0.713	0.745			
Career & personal development supported	0.713	0.677			
Teamwork encouraged	0.710	0.687			
Achievement is rewarded	0.705	0.612			
Mgt. have confidence & trust in employees	0.658	0.679			
Appraisal/review improved performance	0.528	0.452			
<b>Factor 2: Employee Performance issues</b>			<b>1.6</b>	<b>6.2</b>	<b>3.1</b>
Clear goals and objectives	0.743	0.702			
Pride in work for BAA	0.696	0.700			
Look forward to work	0.660	0.696			
Job satisfaction	0.607	0.601			
Familiarity with Mission managers delegate effectively	0.604	0.552			
	0.569	0.631			
<b>Factor 3: Colleague Relationships</b>			<b>1.3</b>	<b>4.9</b>	<b>3.4</b>
Confidence & trust in colleagues	0.800	0.767			
Knowledge of Job role	0.785	0.675			
Planning & co-ordination	0.776	0.731			
Communication of information	0.629	0.663			
<b>Factor 4: Structural/political Issues</b>			<b>1.0</b>	<b>3.9</b>	<b>2.9</b>
Too many rules & procedures	0.833	0.702			
<b>MSA<sup>e</sup></b>	<b>0.953</b>				

**Notes:**  
<sup>a</sup> 25 variables captured in four organisational factors  
<sup>b</sup> EV: Eigenvalue  
<sup>c</sup> 65.7% of cumulative variance explained  
<sup>d</sup> Mean Scales: Factors 1,2 & 3: 1= To a very little extent; 5=To a very great extent  
Factor 4: 1= To a very great extent; 5= to a very little extent (Values were reversed to maintain consistency in the analysis).  
<sup>e</sup> Kaiser-Meyer-Olkin Measure of Sampling Adequacy (MSA)

The factor analysis shows that employees are concerned with the more communicative aspects and the 'softer' aspects of the managerial style. The most significant relationship between leadership variables, which the Spearman's Rho identifies, is that of the manager-employee relationship ('managers have confidence and trust in employees' and 'employees have confidence and trust in managers'). The significance value of 0.806

suggests that employees place emphasis on the mutual relationship between managers and employees in terms of mutual confidence and trust. This may have implications for positive employee psychological contract. As this area is identified from the data analysis as an 'area of concern' by the consultants, it would suggest that this important relationship is lacking in the airport environment. It is also significant that the Spearman's Rho test proffers that with a significance value of 0.738 employees perceive that managers have confidence and trust in employees when there is the managerial behaviour of listening to employees. This perception is bolstered by the significance of the relationship (0.709) between managers having confidence and trust in employees and the behaviour of managers to encourage ideas and opinions from employees. This is also seen in the perception that employees will have confidence and trust in management when they encourage opinions and ideas (0.721) and when they listen to employees (0.713).

There is also a strong relationship between the encouragement of innovation in the airport environment and managers rewarding employees for achievements (0.774). This relationship is clearly one which shows that innovation is strongly linked to achievement and therefore, employees perceive the importance of using their own initiative to find new ways of working or using problem-solving methods to find solutions, for example. This would suggest that being rewarded for innovation is seen as more significant than other calculative aspects.

Employees also seem to place importance in the relationship between the managerial ability to provide help, training and guidance to employees, and to encourage employee opinions and ideas. These areas, in a similar way to innovation and reward for achievement, are central to the development of employees throughout the organisation. This theme of development is further highlighted in the correlation between the extent to which managers support career and personal development and the extent to which innovation is encouraged (0.724). This would suggest that innovation could be a result

of employees who are developed and supported by facilitative managers and that innovation is a key part of employee development.

It is not surprising, that there is a strong correlation between the encouragement of ideas and opinions by managers and their ability to listen to employees (0.726). This suggests the high significance of this type of managerial behaviour, but also suggests the logic of employee's expectations of leadership style, i.e. if ideas and opinions are encouraged by managers, they should be listened to with a view to action. Therefore, there is an employee expectation of managerial behaviour which follows employee ideas through.

It is suggested that the key relationships between the leadership variables for BAA, Glasgow identify the key areas which affect the manager-employee relationship. These areas portray the manager as a support mechanism and as a facilitator. Therefore, the leadership style associated with BAA, Glasgow is that of the 'soft' side of a human resource management style placing emphasis on developmental humanism.

### Factor 2: Employee performance

Accounting for 6.2% of the variance with an eigenvalue of 1.6, this factor is loaded with 6 items in relation to those issues which affect an employee's performance in their job role. This factor is formed by a mix of organisational and managerial behaviours (managers have clear goals and objectives, employees are familiar with the mission, and managers delegate effectively) on one hand, and those intangible employee feelings and attitudes (pride in BAA, looking forward to work, and job satisfaction) on the other hand. However, it is clear that the most significant correlations exist between the intangible elements which affect work performance. The strongest relationship exists between employee pride in their work for BAA and looking forward to coming to work (0.745). A positive opinion and perspective of the company which results in pride may result in employees looking forward to their work in BAA, and vice versa. The variable of looking forward to work is also strongly related to job satisfaction (0.645). It is suggested at this early stage in the research that these feelings of employees about their



work may be related to the environment in which they work, i.e. the unique climate or the inherent organisational culture which exists in the airport environment.

There is also a strong relationship between the variables of looking forward to work and the extent to which managers delegate effectively (0.615). This suggests again that the employee-manager relationship has an impact on how employees feel about their work, particularly in this case relating to the act of delegation. This may be a signal to employees that managers are willing to trust them and to encourage areas such as innovation, already discussed. However, delegation is also correlated with the behaviour of managers which reflects clear goals and objectives in the workplace (0.515). This may suggest the requirement for employees to experience a balance between the devolvement of power to them through delegation and the need for clear goals and objectives which are stated in the company mission statement.

It seems that the relationships between variables in this factor show that how employees feel about the company and their job of work have an impact on their job satisfaction. However, areas such as delegation and the identification of clear goals and objectives have an impact on positive employee attitudes to work because there is a need for balance between the formal objectives and goals of the organisation and the intangible feelings about work.

### Factor 3: Colleague relationships

Loaded with 4 items, this factor accounts for 4.9% of the variance with an eigenvalue of 1.3. This factor places a focus on the employee -colleague relationship. In contrast to the manager-employee relationship which was seen to be based around softer areas such as listening and encouraging employee ideas and opinions, and innovation, the colleague relationships are based around more tangible actions. The strongest relationship exists between the level of confidence and trust which employees have in their colleagues and the extent to which colleagues plan and co-ordinate their work (0.687) and the extent to which colleagues have a knowledge of their job role (0.571). This suggests a more

mechanistic approach to the development of colleague relationships and seems to place an emphasis on working together to get the job done efficiently. This is mirrored in the relationship between the communication of information and the extent to which colleagues plan and co-ordinate (0.572). Thus, colleague relationships are built on trust when employees show a high level of knowledge about their job role and are seen by employees as competent.

#### Factor 4: Structural/ Political issues

This factor reveals the way employees feel about the rules and procedures which BAA has put in place in the airport environment. There is only one variable employed in this factor - 'too many rules and procedures'. This factor with an eigenvalue of 1.0 accounts for only 3.9% of the variance. With a mean of 2.9, this variable shows that the issue of whether there are too many rules and procedures in the airport environment is not conclusively agreed upon by employees. As previously discussed in Chapter 5 the airport environment is characterised by both fundamental rules and procedures which must be obeyed and service elements. Therefore, there may always be a divergence of opinion concerning the extent to which these rules extend, i.e. whether they extend into the manager-employee relationship.

#### 6.5.2 BAA, Edinburgh: Commentary on Factor Analysis and Spearman's Rho Test

The Varimax rotated factor matrix for BAA, Edinburgh yielded five factors and represented 65.7% of the explained variance (Table 6.3). These factors were extracted from the original 26 variables. The factor analysis results show that 25 of the 26 original variables were included in the five factor result as they loaded most heavily (loading >0.50) on them. The factor which proved to be less significant with a loading of < 0.50 and was consequently dismissed from factor analysis was that of 'Too Many Rules and Procedures'. The associated Spearman's Rho Tests can be found in Appendix IX.

**Table 6.3: Factor Analysis Results with Varimax Rotation for BAA, Edinburgh**

Factor <sup>a</sup>	Factor Loading	Communalities	EV <sup>b</sup>	Variance <sup>c</sup> (Percent)	Factor Mean <sup>d</sup>
<b><i>Factor 1: Leadership Behaviour</i></b>			<b>12.1</b>	<b>46.6</b>	<b>2.7</b>
Career & personal development supported	0.824	0.767			
Achievement is rewarded	0.811	0.735			
Group meetings utilised	0.801	0.742			
Opinions & ideas encouraged	0.784	0.772			
Employees have confidence and trust in mgt.	0.777	0.785			
Recognition and respect for good work	0.774	0.651			
Innovation encouraged	0.766	0.684			
Feedback and support	0.752	0.625			
Mgt. have confidence & trust in employees	0.691	0.622			
Appropriate praise and criticism	0.690	0.585			
Listen to employees	0.664	0.663			
Help, training and guidance provided	0.633	0.683			
Teamwork encouraged	0.633	0.719			
Appraisal/review improved performance	0.536	0.382			
Communication of information	0.515	0.658			
<b><i>Factor 2: Colleague Relationships</i></b>			<b>2.1</b>	<b>8.3</b>	<b>4.7</b>
Confidence & trust in colleagues	0.838	0.778			
Knowledge of Job role	0.802	0.727			
Planning & co-ordination	0.760	0.761			
<b><i>Factor 3: Business Objectives</i></b>			<b>1.5</b>	<b>5.8</b>	<b>3.0</b>
Familiarity with Mission	0.819	0.740			
Clear goals and objectives	0.741	0.716			
managers delegate effectively	0.550	0.641			
<b><i>Factor 4: Employee Performance Issues</i></b>			<b>1.1</b>	<b>4.1</b>	<b>3.2</b>
Job satisfaction	0.760	0.732			
Pride in work for BAA	0.726	0.754			
Look forward to work	0.662	0.759			
<b><i>Factor 5: Structural/political Issues</i></b>			<b>1.0</b>	<b>4.0</b>	<b>2.2</b>
Time is wasted on unproductive activities	-0.866	0.783			
MSA <sup>e</sup>	0.938				

**Notes:**  
<sup>a</sup> 25 variables captured in five organisational factors  
<sup>b</sup> EV: Eigenvalue  
<sup>c</sup> 68.7% of cumulative variance explained  
<sup>d</sup> Mean Scales: Factors 1,2, 3 & 4: 1= To a very little extent; 5=To a very great extent  
Factor 5: 1= To a very great extent; 5= to a very little extent (Values were reversed to maintain consistency in the analysis).  
<sup>e</sup> Kaiser-Meyer-Olkin Measure of Sampling Adequacy (MSA)

***Factor 1: Leadership Behaviour***

This factor proved to be the largest and most significant, containing 15 leadership related variables and explaining 46.6% of the variance in the data, with an eigenvalue of 12.1. The items associated with this factor focus on those behaviours and tools which managers use to foster effective employee performance balanced with effective business



performance. The factor mean of 2.7 shows that employees view managerial behaviour as less than satisfactory.

The most significant correlation of variables is that of the extent to which managers use group meetings and the extent to which teamwork is encouraged (0.781). Initially this suggests a 'collective' approach to leadership. This is supported by the relationship between group meetings and the extent to which opinions and ideas are encouraged by managers (0.750) and the extent to which employees are listened to by managers (0.727). This suggests that managers use group meetings as a tool to address work issues, therefore, the emphasis is on the managers' relationship with groups throughout the organisation, as opposed to individuals. It is not surprising then that employees perceive management to have confidence and trust in employees when they encourage ideas and opinions (0.775), however, it is within the collective group environment. The encouragement of ideas is also related to the extent to which employees have confidence and trust in managers (0.750). This would suggest that the encouragement of opinions and ideas through group meetings is the mediating factor which will determine the manager-employee relationship.

The variable of achievement which is rewarded is most strongly associated with the extent to which managers support career and personal development (0.757), innovation (0.731) and recognition and respect (0.720). This suggests that employees are eager to reach goals relating to their development and wish to innovate within their job role, but this is related to gaining recognition and respect for work which is completed to a high standard. This may suggest that employees who are managed in a collective environment still demonstrate the need to be rewarded for achievements in their individual job roles.

Career and personal development has already been identified as a key variable in relation to achievement, however it is also strongly correlated with the encouragement of opinions and ideas (0.718), the extent to which employees have confidence and trust in

management (0.710) and feedback and support (0.702). This suggests that employees not only want to be rewarded for their work, but also are keen to take the opportunity for managers to support career and personal development. When this behaviour takes place by managers, it is then that employees have confidence and trust in them and are eager to elicit feedback and support.

Thus, in summary, the managerial style is one which employees expect to be based around a collective approach to communication (i.e. listening to employees, and encouraging opinions and ideas), and a need for managers to respect employees through providing them with the appropriate career development, rewards for achievement, and the scope to innovate. This is therefore, a 'collective-individual' approach to leadership.

### Factor 2: Colleague Relationships

Loaded with three items, this factor accounts for 8.3% of the variance with an eigenvalue of 2.1. This factor places a focus on the employee-colleague relationship. In similar fashion to BAA, Glasgow, confidence and trust in the colleague relationship is related most strongly to planning and co-ordination (0.705) and knowledge of the job role (0.517). Therefore, it seems that the focus in the colleague relationship is mainly on getting the job completed efficiently. This factor is bolstered by a mean of 4.7 which highlights the positive relationships which exist between colleagues.

### Factor 3: Business Objectives

Factor three is contains three variables which explain 5.8% of the variance and has an eigenvalue of 1.5. This factor emphasises the importance of the identification and communication of clear goals and objectives by management. The need for clear goals and objectives is most strongly associated with the mission statement (0.617) and the extent to which managers delegate effectively (0.591). This highlights the need for a managerial style which takes the business objectives as stated in the mission into consideration, but also has the ability to delegate effectively within the communicated objectives.

#### Factor 4: Employee Performance Issues

The factor four variables primarily concern the intangible feelings and attitudes which affect employee performance. This factor explains 4.1% of the variance with an eigenvalue of 1.0. The relationship between looking forward to coming to work and pride in BAA (0.613) suggests that there is an intangible value associated with the workplace which affects job satisfaction in the airport environment.

#### Factor 5: Structural/Political Issues

One variable makes up this factor, explaining 4.0% of the variance, with an eigenvalue of 1.0. It is clear that employees do perceive that there is time wasted on unproductive activities in the organisation such as bureaucracy.

### 6.6 Discussion of Key Themes

This analysis identifies five interrelated key research themes which are used to inform the further qualitative research in airport in this study:

- leadership behaviour;
- colleague relationships;
- employee performance issues;
- business objectives; and
- structural/ political issues.

The theme of *leadership behaviour* consists of a plethora of activities commonly associated with the management of human resources. It has been shown that there is a clear difference in the focus of leadership behaviour between BAA, Glasgow and BAA, Edinburgh. BAA, Glasgow exhibits a tendency towards the emphasis of mutual and trusting manager-employee relationship which is based around the encouragement of employee ideas and opinions, innovation and achievement, and the support of employees through help, training and guidance. At this stage, the relationship which exists can be related to the development of a positive psychological contract (Rousseau, 1989)



through a more facilitative approach to leadership. However the leadership behaviour in BAA, Edinburgh appears to be based around a collective approach to managing human resources with group meetings and teamwork forming the foundation for communication of employee ideas and opinions. In addition, there is a strong relationship between the importance to employees of reward for achievement, the area of career and personal development and gaining recognition of respect from managers. This suggests that employees have confidence and trust in management when leadership behaviour exhibits actions, often related to formal human resource management practices, such as career and personal development and rewards and recognition which is clearly a more tangible approach leading to trust between managers and employees.

The research theme of *colleague relationships* identified one of the few similarities between BAA, Glasgow and BAA, Edinburgh. In both airports colleague relationships appear to be based around the ability of employees to plan and co-ordinate their work together and the fact that employees must perceive their colleagues as having a high level of knowledge about their job role. This could be related to the airport environment which requires high skill levels and detailed operational or functional knowledge for employees to be efficient. The significant issue in this case, however, is the significance of *communication* in the BAA, Glasgow work environment which is not identified as a key variable BAA, Edinburgh. Therefore, it is tentatively suggested that the communication and discussion of key information relating to the work environment results in a more open work environment. Thus, the corollary is that colleague relationships in BAA, Edinburgh tend to focus on 'getting the job done' and meeting business objectives.

The theme of *employee performance issues* shows a clear demarcation between airport units. The employees of BAA, Glasgow identified both intangible areas such a job satisfaction and looking forward to coming to work, as well as tangible areas such as the communication of clear goals and objectives and the mission statement, which affect performance. There seem to be strong interrelationships between the intangible areas

which involve employee feelings and attitudes and ultimately affect employee motivation and behaviour. However, those areas are supported by the existence of goals and objectives for achievement which are stated in the mission statement and should affect the way in which managers delegate tasks to employees. Therefore, the existence and knowledge of the mission statement and the goals and objectives which it proclaims to employees forms part of employees job satisfaction and their enjoyment of airport work. The importance of delegation in BAA, Glasgow is also highly significant to the attitude of employees looking forward to coming to work. It could be suggested that this type of managerial behaviour is reflective of the leadership behaviour already identified in factor one which is a more open and facilitative approach toward the management of employees.

In the case of BAA, Edinburgh, this set of variables is split into two further factors - one set of *intangible employee performance issues* and one set of *business objectives*. The theme of employee performance issues focuses primarily on the interrelationships between pride in work for BAA, job satisfaction, and looking forward to coming to work. This theme is not related to managerial actions or to an attitude towards the organisation on the part of employees. Therefore, the employee rationale behind job satisfaction or pride in work for the company cannot be concluded at this point. The other theme is that of the prominence of business objectives which are clearly stated by managers and their relationship to the mission statement and to managerial delegation. This would suggest, in confirmation of previous conclusions relating to leadership style, that there is a tendency towards employees and managers working towards organisational business objectives and it is this area which has acquired prominence in the relationships formed between managers and employees in the airport environment.

The final key research theme is that of *structural/ political issues*. In BAA, Glasgow this theme is concerned with the perception that BAA has too many rules and procedures. This perception is not surprising when the previous themes considered highlight the perceptions that employees expect a facilitative management style,

delegation, innovation and leadership behaviour which includes listening to employees and taking their opinions and ideas into account. In an operational airport environment with these characteristics there may be conflict between the need for rules and procedures and the encouragement of employee innovation and development. On the other hand, in BAA, Edinburgh there is a subtle difference in emphasis. The emphasis is on the extent to which employees feel their time is wasted due to issues such as bureaucracy, inefficient procedures and unnecessary meetings. Thus, the focus is on efficiency and productiveness in the workplace which can be related to meeting business objectives. This is a theme which can be related to the other identified factors which also focus on business goals, objectives and efficient work with colleagues.

These competing demands between BAA, Glasgow and BAA, Edinburgh can be illustrated in the Competing Values Framework (Zammuto and Krakower, 1991). This framework allows the researcher to identify the values which are characteristic of the organisational climate. The original framework can be revisited in Chapter 2 (Figure 2.2). This framework shows that the focus of BAA, Glasgow lies in a combination of the human relations model and the open systems model. This approach involves values which relate to the existence of cultures which are based around innovation and development, morale and cohesion, personal relationships with managers and colleagues, and rewards for individual initiative. This environment is flexible and there is a combination between an internal and external focus. On the other hand, BAA, Edinburgh may be seen to be characterised by a combination of the internal process model and the rational goal model. This approach involves values associated with rules and policies which govern behaviour, the pursuit of goals and objectives, and rewards based on achievement. This environment, therefore, is based around a hierarchical and rational culture which controls employees.

### 6.7 Conclusion

This chapter has considered the effectiveness of the BAA Staff Survey 1999 as a tool to inform further qualitative research. It has been made clear that this survey does not



provide unquestionable data which relates to the development of BAA, Glasgow and BAA, Edinburgh because of the disappointing results in terms of the surface information concerning the job role and function of respondents, and in terms of the propensity of respondents to answer in neutral terms. However, the survey does provide the researcher with a data set which, after a detailed analysis using factor analysis and Spearman's Rho tests provides scientifically proven themes for further research. The merits of taking this approach have already been alluded to in this chapter. The five key themes identified: leadership behaviour; colleague relationships; employee performance issues; business objectives; and structural/political issues have been discussed in detail and highlight that, at this early stage in the research, there are key differences between the development of BAA, Glasgow and BAA, Edinburgh in the managed organisational change environment. It is these key themes which will form the basis of in-depth qualitative research. The following chapters will analyse the data gained from that qualitative research and will endeavour to further expound the issues raised in this chapter.

## CHAPTER 7

### BAA, GLASGOW CASE STUDY EVIDENCE

#### 7.1 Introduction

This chapter aims to identify the main issues which result from the management of the change process in BAA, Glasgow, with particular reference to the Freedom to Manage and Enterprise change programmes. The key areas discussed in this chapter are the issues associated with the management of the change process and managerial responses to such issues. The culture of the airport unit is then investigated within this change environment with reference to the values associated with the inherent culture and the airport mission statement. Finally, leadership style and behaviour is analysed in terms of the approach to managing human resources with reference to appraisals, feedback, support, targets, empowerment and job satisfaction. Through this investigation, the particular dynamics of managed change in BAA, Glasgow will be identified and addressed not only from a managerial perspective, but also from a supervisory level perspective.

#### 7.2 Managing Organisational Change: Issues and Responses

This section aims to identify the key management issues associated with change programmes, with particular reference to Freedom to Manage. The managerial and supervisory responses to such issues in BAA are also considered. In general, managed change programmes or initiatives are viewed by managers as part of a *continuous improvement culture* in the airport and the practice of continuous improvement is seen as the 'nucleus' (manager 2, airfield operations, BAA, Glasgow) from which change programmes are developed and as 'the over-riding success factor within BAA' (manager 1, airfield operations, BAA, Glasgow). This has resulted in a process of 'gradual change' over the period since privatisation (manager 1, finance, BAA, Glasgow). Therefore, the management of the change process is seen as a 'journey' (manager, airport security, BAA, Glasgow; airport director 1, BAA, Glasgow) in which, over long or short periods of time, one change programme will automatically lead into another.

The result of this evolutionary change process is the managerial view that Freedom to Manage has become 'part of our day to day culture...we don't see it as something special' (airport director 1, BAA, Glasgow) and that 'I'm not convinced that we actively call it anything...it's just something that happens' (manager 2, airport operations, BAA, Glasgow). These views expressed by managers highlight the practice of the principles of the continuous transformation model which places organisational change at the heart of organisational culture (Brown and Eisenhardt, 1997). Thus, change becomes a core competence (Prahalad and Hamel, 1990) and, over a long and somewhat incremental period of time (Clarke, 1994), change also becomes a key element of the inherent organisational culture (Deal and Kennedy, 1982; Johnson, 1995).

In contrast, change is also seen as fragmented and somewhat transitory, as one manager states, 'we've [BAA plc] had so many initiatives over the years...every change programme hinges on buzzwords, trends, fashion and style' (manager 2, airfield operations, BAA, Glasgow). This suggests that the process of change is not a simple, fluid process, as some managers would propose (McCalman and Paton, 1992). It is also acknowledged that employees may see the various change programmes of BAA plc as 'one initiative one year and another initiative another year and so on...' (airport director 1, BAA, Glasgow). The perception that continuous change takes place on a punctuated equilibrium basis (Romanelli and Tushman, 1994) may account for employee perceptions that managers are 'banging the drum' (manager 2, finance, BAA, Glasgow) about large-scale change initiatives which have no real purpose (Wilson, 1992).

This conflict of opinion relating to the process of continuous change is perhaps why managers acknowledge the issues which become apparent at operational level in terms of the conceptual and rhetorical nature of Freedom to Manage and its effect on employees. One manager describes Freedom to Manage as 'a super idea, but it never really got beyond being a super idea' (manager 1, terminal operations, BAA, Glasgow). One manager felt that employees were given 'too much of a promise' (manager, airfield operations, BAA, Glasgow), through providing a vision of an idealised social state in the



workplace. This suggests that the philosophies of Freedom to Manage may not have been fully translated into the operations and working practices of employees.

Managers consistently use Freedom to Manage as an ‘umbrella term which encompasses a number of initiatives, including some local initiatives’ (airport director 1, BAA, Glasgow). Mintzberg (1994) emphasises that this type of change is viewed as both intentional and emergent (Pettigrew *et al*, 1992). Thus, as Storey (1992) and Kotter (1994) suggest, effective change programmes are those which have their main strategic change objectives decided at corporate level, but whose implementation comprises an interrelated series of change initiatives, some or all of which are the product of local co-operation and consultation. However, managers perceived that at front-line level this corporate/local approach caused ambiguity and a fragmented understanding of the Freedom to Manage change process. This recognition is shown by the statement that, ‘...management perception is always different from what is actually going on down on the ground’ (manager 1, finance, BAA, Glasgow), whilst another states that ‘managers don't know what goes on in the front-line’ (manager 3, terminal operations, BAA, Glasgow). This shows that managers may experience an altered organisational reality when compared to other levels of employees who experience differing temporal and contextual conditions to managers.

A manager (terminal operations, BAA, Glasgow) aptly sums up this imbalanced situation by stating that ‘we [management] sang it from the rooftops...but nobody really knew what it was about on the ground’. This suggests that staff at operational levels may have lost sight of the philosophy of Freedom to Manage because of its intangible ambiguity. According to Storey (1992b), cultural change programmes appear more successful among their initiators (managers), than further down the hierarchy. The rationale for this lack of change dissemination is summarised by one manager who states that ‘they [front-line employees] need something practical...but Freedom to Manage was – you’re going to work in a different way, and everybody [employees] said *how?* They [managers] said wow it’s Freedom to Manage, and they [employees] said *how?*

What does that mean? where is the thing that says this is Freedom to Manage?' (manager 1, terminal operations, BAA, Glasgow; *emphasis added*). The employees cannot physically see how they are expected to change how they work because there is no practical tool, such as information technology, associated with the concept.

The management of the meaning of Freedom to Manage for front-line employees, therefore, becomes an issue which managers must address. Managers had problems communicating the meaning and content of Freedom to Manage to employees, stating that '...a lot of my colleagues had genuine difficulty in getting across to the people that really mattered [front-line employees] about Freedom to Manage' (manager, terminal operations, BAA, Glasgow). This is not surprising as Hatch (1997) warns managers that the largely intangible values associated with cultural change are certainly difficult to manage. The reason for this difficulty lies in the ambiguity of the change programme because 'there are people [employees] who find it difficult to accept that Freedom to Manage may mean something to them and mean something different to someone else' (airport director 2, BAA, Glasgow). This trepidation of what the change meant was mainly based around the perception that 'managers were passing their responsibilities down the line, or for others it was giving them opportunities that never existed before' (airport director 2, BAA, Glasgow). In particular, this statement highlights that Freedom to Manage was seen as a descriptive symbol (Dandridge *et al*, 1980) which could be perceived and operated in various forms across the airport structure and therefore renders the interpretation subject to environmental conditions, some of which will be beyond the control of managers.

This variation in the meaning and practice of the Freedom to Manage philosophy of working life is illustrated through the consideration of both the terminal operations and airport security departments. A supervisor from the terminal operations section states that Freedom to Manage did bring in a new way of working where 'barriers were broken down between departments and people had to work together' (supervisor, terminal operations, BAA, Glasgow). This resulted in more staff responsibility for their



particular area of the business, but also placed the onus on managers to communicate information required by employees in order to assist them in fulfilling their new job role responsibilities. This response is mirrored in the engineering department which also described the process of responsibility being devolved to lower levels and the encouragement of empowerment or 'doing your own thing within a certain remit' (supervisor, engineering, BAA, Glasgow). This allowed engineering employees to deal with the uncertainty and variety of their job roles on a daily basis through prioritisation, rather than forcing a set style of work procedure on employees.

In contrast, a supervisor from airport security stated that 'I haven't really seen a lot of change in my department' (supervisor, airport security, BAA, Glasgow). A manager from airport security explains this response by highlighting that there were no tangible changes made as a result of the change programme because of the type of activities which security officers undertake in their job roles. The practical implications of the Freedom to Manage concept proved to be difficult to integrate into job roles which reflect a dual responsibility towards improved customer service and compliance with required formal procedures and rules. Gaining this balance in the security environment can be difficult as the responsibility towards legal compliance must always take precedence and consequently, 'the best skilled guards in the business are not going to take away that feeling of invading someone's privacy' (manager, airport security, BAA, Glasgow). Therefore, key areas of Freedom to Manage such as empowerment, and employees using their own initiative are difficult to implement in this environment. In the security environment, the employee response to change which a manager describes is that of cynicism driven by a belief that changes will not be made. The nature of the employees is also described as 'volatile' (manager, airport security, BAA, Glasgow) because of the utilitarian system which is characterised by rational legal principles such as the pressure of competence testing on a regular basis. Therefore, in agreement with Schein (1988), the way in which the Freedom to Manage concept was perceived was dependent upon the *context* in which it was implemented.



According to an airport director, this new philosophy of working helped employees to 'accept the need for change in their behaviour, in working practices and the development of new skills for business survival' (airport director 2, BAA, Glasgow). The introduction of the philosophy throughout the organisation by managers aimed to rationalise and legitimise (Rowlinson and Hassard, 1993) the commitment of employees to a new organisational culture through making the change appear worthwhile, necessary and acceptable (Eldridge and Crombie, 1974; Turner, 1971). However, it was also clear that managers first used stories and statements concerning organisational history to delegitimise the values of the 'old culture' associated with public sector work practices: role demarcation; jobs for life; employee hand-holding, i.e. employee welfare systems; bureaucratic and hierarchical structures. The benefits of Freedom to Manage, such as empowerment and a facilitative leadership style can then be rationalised (Wilkins, 1983). Statements such as those below were common in the interviews and show both the delegitimation and rationalisation process:

- 'In the past, managers were here to instruct rather than support...whereas I see it [Freedom to Manage] as more using the skills and expertise that they have and learning from that...and getting their ideas and supporting them.' (airport director 2, BAA, Glasgow).
- 'We were a nationalised industry for years and we were too big for our boots...we weren't customer focused...[after the introduction of Freedom to Manage] the key responsibilities are safety, customer focus, a bit of business management, a bit of common sense, and to get rid of the 'we've always done it this way' approach' (manager, airport operations, BAA, Glasgow).
- 'You have to bear in mind that BAA was in the public sector. It was full of civil servants with all the rules and regulations and lack of empowerment that brought, and no delegation below a certain level...Freedom to Manage was about empowerment essentially and pushing it down to fairly low levels in the organisation.' (manager 2, finance, BAA, Glasgow).

Managers use these types of rationalisations as levers to gain employee buy-in to the change programme and to encourage commitment to the philosophy of work that it represents (Perrow, 1979).

Therefore, it is clear that the prominent issues in the management of the Freedom to Manage change process, within the broader continuous change process was that of managing the meaning of the philosophies of work. Although it seems that managers already had internalised the values of Freedom to Manage, they understood that their role in change was to ensure that they communicated the benefits of these values to employees. The varied nature of work in the airport environment, coupled with the intangible nature of cultural change, made the managerial role difficult. Therefore, it is key that their behaviour in the change environment should be discussed in more detail. However, first it is necessary to identify how managers and supervisors define the changing culture of the organisation and the issues which arise when attempts are made to manage that culture.

### 7.3 The Interrelationships between Organisational Culture and Managed Change

This section analyses the manifestations of organisational culture in BAA, Glasgow in the light of the implementation of the Freedom to Manage change programme. The analysis utilises two main themes highlighted by managerial and supervisory interviews which are associated with Schein's (1985b) model of organisational culture-surface level culture (artifacts and creations) and organisational values and mission (social consensus).

An important, and often neglected, manifestation of culture is the historical development of the physical architecture of buildings which can hold the essence of a whole social system and hence reflect the intangible culture of the organisation (Wuthnow *et al*, 1984). It has been argued that the emphasis on corporate surfaces is a purposeful adaptation to a post-modern society in which organisations are judged in terms of their appearance as well as performance (Brown, 1995). Hence, the importance of



considering how BAA, Glasgow utilises the aesthetics of the terminal building as a key part of the *airport experience* for both employees and passengers (Berg and Kreiner, 1990).

The development of the airport architecture in the 1990s took place at the same time as the implementation of the Freedom to Manage change programme. An airport director emphasises the creation of a 'local or regional feel' in the airport environment which aims to differentiate Glasgow Airport from other airports (airport director 1, BAA, Glasgow). This *feeling* which emanates from the design and ambiance of the building is described as: 'What we've tried to do is to instil what we call the *sense of place*', (airport director 1, BAA Glasgow, emphasis added). This *sense of place* is related to the design of the terminal building and applies the use of psychology to assist the passengers and employees feel the *sense of place*. In the daily operation of the airport, the airport is differentiated by 'using more cut flowers...the art work...the frosted glass behind the information desk, a montage of Paisley...a little bit of music, and some projections on the walls' (airport director 1, BAA, Glasgow). Therefore, not only does the terminal building act as a component of the airport product on offer to customers, but also acts as a symbol of corporate identity for employees.

Another reflection is made upon the tangible aspects of the airport business by a supervisor from terminal operations, who states that the uniform changed during the Freedom to Manage programme from a 'military style' characterised by green and khaki uniforms to a 'more relaxed' blue, grey and green uniform (supervisor, terminal operations, BAA, Glasgow). In this case, the uniform change was a tangible representation of the move from the public sector rigidity to private sector aesthetics which are part of the way in which the business image becomes commercially viable.

When the operational functions of terminal management, customer services, engineering, and airfield operations are considered, a culture exists in their particular environment which is consistently described as the 'can do culture' (airport director 2; manager 2 airport operations; manager, airport operations, BAA, Glasgow). The



essence of this culture is that ‘...there is a *can do* [culture], but it's not the answer's no, now what's the question? The answer's yes, now what's the question’ (manager 1, terminal operations, Glasgow; *emphasis added*). This culture is one which embraces the open, honest and friendly approach and emanates ‘real genuine feelings’ (manager, terminal operations, Glasgow) resulting from a ‘positive can do attitude’ (manager, security, BAA, Glasgow). This suggests that communication is at the fore in this open culture (Pugh, 1993) and managers support this by utilising open door policies, open plan offices and encouraging an open atmosphere between all levels and disciplines of staff. This *can do* culture reflects the themes associated with the factor analysis in chapter 6 which showed that values such as loyalty, cohesion and morale, innovation and development were strongly associated with the human relations model (Argyris, 1964; Bennis, 1966) of group culture and the open systems model (Dennison and Spreitzer, 1991) of developmental culture (Zammuto and Krakower, 1991).

This type of open culture is borne out by supervisory level employees who highlight the community-like spirit and camaraderie involved in the operation of the airport. Two supervisors state that: ‘...it's like a big village here where almost everyone knows who everyone else is and you can speak to them about things. You've got your own staff, the other departments, the business partners and the passengers all interacting at the one time.’ (supervisor, security, BAA, Glasgow), and that ‘It's like a village here, though, where there is good communication - we all have radios and mobile phones. We all know whom to contact if we need help or information’ (supervisor, terminal operations, Glasgow). These definitions reflect Kotter and Hesketh’s (1992) description of culture as a community characterised by an interdependent set of values and ways of behaving, in this case communication and interaction, that tend to perpetuate themselves, sometimes over long periods of time.

However, managers also highlight their perception of the employee behaviour which managers may experience as a result of this open culture. A key example is the tendency of employees to take problems or issues to the managerial level, instead of

consulting their direct supervisor. Managers see this action as a reflection of the employee recognition of where the real power lies in the department. However, they also see it as detracting from the respect which should be shown to supervisors on a daily basis in the workplace. This is said to be because 'you're only as good as your last favour' (manager, security, BAA, Glasgow) which means that employees are more likely to vault over the supervisory level if they feel that their work needs are not being met. This situation highlights the importance of politics and power in the organisational culture (Hassard, 1993; Hatch, 1997) and in BAA, Glasgow the power in the organisation is perceived to be with the managerial level who state that 'staff's expectations are quite high and just through the kind of culture we now have we seem to be answerable to staff and their feelings' (manager, security, BAA, Glasgow).

An airport director states that whilst it is important for managers to facilitate an open environment, it is equally important to be business-like and maintain professionalism and therefore employees must work '...in a way which doesn't compromise the hierarchy because I don't want people passing their supervisors or their managers because you just get anarchy on that sort of thing'. This highlights the importance which managers attach to the maintenance of hierarchy in the organisation. The importance of managerial power is therefore reflected in the structure of the organisation which supports the need for a set of rules with which employees must work in the airport environment. This inclusive approach endorses the approach of Meek (1988) who suggests that structure is meshed into organisational culture and therefore is a manifestation of organisational culture which contributes to the ordered system of meanings and symbols in which social interaction takes place in the organisation.

Managers consider that employees have an emotional attachment to the organisation through the way they *feel* about working in the airport environment. In this open culture managers and supervisors perceive that the majority of employees have a personal passion for the airport business which affects their attitudes and behaviour: 'it's a stupid thing to say, but you are better at something if it interests you. So, I think there are



many people [employees] who are genuinely interested in aviation and aeroplanes....I mean people who are interested in the business' (manager 1, terminal operations, BAA, Glasgow). This statement is supported by another manager who states that, 'when I first joined the company I couldn't believe the amount of people who would sit and say, *I love coming to work every day, it's great, I love this place*. They're not being paid to say it; they just genuinely love to come here' (manager 3, terminal operations, BAA, Glasgow; *emphasis added*). This would suggest that the prevailing open culture is also built around the perception that the airport environment is unique and that the majority of employees will have a special interest in the business and as a result have chosen to work with others who share the same interest. This reference to cohesive common interests and feelings about working in the airport environment can be said to contribute to the supervisory views of the airport as a 'village', referred to above.

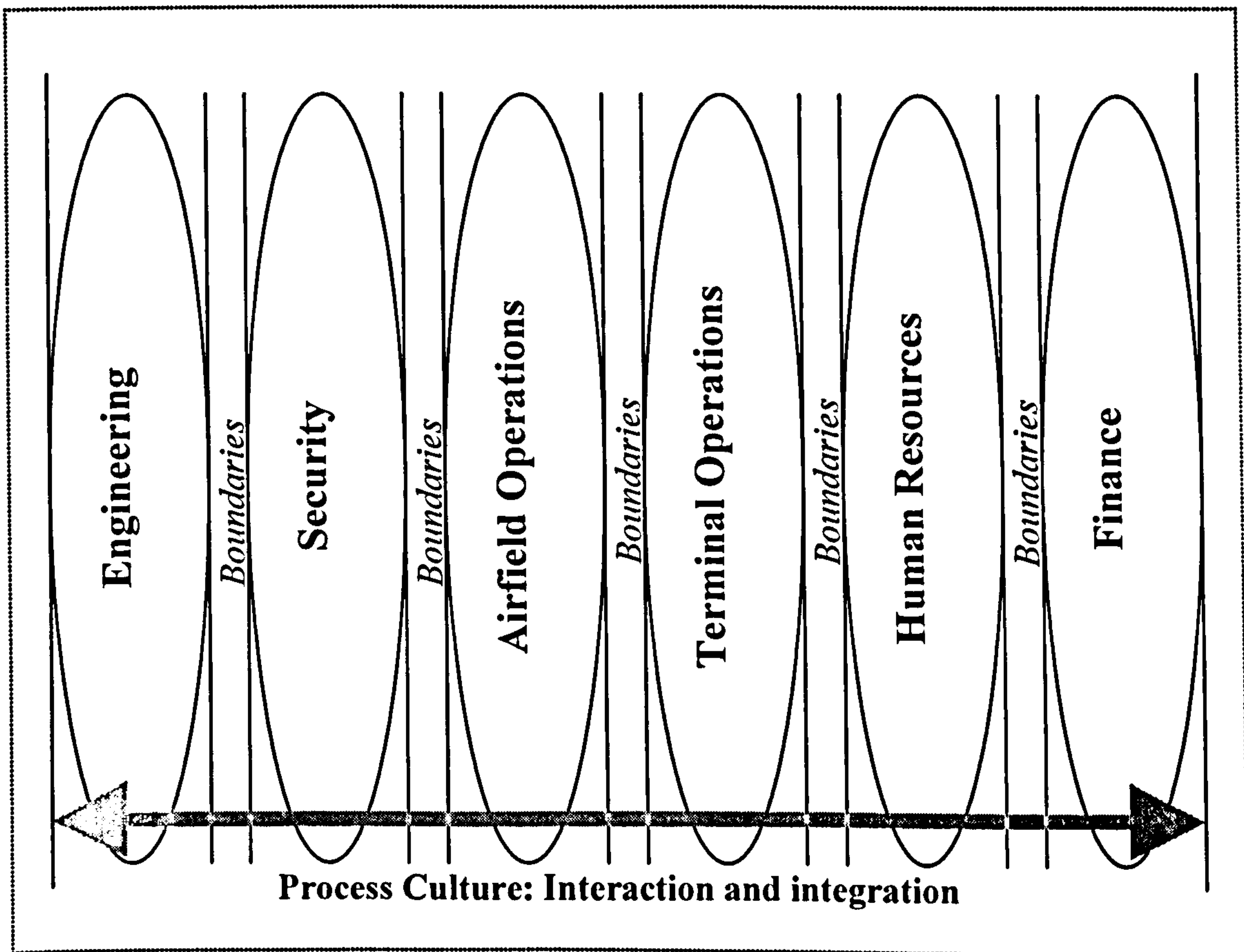
Managerial personalities can also have a profound impact on the development of organisational culture, particularly in the case of the implementation of Freedom to Manage. A manager (terminal operations, BAA, Glasgow) describes the effect on culture of a change in airport director. The previous operations director, who championed the Freedom to Manage change programme, was described as '...very gregarious, very outgoing, and very commercially minded with a hands-off style'. This was a leadership style which complemented the intended Freedom to Manage culture of empowerment and freedom. The new director, when introduced after several years of the Freedom to Manage programme, was seen as very controlling and therefore, staff felt constrained and ultimately the culture was modified as a result. Therefore, it can also be deduced that those who head change management programmes, whether they are directors or indeed line managers, can have a profound effect on the cultures which are introduced, as they are perceived by employees as exemplary of such espoused cultures and the visions and values which support them (Kotter, 1996).

The issue of having an *integrated culture* was highlighted by managers who discussed the movement away from the *organisational silo culture* to a *process culture* where



‘everyone is more interested in everything’ (manager 2, airfield operations, BAA, Glasgow). The diagram below (Figure 7.1), drawn by a manager (engineering, BAA, Glasgow) during an interview, shows that managers aim to integrate culture across functional and operational boundaries.

Figure 7.1: Integrative Culture in BAA, Glasgow



The move away from silos where boundaries exist between certain departments to a process culture (Deal and Kennedy, 1982) where there is business awareness and employees understand the processes which involve them on a holistic basis helps the business to recognise and utilise its complexity. Freedom to Manage laid the foundations for this approach in its undertaking to make employees more aware of the business as a whole so that, through communication and training, employees could make the most effective decisions for the business as a whole. It is also recognised, however, that the move to a process culture still contains issues for the single departments in the

organisation as some are more restricted to regulations than others. For example, the airfield operations section is legislated by the CAA, which means that they must wholly own certain parts of the process and cannot involve other airport sections. Therefore, there will be varying degrees of collective ownership, team working and shared responsibility across the board with an element of silos which remain for statutory reasons.

The culture is also described as a participative, empowerment or enabling culture where managers allow employees to 'challenge the status quo in project forums' (manager 2, finance, BAA, Glasgow; manager, security, BAA, Glasgow). This is strongly linked to the open, honest and friendly culture. However, in this environment, there still exists an element of 'not sharing your problems with others because basically you don't want anyone to know you've got them' (manager, finance, Glasgow). This would suggest that, although the '*can do*' culture is expounded throughout the organisation, there remains an underlying level of scepticism or fear concerning being open about problems or issues. Therefore, the creation of a community spirit in an airport environment seen as a village which portrays a feeling of belonging, may cause the perception that problems or issues are a deviation from this environment and therefore should not always be aired freely.

One of the operational areas or subcultures which this open '*can do*' culture has not permeated, according to managers, is that of the Fire Service. The Fire Service exists in a specialist environment which is detached from that of the rest of the airport. This is as a result of both their physical location on the back of house areas of the airport and because they do not have a consistent effect on key BAA plc business areas such as customer service. The sub-culture of the fire service exists under the perception that 'all they want to do is put out fires' (manager, airfield operations, Glasgow). This results in the attitude that they do not require to be integrated with the other aspects of the airport operations and do not require to understand passenger movements or profits. This individualistic sub-culture is partly re-emphasised by the reporting structure which is in place where they report only to the Chief Fire Officer and not any other operational departments.



Attempts at integration have been made by managers more recently to allow fire service employees to be involved in non-fire service roles which are associated with their wider role at the airport, such as their involvement with the resurfacing of the runway.

It is well documented that the mission and values of a company reflect the inherent culture of the organisation. The Freedom to Manage change itself is described as 'a real process where they were actually trying to change people's mindset and say this is our new operating environment and these are our new values...they were sharing with us, at long last, what the final vision was going to be like' (manager 2, finance, BAA, Glasgow).

In the case of BAA, Glasgow it has to be recognised that the organisation has developed a culture which is specific to the airport and one which managers and supervisors recognise as being 'different from other airports' (airport director 1, BAA, Glasgow). Therefore, it is not surprising that BAA, Glasgow, although part of BAA, plc, have produced their own particular mission statement and their own set of values which are specific to the employees in Glasgow airport, but complement the overall mission, objectives and targets of BAA, plc (Denison, 1990). The mission of BAA, Glasgow is 'to make Glasgow the most successful airport in the BAA Group' (Glasgow's Mission: Focus for 1999/2000). The mission focuses on the core business and is based around 6 main areas which change on an annual basis and become part of the focus for targets: safety and security; people and leadership; passengers, suppliers and business partners; strategy; shareholders; community and the environment. In terms of the achievement of the mission statement targets, one manager acknowledged that, 'It's not just about making money. There are lots of other things that are elements in running a successful business' (manager, finance, BAA, Glasgow). According to Denison (1990) the emphasis which an organisation places on mission statements and their associated values, not only assists employees in understanding the business objectives of the organisation, but is also key in encouraging employees to invest their efforts in the well-being of the organisation in a way which is non-economic.



The terminal operations team have developed their own mission statement which is described as: 'Our mission statement is to be the best managed and run terminal in the BAA and to do that we will focus on the absolute security and safety of our passengers, customer service...everything cascades down, giving the same message at whatever level you're at' (manager 1, terminal operations, BAA, Glasgow). This statement was designed by terminal operations employees after consultation with third parties, e.g. airlines and handling agents. It aims to be more 'user friendly' because 'the corporate wording of the [airport] mission reflects a bureaucratic and jargon style' (manager 2, terminal operations, BAA, Glasgow). This would reflect the 'can do' culture which has already been discussed in a previous section. The terminal operations mission statement also suggests that an integration-autonomy paradox is evident in the airport. Thus, this department has become a subculture which exists to enhance the cultural values of the airport as a whole (Martin and Siehl, 1983). The importance of departments having an identity of their own whilst contributing to the overall culture of the organisation is recognised by a supervisor in airfield operations who highlights that 'staff on the ground are unsure of what is expected of them if there is no clear vision communicated to them' (supervisor, airfield operations, BAA, Glasgow).

This mission statement encompasses the values stated in the *Glasgow Airport Credo*. The Credo, which contains the values and the Glasgow International Airport commitment to service, is available in a laminated pocket sized format for employee reference. It contains 20 values which were compiled in consultation with the staff during the Freedom to Manage change programme (Figure 7.2).

The majority of managers mentioned the credo as a statement of the values of the organisation as an addition to the mission statement. These values are closely based around the main focuses of the mission statement and are aimed to be in a language which is 'clearly understood and put into practice by all employees' (airport director 1, BAA, Glasgow). They are described as being the 'status quo' (manager 2, finance, BAA,

Glasgow) for the airport unit. The values in the credo, when explained by managers, fall into two categories: customer service, and safety orientation.

Figure 7.2: Glasgow Airport Values

- We will all know, own and adopt the airport values.
- Our motto is **'First, Fast and Friendly'** practising teamwork and creating a positive working environment.
- The three steps of service will be practised by everyone: recognise and respect one another's contribution; provide a warm and sincere service; always be one step ahead.
- We will complete Health and Safety, security and Fire Evacuation training to ensure that everyone understands how to perform in an emergency situation.
- We will all understand how our job contributes to the overall airport objectives.
- We will all know and understand the needs of our passengers so that we can deliver the services they expect.
- Everyone will immediately report any faults identified throughout the airport using 5555 helpline.
- Anyone who receives a customer complaint 'owns' the complaint and any appropriate action is taken.
- Any problem experienced by any of our passengers and Business Partners should be reacted to quickly checking afterwards that they are truly satisfied.
- We will make sure the airport stays clean by not walking past litter and reporting spillages.
- We will always smile and be courteous.
- We will always have pride in our airport and let our manager know of any concerns.
- Everyone should find out as much as they can about the airport in order to offer help on the spot.
- Everyone will use proper telephone techniques. Answer within three rings and with a 'smile'. Eliminate transfer calls whenever possible.
- Our uniforms are to be immaculate, taking pride and care in our personal appearance. Airport I.D.s displaying both name and department should be visible at all times whilst on duty.
- Everyone should practice energy conservation wherever possible.
- Each of us will take responsibility for our own learning and development.
- We will continually strive to find better ways of doing things.
- We will work more closely with our neighbours and earn our right to operate.
- We will recognise and respect one another's contribution

(Extracted from 'Glasgow International Airport: Our Commitment', 1999)

There is a management perception that customer service is a key value in the business as a result of the awareness that without both the internal and external passengers, BAA would not survive in a competitive environment where passengers have a choice of which airport to fly from and are more discerning than they were in previous years and airlines strategically decide on which airport may be most cost efficient for their services. Thus, a key part of customer service is the ability of the business to give value for money to



passengers. The phrase 'First, Fast and Friendly' is used to reflect the customer service values of BAA, Glasgow is 'visible throughout the airport on noticeboards and staff comment cards' (airport director, BAA, Glasgow). One of the directors, is most enthusiastic about the use of the 'First, Fast and Friendly' phrase as an indication of the type of customer service he would expect from the employees in Glasgow Airport because 'we want to be first in whatever we do, we want to be fast because people want to get through the airport with the minimum of disruption...It should be as natural as walking from the car park onto the plane with the friendly bit' (airport director 1, BAA, Glasgow).

The most consistent value which emanates from the mission according to the majority of managers is 'to be the best in everything *without compromising safety*' (manager, airport operations; manager 1, airfield operations, BAA, Glasgow). According to one of the directors, 'safety and security is put on a high pedestal' (airport director 1, BAA, Glasgow). In the complexity of the airport environment where all the values already mentioned above are key to achieving success, the importance of safety and security must be the precursor to the achievement of the other values.

The underlying assumptions of both the mission statement and the values are that all employees should be encouraged to innovate, continuously improve the business, be flexible according to customer needs, communicate effectively and grow both as individuals and as departments and holistically as a business (airport director 2; manager 2, airfield operations; manager 1, terminal operations, BAA, Glasgow). This would suggest that change is a constant factor in the business (Deal and Kennedy, 1982). In addition, in this environment there is focus on 'people being allowed to do what they're good at' (manager, engineering, BAA, Glasgow) in order to maintain an effective approach to business and employee development.

In terms of how supervisors and their subordinates perceive the mission and values there exists some complacency. One supervisor states that 'we've got our mission statement,



and we've got our wee card with the credo on it. And each week we change the frame on the wall to a different value from the mission statement' (supervisor, security, BAA, Glasgow). Therefore, there is visibility of the mission and values in the workplace which encourages employees to feel that 'you are part of the company and the company is part of you' (supervisor, terminal operations, BAA, Glasgow). However, there are employees who see the mission statement as 'very much as publicity type thing...to actually put it into practice [in the engineering department] it's sometimes not very practical' (supervisor 2, engineering, BAA, Glasgow). This statement suggests that the mission statement and its associated values are rhetoric, and consequently are not always easily translated into working practices. This point may have contributed to the introduction of departmental mission statements which are more specific to the departmental working environments. In addition it is possible that departments such as Engineering may find the mission more difficult to relate to and put into practice than those customer service departments as the credo does have a solidly customer related focus.

#### 7.4 Managing Human Resources in a Change Environment

Leadership style and behaviour has been identified in the literature review as one of the key elements of successful change programmes and can be the catalyst and sustaining force to drive the change process.

Managers describe a common democratic leadership style which they perceive to exist throughout the differing functional and operational areas (manager 3, terminal operations BAA, Glasgow). This style is one which reflects the culture of the organisation through being an 'open' (airport director 1; manager 2, terminal operations, manager, airfield operations, BAA, Glasgow), 'honest' (manager 1, finance; manager 2, terminal operations; manager 2, airfield operations, BAA, Glasgow) and 'supportive' (airport director 1, BAA, Glasgow) leadership style. This style reflects a balance between guiding employees with allowing them a level of freedom to participate and innovate. Managers also give feedback to employees, so that employees can gauge how effective their performance is. The directors combine a more strategic business focus with this style

which involves communicating to staff an awareness of the need to be result-orientated. This is described by these directors as a 'firm, but fair' approach which suggests a balance between control and freedom. A manager in Engineering admits that there can be some issues with this type of style because if the focus is on 'getting the job done' and getting results, there may not be enough time spent on praising and rewarding people for a job well done.

Other managers characterise their open style with a focus on participation based on the familiar adage that 'people don't work for me, they work *with* me' (terminal operations, manager, BAA, Glasgow; *emphasis added*). This style comes from the recognition that managers do not work alone and that there is a need for teamwork with other employees who have the relevant knowledge in operational or functional areas. As a result of this style managers suggest that employees are likely to be empowered to make decisions. Discussion with employees is also high on the management agenda so those employees have the ability to 'seek guidance and advice when required' (manager 2, terminal operations), i.e. an open-door policy. This guidance and advice may come in the form of constructive criticism. Therefore, communication by managers aims to 'ensure that all employees are travelling in the same direction' (manager 2, finance, BAA, Glasgow). In addition, there also must be a level of approachability and visibility in this type of management style to ensure that employees feel comfortable in raising work-related issues and feel that managers will listen to their concerns, opinions and ideas. This is exemplified by managers having a relaxed attitude towards employees which culminates in having a relaxed, informal chat with employees in passing or during breaks in addition to the progress meetings, union meetings or departmental meetings. This style aims to break down the barriers between managers and staff, i.e. the 'them and us' culture. In addition, in terms of emotional support, managers again talk of their attempt to be approachable, open and honest with an open door policy and visibility. In addition, they cite listening and giving advice as the key activities in the area of emotional support. All these management activities, utilised by transformational leaders (Guest, 1990b), are labelled by Harvey-Jones (1998) as *symbolic acts* as they attempt to use soft human



resource practices to mould employee behaviour which reflects the espoused airport values and culture.

This open style has also led to the development of integrated teamworking in the airport terminal building. Cross-functional teams had been introduced through the '*duty team concept*'. The concept was described as, '...the most cross-functional, non-hierarchical group that you'll find in the airport because we're all primarily the people who make up each of the duty team and are responsible for the operation of the airport within that finite time that we're on shift' (manager, airport operations, BAA, Glasgow). These teams, which rotate on a shift basis, consist of the airport duty managers and other key employees who are responsible for running the airport, i.e. duty managers/supervisors from disciplines such as customer services, security, engineering, and airfield operations. Therefore the duty teams are flexible and are able to assist in the overall operational achievements of the airport. This would suggest a balanced approach to the operational aspects of the business where the integrative process culture already defined above (Figure 7.1) is being put in place.

This integrative cultural approach is further exemplified by the terminal operations team inviting employees from other departments to visit their offices during open days with the main aim of allowing others to understand the jobs which the terminal teams actually do on a daily basis. In addition, the employees in the terminal are encouraged to visit other operational departments through shadowing opportunities to find out what the responsibilities are there. This not only creates holistic business awareness, but also assists in breaking down operational boundaries and demarcations.

The evidence would suggest that there is one overarching leadership style in BAA, Glasgow which is directly interrelated with the open culture of the airport unit and the individual experience of the manager. Therefore, the issue of having a standardised BAA plc leadership style is made defunct because managers cannot be cloned. One of the airport directors sums the issue up by stating that, 'to some extent you can mould people's



behaviour, but I don't believe that you can fundamentally change them and if you do, it may not necessarily be for the best' (airport director 2, BAA, Glasgow). Therefore, a contextual approach has been adopted in BAA, Glasgow in which manager effectiveness may be determined as much by the nature of the organisation in which he or she operates as by the qualities of the individual manager (Hales, 1986).

Whilst managers seem to use the rhetoric of the open and honest leadership style, supervisors do not consistently agree with this perception. Some employees, particularly those working in the terminal building, describe the management style as 'very approachable...I've always found that they listen to any staff' (supervisor, security, BAA, Glasgow) and as 'open – you can always go and ask about any queries you have and they [managers] listen to you' (supervisor, terminal operations, BAA, Glasgow). However, it would be unrealistic if this leadership approach was practiced or accepted across the whole organisation by all employees. Therefore, it is acknowledged that other supervisors complain of a lack of leadership qualities and support when they are 'left to get on with it' (supervisor, airfield operations, BAA, Glasgow) which results in a situation where the manager only intervenes when necessary. In addition, some employees claim that the leadership style can be 'quite aggressive' because managers focus on 'getting the job done' (supervisor, engineering, BAA, Glasgow) and another states that a direct manager is 'very controlling and does not encourage a participative environment' (supervisor, airfield operations, BAA, Glasgow). The commitment to the new values of the open culture has failed in some employees due to the fact that the leadership style has made employees feel that they have no choice or control over their behaviours. These different perceptions of leadership style from the supervisory level, only serve to highlight the reality that organisations, and those employees who work in them, as social constructions and as such, they cannot be fully standardised (Brown, 1995).

Within this largely supportive and open leadership structure there must be a physical or emotional level of support which is provided for employees in order to exemplify that the

leadership style is not purely rhetorical. One of the key support provisions emphasised by managers is career development which is discussed through the individual employee personal development plans. BAA, Glasgow offer career development positions where employees can undertake a job usually for six months. This is an opportunity for employees to gain a more integrated knowledge of the business and results in employees being 'much more equipped in knowing what goes on in the business' (airport director 1, BAA, Glasgow). This focus on training and development allows employees to 'develop to their full potential' (manager 1, finance, BAA, Glasgow) in terms of their effectiveness in the business. One manager takes this further by suggesting that supporting employees is 'allowing them [employees] to *use* their skills' (manager 2, finance, BAA, Glasgow; *emphasis added*). A supervisor from terminal operations gives the example of being offered appropriate training by his immediate manager which helped in the understanding of the new job role recently undertaken, but also in terms of understanding the business. Therefore, training becomes a system maintenance symbol which helps stabilise and justify aspects of organisational activity or change by offering reasons and guidelines for action (Dandridge *et al*, 1986).

On an emotional level, managers state that 'any time or all times I am available. I would never stop them from talking about any subject they want to talk about – personal or otherwise' (manager 1, terminal operations, BAA, Glasgow). One manager emphasises the importance of the visibility by stating that 'I usually set aside Friday afternoon just to wander around and see what's going on and just listen informally to what they say...you get a lot more out of it' (manager 1, airfield operations, BAA, Glasgow). Through this approach managers become 'a confidant' and 'provide advice' to employees (manager, airport security, BAA, Glasgow). This role undertaken by managers represents a key area in the leader-follower relationship (Fleishman, 1969) and reflects those important factors which employees identified in the BAA Staff Survey, such as the encouragement of ideas, help, training and guidance, and feedback and support.



The management styles identified must undoubtedly have an effect on the working environment and the employees' level of satisfaction with their work. One of the key findings from all the interviews was that managers are clear that employees feel satisfied if they feel *valued* by their superiors and by the company. In particular, 'the boss can make a big difference as to the way people feel valued, the contribution they make, their productivity and their fulfilment' (airport director 1, BAA, Glasgow). Therefore, the relationship which exists between managers or supervisor and operational employees should be one which shows 'mutual respect' (airport director 1, BAA, Glasgow) rather than trepidation. The importance of the manager in facilitating job satisfaction was highlighted in the BAA Staff Survey with particular emphasis on the relationship between employees looking forward to coming to work and managerial behaviours such as delegation which can be a signal of trust and respect.

The other airport director highlights another important aspect of satisfaction in the job, reward and recognition. Whilst it is acknowledged that monetary rewards for efficient performance are important, the main type of recognition described is non-monetary. Thus, if an employee takes outstanding action, one airport director 'likes to go down and go out and advise them at the time, because I think that if you can show them that you appreciate their efforts at the time it's worth a lot more than writing a letter a week later' (airport director 2, BAA, Glasgow). This is often linked to encouraging employee involvement and decision-making because 'the level of satisfaction is greatly enhanced by sometimes the discussions that they [employees] get involved in' (manager, airport operations, BAA, Glasgow). Therefore, again there is a high communicative element to the leadership style in BAA, Glasgow. The BAA Staff Survey shows that there is a strong relationship between the innovation of employees and the recognition and rewards for such innovation.

The prevailing environment existing in each department where employees work is also suggested as a key influencer of satisfaction. In the terminal operations department, one manager states that 'by creating an environment up here that is...relaxed, of good



humour, of a friendly approach, it allows people [employees] to come into this department and feel comfortable pretty much straight away' (manager 1, terminal operations, BAA, Glasgow). Finally, within this type of environment another manager states the importance of empowerment to job satisfaction by stating that the managerial encouragement of empowerment, coupled with the trust which managers must place in empowered employees has 'a positive effect on the people [employees] at work' (manager, engineering, BAA, Glasgow). The supervisors concur with the perceptions of managers for the most part, however they do suggest that satisfaction for employees would be most about the nature of the work which they do on a daily basis and the colleague relationships which exist (supervisor, engineering, BAA, Glasgow).

Motivation to achieve set organisational targets should be the result of the leadership style, defined above in terms of style, support and satisfaction. The combination of this style with the organisational or departmental culture which exists provides the most effective motivation. The motivation to achieve targets is largely said to be through 'self pride and self esteem, and knowing that the targets form a critical part of this department doing its job well' (manager 1, terminal operations, BAA, Glasgow). However, there is the perception, highlighted by supervisors, that targets are, to some extent, not attainable because they are 'stretched'. This causes demotivation because 'why should we bother about reaching them [targets] if they are unattainable and we won't get any rewards' (supervisor, airfield operations, BAA, Glasgow).

An important part of the manager's job is the way in which feedback to employees takes place. Both formal and informal methods will be discussed with emphasis on their effects on staff. Under the Freedom to Manage programme employees were generally formally appraised on a six monthly basis. These appraisals took the form of a review of employee performance in the last six months, whether targets have been achieved, areas for improvement, learning points and what the manager can do to assist in training requirements. Managers perceive that their subordinates reactions to such formal appraisals are 'mixed' (manager 2, terminal operations; manager 1, finance; manager,

engineering, BAA, Glasgow). On an operational basis, employees are 'complacent' about the benefits of such appraisals and see them as 'just something to be done' (airport director 2, BAA, Glasgow).

There is also a cynicism that employees see appraisals as being tied to incentives and remuneration. The older workers who are long-serving employees are at the top of their pay scale which results in them feeling that not only do they have enough experience to make them feel appraisals have no purpose, but they also are not paid a bonus for meeting targets. However, those newer employees who do receive a bonus for meeting targets 'treat the formal performance appraisal as being very important because it's a means to get more money, basically' (supervisor 2, engineering, BAA, Glasgow). Newer employees are also more likely to wish to develop their skills and progress in the company and performance appraisals are the key way identifying their intentions to managers. Therefore, appraisals serve an important purpose for some employees. However, there are other employees at the 'sharp end' who consider appraisals to be 'a hassle' (supervisor, airfield operations, BAA, Glasgow) or 'a pain' (manager 2, airfield operations, BAA, Glasgow). This type of incentivised appraisal system, as seen in a 'hard' human resource management approach (Legge, 1995), is not seen as one of the main key aspects of leadership in the BAA Staff Survey, instead the other softer aspects such as innovation and recognition and respect prove to be more important parts of the manager-employee relationship.

In addition to this formal process, the informal feedback is given on an hourly and daily basis and is described as 'just part and parcel of doing business' (manager 2, terminal operations, BAA, Glasgow). This type of feedback is said by managers to help employees to 'feel a bit more relaxed, they don't feel under threat' (manager 1, airfield operations, BAA, Glasgow). An example of this type of approach is when a manager will 'go out onto the airfield and the first member of staff that drives by in a control vehicle I'll jump in and just drive around with him for about half an hour with him' and the conversation will include a conversation about 'football, weekend, kids, school, and



then it'll be how's your targets going or how do you think you're doing' (manager 2, airfield operations, BAA, Glasgow). This approach gives managers the opportunity to express recognition to employees for jobs which have been completed well, and also gives the employee an opportunity to air any important issues. Therefore, this type of feedback is an extension of the manager-employee relationship and is supported by those open and honest managerial behaviours already discussed in this chapter which reflect the airport culture.

Within the context of Freedom to Manage, the concept and practice of empowerment was cited as a core objective and was said to be at the heart of the Freedom to Manage philosophy. Empowerment was generally described by managers as 'allowing people [employees] to act on their own initiative within certain defined boundaries...it's giving people the ability to make decisions within their area of expertise and to move things forward without having to refer back in order to check whether they can do actions' (airport director 1, BAA, Glasgow). This definition highlights the need for employees to recognise their area of expertise and to understand where their defined boundaries lie. Therefore, managers have a rational system of green amber and red 'zones' or 'picket fences' which assist employees in deciding whether they have the correct knowledge and experience to make a decision or take action of some sort. The process of empowerment then 'allowed managers and supervisors to do other things which were adding value to the business' and gave 'self-esteem to the individual because they have the skills to do it' (airport director 2, BAA, Glasgow).

It is also apparent that 'different departments operate empowerment in different ways...we can see different levels of empowerment, different levels of formal authority' (manager, airport operations, BAA, Glasgow). Therefore, it may depend on the department and on the manager and employee viewpoint on empowerment. In engineering, employees will 'make major cost implications decisions if the need arises...on the other hand if you take another department, for example, security or airfield



operations, the chances are that they will refer that decision back to their line manager' (manager, airport operations, BAA, Glasgow).

A key example of how a successful empowerment initiative can work in a section of the airport is that of the introduction of Learning Cells to the engineering department. Learning Cells are described as 'an extended tea break' (manager, engineering, BAA, Glasgow). The management noted that employees were sharing knowledge about their job tasks, work issues and problem-solving during informal tea breaks. This idea was formulated into a semi-formal process in which employees had three hours per month to learn from their colleagues on their choice of work-related issues. In this way, training and development is delivered informally through employees themselves and in a timely fashion. For supervisory level employee's empowerment is seen as 'a system...which allows the engineers to take on board the entire problem from beginning to end and nothing gets in their way' and in order to be effective in this system employees should be 'self-starters' (supervisor 1, engineering, BAA, Glasgow). It is also seen as allowing technicians to 'select what they think is the most important work and to go out and do it' (supervisor 2, engineering, BAA, Glasgow). This allows prioritisation according to specialisation, within the parameters of the priority maintenance, which results in 'that bit of extra freedom' (manager 2, engineering, BAA, Glasgow).

In contrast, in the security environment, the manager states that 'they [the guards] do not have the operational capacity to say 'oh, I'll check less bags today' or let someone through without searching them...so, that's why the word empowerment would fall on deaf ears...they'd probably laugh at you. Right now there is apathy to change of this sort' (manager, airport security, BAA, Glasgow). In response to this problematic issue, the manager states that when employees suggest new ideas or a project, it is important to listen to them and take it forward with their involvement. However, even this type of empowerment is limited in the security environment because of regulation. Another department which has issues with the concept of empowerment is the fire service. This is because the employees 'like to be told what to do rather than be left to their own

devices...they take the easy way out' (manager 1, airfield operations, BAA, Glasgow). Although the fire service employees have company credit cards made available to them, 'they don't want to take on any extra responsibility' (manager 1, airfield operations, BAA, Glasgow) because of the largely regulated job roles which they undertake on a daily basis.

Empowerment is also described as 'enabling' (manager 1, terminal operations; manager 2, finance, BAA, Glasgow) employees to take responsibility, particularly in terms of problem-solving activities – 'if you see a problem, you own it' (manager 2, terminal operations; manager 2, airfield operations, BAA, Glasgow). This means 'thinking about how you could do it differently and if it is going to have any benefits then carry on' (manager 2, finance, BAA, Glasgow). This responsibility may also extend further than the simple job role to include 'taking financial responsibility, taking responsibility for your own career, taking responsibility for picking up litter on the forecourt, taking responsibility for helping out a passenger' (manager 1, finance, BAA, Glasgow).

The areas of management behaviour which must be in place to support empowerment were described as 'teamwork...processes...using IT...working smarter, not harder...training and developing people [employees]...appraising people and giving them feedback...and changing the leadership style to be more facilitative and coachy' (manager, engineering, BAA, Glasgow). It is clear that these support elements are rooted in both the soft and hard activities of human resource management (Legge, 1995), suggesting that managers are very aware of the fact that empowerment is a tool implemented to achieve business objectives such as productivity and increased quality customer service.

### 7.5 Managing the Future of Change: the introduction of Enterprise

The introduction of the Enterprise change programme provided managers with a new ideology for change in the organisation which is of a different nature to Freedom to Manage and as such required them to go through the process of legitimisation and



rationalisation again. Enterprise is described by the majority of managers as a 'major' or 'radical' change programme in terms of its scale and intentions (manager, airport security; manager 3, terminal operations, BAA, Glasgow). It is described by one manager as '...providing the technological tools for me and my colleagues to do a better job and to have information available to us that may or may not be available to us at present and to have a one source database to stop any replication or repetition in work' (manager, airport operations, BAA, Glasgow). This description emphasises the more mechanical and rational nature of the Enterprise change process and the focus on practical tools and processes for change (Lewin, 1947; Bowers *et al*, 1975).

The airport director states that Freedom to Manage provided the organisation with many HR practices which such as coaching, training and counselling which are in place now and are now assisting the organisation is responding to the Enterprise change programme on a much more efficient basis. In addition, it was also suggested that as a results of Freedom to Manage staff developed a positive psychological attitude towards change in the organisation. Therefore, Enterprise change becomes accepted as the next logical step to Freedom to Manage. It is interesting to note that Enterprise is seen as complementing the Freedom to Manage change programme already in place, one manager believes that 'it [Enterprise] gives me much more Freedom to Manage and far more empowerment and far more ability to run my corner of the business in the way that I want. We will always rely on other organisations and assistance from other people, but it gives me far greater ability to do that and to bring my team along with me' (manager 1, terminal operations, BAA, Glasgow). This suggests that Enterprise builds upon the values and cultural changes put in place by Freedom to Manage.

A manager from security suggests that BAA have taken an *integrated* approach to change in which Enterprise is the tool which helps the organisation. 'to adopt all the learning cultures that we've been exposed to over the past six or seven years' (manager, security, BAA, Glasgow). This suggests that the Freedom to Manage mindset and culture which was put in place over the period of around six years is still expected to exist, but



Enterprise is a practical tool to support the delivery of the business which will not change the cultural values which Freedom to Manage put in place, but will develop them for the future.

A contrasting perspective is described by a manager who describes the 'Enterprise system and *culture*' (manager 2, terminal operations, BAA, Glasgow; *emphasis added*). This reference to the introduction of the Enterprise computer system as changing the culture of the organisation is further described through the acknowledgement that cultural change takes a long time and therefore, managers should not be looking for instant change, but for change which may come with the 'second wave' as the new culture has to 'seep' into the organisation (manager 1, terminal operations, BAA, Glasgow). Therefore, the manager states that 'I'm absolutely clear that the computer system is supporting what is a cultural change' (manager 1, terminal operations, BAA, Glasgow). The perpetuation of Enterprise as changing organisational culture is seen in the way in which Enterprise is 'sold to employees as 'it's all about people, people are 80% and the processes which support it are 20%' (manager 2, terminal operations, BAA, Glasgow). However, it was suggested by the same manager that in reality 'what Enterprise is doing is the opposite of that' (manager 2, terminal operations, BAA, Glasgow), i.e. in reality the organisational change resulting from Enterprise is more about processes than people.

In order to assist staff to understand the system and get their buy in, the organisation and its managers have communicated the practicalities of what the system will mean for employees prior to implementation in order to educate them. With technological change of any sort comes the need to provide adequate and appropriate support for employees. In the case of BAA, the focus is upon provision of pre-Enterprise training in order to prepare staff of all levels with the knowledge and practical skill to use the new computers and computer systems. An airport director suggests that staff at varying levels will be affected by the change in different ways and therefore, there are types of staff who require to be dealt with in different ways as regards technology change:

- those opposed to change who refuse to change who may require coaching;
- those who do not have the required skills and therefore require relevant training; and
- those who are enthusiastic to try new skills, but find technology difficult to grasp because they are in the evening of their careers.

In order for these different types of employees to reach their full potential during the required training for the Enterprise system, an airport director emphasises the need for provision of a support structure for employees. This supportive environment is associated with training, coaching, mentoring, counselling, and ‘hand holding’ (manager, security, BAA, Glasgow). This supportive environment represents what is described as ‘driving the business forward in a responsible way’ (airport director 1, BAA, Glasgow). Managers also acknowledge that there may be fears in terms of the changes which the Enterprise change programme is going to make to staff job roles. In order to deal with these fears, the airport director suggests that there is a need to talk to each employee individually about their concerns for the change process. Three types of staff are identified in terms of the concerns which they may have for change:

- Staff who did not have any concerns about change and as such thought the change was timely and therefore a good change for the company. These staff only require a short discussion.
- Staff who had rational or irrational fears about how change would affect their jobs and how capable they were of sustaining changes made to their jobs. These staff require counselling in order to identify whether the staff required emotional support or alternatively had some sort of training needs.
- Those who cannot accept change and decide to leave their jobs. These staff again require someone who can counsel them and talk through the issues with them.

This suggests that in the change process communication is key. Whilst Enterprise is an IT system reliant on the computer as the point of contact, there is a need to retain personal human contact with staff. A case in point is emphasised by an airport director



who described the problems caused by utilising computers as the main interface by stating that since IT has been progressively used by staff to communicate, the number of applications from internal staff to work in the terminal building have decreased. This would imply that either staff are less inclined to ask for promotion or that staff do not have the skills or access to IT to apply for such jobs. This places the focus back on the employee to use the technology to find out the relevant information they need to do their job rather than use notice boards to the same extent.

This introduction of the computer system also perpetuates the move towards managers as 'generalists' and the devolution of HR and some financial activities away from the departments to operational managers. Thus through the new system managers have the authority/power to employ new staff, manage departmental finances such as the budget and the business plan and thus result in managers having to rely less on the functional departments. Another manager from terminal operations also highlights the aims of Enterprise to modify the management structure and the staff structure in terms of their roles and responsibilities. Thus, managers and employees become more responsible for any aspects of the business which relate to their job role. This change in itself is described as a big cultural change because the company is no longer 'holding our [the employees] hands' (manager 2, terminal operations, BAA, Glasgow). With this added responsibility come the issues associated with the senior managers in the company relinquishing a certain level of control over functional areas to operational managers – 'we work in a regulated environment and it will be hard for senior managers to let go of the control and people [senior managers] would probably find it hard to take a step back because they're used to being in that controlling position' (manager 3, terminal operations, BAA, Glasgow).

From a supervisory perspective, it is apparent that there are some tensions concerning the implementation of the Enterprise system. One supervisor expects that there will be job losses because the system will reduce the need for administrative employees in some functional areas. This type of change could have various effects on empowerment as



brought in by Freedom to Manage. On one hand, job losses could mean 'more empowerment for employees because they will have more responsibility to cover in their job roles' (supervisor, airfield operations, BAA, Glasgow).

On the other hand, there may be 'less empowerment because of the more constrained and structured approach to decision-making' which Enterprise introduces (supervisor, terminal operations, BAA, Glasgow). One manager agrees that the role of empowerment in the organisation will change with the introduction of Enterprise by stating that, 'I thought it [Enterprise] meant that it [empowerment] is going to be taken away from me because I'll have to do A,B,C,D,E,F and G, but it just means I'll be doing A to G, but I'm empowered to achieve that within that [Enterprise] framework' (manager, engineering, BAA, Glasgow). This suggests that the role of empowerment will be one which exists within more structured boundaries that had previously been experienced by employees. In other words, the empowerment can be called 'systematic empowerment' (manager, engineering, BAA, Glasgow).

Supervisory employees mentioned the ability of Enterprise to increase efficiency for them and the business. Although supervisors may accept that, as a structured way of completing tasks and recording information, Enterprise is an effective change practice, they also highlight that the impact of Enterprise on staff is dependent on which department that they work in. For example, in the engineering department, they may find Enterprise difficult to implement because of the variable work areas which exist, such as daily maintenance, where tasks can be prioritised on a limited basis. Therefore, 'Enterprise could be too structured to deal with the variety in our jobs' caused by the airport environment (supervisor 2, engineering, BAA, Glasgow). Staff may feel like Enterprise is making the resulted airport environment more controlled instead of balancing control and freedom.

As a result, some staff may attempt to 'work around the system by adapting the 'rules' of Enterprise to suit their job roles' (supervisor 1, engineering, BAA, Glasgow). This means

that there could be a situation where the system becomes *customised* to each airport and/or department as a result of the working environment.

## 7.6 Conclusion

This chapter has discussed the key factors which have shaped the culture of BAA, Glasgow namely that of the way in which managers used the organisational history and symbolism to legitimise commitment to a new culture emanating from the Freedom to Manage programme. History was consistently portrayed by managers as an example of a bureaucratic culture which resulted in inefficient working practices and did not take account of the values of the current work organisations, such as flexibility, generalisation, and open cultures. Managers also utilised artefacts in order to induce an increased sense of emotional or psychological attachment to the organisation through refurbishing the terminal building to make it an enjoyable experience for the customers as well as the employees. The changes to the terminal building were designed to be a physical manifestation of the company mission and values and as a result to produce a specific identity for BAA, Glasgow.

The legitimising of the new Freedom to Manage concept to employees by managers became a somewhat difficult process. The concept remained somewhat elusive as it was introduced as a corporate-wide initiative and was not designed to fit with the requirements of localised airports such as Glasgow airport. Therefore, managers found the concept difficult to communicate and understood the varying complacencies and ambiguities which existed across the airport environment. However, it is suggested that it is the very ambiguity of meaning of the Freedom to Manage programme which assisted in the development of the new culture. Although managers spoke of the need for the maintenance of rules and compliance in the airport environment and of their positions of power, it is suggested that each function had the freedom and opportunity to develop their own meaning of Freedom to Manage in their context with their particular manager(s) through the local initiatives which made up the change programme.



When considering the way in which culture is acted out in terms of the key organisational practices, it was found that managers had a general open and democratic style. Therefore, the leadership style could be said to have a mutual interrelationship with the organisational culture. The consistency in the 'soft' approach to the management of human resources engendered a level of commitment to the culture espoused by those managers communicating the Freedom to Manage philosophy. However, in those operational areas where the Freedom to Manage initiatives were limited due to the nature of the work, the influence of the manager was limited. This highlights the fact that it is not only the manager which has an influence over the organisational culture; there are many external and internal influences which managers must be aware of in order to effectively manage change and the responses of the inherent culture.

The movement towards the new Enterprise change programme raises many issues for BAA, Glasgow. The movement from an essentially 'soft' change management programme to one which tends towards a 'hard' approach causes the management to re-evaluate the current values, beliefs and attitudes of the embedded culture and then legitimate the change to new working practices. The main issue, however, is whether change programmes with such seemingly divergent cultural values can be meshed together in the organisational environment on a daily basis. It is suggested that, in BAA, Glasgow, the result will be a development of the inherent culture which maintains the 'open and honest' approach developed from Freedom to Manage change, but which has an increased awareness of the business environment through the use of the Enterprise system. However, the main tension which may result would be in terms of the fundamental value of involvement or empowerment which is so prominent in the airport culture.

The following chapter analyses the case of BAA, Edinburgh in a similar way by identifying the key issues involved in the management of organisational change, the definition of organisational culture, the management of human resources and the future of change.



## CHAPTER 8

### BAA, EDINBURGH CASE STUDY EVIDENCE

#### 8.1 Introduction

While the previous chapter discussed the case evidence for BAA, Glasgow which is characterised by a strong progressive culture and readiness for change, this chapter takes a contrasting view of the change environment in BAA, Edinburgh. Edinburgh Airport has undergone a mix of both physical and internal intangible organisational changes which have caused change to be at the forefront of the company's and employee's minds over the period in which interviews took place. In order to maintain consistency, the key areas which are core to this thesis will be examined in the context of Edinburgh Airport: managing organisational change; organisational culture; and the management of human resources.

#### 8.2 Managing Organisational Change: Issues and Responses

The change environment in BAA, Edinburgh is described as, 'a very rapidly changing environment' (manager 2, engineering, BAA, Edinburgh) where 'there's always more than one thing going on at one time' (manager 1, engineering, BAA, Edinburgh). Freedom to Manage itself is described as a 'more structured approach to change' (airport director 2, BAA, Edinburgh). An airport director suggests that 'Freedom to Manage was the *hook*...there were a lot of corporate initiatives in various areas, all identified as different things. And we used Freedom to Manage to bring them all together so that each different initiative was seen as part of a *game plan*, rather than part of a totally different game. It was an attempt not to confuse staff with different buzzwords' (airport director 2, BAA, Edinburgh; *emphasis added*). This emphasises the fact that managers view Freedom to Manage as a strategic tool for planned change which encompasses a set of structured initiatives aimed at reaching business objectives (Lewin, 1947; Lippitt *et al*, 1958; Bullock and Batten, 1985). Thus, in this airport unit, Freedom to Manage becomes 'something we [managers] use' (airport director 1, BAA, Edinburgh) and essentially is referred to as the 'Freedom to Manage *brand*' (airport director 2, BAA, Edinburgh;

*emphasis added*). Despite this attention given to ensuring the uptake of the change by using Freedom to Manage as a tool or a product (Keenoy and Anthony, 1992), it is clear that other managers saw the programme as ‘just a buzzword at first’ and consequently one manager states that ‘I was completely confused with what Freedom to Manage was because all I could see was a muddle and I couldn’t find out what the subjects were underneath it – it took me a long time to find out what it was all about’ (manager, human resources, BAA, Edinburgh). This highlights the potential problems caused by change efforts such as this which combine a structured approach to business improvement with the ambiguities and messiness of changing culture (Buchanan and Storey, 1997).

Freedom to Manage as a ‘culture change’ (manager, airfield operations, BAA, Edinburgh) and is an attempt to move towards an ‘open sort of culture’ (airport director 1, BAA, Edinburgh). This type of culture change is described as ‘a challenge’ (manager, airfield operations, BAA, Edinburgh) because ‘what’s happened is that they [employees] tend to stay in the past and they very much dwell on ‘well, we’ve always done that therefore it’s acceptable’’ (manager, airport operations, BAA, Edinburgh). In a culture such as this, managers find it difficult to encourage or impose change through new processes and ideologies. Instead of the process of rationalisation and legitimisation of the new cultural values associated with Freedom to Manage, the managerial level seems to be ‘stuck’ in a *cultural rut* through their tendency to rationalise the embedded organisational culture which has been retained in the airport since public sector ownership. According to Dawson (1994) and Clarke (1994) this type of managerial behaviour is not conducive to reinforcing the new espoused culture and is likely to lead to employees reverting back to old values and manifestations of culture.

The importance of the managerial role is highlighted through the perception that, ‘...the people [managers] that were driving it [Freedom to Manage] were very motivated, but a lot of these people have moved on and it's different people now...if the momentum is lost then people forget and they just go right back to where they started. I just think the momentum is gone now’ (manager, finance, BAA, Edinburgh). This perspective is



echoed by another manager who states that 'the feeling you still get is that, that's fine as long as we [the managers who introduce changes] are here, but as soon as they [managers] go, it will go back to where it was' (manager, airport operations, BAA, Edinburgh). Therefore, managers have a tendency to perceive themselves as being the key drivers and exemplars of the change vision and process. This may reveal that, there is a managerial subculture, which suggests that managers have an affinity with the values of change programmes and characterises the front-line employees as dependent on the direction given by managers. However, one supervisor has a contrasting view and states that 'it depended on your department - whether you got Freedom to Manage or not. It depends very much on your line manager and whether they prefer to tell you what to do or not' (supervisor, airfield operations, BAA, Edinburgh). Therefore, the role of the manager and their leadership style does indeed seem to be key in terms of the effectiveness of the change programme on a departmental team basis, and on an individual basis. However, the important corollary is that managers, when exercising their choice, power, and authority in the organisation may not exude the values which are key to the change process – for example, involvement, delegation and communication. Instead, managers may maintain a top-down approach towards the implementation of change which is not embedded in the organisation systems and can fall into disuse or misuse (Guest, 1992a).

There is also an acknowledgement by managers that BAA plc must to develop and grow the business because 'the EasyJets of this world don't want the same product as the British Airways, so we have to change the terminal building to reflect that' (airport director 2, BAA, Edinburgh). The physical change of the terminal building is consistently mentioned by managers as a key issue which has effected a change of attitude in the airport environment and may therefore have affected the airport culture. One manager sums up this issue by stating that 'in the past there was a small airport syndrome where everybody just did what they had to, to get by. But now with all the physical development of the building...they realise that they have to change with the business to be a success' (manager, airport security, BAA, Edinburgh). The supervisory



employees also agree by stating that 'staff see growth [of the terminal building] as an incentive to them' (supervisor, terminal operations, BAA, Edinburgh) which results in 'everybody working hard for that and it's quite an exciting atmosphere' (supervisor, airfield operations, BAA, Edinburgh). This reference to tangible physical change means that it has been used as a symbol (Berg and Kreiner, 1990) by employees to assist them in their acceptance of the importance of organisational change. It is this change, in particular, which could form the common purpose for employees which did not result from the Freedom to Manage programme.

The aims of the Freedom to Manage programme are widely agreed by managers and supervisors alike. When asked about their perceptions supervisors state that the change programme is about the growth of the airport business through employees taking on more *responsibility* (manager, airport operations; manager 1, airfield operations; supervisor, terminal operations; supervisor, security; supervisor, airfield operations, BAA, Edinburgh) and thus being *empowered* (manager 1, engineering; manager, security; manager 2, airfield operations; supervisor, engineering, BAA, Edinburgh). Although the aim of Freedom to Manage lay in these areas, 'not all people [employees] responded' (supervisor, terminal operations, BAA, Edinburgh). Supervisors highlight that a varied response to change lies in the fact that 'people in general don't like change' (supervisor, security, BAA, Edinburgh). In the case of Freedom to Manage change, the main issue for employees may be that 'managers have a real problem letting go to let us [employees] get on with the job, so until they get over that hurdle empowerment's got some way to go' (supervisor, engineering, BAA, Engineering). From a managerial perspective power may not be relinquished easily because, 'a lot of the big stuff [change programmes] is to a certain extent forced on us. I don't perhaps mean forced, but we don't have a lot of choice in the process' (manager 1, finance, BAA, Edinburgh). Another manager states that 'it's more uncomfortable when it's not your ideas that are being implemented' (manager, engineering, BAA, Edinburgh). This suggests that no matter the level or status of the employee, the process of change can be difficult. One of the key issues uncovered from these statements is that the employee's own rational assessment of the outcomes of

the proposed change differ from the outcomes envisaged by management. Such differences cast doubt as to the merit or worth of changes and thus, employees may resist or become complacent about change (Ansoff, 1988; Kotter *et al*, 1986).

The reaction of employees to organisational change is also affected by demographic variables, in particular the individual employees' age and experience in their particular job role. Supervisors perceive that 'people who have been in the company a long time don't like change, but have no option' (supervisor, airfield operations, BAA, Edinburgh) However, in contrast 'younger staff cope better with change because they grow to accept it' (supervisor, terminal operations, BAA, Edinburgh). The younger employees are not as socialised to the organisational environment as those who are older, and therefore are more likely to accept a new socialisation into the 'new culture' (Cummings and Huse, 1989) communicated through the Freedom to Manage change programme. Martin and Siehl (1983) have described long-serving employees as 'enhancing subcultures' who keep the values of the dominant culture of the organisation. This may not always be a negative issue as in some circumstances it may result in the development of a strong and coherent culture in which long-serving employees socialise new employees.

Whilst managers and supervisors identify internal industrial relations issues relating to employee pay and rewards resulting from organisational change, there are also implications of change which extend outside of the workplace. Managers perceived that whilst employees do come to work to make money in order to maintain a standard of living, it is their lives *away from the work environment*, i.e. their family and their social lives, that are of higher importance than the company. In particular, roster changes proved to be difficult area of change for many employees because 'changing people's lifestyles often is difficult because it's not just the person who works for us, but their whole family environment, especially shift workers' (airport director 2, BAA, Edinburgh). The roster made changes to agreed holidays and consequently affected employee's arrangements for childcare and other pre-arranged activities. Lifestyle change can have a high level of effect on organisational culture because it affects the



individual in the context of their life experience and thus one employee conceded that ‘I don't think any organisation will ever find changing people's lifestyles easy because that's where it matters to all of us’ (supervisor, airfield operations, BAA, Edinburgh). Therefore, it important for managers who intend to consider the non-rational factors such as employee motivations and commitments which affect their perceptions of proposed change and can alleviate resistance to change (Judson, 1966; Kaufman, 1971).

### 7.3 The Interrelationships between Organisational Culture and Managed Change

According to managers and supervisors ‘the culture is a difficult thing to describe’ (manager 1, engineering, BAA, Edinburgh). One of the issues which has affected the culture in the airport unit is the ‘rapidly changing environment that staff work in’ (airport director 1, BAA, Edinburgh). The transition has been from a static environment with a ‘hierarchical top-down structure’ (manager 1, airfield operations, BAA, Edinburgh) where large support departments, such as human resources and finance, looked after employee welfare. This meant that ‘everything was done for them [employees] and they were comfortable’ (airport director 2, BAA, Edinburgh). The combination of the terminal redevelopment and Freedom to Manage, coupled with the preparation for Enterprise change made employees more responsible for their jobs because ‘the airport is expecting value for money out of their staff’ (manager 1, finance, BAA, Edinburgh). Therefore, ‘some people [employees] will change easily and others will find it difficult, so it will affect the culture’ (airport director 1, BAA, Edinburgh). Therefore, it is important to note that in the case of BAA, Edinburgh, there was not a stable or predictable environment of equilibrium for the cultural change to take place, as many theories of planned change would suggest (Lewin, 1947).

The culture at the airport is characterised by two main cultural forces; ‘a group culture and an individual culture’ (airport director 1, BAA, Edinburgh). The group culture relates to the corporate culture (Meek, 1988) which Freedom to Manage aimed to embed in the airport unit through its philosophy of work created by senior managers for employees to follow (Schein, 1985b; Martin, 1985; Lorsch, 1985; Gordon, 1985).



There is a managerial tendency to suggest that they '*try* to have an open culture where people are encouraged to participate, they are encouraged to take on responsibility for their own actions, and they're encouraged to be more accountable for the decisions they make' (manager 1, airfield operations, BAA, Edinburgh; *emphasis added*). A supervisor from terminal operations describes the practicalities of an open culture as being invited to attend the airport director's breakfast where employees express their opinions and feel that they are listened to. This example highlights the importance of communication between managers and staff in the working relationship. In addition, supervisors feel that employees are treated well by the company, namely in terms of pay and conditions. These two factors, if positively managed by managers could have a key impact on the way which change is perceived.

The main issue which affects the development of this open culture is the 'lack of trust for the organisation and sometimes the managers because of the rapid change environment' (manager, human resources, BAA, Edinburgh) which results in a decrease in morale and employees who feel insecure. Therefore, managers acknowledge that 'we still need to do a lot of work on the culture' (airport director, BAA, Edinburgh) because some managers 'don't know if we've got a specific corporate identity' (manager 2, finance, BAA, Glasgow). However, although this group culture is described as 'becoming stronger through the work [Freedom to Manage] which has been done with the staff,...there is much more of an individual culture' (airport director 1, BAA, Edinburgh). The individual culture can be described as the result of 'pockets in the airport where cultures can be different' (airport director 1, BAA Edinburgh) which are the result of 'your actual working relationship with your managers' (manager, airport operations, BAA, Edinburgh) and also 'depends on the individual [employee]' (manager 1, airfield operations, BAA, Edinburgh). The lack of cohesion which is seen in the comments of managers and supervisors seeks to highlight the absence of a strong culture in the airport environment. There seems to be a lack of common purpose which managers acknowledge by stating that there is still more work to be done in this area of cultural change. However, it is in these circumstances that power battles exist (Robbins, 1987)

and for varying levels of commitment to the organisation to exist (Storey, 1987; Guest, 1987).

It is also clear that managers perceive that the development of BAA, Glasgow has had a negative effect on the culture of BAA, Edinburgh. According to one airport director, 'Glasgow was developed first and the money was spent on them five or six years ago. We [BAA, Edinburgh] are just at that stage now, but are developing quite rapidly. So, the staff saw investment going into somewhere else first, when they were working in *the capitals' airport*' (airport director 1, BAA, Edinburgh; *emphasis added*). This resulted in 'resentment' (airport director 2, BAA, Edinburgh). The issue of BAA, Glasgow being seen as 'further ahead in terms of the management and in terms of the culture' (manager 1, airfield operations, BAA, Glasgow) has caused there to be comparisons made between the airports by managers, particularly in terms of the existing airport cultures. The 'can do' culture which is so prominently championed in BAA, Glasgow does not seem to be similarly evident to managers in BAA, Edinburgh – 'There's a much greater 'can do' culture in BAA, Glasgow...when you raise problems and issues there is a much greater pulling together and willingness to try it than there is in Edinburgh' (airport director 2, BAA, Edinburgh). One manager takes stronger view by stating that 'Edinburgh doesn't have a 'can do' culture. What Edinburgh's got is a *ten reasons that we can find why not to do it culture*, and there's a deep-seated mistrust of the company and the management team' (manager 1, engineering, BAA, Edinburgh; *emphasis added*). As a result, 'They [employees] will never come and sit down in front of you and say right I have a problem and confront it. They don't like confrontation' (manager, engineering, BAA, Edinburgh). These statements show that the managerial level employees can, themselves, have awareness and can draw conclusions concerning the differences in airport cultures. Therefore, it is clear that, in BAA, Edinburgh, there are also influences on the culture from external sources such as BAA, Glasgow (Dawson, 1994; Wilson, 1992).

This situation means that 'it takes longer to achieve change here, than it did in Glasgow because you've got to overcome the initial resistance and then persuade everyone that this

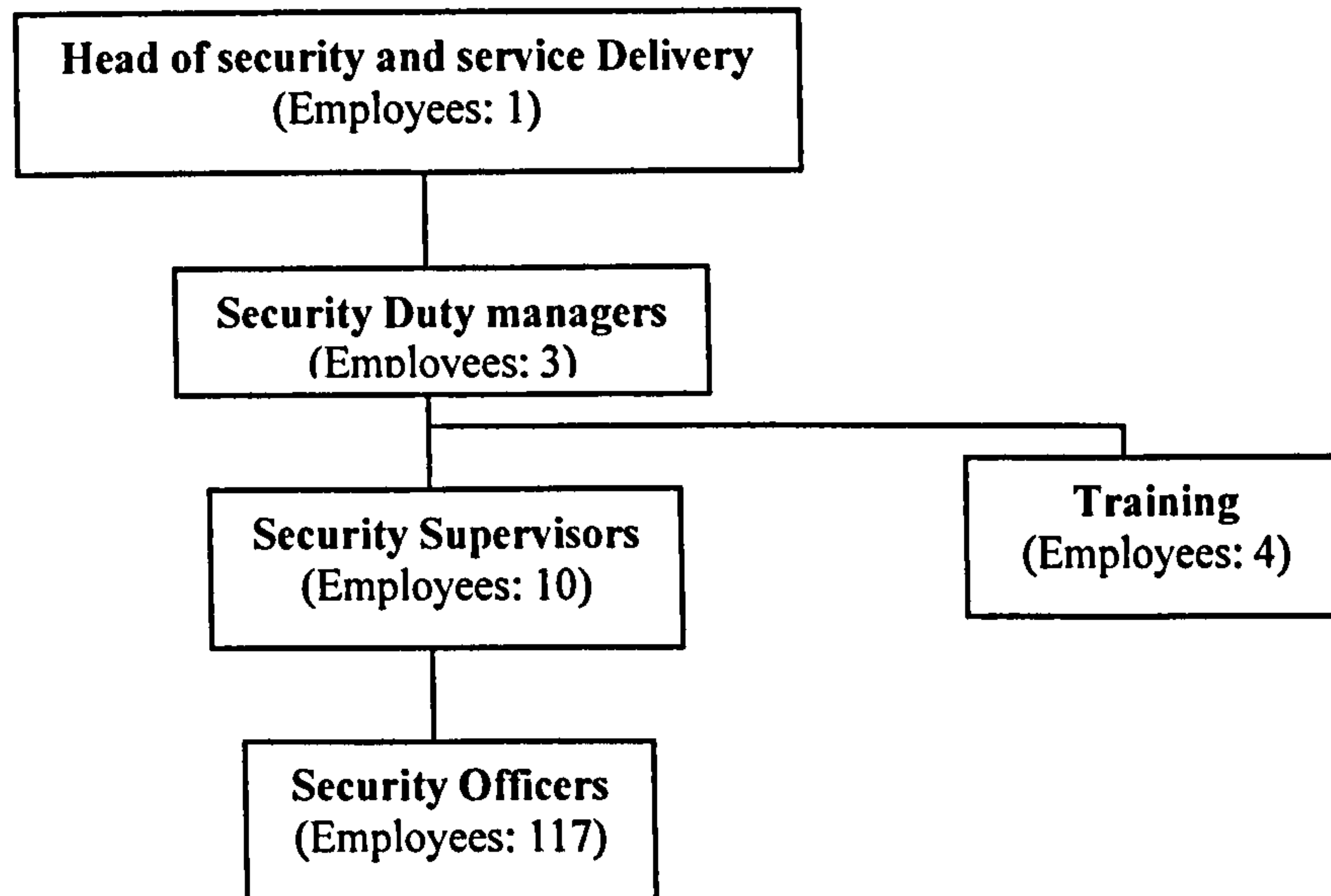


is a good thing to do, and then you're actually at the stage where you can start talking about what the change is' (airport director 2, BAA, Edinburgh). The managerial response to the differing attitude towards change in BAA, Edinburgh is to 'spend time finding out how you can get round it and still achieve the change you need. You just change the tools in your tool box' (airport director, BAA, Edinburgh). A key example is the relationship between the management and trade unions in BAA, Edinburgh. In BAA, Edinburgh 'they [employees] want to be saying their own viewpoint or not expressing a viewpoint either to the union or the management. In other words, you get a lot of apathy and they just sit back and see where it goes' (airport director 2, BAA, Glasgow). This results in managers being forced to talk to all the airport staff directly concerning change, rather than persuading small employee groups of the benefits and allowing them to communicate the information to others. However, it is apparent that managers still find that 'you [managers] break down the resistance in the trade union side, and then you find that the staff are solidly against the idea' (airport director 2, BAA, Glasgow). The potential for conflict between unions and management are well rehearsed and show that political language is often at the front end of change processes (Nadler, 1993). In BAA, Edinburgh, the difference is that although unions do form a subculture and have been involved in struggles with managers (Nadler, 1993), the inherent individual culture limits their control over employees. The attempt to rectify this situation in the employee-manager relationship has been the formation of a partnership agreement which allows coalition-building (Kanter *et al*, 1992), aiming for more participation and communication with staff.

A duty manager from airport security highlights the importance of having an appropriate structure for employees to work in which reflects the culture of the airport. This department has a family tree structure shown below (Figure 8.1).



Figure 8.1: The Structure of the Security Department



This type of structure reflects parental control rather than the flattened structure often indicative of growth companies. The concept of family relationships between managers and employees is also employed in other departments in the airport, but particularly in the finance section where the manager states that ‘I look on it [culture] as how I manage my family at home, and to me when I come to work this is my family’(manager 2, finance, BAA, Edinburgh). This again highlights where the power base lies in the airport and clearly has an impact on the commitment to and practice of organisational culture values such as empowerment because employees may only be behaviourally committed, rather than attitudinally committed to the values of the Freedom to Manage change programme (Peters and Waterman, 1982; Coopey and Hartley, 1991) .

Managers perceive that the majority of staff like working in the airport environment ‘if they get a job in an airport there's a buzz, there's an environment where you're constantly changing’ (airport director 2, BAA, Edinburgh). This would suggest that individuals enjoy working in the airport environment, i.e. the overall ambience of the airport environment. However, supervisors highlight that there may be individual concerns with practical or process areas which affect the way in which they do their job such as the pressure of change, morale dips and the insecurities of change. Therefore, there can be a

distinction made between the ambience which the airport industry provides and the practical work environment in which they do their job.

Values often emphasise the culture of the organisation and BAA have a corporate mission statement which is discussed in chapter 5. The values consistently expressed to be key to BAA, Edinburgh are safety and security coupled with recognition that the airport business relies on safety and security, otherwise the commercial nature of the business is harmed. As close secondary concern are the high quality standards of service from all staff towards the various customers of the airport including passengers and business partners. Then there is the environmental concerns which form an important part of airport business and must be monitored consistently. Finally, the well-being of the staff is described in terms of having programmes which motivate and manage staff effectively. It is an underlying theme that commercialism is essential to the company although the mention of it is minimised by values such as safety and security and customer service, however it should be noted that these values are key to the commercialism of the industry and its survival. This means the fundamental areas of adding value through reducing costs and increasing profit are built into the values and mission of BAA, Edinburgh.

The mission statement of BAA, Edinburgh is described as 'Our mission is to be the most successful airport group in the world' (airport director 1, BAA, Edinburgh). There is a focus at Edinburgh airport on the corporate view of the vision for the company, the manager Director states that 'Edinburgh have looked at making their own mission statement, but at the moment we're sticking with the group mission because everything we do at Edinburgh is in line with company policy, so we have a group mission. There is more of a focus on being part of a group here and that can be a good thing' (airport director 1, BAA, Edinburgh). The reference to maintaining the group or corporate mission statement is a further confirmation that BAA, Edinburgh is moving toward a group culture focusing on collective commitment to a common goal. However, the value of company mission statements is not accepted amongst all managers and supervisors, one of whom states that 'the mission statement is for the general public and stuff that they



give out to shareholders because some people care about at all' (manager 1, engineering, BAA, Edinburgh). This would suggest that it is those senior managers who hold the values which they wish everyone in the company to hold, but cannot enforce this in a culture which remains characterised by subcultures. Supervisors emphasise this point further in their statements that 'staff have to be aware of what is expected [in the mission statement] because it is hammered into them' (supervisor, security, BAA, Edinburgh) and that 'the mission is posted everywhere around the airport...but there is a general complacency towards it because it is always there, it has come not to mean that much to some people' (supervisor, airfield operations, BAA, Edinburgh). Therefore, 'they [staff] treat it with a bit of cynicism' because 'they do put forward lots of good investment in people type statements, but I don't think they live up to them very well, and I think that's part of their unwillingness to let go and trust people' (supervisor, engineering, BAA, Edinburgh). This suggests that, as an artifact which symbolises the corporate culture, the mission statement and associated values are not embedded in the current fragmented organisational culture. Therefore, the result is a level of 'behavioural compliance' (Becker, 1960; Keisler, 1971).

#### 8.4 Managing Human Resources in a Change Environment

The leadership style which characterises BAA, Edinburgh is one which, like the culture, varies according to the change situation managers and supervisors find themselves in. The intention of managers to move towards an *open* and *friendly* culture through the Freedom to Manage change programme has resulted in a leadership style also defined as 'open' by managers (airport director 1; manager 1, airfield operations; manager, security; manager 1, engineering; manager, human resources, BAA, Edinburgh). Managers also equate this open style to being 'easy going' or 'relaxed' (manager 2, airfield operations; manager, airport operations; manager 2, engineering, BAA, Edinburgh). This style takes an approach to managing employees which is 'firm, but fair' (airport director 1; manager, airport operations, BAA, Edinburgh) and is characterised by approachability so that 'they [employees] find me approachable because they come up and discuss things with me that they won't discuss with someone else' (manager, airport operations, BAA, Edinburgh).



There is also a tendency for managers to describe how they 'try to be specific and if I want something done I try to be clear about what I want done, when I want it done, how I want it done and make sure the people [employees] understand what we're looking to be done' (manager 2, airfield operations, BAA, Edinburgh). This statement suggests a one-way communication process from manager to employee, however another manager expands this statement further by stating that 'I also try to involve them in setting the goals and the direction, and I take time to explain to them the reasons why we need to change' (manager 1, airfield operations, BAA, Edinburgh).

This leadership approach is linked to the managerial attempts to provide 'guidance' to employees (manager 2, engineering, BAA, Glasgow). The behaviour of listening is also mentioned as important by managers who state that 'I listen to what they say and I try to take it on board' (manager 2, airfield operations, BAA, Edinburgh) and that 'managers really listen to staff, especially through working groups' (manager, security, BAA, Edinburgh). All these management behaviours are summed up by one manager who explains that 'people [employees] just want things to be explained to them and be informed, and basically feel as if they are contributing something. And if they get that they're fine' (manager 2, airfield operations, BAA, Glasgow). It is clear that supervisors echo this managerial opinion in their statements that 'the management keep the staff well informed and when people [employees] have ideas and suggestions, they will pass them up the line and talk about them' (supervisor, airfield operations, BAA, Edinburgh). This democratic leadership style is clearly associated with the philosophy of the organisational development values apparent in the Freedom to Manage change programme (French and Bell, 1995) and it is apparent that some airport departmental subcultures, particularly in terminal operations and airfield operations, do perceive that this style is effective. However, it should be noted that this is not evident throughout the airport environment.

As a direct result of the rapid changes in both the processes and the architectural change in the terminal building, the management style is described as 'prescriptive' (airport director 2, BAA, Edinburgh). The volume and diversity of tasks involved in the change

to the airport meant that ‘...when you're [managers] pressed for time one of the first things which always falls by the wayside is *why* and you just go straight into the *do it* and forget the *why*’ (airport director 2, BAA, Edinburgh; *emphasis added*). This type of style does not leave room for the explanations already described in the open style of management, but rather focuses directly on achieving the results required in change. Thus, the focus is on process and task and achieving results rather than a people centred approach to change. This can result in a situation where there is a ‘you’re the managers and we’re the workers kind of culture (manager 1, airfield operations, BAA, Edinburgh). Supervisors agree that the rapid change environment has made targets and their delivery top priority and consequently, ‘staff don't always understand or appreciate management's requirements’ (supervisor, terminal operations, BAA, Edinburgh) and find the management style ‘harsh and strong at times’ (supervisor, security, BAA, Edinburgh). However, supervisors also acknowledge the intention of managers to move towards a *softer* management style. Therefore, as the physical pace of change slows down in the airport, this will allow managers to ‘focus much more on the people change and do that job better’ (airport director 2, BAA Edinburgh).

There is another style highlighted particularly from managers in the finance department. This style is one which is described as ‘far too lenient’ (manager 1, finance, BAA, Glasgow). The finance team is not as large as many other operational departments and therefore the manager states that ‘I really do like to almost let them do their own thing. I only like to get involved if I think there's something going wrong’ (manager 1, finance, BAA, Edinburgh). This type of management style indicates that this manager ‘trusts most of my team just to go and do what they want because I’ve never ever had any problems with them’ (manager 1, finance, BAA, Edinburgh). In this environment another manager also states that ‘if I’m looking for something urgently then I will always offer to do something for them’ (manager 2, finance, BAA, Edinburgh). This statement is evidence of a bargaining or mutuality clause added to the manager-employee relationship. Therefore, ‘If they play me [the manager] right then I'm fine’ (manager 2, finance, BAA, Edinburgh) which means that if employees interact in the correct way with



the managers, then the relationship will be positive. This type of relationship is reminiscent of the parent-child relationship already discussed above in terms of the management of change. This may be workable in a small environment such as finance where the manager can easily have contact regularly with most employees, however, this type of leadership style in a larger department may cause employees to feel unsupported or under a great deal of pressure to play the politics game in the manager-employee relationship (Pettigrew, 1987).

It is recognised by both managers and supervisors that leadership style can affect the level of employee satisfaction with their work. This issue is encapsulated in the statement that 'certainly from my position and all of my operational managers very much influence the staff work environment because that's what managers do. So, if we get that wrong then it immediately manifests itself on the staff and they'll tell you that' (airport director 2, BAA, Edinburgh). Therefore, 'if your [leadership] style is wrong, and I'm not saying that there's a particularly right style, it's particular to the staff and the situation you find yourself in. If you're style is wrong then without a doubt they will not enjoy their job' (manager 2, airfield operations, BAA, Edinburgh). Supervisors echo this perception by stating that 'depending on how managers react to situations it can make the staff feel undervalued and can demotivate them' (supervisor, terminal operations, BAA, Edinburgh). However, the suggestion here is more that leadership style 'might affect their [employees] satisfaction in terms of their feeling of worth within the company' (supervisor, engineering, BAA, Edinburgh). Therefore, it is suggested that job satisfaction for the employees lies in more than simply their job role, as managers would imply, and instead is a more intangible individual concept related to employee feelings.

Managers and supervisors both relate the level of employee satisfaction to the extent to which employees are motivated. One manager states that 'I think the primary ways [to gain job satisfaction] are motivation...if you have an open style of leadership...you take time to make clear what the job is...and make a point of recognising the fact that they've done a good job...when you involve them in decisions...that can have quite a



motivational impact on the team' (manager 1, airfield operations, BAA, Edinburgh). In particular, the recognition of employees is consistently cited as a key management activity which has a positive effect on job satisfaction and motivation – 'one of the things that I've noticed that seems to motivate people [employees] here is that when they do something rare or exceptional to their normal job, if they get a bit of recognition for it, that's a key motivator. I think they like nothing better than a bit of appreciation being shown to them' (supervisor, engineering, BAA, Edinburgh). Therefore, the behaviour of managers has a key impact on motivation and job satisfaction. This is a key area which is highlighted as important to employees in the BAA plc Staff Survey, particularly in terms of reaching business objectives.

A contrasting view of how leadership affects motivation and satisfaction is given by a manager who perceives that 'they [employees] like to be left to their own devices to do their own work, and it's good if you manage in that style. But they also appreciate having someone to fight their own corner for them and be on their side' (manager, engineering, BAA, Edinburgh). This suggests that instead of involvement and recognition, a manager should only step in to the employee work situation when there is a confrontational or problematic issue to be dealt with. However, there may be employees who view this management style as one of trust or as a form of empowerment. This type of approach to employee motivation is also evidenced in the finance department in which the managers allow employee to 'make their own decisions' and 'support them and back them fully' (manager 2, finance, BAA, Edinburgh). This *support mechanism* is one in which the manager professes to 'take the shit for anything that they do and they know that. They know that the buck stops here and they're comfortable with that because they know that they won't get the flack' (manager 2, finance, BAA, Edinburgh). This reflects a protective and perhaps confrontational approach to employee support, which may motivate employees to work with the confidence of 'no blame culture' in the department.

In the midst of change, management style can be the stabilising influence on employees and part of this influence comes from having a supportive style towards employees who

have concerns during change. An airport director describes the way in which employees concerns are dealt with by stating that there are six main stages:

- Communication through line managers and supervisors in the department
- Explanations of *why* changes are happening
- Explain the benefits to the company (business awareness) and to the employees
- Tackle fears head on
- Try to understand fears and problems
- If you can't remove the problem, then mark it up as a concern.

In terms of support for employees on a daily basis in their jobs, one manager states that 'I think as a manager, you are as much responsible for the welfare of the staff as you are for your responsibility to deliver the business side' (manager 2, airfield operations, BAA, Edinburgh). Therefore, there is a balance sought between the supportive behaviour of listening, giving emotional support and advice and moral support, and the business related areas of training and development of appropriate skills and effective employee performance. Finding this balance is difficult because, according to managers 'there's still a reluctance from them [employees] to come and talk to you about things...if there's a personal issue they'll come and talk to you about it, but there's a reluctance in the performance side if it's something that you want them to do' (manager 2, airfield operations, BAA, Edinburgh). Supervisors highlight the fact that managers do 'communicate with staff on a regular basis and encourage things like working groups...and they listen to ideas, as well as problems and help with solutions' (supervisor, terminal operations, BAA, Edinburgh).

According to one airport director, 'formal appraisals are a necessary way of maintaining a record of performance for the company' (airport director 1, BAA, Edinburgh). The Freedom to Manage initiative introduced appraisals for all employees on a twice-yearly basis in BAA, Edinburgh. Staff targets and competencies are agreed and reviewed by managers to ensure that they match up with the targets of the business as a whole. This



formal approach aims to produce a synergy where all departments and individuals are pulling in the same business direction. The formal appraisal process is described by managers as 'just something that the company's always done' (airport director 2, BAA, Edinburgh).

This mandatory and traditional process elicits a 'mixed' reaction when carried out with staff (manager 2, engineering; airport director 2, BAA, Edinburgh). This reaction results primarily from 'how you [managers] give feedback rather than the actual process itself' (manager 1, airfield operations, BAA, Edinburgh). This is confirmed in the statement that 'two managers could give the same person the same facts, but in the way they're actually presented, you'll find that the way the staff member reacts is quite different' (manager 1, airfield operations, BAA, Edinburgh). This suggests that managerial behaviour will affect employee reactions to appraisal issues. One of the key issues involved in giving feedback to employees is that of honesty because managers 'believe they've got to be told the truth' (manager, airport operations, BAA, Edinburgh). However, it is clear that 'where we've [managers] gone wrong in the past is that we haven't been giving honest feedback in some cases' (manager 1, airfield operations, BAA, Edinburgh). Honest feedback is described as, 'if there's problem I just tell them, and if something's done well I'll tell them straight away as well because there's no point in putting it off' (manager 1, finance, BAA, Edinburgh). This type of approach is said to be 'difficult to communicate...[because] people are scared of managers' (manager 1, airfield operations, BAA, Edinburgh). Therefore, managers suggest that in order to be effective, 'you [managers] have to make sure that you give them [employees] the right coaching, training and support because if your manager won't support you in that feedback then there's no point' (manager 1, airfield operations, BAA, Edinburgh).

The managerial perception of providing support for employees which bolsters the effects of formal appraisals is that they provide informal feedback on a 'daily basis' (manager 2, finance, BAA, Edinburgh). This feedback involves 'just talking' (manager 2, airfield operations, BAA, Edinburgh) or 'a chat' (manager, airport operations; manager 1, airfield



operations, BAA, Edinburgh). This allows managers to provide timely feedback concerning job roles and also shows managers as 'trying to take a genuine interest in your staff' (manager 1, airfield operations, BAA, Edinburgh). This approach is one which supervisors consider to be beneficial to employees so that 'there should never be any surprise in the [formal] appraisals' (supervisor, terminal operations, BAA, Edinburgh). In addition, managers link effective and supportive appraisals and feedback with recognition because 'if someone has done something well, and they know they've done it well themselves, it's nice for it to be recognised...it's an important thing' (manager 2, airfield operations, BAA, Edinburgh). This employee reaction to appraisals, which forms part of the 'hard' approach to managing human resources, may be reflective of the movement towards a 'softer' approach to management which embraces the values of communication (with an emphasis on informal consistent communication) and involvement which employees state are so important in terms of their satisfaction and effectiveness in their jobs (Legge, 1995).

However, it is important to recognise that reactions to appraisals also 'depends on the individual [employee]' (manager 2, airfield operations, BAA, Edinburgh). Therefore, some staff 'don't like performance appraisals' (supervisor, airfield operations, BAA, Edinburgh) because the targets which are set for employees are seen as 'over and above their normal job' (supervisor, airfield operations, BAA, Edinburgh). Therefore, there may be a perception that appraisals are unrealistic in their expectations of the performance of employees. Other employees may not like appraisals because they 'just want to get on with their job' and see appraisals as 'a bind, and don't want to go through with it because it's mandatory' (manager 2, engineering, BAA, Edinburgh). One airport director highlights that 'getting to the operational staff with appraisals was more difficult. There was a lot of resistance from the trade unions about whether it might victimise people [employees]' (airport director 2, BAA, Edinburgh). This has resulted in a more generic approach to appraisals rather than a specific individual approach because 'if there's a generic appraisal they can all feel comfortable' (airport director 2, BAA, Edinburgh).

There also seems to be an issue at operational level with appraisals because of employee wage scales. There were two wage scales evident, 'a wage scale that the old staff are on and the wage scale that the new staff are on' (supervisor, engineering, BAA, Edinburgh). Those employees on the old wage scales do not have financial outcomes linked to targets to be met for appraisals. Therefore, the appraisals have 'no value to them' (supervisor, engineering, BAA, Edinburgh). This creates friction in the operational environment because the employees on the new wage scale must meet targets to gain financial benefits which may bring them up to the wage level of the old employees.

Managers identify a combination of various areas which they perceive motivate employees to achieve the targets set by performance appraisals and performance development plans. The first of these motivators is that 'in general, people [employees] like working at the airport, and that can be a big motivator for people' (airport director 1, BAA, Edinburgh). This is said to be because the airport is 'a nice environment in which to work most of the time...it's an interesting place to work' (airport director 2, BAA, Edinburgh). One supervisor also states that 'airports are exciting places to work with a variety of work' (supervisor, security, BAA, Edinburgh). For supervisors this environment also includes the 'good teamwork, good morale, and good banter that they have in the airport' (supervisor, airfield operations, BAA, Edinburgh).

In this work environment staff are 'keen to deliver a high standard of skill in whatever area they're in...they want to be the best' (airport director 2, BAA, Edinburgh). Therefore, managers perceive that there is a link between enjoying the work environment and seeking to be involved and perform effectively in that environment. The attention to gaining high skill levels is related to the ways in which employees are enthusiastic to be involved in projects out with their job roles (manager, airport operations, BAA, Edinburgh) and the provision of career development opportunities by managers (manager 1, airfield operations, BAA, Edinburgh). These types of involvement in the organisation are said by supervisors to motivate employees and achieve job satisfaction (supervisor, security, BAA,



Edinburgh), and also to achieve pride in the company (supervisor, terminal operations; supervisor, engineering, BAA, Edinburgh).

In contrast, other managers view that 'money always motivates staff because they are well paid' (airport director, BAA, Edinburgh). The money, however, is not described as an entirely materialistic issue, but rather that 'what we [managers] seem to forget is that they [employees] have families and that side of things comes first' (manager 1, engineering, BAA, Edinburgh). Therefore, money 'gives them [employees] their standard of life' (manager, human resources, BAA, Edinburgh). Thus, the money which employees earn is associated with a quality of life external to the organisation. An associated area to the monetary motivator is 'the fact that a lot of staff are shareholders' (airport director 1, BAA, Edinburgh). This has led employees 'to ask a lot more intelligent questions about the business...and it can also encourage them to strive to do a better job because they know their job contributes to the whole business' (airport director 1, BAA, Edinburgh).

Managers define the concept of empowerment with a focus on their particular perception of empowerment. Some managers emphasise the need for boundaries by stating that 'you have the authority to do certain things within the boundaries of your job, but it is limited' (airport director 1, BAA, Edinburgh). This means that managers must 'determine the box that people [employees] operate in and make sure that they understand that within that box they can do what they need to' (airport director 2, BAA, Edinburgh). This structured approach to empowering others also means that managers must ensure that employees 'know when to step outside their box, and that they can't do that without reference to someone else' (airport director 2, BAA, Edinburgh). A key issue behind this approach is that 'in a safety conscious environment it's very important that employees know where their limits are' (airport manager 2, BAA, Edinburgh). This particularly applies to security 'because of the rules and regulations which guide how the guards do their jobs' (manager 2, engineering, BAA, Edinburgh) and also to the fire service because 'if they're not putting out fires they can be doing nothing. They come in and do drills and clean equipment, then have lunch, but after that they don't really have anything to do, and they can't go



anywhere. So, it can get boring and the atmosphere can get bad' (manager, human resources, BAA, Edinburgh).

In sharp contrast, an operational manager suggests that empowerment exists when 'staff are left unsupervised and encouraged to work on their own initiative' (manager, airport operations, BAA, Edinburgh). In this case, employees can make decisions, but can use managers and supervisors to 'fall back on if they're unsure' (manager, airport operations, BAA, Edinburgh). This approach is characterised by high trust in the manager-employee relationship. In addition, taking initiative is linked to encouraging employees to take more responsibility through *supportive* actions such as 'giving them the tools to do the job...making sure you describe s clear vision...and what you expect the them to achieve' (manager 1, airfield operations, BAA, Edinburgh). The provision of the correct tools, such as information and resources, in order to make decisions is further emphasised by supervisors who state that this allows them to improve themselves and their job performance (supervisor, airfield operations, BAA, Edinburgh).

However, there are difficulties with this type of empowerment because 'you have to get away from this parent-child relationship that existed a lot in the organisation where they feel as though if they're not sure about making a decision they can just phone up [a manager] and we'll make the decision for them' (manager, airfield operations, BAA, Edinburgh). This manager-employee relationship is related back to the culture by one manager who states that 'the cultural aspect comes into it, that in the past maybe they haven't been allowed to make decisions and they haven't been able to take a job to that level [of empowerment]' (airfield manager 2, BAA, Edinburgh). This type of behaviour 'doesn't *teach* anybody empowerment' (manager 1, airfield operations, BAA, Edinburgh; *emphasis added*). The attempt to remove the effects of the parental relationship is linked with the training and coaching which employees receive in order to ensure that managers are not 'nannying' employees (manager 1, airfield operations, BAA, Edinburgh).

Managers also acknowledge that their role is pivotal in the development of empowerment by stating that 'it's maybe a reflection on people like myself [managers] that we don't give them an opportunity to make a decision...it's difficult for people [managers] because you're trying to empower people to make decisions, but equally you don't want them [employees] to overstep the mark and make a decision that they're incompetent to make' (manager 2, airfield operations, BAA, Edinburgh). This may result in empowerment only existing 'so far down from the top because it's like any other organisation, I think, where managers are not willing to give power away' (manager 2, engineering, BAA, Edinburgh). This statement shows a lack of trust in employees' ability to make decisions and the pressure that managers feel towards the prospect that employees may make mistakes.

### 8.5 Managing the Future of Change: The Introduction of Enterprise

The Enterprise change programme is seen as the system which will 'bring BAA, Edinburgh in line with the rest of the airports instead of the airport being left to its own devices' (airport director 1, BAA, Edinburgh). This suggests a movement towards a corporate culture where BAA, Edinburgh becomes an integral part of BAA plc instead of an autonomous airport unit. Enterprise is also described as a 'different sort of programme' (airport director 1, BAA, Edinburgh) in comparison to the Freedom to Manage change programme. It is built around *processes* and as a result staff are trained in new ways of working through this system. Therefore, 'people [employees] will use the system to get the right answer, and that's completely different from allowing people the freedom to do things in the way they saw best or most efficient' (airport director 1, BAA, Edinburgh). This means that 'instead of there being different routes for different people to do things, there should be the same route to everything for everybody' (manager, human resources, BAA, Edinburgh). Consequently, one of the airport director questions whether it's the most appropriate change for BAA plc.

Enterprise is also seen as 'taking that [Freedom to Manage], in process terms, a bit further and puts processes in which supports that kind of decision-making' (airport director 2, BAA, Edinburgh). This approach across the airport 'will be different things to different



people...so it will have plusses and minuses all across the business' (airport director 2, BAA, Glasgow). Through this process engineering staff retain control over ordering new parts which in turn allows them to do their job more efficiently. This means that there will be a 'change from reactive maintenance to directive maintenance' (manager 2, engineering, BAA, Edinburgh) where all work will be planned. In doing this, Enterprise clearly defines the realms of responsibility of employees and therefore roles and processes become more standardised. This type of change 'will affect the culture' in the department because planned maintenance removes the ability of engineers to plan their tasks on a daily basis as the system dictates their workload. As a result of this change, the engineers may feel less empowered in their job roles because they are no longer gaining 'satisfaction' from helping employees who are 'in trouble', but instead they are put in a position where planning allows less human contact and therefore 'there's no credit...no relationship that says thanks very much for helping me out, that's great' (airport director 2, BAA, Edinburgh). However, it is clear that other airport functions may be more empowered by Enterprise because 'in finance it's very much empowering people to look at the value added tasks, and get rid of the mundane, like checking travel and subsistence claims' (airport director 2, BAA, Edinburgh).

Enterprise is also seen by managers as taking away a lot of the 'individuality' which exists in the airport unit (manager 2, finance, BAA, Edinburgh). The areas which made people enjoy their jobs and were nice about working for the airport, such as the *ad hoc* things (showing people around or giving money to charity) are going to be more difficult to undertake. These are the aspects of work which 'made' life a bit more interesting' (manager 1, finance, BAA, Edinburgh). Enterprise is a lot more focused on provision of resources for the job in hand, the importance of the business and making it efficient to do things for the business and consequently 'it will make things a lot more rigid and restrictive and it will give people a lot less freedom to do things' (manager 1, finance, BAA, Edinburgh).

Supervisors perceive Enterprise change to be a system and processes which ensures increased efficiency for the company. This efficiency means that there will be a move towards *centralisation* and consequently 'there will be job losses' (supervisor, terminal operations, BAA, Edinburgh). However, 'there will be a new up-to-date system which will give better information to staff' (supervisor, security, BAA, Edinburgh). Thus, there seems to be a trade-off between human expertise and technology. Enterprise is therefore, going to affect individual's perceptions of change and how it affects them and as a result 'it is inevitably going to change their [employees] attitudes towards the company' (manager 1, engineering, BAA, Edinburgh).

The question remains as to whether Enterprise replaces the Freedom to Manage programme or instead complements it. One airport director sees Enterprise as a programme which 'will probably swamp the Freedom to Manage initiative and take its place...These things can't go on forever' (airport director 1, BAA, Enterprise). Other managers agree that Freedom to Manage has been 'overrun by Enterprise' as the focus is largely on the newest change programme (manager 1, airfield operations; manager, airport operations, BAA, Edinburgh). This point is further highlighted by a manager from engineering who emphasises the incongruity of Freedom to Manage and Enterprise by stating that, 'I think what will happen or what is happening is that Freedom to Manage ends and Enterprise begins, so the new change programme is under the banner of Enterprise - I can't see how one can be involved in the other, they're two different things' (manager 1, engineering, BAA, Edinburgh). On the other hand, one manager did state that Freedom to Manage is 'still there in the background' (manager, finance, BAA, Edinburgh). This suggests that there are departmental pockets in which Freedom to Manage principles are still embraced by employees.

However, Enterprise is also described as encouraging empowerment because employees will own their own details which they may alter through the computer system. This is an added responsibility for staff which they are led through by a system put in place for them to follow. Therefore, this responsibility is a movement towards a culture in which 'if you



want to have a career and if you want to do training and development then it's up to you to push that, it's up to you to make clear what your strengths and development needs are now so that you can work on those yourself and take control of your own development' (manager 2, airfield operations).

Therefore, there is an acknowledgment by employees that the movement to a new change system coupled with the completion of the refurbishment of the terminal building will signal the rise of Edinburgh airport as a more competitive organisation. The physical manifestations of a new culture which is supported by new efficient systems may have an effect on the traditional hierarchical and fragmented culture which exists in the airport environment.

### 8.6 Conclusion

BAA, Edinburgh is an organisation which reflects the varied results of a 'transition environment' which was caused by the Freedom to Manage change programme, the architectural change of the terminal building and then the introduction of the Enterprise change programme.

In terms of the influence which Freedom to Manage wielded over the organisational culture, it has to be recognised that its influence was patchy because of the state of equilibrium which is so often required for these types of planned change programmes. Although the managers attempted to modify their behaviour in line with the democratic values and principles of Freedom to Manage, the intangible nature of the programme coupled with the other influences on the environment limited the organisational and managerial focus on the change programme. The result, in terms of culture, has been a fragmentation of cultural sub-groups and individuals who recognise conform or reject the espoused organisational values to greater or lesser degrees.

The signal to begin the break away from the old culture was the refurbishment and extension of the terminal building which acted as a tangible illustration of BAA's

commitment to the growth of the airport and its staff. This tangible change has been followed by another change process which has a 'hook', i.e. the IT system and the tangible change of processes. Therefore, it is suggested that BAA, Edinburgh will be most likely to adhere to the values which relate to the new Enterprise system and hence their culture will change accordingly.



## **CHAPTER 9**

### **CONCLUSIONS**

#### **9.1 Introduction**

The intention of this study has been the consideration of the interrelationships which exist between managed organisational change and organisational culture, with particular reference to the management of human resources. Specific objectives were identified in the introduction of this thesis in order to guide and focus this study in attempting to achieve the overall purpose.

The study has combined an extensive, but by no means fully exhaustive, search of the literature regarding the themes of organisational change management, organisational culture and human resource management, empirical research through the analysis of data from the BAA plc commissioned Staff Survey 1999, and qualitative field research through in-depth semi-structured interviews. On the basis of these research strands conclusions are postulated.

This study concludes that the implementation of managed organisation-wide change programmes will have a distinct impact on singular organisational units, due to the intrinsic characteristics of the prevailing organisational culture. The human resource issues in organisational units are key to the identification and analysis of the inherent culture in the context of managed change. Therefore, there are key interdependencies between organisational change, organisational culture and human resource concerns.

Specifically, the objectives of this study were:

1. To identify the main issues involved in the managed organisational change programmes in terms of implementation and support.
2. To identify the interrelationships between the inherent organisational culture and managed organisational change.

3. To identify key issues in the management of human resources which reflect the inherent culture of the organisation within the context of managed change.
4. To identify the interrelationships which exist between organisational change, organisational culture and human resource management practices.
5. To consider the extent to which organisation-wide change programmes can be implemented and managed within singular organisation units, and accordingly to identify key managerial behaviours which result in successful change management.

The key outcomes of this study are revisited after the main results of the qualitative analysis chapters is summarised below.

### 9.2 Managed Change: Airport Units Compared

Chapters seven and eight took an in-depth view of the complex interrelationships which exist between managed organisational change, organizational culture and the management of human resources BAA, Glasgow and BAA, Edinburgh. The main finding from each of these chapters was that there is no guaranteed prescription for effective organisational change, instead it is clear from the qualitative analysis that each airport unit within the BAA plc corporation has specific characteristics which render the outcomes of universal cultural change programmes such as Freedom to Manage uncertain.

Consideration of the way in which change was managed in both BAA, Glasgow and Edinburgh highlights that the management of change is a largely situational and contextual variable which depends not only on the values of the prescribed framework for managed change, but also is dependent upon the internal and external environmental conditions which shape the development of the organisation. It is clear that at the time of the introduction of Freedom to Manage, BAA, Glasgow was in a state of incremental organisational development and profitable growth which already embraced the need for organisational change. However, in BAA, Edinburgh there was a period of what may be



called stagnation where BAA plc withheld investment from the airport until after Freedom to Manage was introduced. Therefore, this airport unit experienced a movement from a stable, complacent culture characterised by an individualist culture, to a rapid coercive change process because of the refurbishment of the terminal building. These contextual variables clearly affect employees at all levels and have a key impact on both the managerial behaviours and employee responses to change programmes, especially Freedom to Manage as a cultural change programme.

In BAA, Glasgow, the way in which managers in the organisation describe their leadership style is reflective of the key values of the Freedom to Manage framework. This leadership style is marked by a consistently open, honest and supportive approach which results in open door policies, rewards and recognition (non-monetary), giving advice and guidance to employees when required. This results in a manager-employee relationship which centres around trust and co-operation across airport departments. In contrast, the leadership style exhibited in BAA, Edinburgh seems to be fragmented and is somewhat different to the style which managers espouse in the airport unit (those of the Freedom to Manage cultural change programme). The practice of this fragmented leadership style mixes both rational and intuitive elements. While managers perceive their style as open and relaxed with characteristics such as approachability and communication, supervisors agree, but with a degree of reference to the hierarchical operation of the management system. It is this leadership style which supports the extent of job satisfaction and motivation which supervisors have highlighted as important in the operational environment.

However, many managers and supervisors in BAA, Edinburgh also highlight the tendency of managers to take a more rational and prescriptive approach to leadership which leaves no room for discussion or reasoning. This leadership style came about as a direct result of a contextual element - the rapid expansion of the airport. Therefore, there is a level of mistrust of managers as a result of the leadership imbalance. However, this type of dual approach does highlight the use of a situational or contextual

leadership approach (Vroom and Jago, 1988). What is clear from the qualitative data is that while employees do not necessarily favour the more controlling approach to management, they do understand the need to meet business targets as the overall purpose of the leadership style. The opposite extreme of this approach lies in the propensity for managers to leave employees to their own devices and only to step into the manager-employee relationship when there is a problem or issue which requires to be addressed. Thus, managers in this instance are only acting as a partial support mechanism for employees and can cause confrontation. Therefore, it cannot be concluded that any of these styles is generally more appropriate than the other because each leadership style is bound up with the context in which it is practiced.

The embedded cultures which exist in each airport unit, can be seen as evolving from differing change emphases. In BAA, Glasgow there is an autonomous group (airport unit) culture which has been described as a 'can do' culture which embraces the values of openness and communication in an integrated, community-like spirit where employees develop a relationship of camaraderie with managers and colleagues which is balanced with the recognition that the business objectives must be met. In this open culture employees are encouraged to participate and to be involved in their job roles in the business and empowerment becomes a key manifestation of culture. In this empowered environment employees also enjoy their work because of the characteristics of the unique airport environment. It is clear, however, that it is the values which managers reflect in their leadership behaviour which affect employee's perceptions of the culture, rather than those espoused values stated in the company mission which may be described as unrealistic in operational terms.

In contrast, the culture in BAA, Edinburgh exists in a rapidly changing environment as a result of Freedom to Manage, the airport refurbishment and the preparations for Enterprise change. The result of these changes has been the transition from a fairly static hierarchical top-down culture embedded from pre-privatisation days, to a culture which is characterised by two tendencies. One of the tendencies found in the



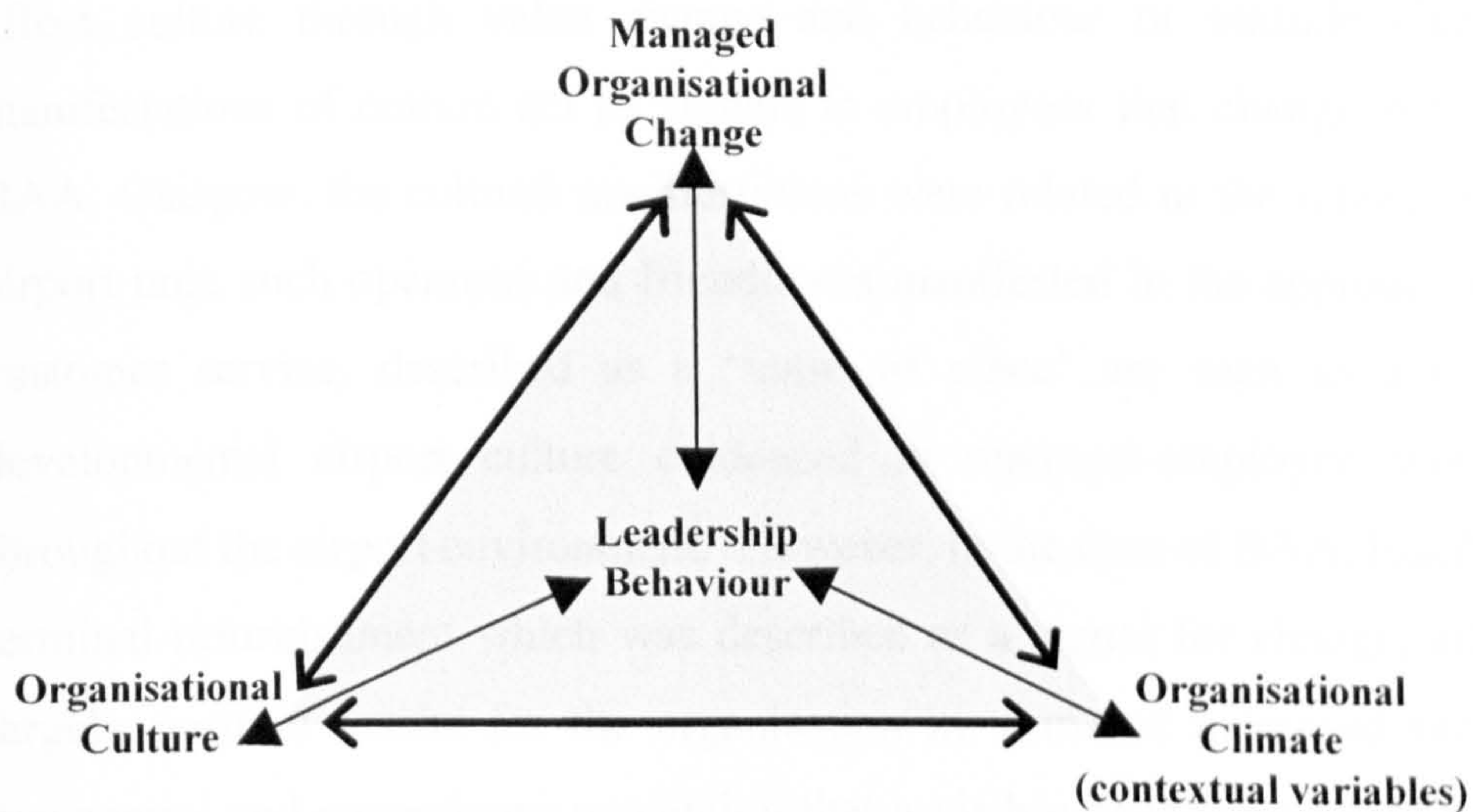
fragmented culture is towards a group or corporate culture, which Freedom to Manage aimed to embed in the organisation. However, this culture only exists on a sub-cultural basis in certain departments in the organisation, particularly in those areas of work centred in the terminal building, such as terminal operations, and security. This open culture is based around the community of employees who interact around the terminal building and is supported by managers who enact the values of communication, participation and decision-making. The individual culture, on the other hand, is characterised by resistance through a lack of teamwork and co-operation because of both the attempts to change the traditional embedded culture based around individual employee welfare and also to change the terminal building which is seen by many employees as a symbol of the development of BAA, Edinburgh into a more competitive airport unit. Therefore, it is clear that whilst intended practical and cultural change may be espoused by managers and indeed by BAA plc, it is not guaranteed that these intentions will have a standardised and consistent effect on managers and employees in any organisation. In the case of BAA, Edinburgh, the transitory leadership style resulting from the context of the airport environment did not result in the strong open culture seen in BAA, Glasgow.

Therefore, it can be concluded that the attempts to embed an open culture in all BAA, plc airports through the Freedom to Manage change programme did not have the full effects on either airport unit. Instead the result was one airport with a unique cultural identity based upon the interpretation of the Freedom to Manage concept in the specific airport context. This context or indeed organisational climate is defined by managerial behaviour, the inherent organisational culture and the managerial intentions for change. What is clear is that within this environment, consistent leadership behaviour and communication assisted the development of an open culture in which the manager-employee relationships are, for the most part, built on trust and co-operation. The three dimensional figure below shows the complexity of the interrelationships which exist between all the organisational factors considered in the airport context. However, an inconsistent managerial approach which employees perceive as lacking rationale or



explanation or which is coercive in nature will have a negative effect on organisational culture through the formation of subcultures which do not internalise the new cultural values.

Figure 9.1: The Interrelationships between Change, Culture, Climate and Leadership Behaviour



This figure also shows that leadership is central to the process of managing change and communicating the espoused values of the organisation to employees. Those who lead change must also be aware of the organisational climate and the contextual and situational variables associated with that climate. It is their awareness of these areas which will allow managers to identify the most appropriate leadership style for the situation they find themselves in whether it is the management of human resources through soft approaches such as empowerment, involvement and informal communication, or through hard approaches such as rewards and performance related pay.

### 9.3 The Key Outcomes of this Study

Universal organisational change programmes, such as those in this study, have been hailed as a 'cure all' for organisational ills (when in fact this study shows that in reality



planned organisation-wide change programmes fail to address the underlying issues which characterise individual airport units. This has been seen in the specific individual unit elements which characterise BAA, Glasgow and BAA, Edinburgh.

When considering the culture of the airport units analysed in this study, it has been found in both units that the physical manifestations of culture, or the lack of them, can affect culture through value change and behaviour or attitude change. Physical manifestations of culture act as signals to employees that change is taking place. In BAA, Glasgow, the cultural manifestations were related to the intangible values of the airport unit, such as openness and friendliness manifested in the approach to facilities and customer service, described as a 'sense of place' are seen as a reflection of the developmental airport culture evidenced in manager-employee work relationships throughout the airport environment. However, in the case of BAA, Edinburgh it was the terminal refurbishment which was described as a signal for change, although this had largely positive results for the organisation in terms of increased profitability and a managerial and supervisory perception that a visible change signified an organisational change. However, this reaction to visible change can be contrasted to the airport unit's failure to embrace the largely intangible aspects of the Freedom to Manage change programme. Therefore, it can be proffered that change programmes which are implemented on an organisation-wide basis sometimes lack a practical 'hook' on which the programme, its aims and objectives can be placed and which employees will relate to in their job roles.

History, as part of the development of the company lifecycle, becomes a key determinant of how employees perceive the culture of the organisation and how they react to managed change programmes. Past experience in the organisation of employee perceptions of how it has developed will affect the view of present changes. In the case of Edinburgh Airport, it became clear that a lack of investment in the early and mid 1990s resulted in employee perceptions that Glasgow Airport was receiving all the funding for refurbishment and therefore employees lost trust and confidence in

management. However, when the Edinburgh Airport terminal was refurbished in the late 1990s, there was then some change of perception and attitude towards the organisation.

It is clear from this study that 'planned' or 'managed' change has the potential to be primarily disseminated to managerial levels and then fails to impact on the front-line employees of the organisation. The managerial intentions of displaying and disseminating their new values for change and their modified leadership style may be hampered by employees' perceptions of the existing manager-employee relationship. This perception of the relationship which exists may be either related to the managerial culture or of the departmental/ sub-culture. Therefore, the concept of 'managing' change successfully may be questioned, as it is not the only, or the strongest, force within the organisation which impacts on change programmes.

Although leadership style would be strongly associated with the success of organisational change programmes it has been seen in this study that even when leaders champion and attempt to disseminate the values of change programmes, the organisational culture may not accept them and resistance may ensue. Therefore, the manager's role in the change process may be limited in many cases.

What is also clear from this study is that the way in which change programmes are managed may lean towards certain aspects of human resource management in their toolbox of new change initiatives. The tendencies would be towards either the 'soft' or the 'hard' side of human resource management. This relates directly to the values associated with the culture of the organisation, and by direct association is related also to the typical need of airports to balance compliance with customer service. It is the cultural response to this key business need which forms the soft or hard tendencies of the organisation. The change programmes which favour the soft approach to human resource management are characterised by an approach which strongly favours the cultural values of the unit with particular focus on openness, honesty, teamwork, and



enabling all employees to discharge their responsibilities in an effective manner through the facilitation of involvement in decision-making and empowerment, for example. This, however, does not negate the impact of hard human resource management which remains a less prominent portion of the human resource management process. However, the perception of the hard approach is associated with hierarchy and bureaucracy, and with behaviour patterns which are demarcated and relationships which are power driven. On the other hand, when an organisation has a focus on the hard elements of human resource management, the focus tends to be around the corporate culture, vision and mission, and as a result there is a tendency towards working in a certain way. The hierarchy and bureaucracy which impose power relations throughout the organisation become considered as the 'security blanket' which results in behavioural compliance to organisational expectations rather than commitment. Thus, the manager-employee relationship becomes one which is centred on the formal appraisals of the job role and the conditions specifically associated with carrying out the job. In this instance, the role of soft human resource management is one which managers attempt to use in order to elicit employee behaviours. Thus, soft human resource management is used as a type of rhetoric which may elicit a fragmented response from across the airport unit.

Theoretical prescriptive models or definitions of organisational culture and its role in the organisation are, in reality, flawed by their normative approach. In essence, they do not embody the nature of the business environment and often do not acknowledge the effect of managed change programmes. Thus, a realistic conceptualisation of culture set in the airport environment should acknowledge the complexities of the internal and business environments which characterise the airport business. Viewed from this perspective, change is often not a linear process which can be managed in prescriptive stages, but is an evolutionary process which takes into account the various internal and external environmental conditions which affect the organisation.

The major issue identified in this study is the key role which culture and human resource management play in the operationalisation and the consequent effect of organisational

change programmes. As a preface to all conclusions, it must be recognised that relationships which exist between organisational change, organisational culture and human resource management are complex and strongly interrelated. Therefore, change in areas such as human resource practices or leadership style will inevitably affect the organisational culture in some way.

There are several key areas which have been considered within the broad categories of organisational culture and human resource management in the context of managed change in the airport environment. The change programmes considered specifically throughout this thesis were that of Freedom to Manage (cultural change) and Enterprise (structural and process change). These programmes were both designed to be implemented in their entirety throughout the whole BAA plc company in order to achieve specific business outcomes through differing methods. It has been suggested already that there is a clear difference in the impact of these programmes on the units within the organisation. This is seen as a direct result of the culture which already exists within these units and the resulting impact which the change programme has on that culture. BAA, Glasgow provides a strong example of a unit in which the Freedom to Manage change programme complemented the existing culture and in a sense much of the philosophy and values associated with it rendered the programme a form of rubberstamping the existing culture and practices of the unit. However, in BAA, Edinburgh the Freedom to Manage change programme had a differing effect which resulted from an already existing, fragmented and somewhat conflicting, culture. The existing culture was characterised by a set of smaller departmentalised subcultures which were related to both the nature of the job role of employees, the individual employees themselves, and their relationships with colleagues. Therefore, Freedom to Manage had no overall uptake in the airport unit and as a result the philosophy did not have an effect and the values of the programme were espoused in a piecemeal way, if at all. Therefore, it has been proffered that the effects of organisation-wide change programmes can be divergent.



It is also suggested tentatively that the success or otherwise of organisational change programmes may be affected by those manifestations of organisational culture which are rendered at the foundational level of Schein's (1985) model of organisational culture. Whilst the results of the historical development of BAA plc renders both researched airport units on a par with each other in their nationalisation and privatisation, there are more specific elements which must be considered. The image of BAA, Glasgow since the 1990s has been one which has grown as the airport facilities and employees have been consistently developed and its culture has grown in this positive environment in which investment in both the facilities and the employees became paramount to success. Therefore, there are visible artifacts which reflect the development of the airport unit in a positive way and this must impact on the deeper levels of culture seen in the organisational values and the attitudes of employees. BAA, Edinburgh, on the other hand, can be shown as the antithesis in that it did not, until recent times, have a strong or positive image associated with it. Instead, the airport was considered to be under the shadow of BAA, Glasgow in terms of its offering of facilities, as well as its ability to serve customer demand. This may steadily have created a culture characterised by some level of mistrust and apathy for the company BAA plc and its managers, but also a level of security in the fact that a status quo was being maintained generally and in each department around the airport. Therefore, when cultural change was introduced through the Freedom to Manage programme, there was fear, insecurity and resistance which swept over the organisation. However, in the late 1990s the plan to rebuild the terminal building began and this provided an impetus or incentive to encourage cultural change in the airport unit. Therefore, the physical change in the airport surroundings and the targets which it was set to achieve in terms of customer demand and employee development, may have been seen as an initial sign to begin the movement from the old culture to the new culture espoused in the Freedom to Manage philosophy. In addition, as this airport continues to maintain and increase its positive public image, there is a likelihood that cultural change may continue in line with new change initiatives such as Enterprise.

The area of leadership in the management of organisational change initiative is one which has been given some importance in this study. What is clear from this study is that the role of management in the change process is not straightforward. Therefore, many of the theoretical models which cite the normative, prescriptive behaviour of managers in the change process do not take into account the cultural and environmental conditions which impact so strongly on the change environment. The role of the manager has a key role to play in the maintenance of organisational culture, through a consistent leadership approach which is complementary to the development of organisational culture. This may be undertaken through the leadership style and the relationships which managers develop with both individuals and teams of employees. However, it should be borne in mind that ultimately it is the deep-seated organisational culture which exists as a filter for the acceptance of change by employees of an organisation. In cases where the existing culture or subculture renders the values and vision of managers incongruous, there will be an existing 'managerial culture' which fails to cascade to frontline employees. This may perpetuate the existence of subcultures and fragment the organisational response to change programmes.

The place which human resource management takes in organisational change may be at various levels, firstly in terms of the practical systems and policies put in place by managers in order to foster change, then at a more psychological level those concepts which management utilise as rhetoric to support the introduction of a new change programme as its values. In practical terms, there is a distinction which can be made between the tendencies towards soft human resource management or towards hard human resource management. The distinction has already been made between the cultures of BAA, Glasgow and BAA, Edinburgh, but this issue merits further discussion. The group/ developmental culture which exists in BAA, Glasgow has clear tendencies towards the soft side of the human resource management. This relationship between culture and soft human resource management reflects the key areas which affect the effectiveness of planned or emergent organisational change – those practice aimed at eliciting sentiment and emotion in employees which elicits affective commitment to the



organisational culture through a positive psychological contract, and those broad-brush human resource management initiatives where behavioural commitment was elicited through performance related pay and training and development. This is particularly the case in BAA, Glasgow where the leadership style and culture are both defined as open and honest with the associated work practices which this suggests. On the other hand, at BAA, Edinburgh is characterised by a hierarchical and rational culture which has tendencies towards the hard approach to human resource management. This culture is task and process orientated and the values it holds are more suited to structural and system changes which require a high level of behavioural commitment (compliance). It is not surprising, therefore, that a cultural change programme such as Freedom to Manage did not sit well within the framework of this culture.

Therefore, the extent to which organisation-wide change programmes such as Freedom to Manage and Enterprise can be uniformly applied throughout organisations may be questioned. It has been shown that such change programmes fail to take account of the complexities and idiosyncrasies which characterise those units which form the whole company. This may be the direct result of a lack of understanding of the complexity of the specific dynamics which exist in specific organisational units and which shape the unit response to managed change.

#### 9.4 Generalisation of Findings

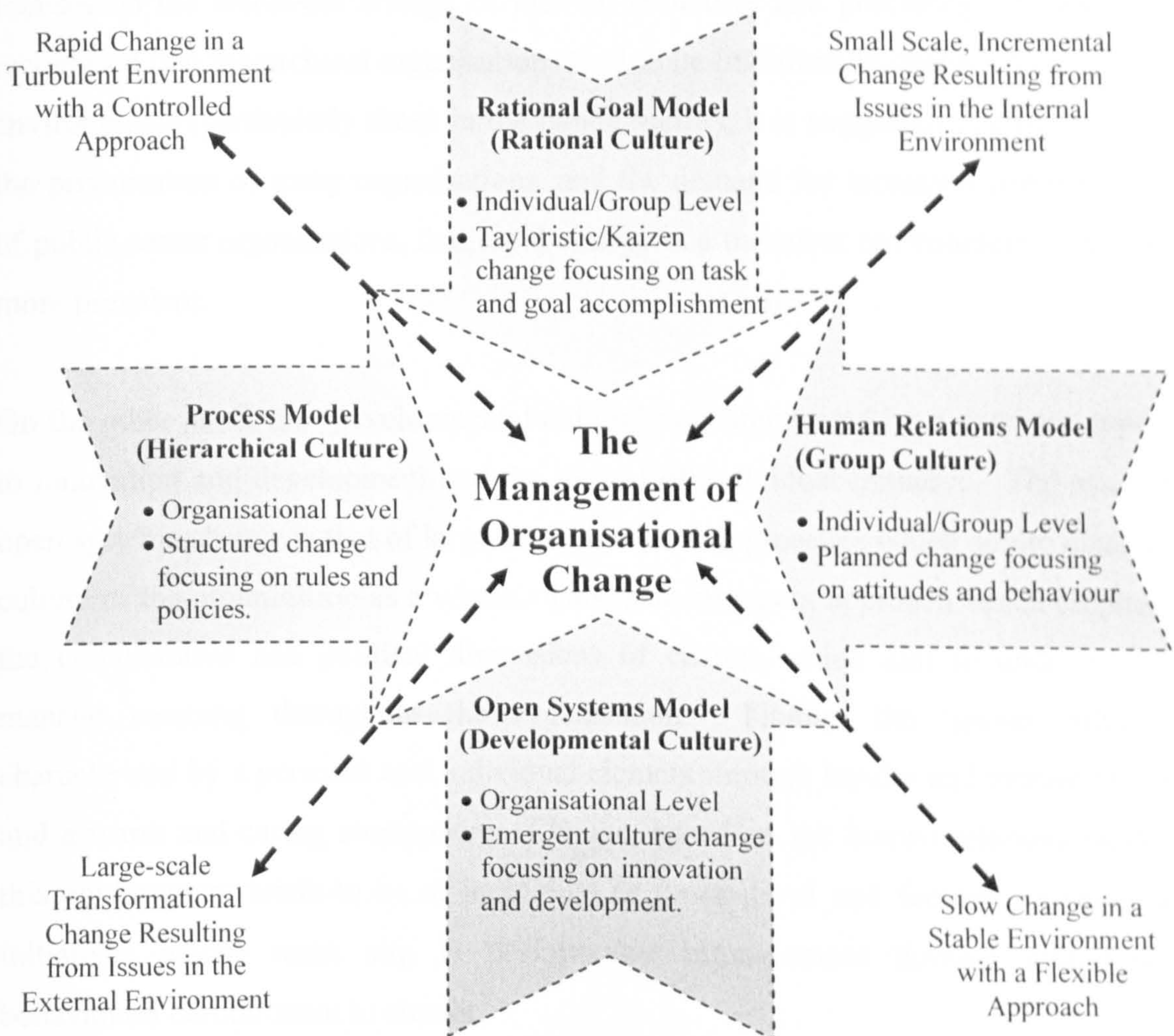
It is acknowledged in Chapter 4 that a key attribute of case study research is the potential for generalisation to theory. Therefore, it is prudent to proffer some findings which may further academic knowledge in the key areas of this study; organisational change management, organisational culture, and human resource management.

It is clear that the process of managing organisational change is complex and is influenced by a range of factors, many of which result from cultural and climate related areas which themselves are subject to change. Figure 9.2 shows a general framework for the management of change based on a cross-matrix structure which aims to capture



many of the key issues raised in this thesis. The cross-matrix explores the aspects of small-scale and large-scale change on one hand, and between rapid change and slow change on the other hand. Whilst small-scale change tends to be incremental and is the result of consideration of the situation in the internal organisational environment, large-scale, transformational change results from issues prevalent in the external environment. In terms of the time scale of change, slow change tends to develop in a stable environment and is characterised by a flexible approach, whereas rapid change is largely coercive and results from a turbulent environment.

Figure 9.2 A General Framework for the Management of Change





When combined, these core dimensions of change map out the four organisational cultures and their tendencies towards the acceptance of certain approaches to organisational change. The 'rational culture' is production orientated and tends to pursue goals and objectives through task and goal accomplishment. Therefore, achievement is important to individuals and groups, as are rewards. In this culture, change which tends to be rapid and small scale, may take either a rational Tayloristic approach to change focusing on best practice for work or may focus on a more kaizen-orientated form of change which endorses the participation of a team of employees with relevant knowledge. In a similar way, the 'hierarchical culture' tends to be formalised and structured with rules and policies which base rewards around rank. In this context, change tends to be of a large-scale organisational level and occur at a rapid pace and focuses on the wholesale change of internal structures and processes. Although it is recognised that hierarchical organisations tend to be traditionally characterised by stable environments (particularly those in the public sector), it is suggested that in the light of the privatisation of many organisations, and the demand for increased competitiveness of public sector organisations, that rapid change in a turbulent environment is becoming more prevalent.

On the other hand, the 'developmental culture' is characterised by a dynamic approach to innovation and development and the reward of individual initiative. The associated open systems change is that of large-scale, but slow approaches which aim to change the culture of the organisation as a whole. This is an emergent approach which emphasises the collaborative and political dimensions of change which aim to understand and manage meaning throughout the organisation. Finally, the 'group culture' is characterised by a personal and individual element through loyalty and morale building, and a warm and caring atmosphere. Change, based on the human relations model, in this environment tends to be at individual or group level and focuses on small-scale initiatives whose main aim is performance improvement through attitudinal or behavioural commitment to change.

This model is aimed at managers who are considering or designing change programmes and those who are diagnosing change issues which result from implemented change programmes. It is suggested that, although there is no clear 'one best way' to manage, facilitate or influence the process of change, all managers should endeavour to maintain a realistic understanding of situational variables, including the culture and climate of the organisation and should use the most appropriate 'hard' and/or 'soft' tools to manage the human resource in the specific organisational circumstances. Therefore, managers may use a combination approach to the management of change which utilises various aspects of change management processes and tools associated with the cross-matrix model.

### 9.5 Limitations and Suggestions for Further Research

It is clear that the conclusions which can be drawn from this study are tentative. Indeed, the findings and conclusions of this study are tempered by the acknowledgement that this work is, by no means, a definitive exploration of what has proved to be a contentious and complex area. The key methodological weaknesses of this study can be summarised as follows:

- The methodological issues involved in utilising the BAA Staff Survey 1999 have already been discussed. However, it is acknowledged that although this survey was used as a tool to extract key themes to inform the fieldwork stage of this study, a survey commissioned by the core organisation as a general climate study is not an ideal tool from which to inform further research. In this case, however, careful analysis was utilised through factor analysis which relied on reliable scientific measurements of key themes, rather than simplistic percentages.
- The core of this study focuses on the managerialist viewpoint. Front-line employee and trade union perspectives on key organisational issues were not sought due to organisational climate issues at the time of this research. However, the researcher was aware of the potential for a managerial bias to ensue in the analysis of the fieldwork interviews and made attempts to mediate this issue through the conduct of



interviews with the supervisory level. Although this does not alleviate the issue, it did allow for appropriate comparisons of perspectives.

- The research was carried out in two Scottish airports of similar size and development. Therefore, it is concluded that this study requires further research in other airport environments and that the research framework for this study could be fully or partially replicated in other airport environments.
- This research study represents a 'snapshot' of two airport units at a transitional point in organisational development. As such it is acknowledged that it is difficult to generalise due to developmental nature of airports. In addition, this study is one which is largely culture bound and as such renders the research situation specific. Therefore, in addition there may be a need for longitudinal study in order to more fully capture the causal issue and interdependencies of organisational change programmes.

The current findings of this research, however, do provide practitioners with a valuable, and somewhat unique, insight into the dynamics of managed organisational change in the airport environment. The particular focus on the interrelationship between organisational culture and change and the human resource practices associated with it has resulted in a deep level case study which reveals the inner behaviours and attitudes of an organisation which were previously concealed through the insular nature of BAA plc. Because this study does consider issues relating to organisational change specifically in the airport operations environment, it provides answers which are limited. However, of equal importance is the fact that this study identifies a range of areas for further study and research. In an industry which is currently continuing to grow and develop, further research concerning the internal behaviour of airport organisations should indeed be welcomed by academics and practitioners alike.

Therefore, this study has also shown that additional research into continuous development and managed change is both timely and appropriate in the light of the need for BAA plc to maintain a more competitive stance in the changing airport industry. Although exploratory in nature, this study seeks to chart a case for further work in this area.



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**APPENDIX I**

**SAMPLE OF CORRESPONDENCE WITH BAA, GLASGOW AND  
BAA, EDINBURGH**



**Text cut off in original**

**Glasgow Airport Limited**

Glasgow Airport,  
Paisley  
PA3 2ST

Telephone 0141-887 1111

**From the Managing Director**

**Direct Line : 0141 848 4500**  
**Direct Fax : 0141 848 4769**

**BAA Glasgow** 

27 February 1998

Ms Lois Farquharson BA MSc  
Research Officer  
Glasgow Caledonian University  
Park Campus  
Park Drive  
Glasgow G3 6LP

Dear *Lois*,

Thank you for your recent letter enclosing the summary of your intended research interests.

I look forward to hearing from you further in due course and we will be pleased to assist you with your research work.

With best wishes.

Yours sincerely,



18 May, 1998

**BAA Glasgow** 

Ms Lois Farquharson

Dear Lois,

Thank you for your recent letter - and rather belatedly, for the excellent lunch at the University. I have now had the opportunity to speak to \_\_\_\_\_ regarding the support Glasgow Airport would be able to give to you during your PhD.

I mentioned when we met that you could certainly have access to all Glasgow Airport's Freedom to Manage paperwork and we can arrange for you to meet with Managers for any research that you wish to carry out. We are about to start on Stage 2 of Freedom to Manage and it may be that there could be some aspects or areas that we need you to research for us - these will be clearer once we are further into the second phase.

I look forward to hearing from you.

Yours sincerely,

## Email Correspondence

From: @ BAA.CO.UK  
To: "Lois Farquharson"  
Sent: Wednesday, July 19, 2000 1:33 PM  
Subject: Re: Help please!

Lois,  
Happy to help - can you phone me to discuss your message below?

From: "Lois Farquharson"  
To: EDI/BAA  
cc:  
Subject: Help please!

Dear ,

I was wondering if you could be of some help to me again. I have started my interviews with managers at Glasgow Airport and now have permission to start at Edinburgh as well. I would like to do the first interview as soon as possible.

has given me the names and extension numbers of about fifteen managers/assistant managers at Glasgow Airport and has said that I should contact Edinburgh for the equivalent so that they are up-to-date, so I was wondering if I could impose on you to give me these for Edinburgh. I list the status of the managers below:

Managing Director  
Operations Director  
AIRFIELD OPS  
Airfield Manager  
Airfield operations Manager  
Fire Service (whoever is in charge)  
ENGINEERING  
Airport Engineering Manager  
Technical Services Manager  
Works Services Manager  
FINANCE  
Head of Business Management  
Business Manager  
HUMAN RESOURCES  
HR Manager



**SECURITY**  
Security Manager

**TERMINAL OPERATIONS**  
Terminal Manager  
Terminal Operations Manager  
Duty Manager

I know this is a long list, but it is important that I try to have the same people interviewed in both Edinburgh and Glasgow. I would very much appreciate your help.

Thank you very much for all your help.

Lois  
Lois Farquharson  
Researcher  
University of Strathclyde

----- Original Message -----

**From:** Lois Farquharson

**To:** \_\_\_\_\_@baa.co.uk

**Sent:** Monday, May 10, 1999 10:06 AM

**Subject:** BAA Staff Survey 1999

Dear \_\_\_\_\_,

Would it be possible for you to send me a copy of the findings of the 'BAA Staff Survey 1999' please, if they are available. My address is below. I can come to the airport and pick up the findings if that would be more convenient for you.

Thank you very much.

Lois Farquharson,  
PhD Researcher, Strathclyde University.

**From:** <\_\_\_\_\_@baa.co.uk>

**To:** <lois.farquharson@virgin.net>

**Sent:** 26 April 2000 11:26

**Subject:** Staff survey

Lois,

Attached is the zipped file which containing the BAA, Staff Survey excel raw data and excel translation files as well as the SPSS data file.

(See attached file: staff\_survey.zip)

Let me know if you have any problems opening the files.

Best Wishes,



## **APPENDIX II**

### **EXPLORATORY INTERVIEW QUESTIONS**

**BAA plc Exploratory Research**  
**Interview Questions for Change Managers**

**Profile:**

Name:

Job Title:

Job Description:

**Freedom to Manage and the Change Process:**

- What is Freedom to Manage?
- What does Freedom to Manage mean to you, personally?
- What are the problems/limitations of Freedom to Manage?
- Please describe the change plan (please send me a copy if possible)
- How will you achieve these changes?
- What is the key driver of change?
- Are there any organisational characteristics , employee characteristics or Scottish characteristics which you have to consider in the change process? (i.e. would there be different considerations in the change process in Aberdeen as opposed to in England, Edinburgh or Glasgow?)
- Are there any tools/initiatives which could be used to improve employee motivation and job satisfaction during change? (e.g. suggestion schemes, involvement of staff, etc.)
- Are there any key values (employee/management/organisational) which you would consider important in the change process? (e.g. communication, respect, etc)
- What problems (organisationally and operationally) do you foresee in BAA during the change process as a whole?


**Empowerment:**

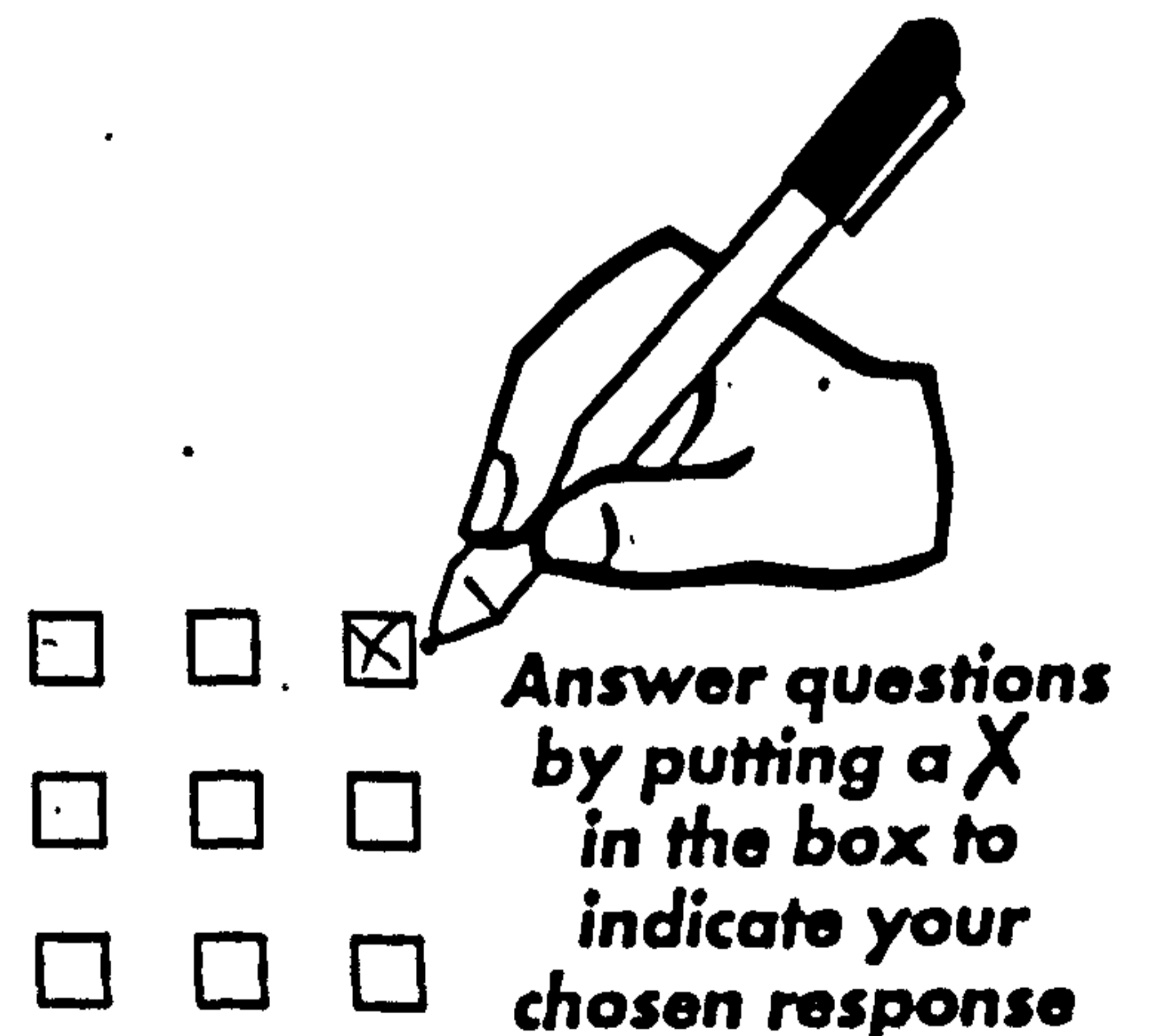
- How does empowerment fit into the change process?
- What does the term 'empowerment' mean?
- What does empowerment mean to you personally?
- What does empowerment mean to the staff in the airport?
- What problems do you foresee in the implementation of empowerment? (e.g. problems with middle management)



## **APPENDIX III**

### **BAA plc STAFF SURVEY, 1999**

**BAA**   
**Scotland**  
**Staff Survey**  
**1999**



x

**COMPLETE THIS IN PENCIL. IF YOU MAKE A MISTAKE  
USE AN ERASER TO RUB OUT YOUR WRONG ANSWER.**



**Staff Survey**

We want your help with a very important task.

This survey is your opportunity to present your views about the Company, your colleagues and your own job. No individual answers will be identified, so we encourage you to be as honest and straightforward as possible in responding to each question. (BAA will use the results to improve the business and this will involve all staff).

To protect confidentiality, please do not write your name on the questionnaire. Your individual answers will only be seen by the consultants at Selby MillSmith in the process of analysing the results. You will receive a summary of responses around the end of March.

1. Each question has five possible answers. **PLEASE RESPOND TO EACH QUESTION BY PUTTING A CROSS IN THE BOX  TO INDICATE YOUR CHOICE. IF NONE OF THE ANSWERS FITS EXACTLY, CHOOSE THE ONE CLOSEST TO IT.**
2. If there are questions for which you simply have no information on which to base an answer, or if the question is irrelevant to you, skip the question and go on to the next one. **PLEASE ANSWER AS MANY QUESTIONS AS POSSIBLE.**
3. Whilst there is no time limit for completing this questionnaire it should only take you a few minutes. Please take the time to read each question carefully before you answer.
4. Please use the enclosed envelope to return your completed questionnaire to us - Selby MillSmith. The analysis of all responses is undertaken by us and we will protect your confidentiality and anonymity.

**Please return this via the collection boxes, or by post direct (U.K. only), by Friday 19th February - LATEST  
THANK YOU FOR YOUR CO-OPERATION**

**SCOTLAND**

Please put a  in the box(es) to indicate your work location and job function

<i>Job Function</i>	<i>Job Location</i>
Security <input type="checkbox"/>	Airside Operations/MASU <input type="checkbox"/> Fire Service <input type="checkbox"/>
Terminal Ops. <input type="checkbox"/>	Finance <input type="checkbox"/> IT <input type="checkbox"/>
	HR <input type="checkbox"/> Project Team/Development <input type="checkbox"/>
	Planning/Marketing/Environment <input type="checkbox"/> Occupational Health <input type="checkbox"/>
	Property <input type="checkbox"/>
	Corporate Affairs <input type="checkbox"/>
	Retail <input type="checkbox"/>
	Health and Safety <input type="checkbox"/>
	Procurement <input type="checkbox"/>
	Engineering <input checked="" type="checkbox"/>

**Safety/Security**

To a very little extent    To a little extent    To some extent    To a great extent    To a very great extent

1. To what extent does management emphasise the needs and safety of our customers?

2. The work I do contributes to our customers needs and safety..

a. This is how it is now

b. This is how I'd like it to be

3. Do you think you work in a safe environment?

a. This is how it is now

b. This is how I'd like it to be

c. Are you prepared to do more to make the work environment safer?

**Customer Service**

4. Rank order the following from 1 - 4 in terms of the priority you think we currently give them in our daily work; write '1' by the one you think is most important, and so on.

Airlines     Passengers     Colleagues     Other business partners   
e.g. suppliers, control authorities

5. Now rank them to tell us how you think they should be prioritised:

Airlines     Passengers     Colleagues     Other business partners   
e.g. suppliers, control authorities

To a very little extent    To a little extent    To some extent    To a great extent    To a very great extent

6. To what extent do you provide the support and service the airlines need?

a. This is how it is now

b. This is how I'd like it to be

c. I am prepared to do more if necessary

7. To what extent do you provide the support and the encouragement that the people you work with need?

a. This is how it is now

b. This is how I'd like it to be

c. I am prepared to do more if necessary





## People/Leadership (cont.)

To a very little extent    To a little extent    To some extent    To a great extent    To a very great extent

19. To what extent do your work colleagues maintain high standards of performance?

- |                                  |                                     |                                     |                                     |                                     |                                     |   |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| a. This is how it is now.        | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |

20. How much do your work colleagues help you to find ways to do a better job?

- |                                  |                                     |                                     |                                     |                                     |                                     |   |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |

21. To what extent do you feel BAA and its management supports and encourages the career and personal development of its staff?

- |                                  |                                     |                                     |                                     |                                     |                                     |   |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |

For the following questions, think of your work colleagues as a team which includes you.

22. To what extent do your work colleagues know what their jobs are and know how to do them well?

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
|  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|

23. To what extent is information about important events and situations at work shared and discussed with your work colleagues?

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
|  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|

24. To what extent do you have confidence and trust in your work colleagues?

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
|  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|

25. To what extent do your work colleagues plan together and co-ordinate their efforts?

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
|  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|

26. Is there any bureaucracy (red tape) in your department?

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
|  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|

27. To what extent does any favouritism occur in your part of the organisation?

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
|  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|

28. I receive regular feedback and support from management

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
|  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|

29. To what extent are people above your immediate boss receptive to suggestions and ideas coming from less senior staff?

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
|  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|

30. To what extent do changes occur as a result of your suggestions?

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
|  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|



## Work Environment

To a very little extent    To a little extent    To some extent    To a great extent    To a very great extent

- |   |  |                                     |  |                                     |                                     |
|---|--|-------------------------------------|--|-------------------------------------|-------------------------------------|
| 31. To what extent does BAA have clear-cut reasonable goals and objectives?   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 32. Do you understand your job objectives?  | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 33. To what extent are you familiar with the company mission statement?   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <hr/>   |  |                                     |  |                                     |                                     |
| 34. Do you have clear priorities for your work?   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 35. (a) Over the last 2 years, has the business become more caring? <i>cross one only</i>   | Less caring <input checked="" type="checkbox"/>    |                                     | More caring <input checked="" type="checkbox"/>    |                                     |                                     |
| (b) To what extent has it changed   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 36. (a) Over the last 2 years, has the business become more efficient? <i>cross one only</i>  | Less efficient <input checked="" type="checkbox"/> |                                     | More efficient <input checked="" type="checkbox"/> |                                     |                                     |
| (b) To what extent has it changed   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <hr/>   |  |                                     |  |                                     |                                     |
| 37. (a) Over the last 2 years, has morale changed?  | Better <input checked="" type="checkbox"/>         |                                     | Worse <input checked="" type="checkbox"/>          |                                     |                                     |
| (b) To what extent has it changed   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 38. Does the work environment enable you to be efficient?   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 39. To what extent do you feel your time is wasted (due to unnecessary meetings, bureaucracy, interruptions, inefficient procedures, inadequate equipment) that could be spent on more productive activities? | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <hr/>   |  |                                     |  |                                     |                                     |
| 40. To what extent was your last appraisal or review discussion at BAA helpful in improving your performance?   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 41. I know what my immediate boss expects of me   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 42. Staff in my department are made to feel they are an important part of the company   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <hr/>   |  |                                     |  |                                     |                                     |
| 43. To what extent is promotion based on merit and ability?   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 44. Policies are administered consistently in BAA   | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 45. To what extent are staff more likely to be praised for good performance rather than criticised for poor performance?  | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <hr/>   |  |                                     |  |                                     |                                     |
| 46. To what extent are you satisfied with your chances for getting ahead in BAA?  | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

**TEXT BOUND INTO  
THE SPINE**



## Work Environment (cont.)

	To a very little extent	To a little extent	To some extent	To a great extent	To a very great extent
7. To what extent are you satisfied with the pay for your job, compared with other jobs locally which require the same skills?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
8. To what extent are your job objectives the result of discussion and mutual agreement between you and your immediate boss?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
9. To what extent does doing a good job lead to recognition and respect?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
10. To what extent are you satisfied with your immediate boss?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
11. To what extent are you satisfied with your job?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
12. To what extent are you satisfied with BAA?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
13. To what extent are there things about working here (people, policies or conditions) that encourage you to work hard?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
14. To what extent do you look forward to coming to work each day?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
15. To what extent do you feel proud to work for BAA?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
16. To what extent do you have a personal development plan?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Work Environment (cont.)

In order to find out whether you get information about the company in the ways you prefer we would like to know first how you **ACTUALLY** receive most of your information. Then tell us how you **WOULD PREFER** to receive it.

NOT ALL THOSE BELOW ARE RELEVANT - PLEASE CROSS AS MANY AS APPLY

	ACTUAL	PREFERRED		ACTUAL	PREFERRED
Noticeboards	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Section/group meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	"Heathrow/Gatwick/Stansted Now"	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Team briefing/cascade	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Staff conferences	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Our immediate boss	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	"Management Update"	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Circulars/internal memos	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	E-mail	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Trade unions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Local communicators	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
External media	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	"Runway" video	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Grapevine/gossip	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	M.D. notices, staff bulletin, "Runway Extra"	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senior management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Briefing sheets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Leadership

When answering the following questions think about management - the people who are senior to you in BAA. When a question has two parts, please answer both parts.

To a very little extent    To a little extent    To some extent    To a great extent    To a very great extent

57. To what extent are they friendly and easy to approach?

- |                                  |                                     |                                     |                                     |                                     |                                     |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

58. To what extent are they willing to listen to your problems?

- |                                  |                                     |                                     |                                     |                                     |                                     |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

59. How much do they encourage people to give their best effort?

- |                                  |                                     |                                     |                                     |                                     |                                     |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

60. To what extent do they maintain high standards of performance?

- |                                  |                                     |                                     |                                     |                                     |                                     |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

61. To what extent do they encourage staff to work as a team?

- |                                  |                                     |                                     |                                     |                                     |                                     |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

62. To what extent do they encourage opinions and ideas on job-related problems?

- |                                  |                                     |                                     |                                     |                                     |                                     |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

63. To what extent do they use group meetings to solve problems of vital concern to the team/department?

- |                                  |                                     |                                     |                                     |                                     |                                     |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

64. To what extent do they provide help, training and guidance?

- |                                  |                                     |                                     |                                     |                                     |                                     |
|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a. This is how it is now         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. This is how I'd like it to be | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |



## Leadership (cont.)

To a very little extent    To a little extent    To some extent    To a great extent    To a very great extent

- |   |                                     |                                     |                                     |                                     |                                     |   |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| <b>55.</b> To what extent do they have realistic performance expectations?                        | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>56.</b> To what extent do they have confidence and trust in you?                               | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>57.</b> To what extent do you have confidence and trust in management?                         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>58.</b> To what extent are you prepared to do more to be as effective as possible in your job? | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |

The following questions are about BAA management style.

- |   |                                     |                                     |                                     |                                     |                                     |   |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| <b>59.</b> BAA Managers are concerned that each individual's career development is effectively planned and implemented? | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>60.</b> Grievances are easily aired within BAA?  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>61.</b> A controlling style is a feature of the business   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| <b>62.</b> What really counts in BAA is to get the job done WELL             | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>63.</b> BAA has too many rules and procedures                             | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>64.</b> My manager will do whatever it takes to help me succeed in my job | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| <b>65.</b> Senior Managers can be inconsistent in their demands                    | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>66.</b> Internal politics or bureaucracy can interfere with my effectiveness    | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>67.</b> My department/team works closely together to solve problems which arise | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |

- |  |                                     |                                     |                                     |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| <b>68.</b> Staff in my department are made to feel they are an important part of BAA                                       | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>69.</b> All in all, I understand salary policies and practices for employees - how salary increases are determined etc. | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>70.</b> Staff are encouraged to find new ways to do things in order to achieve results                                  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |
| <b>71.</b> Decisions made by managers are generally of a high quality  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | — |

## Leadership (cont.)

	To a very little extent	To a little extent	To some extent	To a great extent	To a very great extent
82. To what extent has the company created an environment free of bullying and harassment?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
83. I am clear about BAA's goals and objectives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
84. Managers in BAA know how to delegate effectively	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Employee Benefits

Rank order the 5 most important items from the list below. Give the most important the ranking No.1 and so on. Please do this to tell us which benefits are most important to you.

BENEFIT	YOUR RANKING	BENEFIT	YOUR RANKING
Subsidised food facilities	<input type="checkbox"/>	Life insurance cover	<input type="checkbox"/>
Subsidised fitness facilities	<input type="checkbox"/>	Share ownership	<input type="checkbox"/>
Social events	<input type="checkbox"/>	Car parking	<input type="checkbox"/>
Bonus payments	<input type="checkbox"/>	Subsidised staff transport	<input type="checkbox"/>
Nursery/childcare	<input type="checkbox"/>	Uniforms/clothing	<input type="checkbox"/>
Maternity allowances and leave	<input type="checkbox"/>	Annual leave	<input type="checkbox"/>
Healthcare plan	<input type="checkbox"/>	Holiday car parking	<input type="checkbox"/>
Sick pay	<input type="checkbox"/>	Sharesave	<input type="checkbox"/>
Pension/retirement pay	<input type="checkbox"/>	Share options	<input type="checkbox"/>

	To a very little extent	To a little extent	To some extent	To a great extent	To a very great extent
85. To what extent are you satisfied with staff benefits overall?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Are there any comments you want to make?

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**APPENDIX IV**

**SEMI-STRUCTURED INTERVIEW QUESTIONS**

**The Scottish Hotel School**  
**University Of Strathclyde**

**Semi-structured Interviews with Managers in BAA plc**

**Interviewer:** Lois Farquharson

**Date:**

**Organisation:**

**Personal Details**

1. What is your job title?
2. a) How long have you worked for BAA?  
b) How long have you worked in BAA, Glasgow ?
3. Briefly, what is your job history?
4. What are the key responsibilities of your job?

**Organisational Change:**

5. the organisational change process since the outset of Freedom to Manage as you see it.
6. Describe your role in this change process?
7. Please describe the changes which have been made within your department/ job boundaries/team since the outset of Freedom to Manage.
8. How have these changes had a positive or negative effect on your job role?
9. What are the future plans for change in your area of responsibility?
10. What role does the Enterprise programme play in future plans for change within your department?
11. How will these changes affect your job role?

**Organisational Culture and Environment**

12. Describe the key values of BAA, Glasgow in your own words.
13. How do you personally relate to these values?
14. Describe BAA, Glasgow's mission in your own words and how it affects you in your job role.



15. Describe the essence of the culture which currently exists in BAA, Glasgow.
16. How has the Freedom to Manage change programme affected BAA, Glasgow's culture?
17. More recently, how has the Enterprise system already affected/going to affect BAA, Glasgow's culture?
18. How does the culture you describe affect the attitudes and expectations of your subordinates?

#### **Leadership/ Management Style**

19. How would you describe your management/leadership style?
20. How do think this style impacts on the job role of your subordinates?
21. In what ways do you affect your subordinate's level of satisfaction with their work?
22. In what ways do you support your employees? (provision of resources/ emotional support/advice)
23. How often do you formally appraise and/or give feedback to your subordinates?
24. How do they react to performance appraisals/reviews?
25. To what extent are your subordinates motivated to achieve targets?

#### **Empowerment in BAA, Glasgow**

26. How would you define empowerment as it applies to BAA, Glasgow?
27. What part does empowerment play in the Freedom to Manage and Enterprise change programmes?
28. What features do you think the BAA, Glasgow culture has to exhibit in order to provide an empowering environment?
29. How would you define empowerment as it applies to you on a personal basis in your job?
30. Illustrate how empowerment has changed the way you undertake your work.
31. What are you doing to promote an empowered environment?
32. How do you see the future of empowerment in your organisation?

**The Scottish Hotel School**  
**University Of Strathclyde**

**Semi-structured Interviews with Supervisory Level Employees in BAA plc**

**Interviewer:** Lois Farquharson

**Date:**

**Organisation:**

**Personal Details**

1. What is your job title?
2. a) How long have you worked for BAA?  
b) How long have you worked in BAA, Glasgow?
3. Briefly, what is your job history?
4. What are the key responsibilities of your job?

**The Change Process**

5. Describe the changes which you have seen over the past six years with reference to Freedom to Manage and the introduction of Enterprise.
6. How have these changes affected your job role?
7. How have these changes affected your subordinates?

**Organisational Culture/ Environment**

8. How do staff relate to the values and mission of BAA, Glasgow?
9. Describe the culture which currently exists in BAA, Glasgow and within your department if different.
10. How did the change process affect the culture?
11. How will Enterprise affect the culture?
12. How does the culture affect the attitudes and expectations of staff?

**Leadership/ Management Style**

13. How would you describe the management style in your department?
14. How does this style impact on you and your subordinates in their job roles?



15. How would you describe your leadership style and its effect on staff?
16. How does the management style affect staff's satisfaction with their work?
17. In what ways do managers support the employees in your department?
18. How do staff react to formal performance appraisals?
19. How are staff motivated to achieve targets set for them?

**Empowerment**

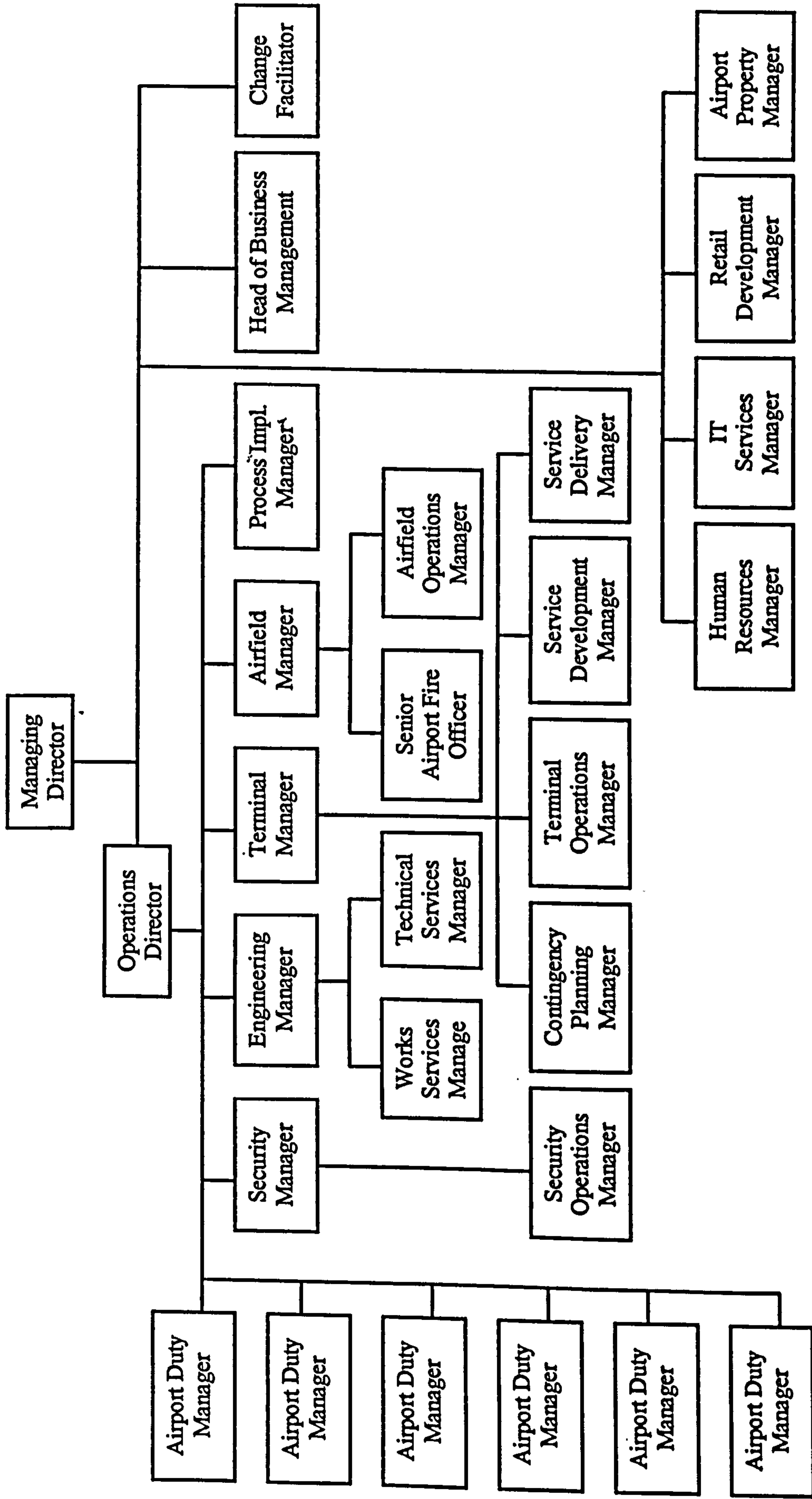
20. How would you define empowerment as it applies to both BAA, Glasgow and your department?
21. Illustrate how staff are empowered in their job roles.
22. How do staff react to the concept of empowerment?
23. What does your manager do to promote an empowered environment?
24. How do you see the future of empowerment in BAA, Glasgow and in your department?

## **APPENDIX V**

### **BAA plc MANAGEMENT TEAM STRUCTURE**



**BAA, Glasgow Management Team Organisation Chart, 2000**



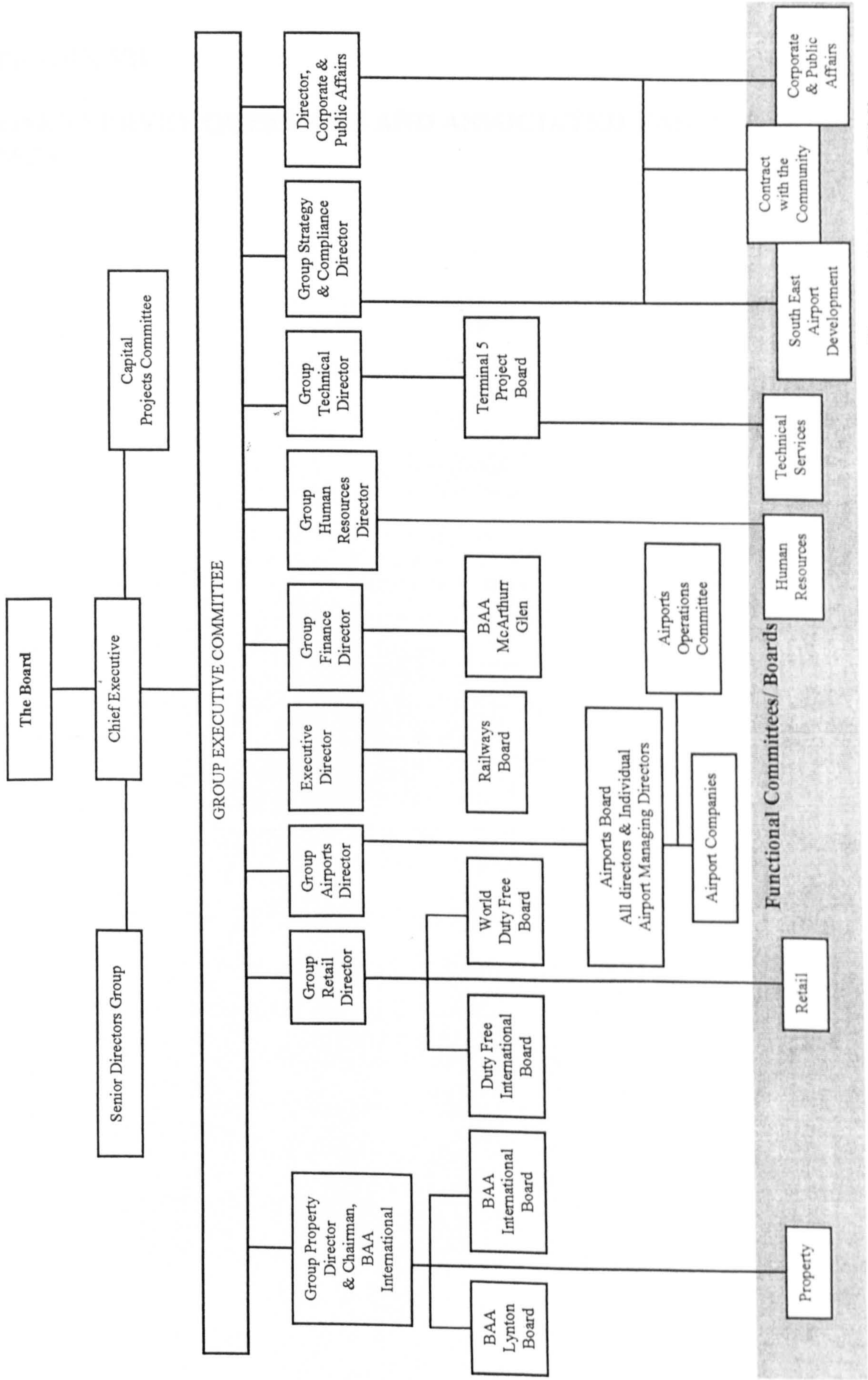
(Source: Cameron, 2000)

**APPENDIX VI**

**BAA, GLASGOW MANAGEMENT TEAM ORGANISATION  
CHART, 2000**



**BAA plc Group Management Structure**



(Source: BAA plc, 2000)

## **APPENDIX VII**

### **CHOSEN SURVEY QUESTIONS AND ASSOCIATED VARIABLE NAMES**



## Key to Survey Question and Corresponding Variable Name

<b>Survey Question</b>	<b>Variable Name</b>
Q15 Innovation is encouraged around here.	<i>Innovation encouraged</i>
Q16a Achievement is rewarded around here.	<i>Achievement rewarded</i>
Q21a To what extent do you feel BAA and its management supports and encourages the career and personal development of its staff?	<i>Career and personal development supported</i>
Q22 To what extent do your work colleagues know what their jobs are and know how to do them well?	<i>Knowledge of job role</i>
Q23 To what extent is information about important events and situations at work shared and discussed with your work colleagues?	<i>Communication of information</i>
Q24 To what extent do you have confidence and trust in work colleagues?	<i>Confidence and trust in colleagues</i>
Q25 To what extent do your work colleagues plan and co-ordinate their efforts?	<i>Planning and co-ordination</i>
Q28 I receive regular feedback and support from management.	<i>Feedback and support</i>
Q33 To what extent are you familiar with the company mission statement?	<i>Familiarity with mission</i>
Q39 To what extent do you feel your time is wasted (due to unnecessary meetings, bureaucracy, interruptions, inefficient procedures, inadequate equipment) that could be spent on more productive activities?	<i>Time is wasted on unproductive activities</i>
Q40 To what extent was your last appraisal or review discussion at BAA helpful in improving your performance?	<i>Appraisal/review improved performance</i>
Q45 To what extent are staff more likely to be praised for performance rather than criticised for poor performance?	<i>Appropriate praise and criticism</i>
Q49 To what extent does doing a good job lead to recognition and respect?	<i>Recognition and respect for good work</i>
Q51 To what extent are you satisfied with your job?	<i>Job satisfaction</i>
Q54 To what extent do you look forward to coming to work each day?	<i>Look forward to work</i>
Q55 To what extent do you feel proud to work for BAA?	<i>Pride in work for BAA</i>
Q58a To what extent are they (management) willing to listen to problems?	<i>Listen to employees</i>
Q61a To what extent do they (management) encourage staff to work as a team?	<i>Teamwork encouraged</i>
Q62a To what extent do they encourage opinions and ideas on job-related problems?	<i>Opinions and ideas encouraged</i>
Q63a To what extent do they (management) use group meetings to solve problems of vital concern to the team/ department?	<i>Group meetings utilised</i>
Q64a To what extent do they (management) provide help, training and guidance?	<i>Help, training and guidance provided</i>
Q66 To what extent do they (management) have confidence and trust in you (employees)?	<i>Management have confidence and trust in employees</i>
Q67 To what extent do you (employees) have confidence and trust in management?	<i>Employees have confidence and trust in management</i>
Q73 BAA has too many rules and procedures	<i>Too many rules and procedures</i>
Q83 I (the employee) am clear about BAA's goals and objectives	<i>Clear goals and objectives</i>
Q84 Managers in BAA know how to delegate effectively.	<i>Effective delegation</i>

**APPENDIX VIII**

**SPEARMAN'S RHO TEST RESULTS FOR BAA, GLASGOW**



**Spearman's Rho Correlation Co-efficients for Glasgow Airport**

Factor 1 Variables	Encourage opinions and ideas	Group meetings	Help, training and guidance	Recognition and respect	Listen to employees	Feedback and support	Innovation	Praise and criticism	Employees have confidence and trust in mgt.	Support of career and personal development	Teamwork	Achievement is rewarded	Mgt. have confidence and trust in employees	Appraisal/ review improved performance
Encourage opinions and ideas	1.000													
Group meetings	0.681	1.000												
Help, training and guidance	0.755	0.699	1.000											
Recognition and respect	0.646	0.662	0.648	1.000										
Listen to employees	0.726	0.634	0.668	0.604	1.000									
Feedback and support	0.668	0.684	0.695	0.615	0.611	1.000								
Innovation	0.646	0.594	0.645	0.574	0.643	0.559	1.000							
Praise and criticism	0.622	0.558	0.588	0.617	0.582	0.672	0.570	1.000						
Employees have confidence and trust in mgt.	0.721	0.697	0.689	0.635	0.713	0.654	0.678	0.581	1.000					
Support of career and personal development	0.681	0.673	0.691	0.587	0.631	0.629	0.724	0.458	0.685	1.000				
Teamwork	0.698	0.657	0.666	0.619	0.666	0.596	0.610	0.632	0.661	0.631	1.000			
Achievement is rewarded	0.641	0.562	0.571	0.599	0.644	0.522	0.774	0.613	0.612	0.654	0.573	1.000		
Mgt. have confidence and trust in employees	0.709	0.637	0.630	0.618	0.738	0.587	0.611	0.541	0.806	0.617	0.621	0.568	1.000	
Appraisal/ review improved performance	0.503	0.526	0.542	0.486	0.467	0.567	0.500	0.401	0.532	0.510	0.403	0.429	0.505	1.000

Note: Correlations significant to the 0.01 level (2-tailed)

<b>Factor 2 Variables</b>	<b>Clear goals and objectives</b>	<b>Pride in work for BAA</b>	<b>Look forward to work</b>	<b>Job satisfaction</b>	<b>Familiarity with mission</b>	<b>Managers delegate effectively</b>
Clear goals and objectives	1.000					
Pride in work for BAA	0.557	1.000				
Look forward to work	0.499	0.745	1.000			
Job satisfaction	0.415	0.497	0.645	1.000		
Familiarity with mission	0.591	0.435	0.359	0.336	1.000	
Managers delegate effectively	0.515	0.555	0.615	0.504	0.375	1.000

Note: Correlations significant to the 0.01 level (2-tailed)

<b>Factor 3 Variables</b>	<b>Confidence and trust in colleagues</b>	<b>Knowledge of job role</b>	<b>Planning and co-ordination</b>	<b>Communication of information</b>
Confidence and trust in colleagues	1.000			
Knowledge of job role	0.571	1.000		
Planning and co-ordination	0.687	0.442	1.000	
Communication of information	0.472	0.442	0.572	1.000

Note: Correlations significant to the 0.01 level (2-tailed)



**APPENDIX IX**

**SPEARMAN'S RHO TEST RESULTS FOR BAA, EDINBURGH**

**Spearman's Rho Correlation Co-efficients for Edinburgh Airport**

Factor 1 Variables	Career and personal development supported	Achievement rewarded	Group meetings utilised	Opinions and ideas encouraged	Employees have confidence and trust in mgt.	Recognition and respect for good work	Innovation	Feedback and support	Mgt. have Confidence and trust in employees	Appropriate praise and criticism	Listen to employees	Help, training and guidance provided	Teamwork encouraged	Appraisal/ review improved performance	Communication of information
	1.000														
Career and personal development supported	1.000														
Achievement rewarded	0.757	1.000													
Group meetings utilised	0.652	0.644	1.000												
Opinions and ideas encouraged	0.718	0.664	0.750	1.000											
Employees have confidence and trust in mgt.	0.710	0.689	0.678	0.750	1.000										
Recognition and respect for good work	0.669	0.720	0.696	0.656	0.626	1.000									
Innovation	0.690	0.731	0.665	0.667	0.644	0.644	1.000								
Feedback and support	0.702	0.621	0.678	0.632	0.617	0.536	0.604	1.000							
Mgt. have confidence and trust in employees	0.638	0.563	0.673	0.775	0.605	0.645	0.624	0.549	1.000						
Appropriate praise and criticism	0.574	0.588	0.591	0.562	0.616	0.519	0.555	0.578	0.509	1.000					
Listen to employees	0.670	0.542	0.727	0.689	0.628	0.516	0.559	0.657	0.570	0.541	1.000				
Help, training and guidance provided	0.629	0.543	0.695	0.614	0.626	0.457	0.574	0.564	0.543	0.504	0.598	1.000			
Teamwork encouraged	0.626	0.603	0.781	0.636	0.622	0.608	0.592	0.562	0.554	0.575	0.658	0.736	1.000		
Appraisal/ review improved performance	0.532	0.463	0.495	0.456	0.462	0.441	0.438	0.461	0.458	0.345	0.389	0.373	0.413	1.000	
Communication of information	0.556	0.546	0.521	0.517	0.469	0.492	0.573	0.430	0.416	0.382	0.349	0.503	0.428	0.374	1.000

Note: Correlations significant at the 0.01 level (2-tailed)



<b>Factor 2 Variables</b>	<b>Confidence &amp; trust in colleagues</b>	<b>Knowledge of job role</b>	<b>Planning &amp; co-ordination</b>
<b>Confidence and trust in colleagues</b>	1.000		
<b>Knowledge of job role</b>	0.517	1.000	
<b>Planning and co-ordination</b>	0.709	0.453	1.000

Note: Correlations significant at the 0.01 level (2-tailed)

<b>Factor 3 Variables</b>	<b>Familiarity with mission</b>	<b>Clear goals and objectives</b>	<b>Managers delegate effectively</b>
<b>Familiarity with mission</b>	1.000		
<b>Clear goals and objectives</b>	0.617	1.000	
<b>Effective delegation</b>	0.455	0.591	0.1000

Note: Correlations significant at the 0.01 level (2-tailed)

<b>Factor 4 Variables</b>	<b>Job Satisfaction</b>	<b>Pride in work for BAA</b>	<b>Look forward to work</b>
<b>Job Satisfaction</b>	1.000		
<b>Pride in work for BAA</b>	0.540	1.000	
<b>Look forward to work</b>	0.571	0.613	1.000

Note: Correlations significant at the 0.01 level (2-tailed)