The Reality of a 'High Performance Work System': Internal and External Vulnerabilities

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Abstract

This thesis contributes to knowledge and understanding about the implementation of systems of Human Resource Management. It does this through intensive case based research at Ultico, the largest private sector employer in the UK and the leading UK food retail establishment. Much literature exists on HRM systems and their relationship with performance, yet significantly less has addressed the complex internal social processes associated with their implementation. Similarly, while research has considered the importance of the external context on HRM, little has addressed the processes through which this effect takes place.

Internal tensions and contradictions are found, resulting from variable implementation of HRM systems by line managers, who lack skills in HRM delivery and struggle to deliver practices alongside operational duties. Furthermore, transparency and trust are eroded by senior managers manipulating HRM practices to increase profits and achieve monitored targets. The Retail Colleague's Union (RCU) interacts internally with Ultico's HRM strategy and through the vehicle of social partnership, maintains a degree of influence over HRM implementation, enabling mitigation of the negative impacts of variable implementation by management. However this influence is limited. Finally the processes through which external economic fluctuations impact on HRM systems are uncovered, in terms of management capitalising on changes to the labour market to increase profit per employee. Taken together these findings expose vulnerabilities, both internal and external, of HRM systems to losing their soft outcomes because they are derailed by management seeking to increase profits. The thesis demonstrates the channels through which HRM systems are used to improve profitability, which is typically through work intensification, by illuminating the complex social processes through which this is achieved.

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Chapter 1: Introduction

1.1 Introduction to the Debates Central to the Thesis

This thesis presents a rigorous investigation into the concept of a 'high performance work system'. It sheds new light on the social processes associated with and created through strategic HRM systems, and the processes through which internal and external factors impact upon the implementation of these systems. The aim is to explore the following questions:

- How are HRM systems are implemented internally by various levels of management, and why might internal contradictions and tensions result from them.

- How does the internal impact of trade union involvement in, and interaction with, HRM processes contribute towards their effectiveness.

- How does the external economic context affect HRM strategy and implementation.

The thesis addresses these aims through an intensive programme of qualitative research at the UK operations of a global retail establishment. The case organisation is Ultico Plc, the leading UK food retailer and the largest private sector employer in the UK, with a reputation for industry leading terms and conditions of employment. The findings show that despite organisational policy designed to produce a high performance work system, the practices are vulnerable to losing their soft outcomes because of internal and external tensions, so that any positive effects on employee performance

are typically generated through work intensification. This directly contradicts the HRM models which allege that soft employee outcomes are produced (Walton, 1985; Lawler, 1986). Furthermore, the HRM system creates unanticipated consequences which need to be managed. Three key themes, each illustrated in separate empirical chapters, are used to show this. They are: the internal tensions associated with the implementation of strategic HRM; the internal interaction and impact of a trade union on HRM strategy; and the external effect of economic recession on HRM strategy.

The key contribution is that the concept of a high performance work system is vulnerable at multiple points to regressing to a system more akin to hard HRM. These vulnerabilities are wide ranging and are threatened both internally and externally, while the union attempts to mitigate the effects of their exploitation. Chapter five uncovers the internal weaknesses in terms of line managers' variable implementation and store managers' re-moulding of HRM practices. Chapter six shows the integral role of the union to the coherence of the HRM strategy and its key role in monitoring and policing varied implementation away from the intended HRM rhetoric. Chapter seven explains the threats created by the external economic environment in terms of how management exploit economic fluctuations to intensify work. Taken together, these chapters show how the various threats to the mutual gains rhetoric of a high performance work system make the reality become markedly different and far away from the theorised win-win situation for both management and employees.

Strategic systems of human resource management (HRM) are of conceptual interest to both employment relations and management scholars and have, since their initial development in the 1980s, been subject to much research. The vast majority of this research has attempted to relate these strategic HRM systems and practices to organisational performance, which is unsurprising given the potential investments required by employers to develop and implement them (Guest et al., 2003; Walton, 1985). While a wealth of research exists on this link, conclusions have not been entirely congruent, with some pointing towards a positive link, whilst others find no effect. The majority of these conclusions have been based on deductive, extensive quantitative research, amongst which positive associations and some tenuous causal effects have been found between HRM practices and organisational performance. Positive implications for employees working within high performance work systems are theorised (Walton, 1985), however this is also disputed. Ramsay et al. (2000) argue that any improvement in performance resulting from high performance work practices may just as likely stem from increasing intensity of work, job strain and increased job tasks and responsibilities.

Previous research into HRM and high performance work systems has ignored the notion of the vulnerability of these systems to losing their soft outcomes, however the potential for it has been alluded to (Thompson, 2011; Harley et al., 2010; Kaufman, 2010). While the majority of empirical work has concerned links with performance, some attention has been paid to the complexities of any potential link, including the processes of

implementation of HRM practices. However this work is comparatively limited. Boxall and Purcell (2003) contrast theoretical approaches in terms of one 'best practice' or 'best fit', while Wood (1999) raises the need for internal coherence of 'fit' between HRM practices within an organisation. Research has paid attention to possible tensions resulting from HRM systems (Purcell and Hutchinson, 2007), however this field is limited, as is enquiry into how these tensions come about. Union involvement in HRM systems is likely to play a significant internal role in relation to the fit of HRM systems (Kim and Bae, 2005), while union partnership is suggested to advance mutual gains through giving the union influence in HRM implementation (Ackers and Payne, 1998). However critics argue that such partnerships may become more to the benefit of management and that union influence will be limited. Understanding the internal processes through which union presence or partnership can influence HRM implementation will contribute to these debates. There are suggestions within the literature of an external economic impact on HRM systems (Ramsay, 1977; Forde et al., 2006), where varying unemployment and power balances in the employment relationship impact on the type or effects of HRM systems, however there are avenues to be explored into the processes through which this may happen.

Therefore continuing debates exist as to whether strategic HRM systems have an effect on performance and significantly, whether any link that comes about does so through increasing or decreasing the quality of work. It is this latter debate concerning the channels through which HRM may have an

effect which are underrepresented in the literature. In order to understand how and why HRM systems impact upon employees, it is necessary to advance knowledge on the internal social actors and processes associated with these systems. It is also necessary to consider the external context in terms of how this may impact on the channels through which HRM systems work. This thesis contributes to these shortcomings in knowledge by constructing a detailed and nuanced understanding of the complex social processes created by, and working within, systems of strategic HRM.

It has been suggested that more intensive research into the complexities of the phenomenon will be necessary to extend the current knowledge in this controversial field (Hesketh and Fleetwood, 2006). Intending to bridge this gap, this research aims to unpack the complexities and illuminate the controversies surrounding the implementation of strategic HRM practices and to add understanding to social processes involved in the internal and external fit of HRM systems, in terms of interactions, tensions and contradictions. The thesis does this by using an intensive, inductive research approach and qualitative methodologies in order to uncover the depth of knowledge required to understand the complex social processes of interest.

The vulnerability of HRM systems to losing their intended soft outcomes is drawn out throughout the empirical chapters. This argument contributes to debates about the implementation of HRM systems by line managers and senior store managers by showing how tensions are created. By analysing

the processes through which a trade union interacts internally with HRM systems in terms of enforcement of policy, the argument contributes to debates around social partnership and its potential for returning benefits to members and employees. In unpacking the processes through which external economic changes impact upon and significantly changes HRM strategy in a retail establishment the argument contributes to a deeper understanding of external economic fit. Finally, a contribution is made to the long standing debate about HRM and organisational performance through showing how HRM systems typically improve employee productivity through work intensification.

1.2 Introduction to the Chapters of the Thesis

The following chapter reviews the literature around HRM from its early conceptual development in theoretical models of HRM, which suggest mutual benefits for employer and employees. It then moves to consider the development of notions of high performance work systems and consider competing approaches in terms of the 'best practice' and 'best fit' schools of thought to implementing HRM systems. The concept of 'fit' is extended to draw on key debates around the internal and external fit of strategic HRM systems, and complementarities between individual practices. The chapter discusses empirical research into issues of fit associated with HRM, the majority of which focuses on examining the link between HRM and performance. Problems with this research field are drawn out, both in terms of the reliability and validity of data, and in terms of the key steps it omits, specifically the question of how HRM systems might cause employees to

exert greater effort. Taken together, this discussion demonstrates how the current field of HRM literature needs further exploration into how systems might be vulnerable to internal tensions and contradictions concerning their implementation.

The narrower field of qualitative research into HRM systems is considered and advocated as a potential way forward in uncovering novel understanding about how and where these tensions originate from. The notion of internal fit is extended and applied to the interaction of trade unions with HRM systems, in terms of their impact on HRM implementation through channels of communication, consultation and monitoring of management activity. This is done by reviewing appropriate studies attempting to link these two phenomena, while a discussion of partnership is put forward in terms of its potential to improve trade union influence over HRM strategy. The notion of external fit is discussed, specifically in terms of economic fit in relation to changes in employment and potential interaction with HRM strategy. Throughout the chapter, the notions of internal and external fit in HRM are drawn out in the literature and research, because they are integral to the argument of this thesis.

Following the literature review, chapter three describes in detail the methodological approach adopted. The aims of the thesis are clearly set out, followed by a philosophical discussion of the research strategy, considering the ontological and epistemological assumptions associated with the decision to employ an intensive qualitative design in order to address the

aims. Through this discussion, and in light of the various approaches to HRM research reviewed in the previous chapter, the use of a single case study comprising predominantly semi-structured interviews is justified in relation to the aims. The narrative justifies the location of the research, both in terms of the retail industry and the geographical North of the UK, across which the 8 sites where data was collected are positioned. Issues of generalisation are considered before describing in detail the conduct of the research, explaining the reasons for identifying 3 distinctly different types of participant, and the varying approaches towards retrieving the required depth of data from these participants. Finally, the chapter provides a detailed account of how the data was recorded, organised and analysed in preparation for being presented in the empirical chapters.

Chapter four provides contextual analysis and data in order to provide the foundations for the following three empirical chapters. The UK retail sector is introduced and the relative position of the case organisation within it is described by providing a brief history in terms of how it has become the most dominant player in this sector over recent decades. The intended HRM system and policies are set out in detail to provide a full understanding of how they are geared to align with principal organisational values. Understanding of this intended policy is key to the arguments in the following chapters. Finally the context of employment relations is put forward through an account of historical relationships with trade unions, before introducing the current partnership agreement between the case organisation and a

major retail union. This is necessary to provide understanding of intended processes for joint working.

Chapter five is the first of three critical empirical chapters and examines in detail the implementation of HRM systems. Split into three sections, it firstly considers how HRM practices are designed to be implemented in a coherent way which fits with business practice and needs. It does this through considering the ways in which multiple individual practices in these areas are designed to complement each other and work in conjunction, or to enhance the working of similar practices. It shows how practices are designed to 'fit' internally, to elicit the appropriate behaviours and performance of employees relative to the requirements of the business. Secondly, it delves deeply into the process of HRM strategy implementation, often performed by line managers on the shop floor with limited training, highlighting the tensions and shortcomings which result from variable implementation. The discussion focuses on the realities of how the previously illustrated HRM strategy is implemented and uncovers considerable differences between the prescribed policy and the shop floor reality. Explanations for this difference centre around the skill and discretion of line managers responsible for implementing HRM strategy, workloads and job design which hinder practice implementation, and monitoring of outcomes which leads to a lack of transparency. Finally, the chapter illuminates the processes through which the HRM implementation is geared by senior store managers to extract greater value and effort from the workforce, which typically results in work intensification. It is demonstrated through the use of specific examples how

senior management at the case organisation use what are presented as high performance work practices, such as job variation and management training schemes, to directly drive down the cost of labour. The processes through which this is achieved, which at times verge on elements of deception, are explained and discussed.

The presentation of empirical data is continued in chapter six, which considers the impact of an independent trade union on the HRM strategy. The 'internal fit' of strategy and process is considered, where the union is treated as an internal factor by the organisation, with which HRM process and practice interacts. In this way the unions is shown to adopt the role of a missing variable in the high performance work system model. The roles of the various union representatives related to the delivery of HRM strategy are discussed, in terms of the processes through which they impact upon it and the tensions which result from this interaction. It is argued that the union plays a key role in the development and enforcement of systems of HRM, counteracting some of the problems of variable implementation highlighted in the previous chapter. Further to this, it demonstrates how the activities of the union and its representatives constitute additional individual HRM practices which have become central to the overall HRM strategy of the organisation. It is shown to do this through independent channels of communication, a consultation capacity formalised through a partnership agreement, but principally through its role in policing both the terms of the agreement and organisational HRM policy. These arguments are drawn out through a deep analysis of the union role in the implementation of individual

HRM practices. Finally, the balance of power in the social partnership is considered within the rhetorical context of 'mutual gains', where resources and decision-making power given by the employer to the union are reciprocated by the union working towards organisational goals and objectives and assisting with the implementation of strategic developments. This analysis suggests that while members and employees do benefit from union involvement in HRM implementation and pay determination, the gains to management from the partnership are at times perceived to eclipse them.

The empirical segments of the thesis conclude with chapter seven, which examines the notion of 'external fit', in terms of how HRM strategy and practice evolve with, and react to, variations to the external environment within which an organisation exists. The external changes considered in this chapter relate to the economic recession experienced in the UK from 2008 and the consequent environment of high unemployment, which rose rapidly from mid 2008 and continues to remain high into 2012. This is the only chapter which uses quantitative data, in the form of organisational performance statistics, which is triangulated with the qualitative data from interviews. It argues that the organisation, which continued to announce record profits year on year throughout the recession and continued economic turmoil, opportunistically used the recession as a tool to increase workloads and drive down labour costs. The processes through which HRM strategy is altered to do this are drawn out, and this is reinforced with organisational performance data relating to profit per employee, total sales area, number of stores and number of full time equivalent employees. It is

shown how staff retention increased massively during the recession and recruitment was almost frozen, while the organisation continued to expand operations both in terms of numbers of stores and sales floor area. It is explained how HRM practices and policy are aligned to elicit the required increase in workload and job task responsibilities for the remaining workforce and how this was possible due to the scarcity of jobs within an external environment of high unemployment.

The thesis draws to a close with chapter eight. This draws together the previous chapters and refines the central argument of the thesis. The contribution to various debates about HRM implementation, internal and external fit, its alleged link with performance and the role of trade unions in social partnership with private enterprise, are concluded. Taken together, these themes conclude that a high performance work system is vulnerable to both internal and external factors, which impact upon the mutual gains intention so that gains for employees are reduced. The channel through which HRM systems impact upon employee effort and organisational performance is typically work intensification, rather than increased commitment or motivation. The final half of the chapter considers the significant implications of the thesis for theory, research and for practice in HRM and employment relations.

Chapter 2: Literature Review

2.1 Introduction

This chapter reviews the literature concerned with understanding systems of strategic HRM. Conceptual models assume that strategic HRM systems impact positively on organisational performance and some pay attention to the notions of internal and external fit. This thesis examines the reality of a high performance work system and develops understanding of internal and external fit and discrepancies between the prescribed rhetoric and the actual reality of these HRM systems. Specific reference is made to the tensions associated with the implementation of HRM practices in terms of potential work intensification, the role of trade union partnership in achieving internal fit of the strategy, and the impact of the broader economic context on external fit.

Current literature which contributes to these debates is now reviewed, starting with an account of early theory on strategic HRM, and then moving towards the more recent notion of a high performance work system. Issues of internal fit are discussed and are developed with the notion of interacting complementarities between HRM practices. Critical literature on the implementation of HRM uncovers tensions concerning internal fit, which propose that in reality these practices and systems may have consequences which are negative for employees. Furthermore, critical research has shown how HRM can be used in a way which is in contradiction to the models that

propose mutually beneficial outcomes for employers and employees. Issues and associated tensions surrounding external fit are then explored, relating to theory and research on changing societal and economic environments and the context of HRM systems. This also suggests findings contrary to the theoretical models, in that rather than enriching work and invoking commitment, HRM systems are vulnerable to being used by employers to extract greater effort from employees through intensifying work, which has a significant detrimental impact on employees. Literature on social partnership is then considered in terms of its potential impact on systems of HRM and associated tensions concerning implementation and internal fit. This suggests likely risks involved in terms of the power balance in such partnerships, limiting the level of influence a union may have over HRM implementation. The vast field of quantitative research is then considered, not in terms of its attempt to link HRM and performance, but in terms of its weaknesses in understanding and accounting for the complex social interactions between employers, employees and other parties involved in strategic HRM systems and the employment relationship. This critique is instrumental in developing the research design for this project. The limited field of qualitative research is then reviewed, and its potential for shedding new light on the realities of strategic HRM systems is advocated.

2.2 Early Theory

The literature review begins with a discussion of early models of HRM, all of which present an implicit or explicit argument that the adoption of certain HRM practices could lead to increased organisational performance. These

are business strategy 'matching' models, high commitment, and high involvement models. Debates about relationship between HRM and performance are of obvious importance and interest to employers if a competitive advantage can be obtained by managing people in a particular way (Baird, et al., 1983; Torrington, 1989; Watson, 1987), however despite much research on this relationship, it is the missing step in the link in terms of how HRM practices actually connect to performance, which is still begging for answers and further explanation (Guest, 2011).

In the long standing debate about HRM and performance, even some of the earliest models do pay attention to notions of fit, both internal and external. The 'Michigan matching model of HRM' (Tichy, et al., 1982; Fombrun et al., 1984) argues that the human resource should be managed in a similar way to any other business resource. Employees should be 'purchased' as cheaply as possible, developed or exploited to their full extent and managed to fit organisational requirements, be this efficiency or quality. Commenting on this model, Sparrow and Hiltrop (1994) suggest that organisational structures and HRM policies should be managed so that there is a 'fit' between HRM and business strategy. Five areas were thought to be of most importance in obtaining the correct match: selection, performance appraisal, rewards and development. The performance of the selected recruits is appraised, which determines rewards for good performance and identifies development needs for future performance, whilst development needs influence future selection. Suggestive of a need for internal fit, this model

does not, however, account for any potential tensions arising from attempts to achieve it.

The Harvard model of HRM (Beer et al., 1984) focuses on the 'human' side of HRM highlighting the 'softer' issues of strategy formation (Guest, 1987), identifying four broad areas for HRM policy: Human resource flows; Reward systems; Employee Influence; Work systems (Beer et al., 1985; Sparrow and Hiltrop, 1994). Outcomes of successful implementation are argued to be individual well-being, organisational effectiveness and societal well-being. Building on the Michigan model (Fombrun et al., 1984), the Harvard approach emphasises a broader range of content to be considered by HRM policy makers, due to the greater amount of attention paid to the 'human' aspect, with concepts like employee involvement in decisions being explored, seeing the management – employee relationship as a merging of business and societal expectations and striving for individual well-being as one outcome. It is a progression from the earlier Michigan model through reference to the employment relationship and importantly, it raises potential problems or tensions over issues of internal fit.

The first model to explicitly address the processes through which HRM might impact on employees can be found in Walton's (1985) model, which made the key distinction between 'control' and 'commitment' strategies (Legge, 2005). An alternative to the traditional 'control' strategy, Walton (1985) proposed the 'commitment' strategy, where high performance expectations emphasised continuous improvement and exceeding objectives. The control

strategy assumed that workers' motivation, skill and therefore performance are at a minimum, so specific job roles and a top-down hierarchy of authority, status and monitoring was the best approach. However a style of management that assumed a low level of commitment from employees and merely obedience, could not, according to the theory, produce the level of performance required to compete globally at the highest level.

Contributing to Walton's (1985) commitment strategy were growing numbers of manufacturing firms starting to remove levels of hierarchy, giving lower level managers greater spans of control, combining quality and production responsibilities at lower levels, and creating new career opportunities for employees. Furthermore, increased job security through enhanced training and the use of internal labour markets was thought to improve commitment to an organisation. As with the Harvard model, the commitment strategy recognises the various stakeholders in an organisation, such as shareholders, employees and society. However what is important is that it suggests that strategic HRM systems make employees more committed to their employer through positive outcomes and perform better as a result. The problems with this assumption, in terms of claimed positive outcomes for employees and potential increases in commitment, are broken down throughout this thesis.

Similar assumptions regarding the potential effects of strategic HRM on employees were advocated by Lawler's (1986) 'high involvement' model. Work enrichment was expected to be achieved through power sharing,

where decisions could be shared with employees instead of just centrally by management, whilst the sharing of business information is required for employees to plan and improve work processes, services or products. Developing knowledge and rewarding performance are parts of the model designed to provide skills to cope with increased responsibility and provide sufficient motivation to develop and exploit their skill (Lawler, 1986). The assumption is that due to the above systems, employees will be more involved in the organisation and with their increased responsibility, work harder and perform better for their employer. Again, this assumption of a win-win situation and mutual gains through a strategic management initiative seems optimistic and is challenged throughout the thesis.

Work enrichment through job design was assumed to be the linking concept in Guest's (1987) model of HRM, which was hypothesised to create committed and flexible employees, conscious of quality. Communication and grievance systems were brought in to Guest's model, which are absent in models mentioned previously, in order to support the desired work enrichment by enhancing employee voice. In contrast to Lawler's (1986) view that trade union involvement in novel HRM practices could be beneficial, Guest argued that collective industrial relations have only a minor role at best to play in the implementation of them. Guest's model is essentially similar to the earlier Harvard model of HRM (Beer et al., 1984) in that it emphasises a 'soft', paternalistic approach to HRM.

The earliest 'matching' models target business strategy and the congruent alignment of HRM whilst the Harvard model builds the 'human' aspect into the equation, recognising employment relations concerns and individual well-being, therefore moving towards 'softer' HRM. The commitment model is contrasted with traditional 'control' strategies in the context of an increasingly competitive global economy, while the high involvement model suggests an even softer approach with the sharing of information and decision-making power with lower level employees in order to increase involvement. These early models have paid some attention to the issues of internal and external fit of HRM strategy, though these are not delved into in any level of detail. Significantly, the 'softer' models make assumptions about how their prescribed HRM systems result in mutually beneficial, win-win outcomes for employers and employees, however little or nothing in these models suggests any tensions or potential negative outcomes which may result from HRM systems.

2.3 Moving Towards 'High Performance HRM'

From the 1990's onwards, attention shifted towards 'high performance' HRM, and the notion of complementarities between a multitude of HRM practices. In what was seen as a rapidly developing economic and political climate in the early 1990's, competitive markets required firms that exuded quality, and could quickly adapt to market fluctuations. Therefore the creativity, problem-solving ability and ingenuity of employees gained more importance (Wood and Wall, 2007). These authors have referred to high performance work organisations as ones providing employees with the

information, responsibility, skills and motivation that enable them to make decisions towards innovation, continuous improvement, and swift response to changes. High performance HRM defined in terms of Bailey's (1993) framework, emphasised three dimensions in which staff could be managed to produce an increase in their performance: providing opportunities for employee participation in 'shop-floor' decisions (Appelbaum et al., 2000); providing training in skills required to make efforts more meaningful; ensuring that employees have the required level of motivation.

For others (Ichniowski et al., 1997; Horgan and Muhlau, 2006) five dimensions were theorised to be essential to high performance HRM: 1: Incentive systems, such as goal setting, motivation and interest alignment; 2: Sharing, to establish mutual trust and provide opportunities for displaying generosity; 3: Training, in job related and work performance enhancing skills; 4: Guidance, in terms of sharing information and embedding firm norms and culture into the employees; 5: Selectivity, so screening potential recruits for their suitability for the organisation. Wall and Wood (2005) term HRM as representing the part of an organisation's practices with regard to recruitment, development and management of its employees, and talk of high performance HRM systems as including: advanced selection methods, training, appraisal, communications, teamwork, empowerment, performance or skill related pay, and job security. So there is some discrepancy between the theoretical positions mentioned above as to the number and content of practices that make up high performance HRM systems, and Guest (2001) also noted that there is not a congruent consensus on this. Therefore, while

progress has been made towards establishing a relationship between strategic HRM and firm performance, there are some theoretical and empirical problems remaining. Den Hartog and Verburg (2004) suggest training and development is commonly seen as a single practice, but can be operationalised as management development, internal promotion, skills training or career planning, and while some of these may be present, employee development could also be found as an array of related practices. Therefore it may not always be clear whether a certain policy actually accounts for a larger role, or is a system in itself.

The above accounts demonstrate the complexity of high performance work system approaches to HRM, and present potential problems concerning effective implementation. While existing literature has not considered specifically the notion of vulnerabilities of these systems to either internal or external factors, more recent commentators have pointed in that direction. The position of Huselid (1995), that high performance work systems should create beneficial outcomes for any type of organisation, is challenged in more contemporary literature, especially in terms of the win – win outcomes for both firms and employees. Kaufman (2010) argues that strategic HRM theory relies too much on the psychological areas of intrinsic human motivation and does not allow a deep enough consideration of the potential for high performance work practices to impact negatively on employees and inherent tension between, as he puts it, "greater motivation versus work intensification, or flexibility versus job security" (Kaufman, 2010: 308). This analysis calls for a more nuanced understanding of where and how HRM

systems might be vulnerable to losing soft outcomes and creating negative outcomes on at least one side of the employment relationship.

The theory based on psychological notions of motivation is similarly criticised by Harley et al. (2010) in research addressing the responses of employees to high performance work systems. They suggest a need to focus on sociological study to develop knowledge on how and why these systems might work through their impact on employees. This means paying attention to the circumstances where positive outcomes for employees might arise, or equally, where negative outcomes might be found instead. While not specifically addressing the notion of vulnerability of HRM systems, Harley et al.'s (2010) commentary points towards the likelihood of such vulnerabilities through calling for a deeper understanding of how or when specific HRM practices might produce positive or negative employee outcomes and an exploration of the causal processes involved. This stance was subsequently echoed by Thompson (2011: 359) where attention is drawn to the "many unproven or weak links" between high performance practices and performance outcomes, just as Guest (2011: 3) is "still searching for some answers" to the linkages between HRM and performance.

2.4 Internal fit, Interactions and Complementarities

The relative complexity of high performance work systems demonstrated above is further increased by suggesting that individual practices may interact with one another, in that different relationships may be possible

between HRM practices which could have an effect on the outcome (Delery, 1998). Certain practices are believed to have an additive relationship in working towards the preferred outcome, in that their effects are independent and do not overlap. In a different form of complexity, it has been argued that different HR practices may interact with each other. These could substitute each other, so two practices lead to the same outcome, and therefore the presence of one has caused the other to become marginalised. In a different way, practices may have a synergistic relationship with each other, implying that the combined use of two practices has a different or better effect than the sum of benefits of their individual use (Delery, 1998). A positive synergistic relationship implies that the performance benefits of HRM practices are dependent on the use of other complementary practices. Where the effective working of HRM practices is dependent on others, poor implementation of one practice is likely to have further reaching negative impacts on the overall strategy.

Intertwined in this complexity is the debate around best practice and best fit of HRM systems. Boxall and Purcell's (2011) account of this distinction proposes that one set of best high performance practices, such as employee communication systems, extensive training and pay at slightly above the market average, that should lead to increased organisational performance regardless of other variables in the organisation or context. Alternatively, the best fit approach proposes that the most effective HRM strategy ought to vary from one organisation to another, dependent on the internal and external context or contingencies. In a similar way, Delery and Doty (1996)

contrast the 'universalistic, contingency and configurational' approaches to strategic HRM. The Universalistic approach, largely synonymous with best practice HRM, suggests practices which universally improve performance. A contingency approach recognises the important influence of internal and external factors which may have some effect on how the HRM practices work. This raises key questions about how and why internal or external contextual factors might have any effect. Finally, a configurational approach suggests that HRM practices interact with each other as mentioned suggested by Delery (1998) above. Taken together, the contingency and configurational approaches form the basis of the best fit school of thought. Significant in these debates are the notions of contingency and fit. If HRM systems and practices are contingent on internal or external (external fit is discussed in a dedicated section below) factors, then questions about how these contextual differences affect the inner working of HRM systems remain relatively unanswered. These models, while useful as a framework to study the HRM and performance relationship, provide little theoretical guidance as to the nature of the relationship and the outcomes for employees. That said, if there is a variation in organisational performance due to contextual differences, then there likely exists a variation in employee outcomes due to the same contextual differences.

Wood's (1999) commentary on various types of 'fit', proposes the idea of internal fit where synergy is suggested among HRM practices, along with their combined effects being greater than the sum of their constituent parts. For example, talking of internal fit, Wall and Wood (2005) suggest that

selecting high calibre recruits but not training them will have little effect, as will training employees without empowering them to utilise that training, while using the practices together will have a positive effect. While this internal fit can closely resembles Delery's (1998) synergy in HRM practices working together and interacting, two other types of 'fit' have been mentioned in the literature. Specifically, Youndt et al. (1996) talk of strategic fit, a broader concept to do with the organisation's strategy and mission, assuming that practices associated with HRM should be in alignment with the organisation's overall strategy in order to have the best positive effect on performance, in a similar way to the Michigan model (Tichy et al., 1982). Finally, organisational fit regards HRM systems as interacting with other business process systems such as total quality management (TQM). Lawler et al. (1995) draw a link between HRM and TQM, and argue that these two systems complement each other in terms of their combined effect on firm performance. These three different types of 'fit' discussed demonstrate increasing complexity surrounding the debates on the use of systems of HRM, raising questions about the complexity of implementation of them, and of the consequences of ineffective or variation in quality of implementation.

The complementarity hypothesis extends this idea of internal fit even further in presenting the idea that high performance HRM practices need to be used in combination to extract the best performance gains from them, whilst also recognising the potential negative effects of HRM practices. It specifies that the performance gains that will be realised when practices are used in

combination will be greater than the sum of the performance gains realised when the practices are used individually, because some may have complementing effects on each other. Horgan and Muhlau (2006) suggest three processes by which the combination of practices can boost performance. The first is reinforcement, where one practice may not be strong enough to produce the desired outcome and requires the support of another practice working in the same direction. It is suggested that reinforcement may be particularly important where the implementation of the practice is primarily concerned with communication, and where there is the risk of wrong interpretation, consistent signalling via multiple practices is required to achieve the aspired outcome (Muhlau and Lindenberg, 2003).

A second process is compensation, which prepares for the risk that certain HRM practices may create outcomes which are negative, or which may mitigate or reduce the effectiveness of the desired positive outcomes. Horgan and Muhlau (2006) suggest that negative side effects may be related to how employees react to specific HRM practices, such as displaying over reliance on the extrinsic pay and compensation systems, therefore reducing their intrinsic motivation to work. A compensating HRM practice would attempt to reduce any negative side effects of another practice. For example, guidance systems may be implemented to increase intrinsic motivation, or team centred reward strategy to foster obligation and commitment. The complementary process of compensation is important in that it recognises that there may be tensions associated with, or created by, certain HRM practices and systems.

The final is flanking, where the effectiveness of HRM practices may be contingent on supporting conditions. Horgan and Muhlau (2006) refer to a complementary relationship as flanking if one HRM practice helps another by changing the inputs and facilitating the impact of it. For example, practices of training and development are 'flanked' by reward and compensation systems that align rates of pay to levels of skill. This provides an incentive and motivation for employees to participate fully in training in order to ensure they gain the necessary skills to receive their superior rewards for possessing a higher level of skill. The effectiveness of the training practices is therefore increased by the complementary effect of the practices regarding wage structure.

2.5 Tensions and contradictions associated with fit

The above section addressed the complexity of notions of internal fit, specifically the additive relationships of different HRM practices (Delery, 1998), moving towards the complementarity hypothesis (Horgan and Muhlau, 2006), and how this relates to the different types of 'fit' discussed by Wood (1999). The complementary practice of compensation suggests tensions and negative side effects may be associated with HRM practices, so it is therefore necessary to explore the literature for what these tensions might be, or where they might arise. According to Boxall and Purcell (2011), tensions are most likely to result from the various end points that an HRM strategy intends to satisfy. Principally, this is likely to reflect possible contradictions between economic goals, and goals reflecting employment

relations and social legitimacy. This suggestion raises questions over the channels through which HRM systems are said to affect performance and over the win-win claims of HRM, because if performance improvements can be achieved through the same practices which improve the work environment then these tensions should not exist. However there may exist situations where practices are implemented to improve skill and commitment, while at the same time the organisation is trying to re-structure (Pil and MacDuffie, 1996), or where fixed term contracts are being introduced at the same time as practices designed to foster involvement (Bacon and Blyton, 2001). Both of these are situations where the 'beneficial' practices are vulnerable to being extinguished by the insecurity and miss-trust created by the fear of redundancy. This is therefore suggestive of vulnerabilities of the HRM systems, to other internal factors related to employment.

Tensions and contradictions associated with HRM strategy can be found looking at broader literature which does not necessarily look specifically at HRM systems. For example, Geary's (1992) research into employment flexibility and the use of temporary contracts in American electronic firms observed unintended side effects, in terms of flexible working arrangements giving rise to a new status divide between employees. Management, attempting to address operational contingencies while at the same time increasing trust and commitment through removing old status divisions, unknowingly created new status divisions between permanent and temporary employees. This critical research demonstrates how a new

approach to one aspect of HRM can potentially re-create the very phenomena it was designed to eradicate. The complex understanding of outcomes uncovered also demonstrates the value of intensive research into the internal workings and contingency based vulnerabilities of HRM systems.

In terms of the processes through which HRM might work to improve employee performance, research by Ramsey et al. (2000), utilised data from the Workplace Employment Relations Survey 1998 (WERS98) to examine not just the effect of a model of high performance work practices on performance, but measures of a competing theory, the labour conceptualisation model. This alternative perspective conceptualises high performance practices as leading, directly or indirectly, to higher performance through work intensification, offloading task controls, thereby increasing stress and job strain in workers through added responsibility, enhanced discretion and insecurity. The results found little support for the labour conceptualisation model, but did confirm a relationship between high performance HR practices and a number of measures of workplace performance. However, while the labour conceptualisation model was not supported, their results did show that the superior firm performance outcomes from high performance HR practices do not necessarily flow via positive effects on the employees. This finding suggests that there are key questions which need to be answered regarding the processes and channels through which HRM systems may affect performance, and how they impact upon employees. This is highly significant as it is the first piece of research discussed so far which suggests a different channel through which HRM

systems may work, and importantly, this is a channel which is negative rather than positive for employees, rejecting the win-win theoretical assumptions.

Intensive research has begun to consider the complexities of HRM implementation and tensions created by trying to achieve internal fit. Truss (2001) undertook a longitudinal qualitative study that analysed in detail the human resource policies and practices of one organisation over a period of two years. She took the inverted approach of taking a financially successful firm, Hewlett Packard, and analysing their HR policies and practices. Findings were interesting, because despite their financial success and use of high performance HRM practices in areas such as training and development, less than half of their employees believed they received the training they needed to do their job well. Less than a third felt that their pay was fair compared to others doing similar jobs in other companies, only a third thought that the appraisal system facilitated an accurate assessment of strengths and weaknesses and also just a third were happy with their career management. The qualitative study also found that while staff members were very loyal, showing low levels of intentions to quit, they were also increasingly stressed and pressured at work whilst morale decreased over the two years the firm was investigated. This study shows that the link between HRM and performance cannot be considered without looking in some detail at how policy is translated into practice through the lens of more intense research approaches (Truss, 2001).

Hewlett Packard has been shown to perform well financially, and to utilise a variety of high performance HRM practices. However, it appears from the case study that if it is the HRM practices that are influencing performance, then they are doing so through different channels than they are intended to. While high performance practices are theorised to improve labour productivity by making the employees feel more involved, committed to, and valued by the firm, this study suggests that the workers feel unfairly treated with regard to pay, and are pressured and stressed because the training is not sufficient to enable them to perform well at their jobs. Of course, due to the qualitative nature of this research based on just one case study, there is the problem of generalisability, especially as Hewlett Packard is a very successful organisation. In light of the abundance of quantitative cross sectional research on this topic, this is a valuable addition to the debate, especially as it does not support the clear causal picture painted by the earlier theory.

Some of the issues raised by Truss' (2001) qualitative work, such as workers feeling stressed and under pressure, have been supported by White et al. (2003) in their study of high performance HRM practices, working hours and work-life balance. They investigated the effects of high performance HRM and working hours on work-life balance with data from surveys of British employees. Working hours were found to be correlated with negative job to home spill over, but also certain high performance HRM practices were found to correlate negatively as well. Appraisal systems, group based forms of work organisation, and individual incentives were all found to contribute to

the imposition of work on the private life of employees. These findings of White (2003) and Truss (2001) highlight the importance of investigating how policy is translated into practice when considering how HRM and performance are linked, through looking at the informal organisation. This is a concept that can be best served through in-depth qualitative investigation, due to the complex nature of the social processes involved. Truss (2001) also mentions how the notion of what constitutes good performance needs to be taken apart and looked at more closely, specifically comparing and contrasting performance measures at various individual and organisational levels. This level of investigation may also shed more light on how high performance HRM systems actually achieve an increase in commitment and performance, if they do at all, be this through improving the working lives of employees, or placing them under more pressure and stress as was seen in some of the data from the Hewlett Packard case study and quantitative work (Ramsey et al., 2000; White et al., 2003; Forde et al., 2006).

A source of tension and vulnerability in HRM systems is likely to revolve around the interpretation and implementation of practices by line managers. McGovern et al. (1997) comment on the strained and sometimes contested relationships between HR or senior management and the line managers responsible for administering the practices they have decided upon. They suggest that line managers frequently use their autonomy to manipulate HRM practices, either in a positive way to make them more suitable to the informal culture of the 'shop floor', as found by Truss (2001), or in a more negative way in order to advance their own personal fortunes (Whittaker and

Marchington, 2003). Any variation from the prescribed HRM rhetoric carries the potential to upset the fit of the overall strategy and impact on employees or company operations in ways other than which it was intended. Purcell and Hutchinson (2007) pay attention to the relationships between front line managers and members of their teams, finding that employee commitment and positive attitude was heavily dependent on satisfaction with managers' leadership behaviour. This is important as it raises the significance of social relationships between hierarchical levels of employees at work in contributing to the overall fit of HRM practices and strategy. Furthermore, it identifies a potential systemic risk in devolving HRM responsibilities to line management.

Line managers of course are responsible for much more than the implementation and administering of HRM practices, and this raises a further potential source of tension, where operational duties may eclipse duties concerning HRM. Fenton-O'Creevy's (2001) study into managers' attitudes to employee involvement practices indicated that their role responsibilities were structured so that they had no time to put towards developing and involving lower level employees. Further to this they suggest that a large majority of managers do not have the experience required to adequately implement these practices. Both of these findings present possible threats to the satisfactory implementation of HRM practices and the achievement of the required internal fit of the HRM strategy. The two potential problems are time and capability: capability to carry out HRM tasks for which skills are required which they may not have been adequately trained in; and time to

carry out HRM related activities alongside operational or standard management tasks related to productivity and ultimately profit.

Various potential tensions and problems have been illustrated from the theoretical literature addressing the implementation of HRM systems in trying to achieve the desired internal fit. Further potential problems have been identified in terms of line managers being responsible for the implementation of HRM systems and being either under trained to do so, or having insufficient time to do so alongside operational duties. The channels through which HRM systems may have an impact on employee performance have been called into question, both quantitatively through an analysis of WERS (Ramsay et al., 2000), and through intensive qualitative research (Truss, 2001). These studies are both suggestive of work intensification contributing resulting from HRM systems, a very different channel to increased commitment or motivation, which may increase performance of employees. Further shortcomings in knowledge on implementation of HRM systems have been identified by the studies mentioned in this section, specifically in terms of how they might be vulnerable internally to poor implementation through line managers, and how they might be vulnerable more broadly due to significant differences between intention and practice.

2.6 The External Context of HRM and Fit

Boxall and Purcell (2011) provide an account of debates around the issue of 'fit'. They discuss organisational fit in the same way as the previously

mentioned authors, however they use the term 'industry fit' in a similar way to the aforementioned strategic fit, in terms of an organisation's technological and economic factors which may be specific to its industry. Further to this they bring in another type of fit, 'societal fit', which recognises factors specific to the cultural and societal climate which extend beyond the basic employment law of a country, region or area. This highlights implications for organisations looking to expand their business abroad, or over cultural and societal boundaries. There is also an economic dimension to societal fit because HRM systems may be affected by changing economic conditions or climates within which organisations operate and trade. In terms of the supply and demand of labour, it has been shown that when economic conditions in a nation are strong, unemployment is low and the availability of labour is scarce, then employers must adjust certain HRM practices in order to adapt. This is most likely to result in more generous and attractive pay or compensation packages and better terms and conditions of employment (Kaufman, 2010) in order to attract and retain the employees required by the business.

Alternatively where economic growth is slow, unemployment is high and labour is widely available, it would be reasonable to expect that the opposite might occur. Boxall and Purcell (2011:72) suggest that in these situations firms 'hold the whip in hand' and refer to increased employer power over wage negotiation and freezes in recruitment due to an abundance of labour and a changing balance of power in the employment relationship. Contributing to this argument, Ramsay (1977) traced levels of management

initiative around employee participation in organisations over a century. It was argued that these participation initiatives run in cycles, and correspond to times when the authority of management is seen to be under challenge. It suggests that employee participation initiatives are used as a tool to regain the compliance of labour, where it may be reduced due to low unemployment, for example. Conversely, where no threat to management prerogative is present, such as an environment of high unemployment, any preferential employment practices are no longer required and are therefore reneged by management. This signals that the external environment has a significant effect on the balance of power in the employment relationship, and that HRM systems are likely to respond accordingly, which must be an important consideration when considering the notion of external fit. This notion is developed in labour process accounts (Thompson, 2011) in terms of market discipline driving performance of employees, rather than commitment, which again raises questions over the channels through which HRM systems are implemented to extract increased effort from employees.

Earlier quantitative research in the USA into efficiency wages, employment relations in environments of high employment found a mitigating effect of positive employment relations, for employers, within environments of low unemployment (Rebitzer, 1988). As the developed economy approaches full employment labour markets grow tighter, which causes a growth in wages and labour productivity to decrease, however this effect is reduced by the presence of 'long term employment relations', or where softer HRM policies are in place, in similar terms. Conversely, long periods of high

unemployment according to Rebitzer (1988) can be expected to be detrimental to the 'long term employment relations' and associated softer HRM practices. As with the previous research discussed in this section, this raises questions about how macroeconomic fluctuations give rise to changes in HRM systems, and the processes through which it happens.

More recent quantitative research points in a similar direction. Forde et al. (2006) show that the threat of job loss may have an effect on the productivity of employees where participatory work initiatives are low or do not exist at all. This research is also suggestive of a potential external impact on the systems of HRM, as where the threat of job loss is present in an environment of high unemployment, the level of participatory HRM practices seems to be lower. This again harks to the 'fear factor' in playing a role in the style of HRM adopted by management. Where there is a fear of job loss or a fear of not finding alternative employment, then sophisticated, 'soft' and costly HRM practices may be less necessary to foster higher performance from employees. Forde et al.'s (2006) research, while showing the possibility of an external economic effect on HRM systems, at the same time points to alternative channels through which HRM may impact upon employee effort, such as through work intensification (Ramsay et al., 2000).

Perceptions of the need to work long overtime hours due to the fear of negative employment consequences, in the age of public sector austerity and 'more for less' culture, have also been found in the senior ranks of the UK police force (Turnbull and Wass, 2012). Senior ranking police officers

conveyed fears of being passed over for promotion, fears of appearing weak and even fears of losing jobs in future re-structuring, if they did not comply with the increasing need for long overtime hours to cope with the net reduction in police staffing. This is significant because it shows how changing economic conditions can impact upon macro level HRM strategy, and the informal expectation of work effort and performance under increased threat of job loss. It also demonstrates how the balance of power in the employment relationship changes due to macro economic conditions in what may be characterised as a highly secure form of employment.

The research discussed above is highly suggestive of external effects on power imbalances in the employment relationship and on subsequent HRM systems and practices. The studies point in various ways to the economic environment ultimately impacting on the outcomes of HRM strategy for employees. The notion of cycles of economic growth and high employment are associated with efforts to gain the compliance of labour (Ramsay, 1977), while American research has pointed to a similar effect on employment relationships (Rebitzer, 1988). More recent literature has shown how the 'threat factor' of job loss or of negative employment consequences can impact upon HRM systems (Turnbull and Wass, 2012) or on employee productivity (Forde et al., 2006). This varied body of research shows how the external context matters in terms of impact on HRM systems and associated outcomes. It raises important new questions about how external factors might have this impact, and the channels through which any change to HRM occurs.

2.7 The role of Trade Unions and Social Partnership in HRM

Attention now turns to the questions of how trade union presence may have an impact on the effectiveness of high performance work systems. Research has considered the impact of trade union presence on the link between HRM and performance, either as an independent or mitigating variable (Bryson et al., 2005; Kim and Bae, 2005). In both of these cases it can be seen to connect to issues of internal fit in terms of contributing to the effective implementation of HRM systems, or at least interacting with them to produce positive effects on performance. Even one of the earlier theories on HRM and high involvement suggested a possible benefit of union involvement on the effectiveness of HRM systems (Lawler, 1986). As a concept with similar proposed aims to HRM, and a factor which can potentially impact on HRM systems, discussion is now directed at how union activity may interact with HRM systems, and the potential of social partnership agreements to formalise this activity. One of the underlying assumptions about HRM is that it may return mutual gains to both parties on either side of the employment relationship: gains to employees in terms of improved working conditions; and gains to employers in terms of increased performance of their staff. However there is mixed consensus on both of these claims, especially the latter, and the debate on this is likely to continue. In a similar fashion, there exists much academic debate around the nature and impact of union partnership, again in terms of whether it returns mutual gains to both employee and employer (Martinez Lucio and Stuart, 2002). It is now argued that in order to advance understanding of

high performance work systems, the internal impact and interaction of union presence or partnership must be more fully understood.

Turning to quantitative research for evidence of a 'union variable' on HRM systems, Bryson et al. (2005) used data from the 1998 WERS to investigate the combined effects of high performance HRM practices and trade union representation on workplace performance in Britain. This is relevant to the internal fit of HRM systems in terms of their interaction with trade unions. Results found that HRM practices had little or no effect on company performance, union presence had a positive effect, while the two combined had a slightly positive effect. WERS98 is a survey that is reliant on managers' perceptions of their firms' performance and is therefore open to a great deal of response bias, so the results of research utilising WERS may need to be treated with some degree of caution, however the findings do raise interesting questions. While this study did not test the notion of internal fit in terms of interactions between different HRM practices, it has done so on a different scale in terms of interactions between strategic HRM systems and trade union activity, and suggests an interacting effect, or the union acting as a mitigating variable. This raises important questions about how a union might work as a missing or mitigating variable in a high performance work system.

Union activity which is likely to contribute to an organisation's HRM strategy is typically formalised in a partnership agreement. In the context of UK industrial relations, partnership between employers and unions has been a

key part of recent (1997 onwards) Labour governments' policy on employment in trying to move on from adversarial industrial relations to more cooperative relations where both parties involved trade power and / or responsibility for mutual gains, while academic definitions have centred around this concept of co-operation and reciprocity (Stuart and Martinez Lucio, 2005). There is an extensive literature on partnership and various empirical research has been conducted into the effect of partnership agreements on the industrial relations climate (Taylor and Ramsay, 1998; Samuel, 2007). The discussion will now firstly consider the views of advocates and critics of workplace partnerships, followed by an account of research into their content and the effects these arrangements may have on HRM, or vice versa.

Broadly speaking, advocates of union partnership arrangements emphasise the concept of mutual gains, for example Kochan and Osterman (1994) suggest that this can be achieved through bargaining over employment security and the involvement and development of employees, suggested by all models of strategic HRM, while greater flexibility in the workforce should bring benefits to employers. Indeed, many partnership agreements contain terms of reference to this end (Samuel and Bacon, 2010). Ackers and Payne (1998) argue that partnership stands to help UK trade unions modernise and revitalise, economically and politically, while the closer relationship with employers and their involvement with systems of HRM will be valuable in assisting unions in their quest to return benefits to their members. These benefits are likely to extend from basic terms and

conditions of work, through to better quality jobs, greater influence around HRM decisions, improved training and access to careers, and increased job security. For management, it is argued that benefits from cooperative industrial relations will result in union representatives who are more inclined to work towards the interests of the organisation, and will be able to assist in the process of change (Marchington, 1998). This commentary suggests that key involvement in HRM decisions and processes is formalised through partnership agreements, which raises a need for understanding how and why these interactions might work.

The effect of union partnership arrangements on HRM's ability to deliver performance improvements ignores the question of how improvements might be achieved, and whether gains from the partnership are felt by employees as well as employers. Indeed this has been questioned in empirical work on high performance work systems and partnership (Danford et al., 2008; Danford et al., 2004), suggesting complicit unions and a deterioration in quality of working life. The concern amongst critics of partnership arrangements is the danger that trade unions involved in partnerships may become complicit with management prerogative and HRM strategy, and therefore damage their ability to return benefits to members and therefore to recruit new members, threatening their very existence (Kelly, 1996; Taylor and Ramsay, 1998). Kelly suggests that in the inevitable environment of antagonistic interests between employees and employers, where one party (employer) would prefer it if the other party (trade union) didn't exist, a true partnership is impossible to achieve. More recent commentary has argued

that partnership agreements specify employer interests over and above the interests of unions and labour, so that employees stand to gain little in terms of the maintenance or improvement of terms and conditions (Kelly, 2004), creating the potential for further decline of UK trade unions. Furthermore, in their article about partnership in a risk society, Martinez Lucio and Stuart (2005) stress that the concept of risk should be central to any debate surrounding industrial relations based on the partnership approach. They argue that distributive risks and political risks affecting an establishment from both endogenous and exogenous forces present problems in the context of workplace change, which in turn makes partnership based relationships between unions and employers unstable.   So while partnership may give unions a hand in the HRM strategy of their 'partner', when their partner's needs or requirements change, there is a high risk that the views may diverge. This debate around whether the effects of union partnership are beneficial for employees, or not, raises an even greater need for understanding of how a union might work as a missing or mitigating variable in an organisation's HRM strategy.

To consider how partnership agreements formalise interaction with HRM, content analyses must be considered. It is estimated that between 1990 and 2007, 248 union – management partnership agreements have been signed, which should cover around 10% of all UK employees (Bacon and Samuel, 2009). A recent study by Samuel and Bacon (2010) analysed the majority (126) of these partnership agreements.   Findings were that typical agreements represent the lowest possible common denominator, this being

that the union strives towards organisational success while the employer grants the union some involvement in managerial and HRM decisions. They conclude that, based on their content analysis, partnership agreements are weak in terms of improving fairness in employment terms and conditions within the low trust industrial relations climate of a liberal market economy, lending support to the critics of partnership who suggest that employer interests dominate these agreements (Kelly, 2005). While this is indicative of the formal reality of agreements, it does not address the questions of how they might work in practice to interact with HRM systems.

One of the common components or activities of a management – union partnership arrangement is a joint consultation committee, or at least terms of reference to one, through which a union will lever impact on HRM systems. This is emphasised by Boxall and Purcell (2011) as the opportunity for employees to participate, and is associated with improved levels of satisfaction at work (Appelbaum et al, 2000). It is the vehicle through which the union and employees can attempt to exercise its influence or voice over employer's HRM decisions and strategy, as is stipulated in most agreements. In a longitudinal comparative study of partnership consultation in two British life and pensions firms, Samuel (2007) contrasts the effectiveness of this method of joint consultation. It was found that effective consultation was evident in the firm which had a history of a cooperative industrial relations climate, and was dependent on key individuals on both side of the relationship. Ineffective consultation was associated with a historically poor climate of industrial relations in the other

firm, and showed that partnership is likely to be unstable when asked to help with change management and business restructuring. This supports the argument regarding risk in partnership arrangements, discussed above (Martinez Lucio and Stuart, 2005). It also suggests that a partnership agreement is not a route to a cooperative climate of industrial relations; rather it requires that climate in the first place in order to be effective. Therefore the level of impact a partnered union is likely to have on HRM strategy may range from actual influence to mere monitoring or policing of management activity.

Earlier case based research examining HRM, partnership and unions in the retail sector warned of the risk of compliant unions in terms of the management agenda, which could limit their ability to attract and retain members (Taylor and Ramsay, 1998). Indeed, this is of greater importance in the retail sector due to the higher than normal turnover of staff and a need for continuous member recruitment to keep density at a constant level (Haynes and Allen, 2001; Lynch et al., 2011). Taylor and Ramsay's case study argues that partnership may create just a temporary pluralism in terms of negotiation at the top level of the organisation, which is powerless to impact upon a more rigorous unitarism at the lower, local level, therefore being of little use in returning the desired influence on HRM decisions to members and employees. Taylor and Ramsay's (1998) case showed trade unionism to be accepted, where it did not disrupt operations on the shop floor, and that the union's activities were likely to be reduced to monitoring management activity rather than having a direct impact on HRM decisions,

as the partnership rhetoric prescribes. The distinction between intended partnership at the top of company and union structures and informal relations at the local level suggest that the union impact on local HRM decisions is likely to be reliant on the internal, local level politics between management and union representatives (Martinez Lucio et al., 2000). This further increases the risk that union impact will reduce from any real influence on HRM practice, to monitoring of management activity.

Existing research paints a confusing picture of how union's may act as a missing or mitigating variable in a high performance work system, so further exploration of such interactions is necessary. Debates and research into the effects of partnership bear similarity to the debates around HRM in terms of the alleged mutual benefits to both parties in the employment relationship. Both phenomena are also effectively intertwined, because social partnership suggests a level of union influence over management HRM decisions. Critical commentators reject these claims of mutual gains for both parties, while doubt over whether gains are returned to employees appears deeper than the doubt over whether gains are delivered to employers, suggesting partnership arrangements which favour management. In terms of HRM, either no benefits to either party, or benefits to employers via intensification of work for employees has been argued. Whilst in the case of partnership, benefits to both management and labour, or mutual gains which are management heavy have been argued. Either way the literature warns of significant risks to the capacity of UK trade unions to maintain their density and to return employment benefits to their members. Regarding the actual

level of influence that partnership arrangements allow unions over HRM and management decisions, a level of scepticism is evident, especially at the local level where long standing politics of employment relations may be a stronger predictor than national agreements.

2.8 Shortcomings in Quantitative Research Addressing Issues of Fit

In addition to debates about the nature of internal and external fit in HRM systems, there exists a methodological debate over how to research HRM systems, particularly concerning their relationship with performance. It is this direction which the majority of research into HRM has taken, predominantly focussed on testing for a quantifiable link with performance. However while some studies have considered interactions between HRM practices in terms of internal fit, they are limited in their ability to shed light on the complex nature of this concept, and to understand the nature of interactions with trade unions introduced in the previous section. This section looks at these studies, which use both primary and secondary data sources, cross sectional and longitudinal methodologies, debating the effectiveness of them at investigating HRM implementation. This discussion is relevant from a methodological perspective because it highlights the inability of this research field to arrive at consistent conclusions on whether HRM positively affects performance (Wall and Wood, 2005), and more importantly, how these links and interactions come about. This reveals serious shortcomings in quantitative approaches, and strengthens the

argument in favour of alternative research methods to advance knowledge on HRM.

To establish a relationship via quantitative studies, researchers must quantify the concept of organisational performance as a dependent variable, and HRM as an independent variable. This gives rise to the first two of four key issues or debates that are present within the quantitative research into HRM and performance. Firstly, the measurement of HRM is complex and fraught with difficulties. Wall and Wood (2005) suggest how measures of HRM are of unknown reliability and are likely to contain considerable random measurement error due to single representative responses and because the focal construct is not of a straight-forward nature. For example, judging the extent of teamwork or empowerment is complicated, whereas establishing if a bonus scheme is in place is comparatively easy. Second is the measurement of performance as a dependent variable (Way, 2002). Guest (2001) mentions how it is difficult to obtain financial performance outcome measures at establishment level and measures of perceived performance from a single company source, which is often the same source as for the measures of HRM. This approach has been common in the quantitative research (Arthur, 1994; Guest and Hoque, 1994; Guthrie, 2001; Batt, 2002). Thirdly is testing for complementarities or interactions among independent variables. As theory predicts this type of 'internal fit', investigating possible interaction effects is necessary to more fully understand the nature of any observed relationship between HRM practices and performance. These

issues and debates will be briefly discussed with reference to specific studies in this section.

Using a regression model, Huselid (1995) found a positive relationship between high performance HRM practices and organisational performance. Reported findings on the effect of internal fit, and use of multiple complementing practices, were only modest in comparison to the simple adoption of HRM practices, because the measures of internal fit used were of a basic nature. The sample size and methods of data collection were adequate to claim validity of the results; however there were limitations in the use of cross sectional data in terms of drawing conclusions about causality. While the research may show that firms with more HRM practices score higher on measures of performance than those with less, it has not measured the performance of these firms before they implemented such practices, and so cannot categorically conclude that these practices are the cause of their superior performance. Another problem with this study is the choice of dependent variable. Attempting to relate turnover, productivity and corporate financial performance to HRM practices is highly problematic. These three measures can be influenced by so many other factors that, even with significant correlations and control for a variety of potentially intervening variables, causality by HRM practices cannot be robustly concluded.

Delaney and Huselid (1996) examined the relationship between HRM practices and perceptions of organisational performance. In addition to this,

they explored two broad categories of empirical specifications to assess the potential for complementing effects among the individual HRM practices, the concept of internal fit, and which later contributed to the 'complementarity thesis' (Ichniowski et al., 1997; Horgan and Muhlau, 2006). Their regression model found a positive relationship between HRM practices and perceptions of organisational performance. However, while perceptual measures of performance are regularly used in research, they may be less accurate and desirable than financial measures. Again, this study used cross sectional data, so any real causation between HRM practices and company performance cannot be concluded. Nothing was found for the complementary effect of individual HRM practices on each other, but again this may have been due to the limits of the data and measures.

Ichniowski et al. (1997) investigated innovative employment practices and their effects on productivity in steel production lines, finding consistent support for the idea of complementing and interacting effects among systems of HRM practices and the notion of internal fit. Team performance was found to be significantly better under incentive compensation schemes that were complemented by flexible job design, training in multiple skills, employee participation schemes, and perceived job security. Ichniowski et al. (1997) found the effects of individual practices implemented to have little or no effect at all on productivity, therefore reinforcing the debate in favour of the complementarity hypothesis, and supporting the need for internal fit of HRM practices and systems, as have other similar studies in different industries (Wright et al., 1999). However all these studies do nothing to

interrogate the nature of internal fit, nor do they explain how performance benefits may arise from them. In simply measuring practices and looking for interactions, any tensions or problems arising from their implementation are woefully ignored, as mutually beneficial outcomes are assumed.

The quantitative research discussed thus far, due to reliance on cross sectional data, has not been able to establish whether observed links, if any, between HRM and organisational performance are causal, or reflect pre-existing differences between firms. A longitudinal design by Cappelli and Neumark (2001) that incorporated data from a period nineteen years prior to the study was conducted to address the problem of causality. Little effects of HRM were found on performance, however, internal interaction was evident between self managed teams and profit sharing. However, this could have been due to the way in which firm performance was measured, i.e. the output per dollar spent on labour, also the requirement for such a long panel of data may have posed some tradeoffs with regard to analysing a representative sample of companies. This further emphasises the weakness of quantitative research in terms of its ability to reliably capture complex systems of HRM.

The quantitative research discussed in this section clearly suffers from problems relating to the measurement of the complex concept of HRM, and the response bias and sources from which performance measurements are taken. There is also evidence of inconsistency surrounding support for internal fit of HRM practices and the complementing effects they are

theorised to have on each other, whilst regression analyses present the problem of assuming that errors are randomly distributed. The intention is not to discount this research, indeed the correlations and associations found between HRM indicators and performance indicators are promising, and certainly warrant further study. However the problems regarding measurement and the barriers to proving any robust causal effect are unlikely to be overcome by using similar research methods. There are clearly areas surrounding this complex phenomenon which need clarification through stronger or alternative methodologies. The quantitative research does nothing to explain how or why these links may come about, rather they assume mutually beneficial outcomes for employers and employees. The channels through which HRM may cause performance benefits are assumed to be increased commitment, satisfaction and motivation. Furthermore, complexities of implementation cannot be tapped in to through quantitative approaches.

Secondary data, in particular the Workplace Employment Relations Survey (WERS), has been used in abundance to test for a relationship between HRM and performance (Addison and Belfield, 2001). This suffers from the same weakness as previously discussed primary quantitative research, though as it generally omits the issue of complementarities and fit, it is not relevant to this research. However it has been argued that more valuable insights can be gained from research utilising this large dataset. Delbridge and Whitfield (2007) suggest there is a need for research that can build on WERS research through intensive case based and qualitative methods,

especially targeted at examining the relationship between HRM and employee related outcomes. They go on to suggest that mapping the contours of the HRM territory of the WERS 2004 data could give rise to significant new insights or conceptual developments, particularly debates around the notion of fit in HRM practices and systems.

2.9 Qualitative Research into HRM

Qualitative research has begun to unpack some of the complexities of HRM implementation because it is capable of addressing the methodological shortcomings associated with the quantitative research discussed above. While this research is limited to date, there exist a number of qualitative studies which are discussed in this section. These cases are interesting to note in terms of the alternative methodologies involved, however some of these studies are designed to look at the relationship between HRM and performance, and do not report any of the complexities associated with issues of fit and implementation, although this may have been possible given the research designs. The previously mentioned case study of Hewlett Packard (Truss, 2001) was instrumental in contributing to the HRM debate by addressing the complexities of implementation and suggesting that channels of work intensification may be responsible for changes to employee performance, rather than the alleged positive channels for employees proposed by the more traditional models of HRM.

Before the era of extensive quantitative research on HRM, there was previously a tradition of the intensive case study to research the effects of different work environments in the USA. These took the form of both longitudinal studies looking at changes to more participatory work environments, as well as cross-sectional case studies looking at work groups employed under various sets of work practices within single companies. Ichniowski et al. (1996) review some of these key early case studies, specifically the longitudinal study of New United Motors Manufacturing Inc. (NUMMI). The study follows a joint venture between General Motors and Toyota in re-opening a plant that previously had traditional 'control' strategy work systems in place, with high rates of grievance and absenteeism. This presents an example of an early case study that could demonstrate documented changes in measures of performance following the adoption of these novel work practices. Ichniowski et al. (1996) also comment on a cross-sectional study of work groups at Xerox. In the early 80's, Xerox implemented an employee participation and work redesign scheme with union involvement. These were compared with plants which retained traditional employment practices, showing that the transformed plants exhibited higher productivity and lower scrap costs. While intensive methodologies were employed in these studies, the focus was on performance rather than the processes which may have led to an increase in performance.

Kaufman (2003) presented a case study of the major American airline, Delta Air Lines. Their high level employee involvement programme was followed

via qualitative research including in-depth field study and personnel interviews over a period of 6 years. Employee involvement at Delta Air Lines was described as 'high level', and as strongly representative of a high performance work system. The costs and benefits of employee involvement systems were comprehensively accounted for during the case study period, during which, the events of September 11th assisted in illustrating rather clearly. As a result of the tragedy, the sharp drop in passenger traffic meant that every major air carrier had to quickly reduce capacity and cost, so most companies announced large scale redundancies within weeks. In contrast, Delta partnered with its employees and produced a voluntary leave programme after two months, incurring significant costs which their competitors were able to take to the bottom line. However, companies that had made the cutbacks also had a reportedly demoralised, insecure workforce, and a deteriorated business operation that was threatening some with bankruptcy.

The Delta employees, allegedly being a more committed and motivated workforce, responded to events in a much stronger fashion, and apparently worked to save the company, which for a period of time and up until publication of Kaufman's (2003) paper, they did succeed in doing. The conclusion of the paper was that the money invested in employee involvement systems at Delta had made them one of the best positioned organisations to cope with the crisis in the industry, putting them in a stronger position to move forward when business returned to normal levels, suggesting a return on the investment. While there was little inquiry into the

internal implementation of HRM systems, the external context of major cuts to employment in the airline industry poses interesting questions which case methodologies are in a position to add understanding to.

In more recent research addressing the potential complexity of HRM systems, Harney and Dundon (2006) employ case based methods to investigating HRM systems in small and medium sized enterprises (SMEs). Their 'open systems' theoretical framework removed some of the restriction created by applying rigid HRM models and allowed a more exploratory and contextual understanding of the internal and external factors which have contributed to the development of HRM practices and systems at their case SMEs. While this thesis is concerned with a much larger organisation than those researched by Harney and Dundon (2006), their qualitative approach to capturing both the formal and informal mechanics of HRM systems provides a useful indication of how future research may be able to contribute to knowledge about HRM.

Further organisational case studies have been more recently conducted that look at high performance HRM systems. Kim and Bae (2005) conducted qualitative case study work in two electronics companies in South Korea: LG Electronics and Samsung, brand names familiar in the UK for their production of mobile phones and televisions. They highlight some of the complexities associated with the adoption of HRM systems. In particular, they found the adoption of HP work systems to be highly dependent upon top management and union / employee representatives. However, while the

two case studies were conducted in establishments with relatively positive employee relations systems, this again suggests in interaction with union presence or at least an interaction with employment relations issues. This interaction appears important in terms of achieving internal fit of HRM systems and suggests that trade unions and the processes they create may be instrumental in achieving coherence in HRM strategy. Addressing the HRM – performance link, they also concluded that alignment among organisational design and work processes, employee relations systems and HRM systems would lead to higher organisational performance. However, again there was little investigation of how this link came about. More work is therefore needed into how the HRM systems interact with unions and impact on performance through employees.

Hesketh and Fleetwood (2006) suggest the need to go further than just measuring the link between HRM and organisational performance. They propose that the quantitative deductive approach to the HRM research may be a useful starting point, but cannot be the final word on the question. Using a critical realist approach and interviews with HR professionals, they argue towards the limitations of the deductive approach. Their critical realist approach provided a notion of reflexive performance, to identify specific causal connections at work by analysing the internal organisational dialogue of HR professionals. Essentially, they are suggesting that future research in this field should rely less on quantitative data, and more on intensive qualitative work, views that were shared with HR professionals consulted throughout their study.

2.10 HRM in the Service Sector

While much of the research discussed thus far has focussed on HRM in manufacturing organisations, a number of studies have addressed the concept in the service sector. This is a significantly large sector in developed economies and one which may pose slightly different requirement of employees and therefore slightly different questions to HRM research. For example, the retail sector differs in that the vast majority its workforce are engaged in heavily customer facing roles, and performance relating to this is frequently monitored. Furthermore, with the exclusion of financial services, rates of pay are generally low and the sector employs a significant proportion of low skilled workers. This section outlines some studies in the service sector and approaches to research in food retail.

Research has been conducted within large retail banks in the financial services sector (Bartel, 2004; Gelade and Ivery, 2003). Correlations have been found between work climate, levels of HRM practices and business performance in a manner where the effective implementation of HRM practices are mediated by the employment relations climate, suggesting again that internal fit to organisational culture may be important. The study by Bartel (2004) used longitudinal datasets collected from site visits to branch operations of a large retail bank, finding that levels of HRM varied widely across individual workplaces and over time. A positive relationship was found between branch performance and the incentives dimension of a high performance work system.

A novel industry sector addressed in research into HRM is the UK hotel industry, which is interesting as the industry employs more low paid and low skilled staff than many of the industries covered by the bulk of existing research. Hoque (1999) used quantitative data from over 200 UK hotels, which demonstrated that hotels pursuing strategic HRM in combination with a quality focus in their business strategy saw benefits from a strategic HRM system. It was also found that HRM practices were more likely to positively contribute to competitive success when they were introduced in bundles, as a coherent system. This study therefore provides support for the ideas of both internal fit and strategic fit. The results found from these previously under-studied industry sectors further highlights the case for future research to focus on other sectors that have scarcely been addressed in the research on HRM.

The retail sector, although a major UK employer and contributor to national GDP, has been scarcely studied in research specifically addressing HRM systems and their implementation. However labour process focussed literature exists which considers the pressures of work in retail, especially in the supermarket form of the sector. For example van Klaveren and Voss-Dahm (2011), drawing on data from Germany and The Netherlands, highlight the pressures of fluctuating consumer footfall (number of shoppers through the store at varying times), which is often addressed through the use of part time contacts and extending prescribed shift patterns. Their finding raises questions about how HRM strategies in the UK may be developed to

cater for such a potentially unpopular requirement. Grugulis et al. (2011) consider the working routines of line managers, highlighting their perceived lack of control yet highly monitored profit and productivity targets, which raises further questions about the tensions the HRM strategies they are subject to may cause. Questions over how HRM strategies may be used to drive down labour costs in retail through intensifying work are raised by Mulholland (2011). Her research into lean team working in UK supermarkets found increasing job task flexibility for the allocation of labour, yet supplemented by targets higher than the standard measure to increase the rate of work. How HRM are implemented to achieve this result, and the potential social tensions which may be caused pose interesting questions for further study.

2.11 Conclusion

This chapter first examined the early theory on the use and implementation of strategic HRM systems. Some attention to internal and external fit was evident in these early models (Fombrun et al, 1984), which are strongly suggestive of mutual benefits for both management, in terms of improved performance, and employees regarding the quality of working terms and conditions (Walton, 1985). The subsequent discussion of high performance work systems found this concept to propose similarly mutual gains, whilst advancing the notions of internal fit and interactions between HRM practices (Boxall and Purcell, 2011; Wood, 1999). Literature which is suggestive of tensions surrounding the implementation of these systems was then reviewed (Ramsay, et al., 2000; Truss, 2001), followed by research

focussing on the potential problems concerning the role of relatively untrained line managers in administering HRM practices (McGovern et al., 1997; Purcell and Hutchinson, 2007). Trade union presence has been argued to have a positive internal impact on the working of HRM systems (Lawler, 1986) and limited research has found this to be the case (Bryson et al., 2005; Kim and Bae, 2005), but how and why this happens is under represented in the literature. The debates around partnership were then reviewed in terms of how this concept might act as a mitigating variable in a high performance work system. The external fit and context of HRM strategy has been considered with regard to changing cycles of control (Ramsay, 1977), the threat of job loss (Forde et al, 2006) and economic or societal fit (Boxall and Purcell, 2003). Based on this review of literature, the following specific questions will be addressed in this thesis:

1:    How are systems of HRM vulnerable internally, as a result of problems of implementation?

2:    Does an independent trade union act as a mitigating factor in an organisation's HRM system, and if so, how does such an interaction work?

3:    How are systems of HRM vulnerable to changes in the external economic environment?

The field of quantitative research was reviewed above, not for its ability to correlate HRM systems with performance, but for its usefulness in investigating the notion of fit and the complexities of HRM systems

implementation. The critique of this vast field of research in terms of its weakness at generating the rich data required to advance knowledge on HRM systems contrasts with the advances made in the limited number of qualitative studies. An important conclusion from this chapter is that there exists an abundance of research into HRM systems, while comparatively little research exists which looks into the complexities of the processes and channels through which HRM systems operate. The next chapter considers in detail the methodology used for this research, and advances the selection of an intensive qualitative approach to the thesis.

Chapter 3: Methodology

3.1 Introduction

Following on from the review of literature on HRM systems, their alleged relationship with performance, and their potential reaction to the internal and external context, the research methodology and design of this thesis is now addressed. The main aim of the research was to question the complex social processes associated with the implementation of strategic HRM systems, and consider their interaction with internal and external factors. This chapter opens with a re-assertion of the key research questions and what was done to address them. It then continues with a debate around contrasting epistemological assumptions, presents the methodological issues associated with the research, and through considering the philosophical grounding of relevant approaches, it seeks to justify the selection of an inductive single case study design. Issues of generalisation and representativeness are considered in relation to the case location. The choice of location for the research is then justified and the merits of a programme of semi-structured interviews are put forward in relation to the research aims. This is followed by a detailed account of the conduct of the research, and various sources of data which make up the case.

It is not the aim of this thesis to test hypotheses or establish correlations, such as between HRM systems and organisational performance, or whether

the complementarity hypothesis can be accepted or rejected. The gaps in knowledge and understanding surround the complexities of the social processes associated with, and created by, the implementation of strategic HRM systems, and the tensions and contradictions caused by internal and external factors. The previous chapter showed how quantitative methodologies are unsuited to answering these questions, because of the need to understand the perceptions, experiences and subjective realities of HRM amongst employees and interaction with trade union activity. In order to achieve this, an intensive case study was conducted at the largest private sector employer in the UK, the leading UK food retailer. Semi structured interviews were conducted with various levels of employees and union representatives, documentary evidence was obtained, and company financial investor data was retrieved. As the questions posed by the thesis required light to be shed on the social processes associated with the implementation of HRM systems, an analytical process of induction was undertaken because it was consistent with these aims. The justification for, and details of, this methodological approach are now discussed.

3.2 Aims and Nature of the Thesis

The aim of this research is to investigate in depth the implementation of high performance HRM practices at a major UK retail organisation through intensive qualitative research, employing multiple methods of context rich data retrieval and analysis. The study sought to add new understanding to the social processes associated with the implementation of HRM systems and progress knowledge on the channels through which they may impact

upon employee effort, to discover where the vulnerabilities of such systems might lie. The use of inductive research attempts to shed new light on the internal interactions, tensions and contradictions of HRM practices. Furthermore, the research examines the internal impact of, and interaction with, a trade union on HRM systems. The impact of external factors on HRM systems are explored through investigating how economic recession changes HRM strategy and associated outcomes for employees. A detailed mapping of HRM strategy and practices in place at the case organisation, and details of the union partnership arrangements was first necessary in order to provide contextual background for the key research questions of the study, where were:

1: How are systems of HRM vulnerable internally, as a result of problems of implementation?

2: Does an independent trade union act as a mitigating factor in an organisation's HRM system, and if so, how does such an interaction work?

3: How are systems of HRM vulnerable to changes in the external economic environment?

The exploration of these questions enabled the creation of a more nuanced and complex understanding of the 'reality' of a high performance work system and of where it may react to internal and external pressures. These questions are referred to throughout the methodological discussion and are used to justify the selected approach and methods to the research.

3.3 Philosophical Foundations of Intensive Research

Before the formulation of any research approach, it is first necessary to consider ontological and epistemological concerns in relation to the specifics of the project. In terms of the nature of social entities and social reality, an ontological distinction can be made between objectivism, which suggests that social phenomena exist in separation from the social actors perceiving them, and subjectivism, which suggests that social phenomena and its derived meaning continually react to the presence of social actors, that they are derived through social interaction and are in a continuous state of change (Bryman and Bell, 2003).

Extending these ontological positions to organisational research leads to consideration of epistemological concerns, in terms of how that which exists can be shown to exist in a reliable way. Kuhn (1970) suggests multiple paradigms which dictate how social entities and reality should be studied and interpreted, and that anomalies which do not fit the assumptions of a dominant paradigm, are challenged by an alternative paradigm until it then becomes dominant. Epistemological objectivism assumes a detached position for the researcher from where the organisation and its consistent processes and structures can be observed, while epistemological subjectivism sees the organisation as a socially reactive entity, where the interpretation of it is dependent upon the observer's experience of it and needs to be understood from the perspective of those directly involved with it (Burrell and Morgan, 1979). Applying this distinction in ontology and

epistemology to the vast body of positivist hypothetico deductive research discussed in the previous chapter, points to a heavy weighting of objectivist ontological and epistemological assumptions. While this approach lends itself to quantifiable observations which are appropriate for analysis through statistical means, it can be argued that the limits of objectivism have restricted the explanatory capabilities of this research. By observing HRM practices and systems through pre-defined categories, any contextual understanding about them is likely to be lost because it limits any further exploratory probing into the concepts in question (Saunders et al, 2003).

The aims of this thesis are to explore questions around how HRM practices and systems are implemented and how they are vulnerable to internal and external tensions. This requires a deep understanding of the social processes, relationships and interactions between employees and institutional structures and policies. Therefore it strongly calls for a research approach which is geared towards interpreting what is happening at the organisation and why it is happening, so it must be capable of extracting knowledge and meaning from the research participants. This requirement renders a positivist philosophy and a deductive research approach weak in addressing the key aims of the thesis, while the questions could not be effectively answered by attempting to quantify the phenomena of interest into variable measures (Fleetwood and Hesketh, 2005). A purely relativist position would be unsuitable for a different reason; because in treating the subject of research as socially constructed, a neglect of structures which may be external to the constructed entity and its associated agents would be

problematic and limit the level of understanding required by the questions (Edwards, 2005). The questions posed are concerned with 'how' and 'why', rather than 'how many' or 'how often' (Yin, 2009). Due to the exploratory nature of these questions, combined with the need to consider the relationships between employees as human agents and a high performance work system as a social structure (Hesketh and Fleetwood, 2006), an inductive approach to the research was most suited. Such an approach sought to understand the experienced reality of strategic HRM systems, the environment in which they operate, with which they interact and the relationships between employees involved with them and subject to them.

It was not the aim of this study to deduce theory or hypotheses, in contrast to much of the research into strategic HRM systems which has attempted to deduce a relationship with organisational performance. Rather it was to induce new theory and knowledge concerning the internal social processes of HRM implementation, interaction with trade union structures and reaction to external economic change. Some theory exists on the notions of internal fit (Wood, 1999) and complementarities between HRM practices (Horgan and Muhlau, 2006), however these relate to whether or not they impact upon performance, not how they might work or why they might work. Therefore this research required a closer understanding of the HRM processes at work and a flexible, exploratory approach which did not confine the research to pre-determined boundaries (Saunders et al, 2003), but importantly allowed changes in the direction of the research as it proceeded, permitting new lines of enquiry to emerge.

The above discussion is not to render quantitative approaches useless for research into HRM systems; rather it is to argue that it is unsuited to answering the questions posed by this thesis in the level of depth required. Indeed, quantitative data is used to develop arguments in the final empirical chapter, where the external effects of economic recession are shown to impact upon organisational HRM strategy. However the quantitative data is not used in a deductive fashion and no attempt is made to correlate HRM variables with performance outcomes. Instead the data is used descriptively to illustrate changes in unemployment and GDP which are central to the argument. Quantitative data is also used to describe changes to the organisation's employment and staffing levels and variation in profit per employee, which serves to strengthen the argument formed from the qualitative data in a form of triangulation. Before extending the above philosophical discussion to the justification of a case study strategy, the trends of such research are considered in the field of HRM and employment relations.

3.4 Intensive research in HRM and Employment Relations

The dominance of quantitative research in the literature on strategic HRM systems has followed a similar trend evident in other aspects of industrial relations and management research. In the macro field of industrial relations the tradition of sustained, intensive workplace level research in the 1950's through to the 1970's gave way to the rise of the survey tradition. While industrial relations were seen as problematic in the workplace in the 1970's,

then in the 1980's union power and influence was actively reduced, there coincided less interest in intensive research (Ackers and Wilkinson, 2005). In order to reflect changing concerns, different questions were being asked and so extensive survey research began to take over, with the government sponsored Workplace Industrial Relations Survey (WIRS), subsequently re-termed WERS (for 'Employment' in place of 'Industrial') being the most prominent in the UK and which have been abundantly employed for the purpose of research into HRM and performance. This shift in the dominant paradigm (Kuhn, 1970) and research approach was based on the perceived need to map changing trends over time, and to produce results which were statistically significant and generalisable to wider populations, which is reflected strongly in the bulk of literature into HRM systems. These were certainly contributing factors in the over-representation of quantitative research on strategic HRM, and relative lack of recent qualitative work.

McCarthy (1994) criticised this over-dominance of extensive quantitative research in the literature, saying that it coincides with a neglect of social processes, and that imaginative insights and practical implications cannot fully be achieved in this way, therefore calling for a return at some level to intensive workplace studies. However, despite the hunger for large scale generalisable quantitative research in HRM and employment relations, intensive case based research has continued to produce enlightening results into employment relations concepts by interpreting social processes and relationships which quantitative research would skim over and simplify (Sayer, 1984). For example, MacKenzie's (2000) case based work

contributed to a complex understanding of employment regulation and subcontracting in the telecommunications industry, while Taylor et al. (2002) conducted case research into call centre work, uncovering issues of control and organisation of work from intensive study. Returning to the aims of this thesis, it is new knowledge concerning complexities and tensions associated with HRM systems implementation which are of interest, not representativeness or statistical generalisability.

The growing critical realist field in HRM and industrial relations disciplines more broadly, is equally critical of the search for measureable linkages and quantification for extensive research, and provides useful direction for research attempting to explore and explain the complexity of a high performance work system. For example Edwards (2005: 269) argues that "context sensitive institutional research broadly fits a critical realist programme". Addressing the HRM and performance debate specifically, Fleetwood and Hesketh (2005) critique the lack of explanatory power in positivist approaches, while Hesketh and Fleetwood (2006) propose that critical realism will develop understanding of the causal processes which stem from strategic HRM systems.

3.5 The Case Study

A key criticism noted above, of the abundance of quantitative research and positivist approaches, was its weakness in tapping in to the social complexities of strategic HRM systems. In light of the epistemological

discussion, these gaps can be addressed via an intensive, inductive case study of a retail organisation, which seeks to discover the nature of these complexities and their relationship with HRM system implementation. Furthermore, it allows the connections between HRM systems and internal and external actors and forces to be rigorously investigated. Finally, it allows for consideration of the managers responsible for delivering them, by the employees subject to them, and of how a trade union interacts with their working. Case based research lends itself to these aims because it allows investigation of socially embedded phenomena within their real life context (Stake, 1995).

An important distinction in case study designs is to decide whether to use a single or a multiple case design to address the research questions. Yin (2009) notes situations where single case designs are appropriate to address research questions. One rationale is noted to be when the case in question is testing a well formulated theory that specifies a clear set of propositions combined with circumstances under which the propositions are believed to be true. The single case will then serve to confirm, challenge or extend the existing theory, determining whether the propositions are correct or whether an alternative set of explanations might better explain or contribute to the theory, in very much the same way as hypotheses serve quantitative research. While this research will look into aspects of the complementarity hypothesis and internal fit, it is not seeking to prove or disprove this theory. Rather it is seeking to add understanding to the channels through which the hypothesis might work, by developing new

grounded theory relating to HRM systems implementation (Glaser and Strauss, 1967; Strauss and Corbin, 1998).

A second rationale identified by Yin (2009) where a single case approach is justified is the revelatory case. This is the situation when an opportunity arises to observe and analyse a phenomenon which has previously been inaccessible to scientific investigation. The impact of strategic HRM practices has been accessible to scientific investigation. In fact it has been researched via quantitative methodologies in an extensive fashion (see Wood and Wall (2005) for a review). However it has rarely been investigated in an intensive fashion utilising qualitative techniques (Truss, 2001). Stake (2005) advocates the case study as a unique opportunity to develop a complete understanding of one particular case, and while acknowledging certain needs for multiple or comparative cases, warns against this epistemologically as it confines attention to the comparable attributes, 'thus it obscures case knowledge that fails to facilitate comparison' (Stake, 2005: 457), which risks detracting the researcher from other potentially enlightening phenomena which may be present in the case.

The intensive case study proposed represents the most appropriate way to build knowledge on the implementation of strategic HRM practices in the case organisation. This is because rather than proposing one particular methodology, the case study as a research design can encompass a variety of discrete and complementary research techniques (Hamel, 1993). Yin (2009) suggests that a further strength of the case study method is the

opportunity to gather many different sources of evidence and data, and the potential to use multiple sources of evidence within a case study far exceeds that in other research strategies, while Stake (1995) suggests that key interpretations derived from case based research may require additional confirmation. Therefore for this research, an important advantage was gained through using multiple sources of evidence in the development of converging lines of enquiry. Patton (1987) comments on how any conclusion or finding from a case study is likely to be stronger and more accurate if it is based on multiple sources of data. For this reason, other data sources were utilised where possible, in addition to the semi structured interview programme. This included archival research and documentary analysis to verify and bolster data on HRM systems retrieved via interviews. It also included quantitative company financial data, which was available from public annual reports, to strengthen the argument about work intensification in the final empirical chapter.

The benefits of the case study for this particular research are that a targeted multitude of informants can be consulted via in-depth qualitative research methods. Guest (1999) argues that in many cases HRM practices may be present, but are only experienced by a minority of employees working for the organisation. That assertion formed the basis of an essential part of this investigation, which is that data was collected using employee informants from a large varying range of seniority levels in the organisation in order to address this concern. This was intended to expose differences in perception of HRM experienced as a possible result of level of seniority or position, in

addition to developing an understanding of the relationships between hierarchical levels regarding the structure and processes of HRM system implementation. For example, line managers may be responsible for implementing certain HRM practices as well as being subject to them, whereas lower level shop floor employees are only subject to them. It was essential that these differences in perception were uncovered, in order to build a deep and accurate understanding of the inner workings of the HRM strategy.

A final rationale for conducting a single case study is the potential for the longitudinal case, studying the same case at two or multiple points in time, where the theory of interest is likely to reveal how certain conditions change over time (Yin, 2009). While this research was not designed specifically to measure changes in the organisation, or to collect data at two distinctly different points in time, the period of data collection from the first to the last interview spanned 14 months. Therefore it was possible, and useful, to follow developments and changes to HRM systems, practices and their impacts over this time period. This is particularly relevant to retail organisations, where changes to business and employment strategies happen at a fast rate (Bozkurt and Grugulis, 2011; Haynes and Allen, 2001) in order to adapt to fast changing operational and market requirements. The 14 month time span devoted to data collection allowed strategic changes and new HRM practices and processes put in place over this time to be observed. For example, changes in the appraisal process were able to be observed over the data collection period, which uncovered tensions between

certain groups of employees and the union, while the ensuing activity resulting from management manipulation of upwards communication systems highlighted employment relations concerns at one of the key sites.

3.6 Issues of generalisation

Intensive case based research, in particular the single case study as proposed in the above section, frequently attracts criticism due to issues of representativeness and generalisability. In terms of population representativeness, this criticism is well justified, as a single case study of one retail organisation is unlikely to be representative of the retail industry and the findings can therefore not be statistically generalised to that industry. However, the intention of this research was not to generalise statistically, but to generalise analytically from the intensive research (Yin, 2009). The ultimate empirical goal was to develop an enlightening and explanatory insight into the implementation of HRM systems in a fast moving consumer goods establishment, taking into account the role of internal and external factors. It was not to generate results that could be replicated by a researcher in a similar situation.

However, while the case study may not be representative in terms of population and external validity, the single case has representative value. The justification for an intensive case study approach is to provide a much more detailed and explanatory sight of processes and operational systems which extensive quantitative methodologies simply do not have power to

uncover (Hamel, 1993). The subsequent findings of this can be of value to future researchers by providing novel understanding of such processes which may be of potential application to a broader population in the UK retail industry and beyond. Yin (2009) refers to this analytic generalisability of the case study method, in that it can cast new light upon processes which may be relevant beyond their location to the wider social world.

Further adding to the analytic generalisability of the selected case study for research was its position in the UK food retail market. The organisation was, at the time of writing, the leader in the UK market for food retail and has therefore had the luxury of being able to take risks in investment in new business initiatives to the extent that it leads the industry in developing new practices, processes and products (Haynes and Allen, 2001). Where the case organisation treads, its competitors generally follow. Prime examples of this were the development of electronic till technology linked to stock control information in the late 1980s, and more recently the introduction of self service tills in the last decade, both of which have connotations for working practices. This further contributes to the analytic generalisability by increasing the likelihood that the themes discovered in this case may be applicable to the wider retail industry.

3.7 The location of the research

This leads on to a justification of the choice of location for the research. On selecting the appropriate case for study, Hamel (1993) comments on how a

selected case is not representative on the basis of the observed frequency of which a social issue or phenomenon occurs, but in terms of what makes it the best observation point for the object of investigation. Yin (2009) suggests that a case is analytic where it can be argued that it is the most appropriate vantage point in order to observe the phenomena under investigation. So for the case to be representative, it must be capable of lending itself to the appropriate methodologies necessary for studying the social processes associated with HRM systems, which have been argued to be intensive qualitative methods. Furthermore, Edwards (2005) suggests that progressive research into employment relations is likely to build on previous research through the careful selection of cases to research the phenomena of interest. Therefore there was a strong purposive influence in the selection of Ultico as a position from which to observe and explore the implementation of HRM systems.

The most appropriate case for this research presents the problem of being extremely specific, because it must ideally be a retail establishment which practices an alleged high level of HRM. In order to investigate any impact of union presence or partnership and to uncover the channels through which it interacts internally with HRM systems, the case organisation must have some form of relationship with an independent trade union. Exploring the aims concerning the impact of external economic variation on HRM simply required these external variations to be happening during the course of data collection. The case identified for investigation was Ultico Plc, a major UK owned food retail organisation which opened its first store in the 1920s, and

(at the time of data collection) traded through over 2,700 UK stores of various formats. Over the last 20 years, Ultico has ambitiously expanded its operations overseas, to countries including the USA, China, and many more across Europe and Asia, so that it is now the second largest retailer in the world, measured by profits. In the UK, Ultico enjoys 30% of its market share, making it the largest food retailer in Britain by a significant margin.

In terms of potential HRM systems, it was known before selecting the case that Ultico had traditionally invested heavily in internal promotion and development programmes and operates profit sharing schemes which aim to improve employee retention and elicit greater workforce commitment to company goals (Marchington and Harrison, 1991). Further adding to the suitability of the case is its association with an independent trade union. Ultico has employed members of the Retail Colleagues' Union (RCU) since the mid 1950s, and initiated a sole recognition agreement with them in the late 1970s. In the late 1990s a detailed partnership agreement was signed with the RCU, which provided a framework for joint working towards mutual gains and the potential for union involvement in the implementation of HRM systems. Ultico was therefore the ideal location to research the proposed phenomena and to address the aims of the thesis.

The UK retail operations of Ultico are regionally categorised, with a number of UK regions reporting to the head quarters in the south of England. While there are very few differences between UK regions, it was decided to confine the research to store sites within one, the Mid North East region. This

encapsulates all of Yorkshire, Humberside, parts of Lincolnshire and parts of the north east Midlands. During the course of the study, access was negotiated to 6 store sites across this region; 3 Mega stores and 3 Speed stores. Mega stores are the large store format, employing between 5-600 staff, which sell all company products and services in addition to food, such as clothing ranges, household goods, mobile telephone contracts and travel services. Speed stores are the small convenience format, employing between 12 and 20 staff, which are often established in partnership with a motor fuel station. It was decided to include both Mega and Speed stores in the research due to the potential for differences in HRM systems and employees' experiences of them due to the vastly differing sizes of these operations.

The Mega stores were located in:

- o West Yorkshire

- o North Yorkshire

- o South Yorkshire

The Speed Stores were located in:

- o East Yorkshire

- o Humberside

- o Lincolnshire

They are referred to by these labels throughout the thesis, such as West Yorkshire Mega Store or Humberside Speed Store. The labels have been deliberately left very broad in order to protect the anonymity of the

participating sites and employees. In addition to collecting data at these 6 store sites, data was collected from 2 RCU sites. These were an RCU regional office and the RCU headquarters, both in the North England.

3.8 The semi-structured interview

The context rich qualitative data that this investigation generated was gained through interviews with employees. A semi-structured interview technique was adopted. This was the favoured interview format because it allowed the interviewer to guide the topics of the interview towards the aims of the study around HRM systems, whilst permitting the opportunity for exploration around the concepts leading to data on unforeseen aspects of HRM interaction and effects of the HRM systems (McCracken, 1988). To do this, a persistent line of enquiry was pursued throughout, but the actual stream of questions in the interview was designed to be flexible rather than structured (Rubin and Rubin, 1995), so that the interviews were presented as flowing conversations rather than structured set questions. A set of closed questions on a questionnaire, for example, would not have allowed this freedom to explore the conceptual aims of the research in such depth or detail and would not have enabled the same level of data to be retrieved.

It was important that interviews followed a line of enquiry consistent with employees perceptions of HRM strategy, but also that the questions were asked in an unbiased manner that served the line of enquiry (Yin, 2009). In order to generate the deep and rich form of data that was required, it was

often necessary to ask 'why' questions. However Becker (1977) comments on the issue of asking questions in a friendly and non threatening manner, and that asking 'why' questions may lead to defensiveness from the interviewee and thus their 'holding back' of potentially important data. He therefore suggests that 'how' questions are the more fruitful way of addressing 'why' questions in the interview situation. For example, it was often necessary to delve into reports of dissatisfaction with policy or tension between colleagues, where asking 'why' may have made participants feel uneasy, asking 'how does this come about?', was able to generate richer data. Data collected on the manipulation of employee feedback and satisfaction surveys by senior managers was a key example of this, which is discussed in detail in Chapter 5. Therefore this approach to wording questions was adopted wherever possible when conducting the interviews.

To facilitate with the exploration of the social processes associated with HRM implementation, open-ended questions were used so interviewees could be asked about the facts of a concept as well as their opinions and perceptions about it. This was instrumental in allowing the insights of respondents into certain happenings to be recorded, which generated further lines of enquiry as the research progressed. It was this flexibility in the interview process which allowed new avenues to be indentified and explored further in subsequent interview with other participants (Glaser and Strauss, 1967). For example, asking participants about multi-skilling and job variation practices uncovered the concept of enforced changes to hours, which was explored in further interviews and became central to the argument in one of

the empirical chapters. Participants become informants in this manner (Yin, 2009) and this was instrumental in generating the data required for the study.

3.9 Conducting the research

Data was collected on all areas of interest in HRM that are theorised to constitute a high performance work system: recruitment and selection, training and development, appraisal, career management, upwards and downwards communication, gain sharing and reward systems, union interaction and economic recession over a period of 14 months from June 2009 to August 2010. The researcher had no previous history of involvement with the organisation. Initial access was negotiated through an introduction to the personnel manager at the West Yorkshire Mega store. This employee acted as the first and primary gatekeeper and participant. Through the snowballing technique, gatekeepers and participants of a similar position were identified at the two other Mega stores. In the initial stages of the research the personnel managers were the most effective gatekeepers because they had the authority to allow release from operational duties for other employees to participate in interviews. The Speed stores do not have dedicated personnel managers due to their small size, rather they report to area personnel managers who are responsible for multiple stores. Through the one primary gatekeeper and 5 sub gatekeepers, interviews were arranged with a variety of employees of different positions across the 6 store sites in the region. These were line or departmental managers and general assistants (GAs). Participants

suggested other people to interview and other sources of data, which was essential in assisting with the process of 'snowballing' for expanding the breadth of data during the research. Interviews were targeted towards key figures and staff of varying levels and positions at the organisation, in order to obtain data which was representative of the various seniority levels of interest to the research.

It was also necessary to source participants from the RCU, both reps and full time officials. Whilst it may have been possible to source union rep participants through the management gatekeepers, the RCU area organisers and higher level officials would not be accessible through personnel managers, because although they work with them, they do not work for them. It was therefore decided to contact the RCU at the highest level available, which was the Ultico Research Team Leader for the union who is responsible for research in industrial relations across all regions and is in regular contact with Area Organisers. Through this union gatekeeper, access was negotiated to Area Organisers, and through these, store based reps.

Participants were asked if they were comfortable being recorded prior to the commencement of interviews. Following an ethical code of conduct they were all informed that their names, locations and the organisation's name would be kept anonymous in terms of write-up or publication arising from the research. All of the participants were offered the option of reading the transcripts once they had been produced, in order to check for any miss-

interpretation. No participants expressed a desire to do this. Furthermore, all participants were told that they were at liberty to refuse to answer any question, or refrain from discussing any topic they were uncomfortable with, and that they were free to leave the interview at any time (Stake, 1994).

Documentary evidence was sought at every opportunity, so where a participant would mention a specific document or policy, they were asked if it was possible to show the researcher a copy, or if one was available to take away. This was met with vastly varying degrees of success, depending on the perceived level of authority the participant had to distribute documents, and the sensitivity of the document. However over the full course of interviews, almost every document identified which may be of use to the research was retrieved. These were all documents which were of relevance to employment within the case organisation and included job application forms, candidate assessment forms and interview protocols, staff handbooks and training plans, information on pay and benefits, staff feedback and satisfaction questionnaires, information on the management development programme, the union partnership agreement, and other company leaflets and newsletters for employees. Some of the less sensitive documents were available in large supply in designated areas in canteens, corridors and entrance lobbies, so collection of these was straight forward once permission was granted. Documents which can be seen or read, according to Bryman and Bell (2003) provide a potentially valuable source of data, and as they have been produced for purposes other than that of the research, they do not present the danger of reactivity, unlike human subjects, making

them a valid and reliable source of information. Furthermore, they provide the opportunity to triangulate with other forms of data (Seale, 2004); interviews, in the case of this study. Care was taken during the analysis of these documents to assess their quality in terms of: authenticity, credibility, representativeness and meaning (Scott, 1990).

3.10 Management Interviews

A hierarchical research design was undertaken in order to follow the HRM strategy and policies from formulation through implementation to subjective experience throughout the various levels. This strategy was essential to uncovering the varying perceptions of these systems and the complexities and tensions associated with them. Interviews were conducted with management employees from various levels. These were store director (1), personnel managers (7) and line managers (9) (see appendix H for a detailed list of participants). Where store directors and personnel managers are responsible for HRM strategy at the store level, line managers are responsible for the implementation of many of the practices, so it was essential to retrieve data from all these positions to address the aims of the research. These interviews lasted between 30 and 90 minutes and were conducted in interview rooms or staff rooms within Ultico stores.

The first personnel manager was used as one of several gate-keepers to the organisation, from whom further participants for interviews were arranged, followed by a snowballing strategy to recruit further participants. Personnel

manager interviews were designed to explore the organisation's policy and practice around HRM systems and their implementation. They were also designed to learn more about the partnership with the RCU, as they are the key management personnel in dialogue with area organisers from the union. Many of the useful documents were obtained from personnel managers; again, as they felt they had the authority to distribute them and had direct access to them.

Line manager interviews were key to developing understanding about how HRM systems and practices are implemented at Ultico, because they are the personnel responsible for delivering the majority of HRM systems and processes to employees on the shop floor. They are in effect the bridge, or otherwise, between the rhetoric of HRM at senior management level, and the reality of it experienced by the general workforce. These interviews were therefore designed to discover how line managers are responsible for administering HRM systems and organising how it fits in with other operational duties. Furthermore, line managers also experience slightly different HRM systems and processes (than lower level employees) administered to / for them by senior team managers, due to their greater levels of responsibility. To capture any differences these interviews were designed to discover their perceptions of HRM systems in order to tease out any significant distinctions between the prescribed rhetoric and the practiced reality of the HRM strategy. Finally, line manager interviews enquired about the role of the union and how it impacts on the way HRM is practiced. As described for the senior management interviews, more participants of every

level were recruited through the snowballing technique, where the opportunity was present.

3.11 General Assistant Interviews

Interviews with general assistants (GAs) were conducted at all sites during the research. 16 GAs were interviewed in total in interview rooms or staff rooms within the Ultico stores, where interviews lasted between 20 and 45 minutes. These interviews were designed to discover how the HRM systems and practices are experienced and perceived by these employees on the shop floor, and to tap into the informal environment created by them. While tensions resulting from HRM implementation were probed for in the management interviews, this was done to a greater extent with this group of participants, again to attempt to tease out the contradictions between the HR systems which are prescribed by management and the ways in which GA level employees react and respond to them. The interviews were also designed to elicit their opinions and perceptions on the role of the union, and if and how they believe it impacts on their experience of the company's HRM systems. Half of these participants were sourced or snowballed through personnel and line managers. It is possible that managers wishing to portray the best impression of the company may have strategically selected GAs for interview, which creates the potential for data which may be biased. Therefore the other half of the GA level participants were sourced through alternative gatekeepers in the union. These are now detailed in the section below.

3.12 Interviews with Union Representatives and Organisers

In addition to the GA and management interviews, a number of union full time employees and union reps employed by Ultico were interviewed. Full time officials were interviewed within Ultico headquarters or regional offices, while reps were interviewed within Ultico stores in staff rooms (6) or at their own residences (2). These interviews lasted between 40 and 90 minutes. Full time RCU employees taking part were the Ultico research team leader and 2 area organisers for the region of the research. Through these full time officials, access was negotiated to 8 RCU representatives, employed in the Ultico stores where management and GA data was collected, however these interviews were conducted in RCU regional offices rather than the stores. Further to this, and as detailed above, the reps were able to grant access, at later dates and in store premises, to further GA employees. These were employees who were not selected by management and were therefore less likely to report data which may be have been slanted towards the perspective of management, however having been selected through union reps, equally their perspectives may have been slanted towards union viewpoints on any of the themes under discussion.

The interviews with union officials and reps were designed to build knowledge on the relationship between Ultico and the RCU, both in the past and present. They were also conducted to find out how the RCU and the union partnership contributes, or intends to contribute, to the delivery and implementation of HRM systems at Ultico. In addition to the interview data, useful documents were obtained from union organisers and reps. These

included the full partnership agreement, handbooks, policy documents for reps, and numerous union publications.

3.13 Analysis of the Qualitative Data

The interviews with management, GAs, union reps and officials gave a combined total of 44 semi structured interviews (see appendix H for a detailed list). This number does not include other additional conversations, which were unarranged and informal. An additional 8 informal interviews were conducted, bringing the total to 52. The vast majority of the formal interviews were electronically recorded. Where this was not the case, either because the participant was uncomfortable being recorded or because the location of the interview made recordings impractical due to background noise, detailed notes were taken. In the case of the informal additional conversations, any relevant notes or ideas were jotted down at the earliest opportunity after the conversation took place. Notes were not taken during these conversations as they were often conducted whilst walking through a store with an employee, or waiting around communal areas such as canteens or coffee rooms. They were useful in providing background and contextual information relevant to the particular store, and for reinforcing elements of data retrieved during the formal interviews. In all cases it was made clear to the informal interview participant that I was a researcher interested in HRM systems at the organisation. At no point was a covert role adopted, or any element of deception used.

As the fieldwork progressed, interviews were transcribed. The electronic MP3 files were played back and transcribed verbatim. Although resources were available to facilitate transcription, this was not contracted out because it was felt to be an important first stage of analysis to become familiar with the data prior to thematic analysis. The transcripts were then read whilst the electronic recordings were repeated in order to become fully aware of the perceptions and experiences recalled by each interview participant (Patton, 1987). Based on the experiences recalled by the participants, themes were identified within the transcripts, and documents were built up for each of these themes by copying and annotating text from the transcripts. Major, super ordinate themes such as individual HRM practices were identified, which had limited links between each other, so these became the themes of the highest generality. By utilising an analytically inductive method, similar themes were identified with linkages between them, which formed the lower level themes such as tensions or dissatisfaction with particular HRM systems, which were categorised within the overarching super ordinate themes such as work intensification or problems with line managers' implementation of HRM practices. All of the raw data was compared or contrasted with other data which may have displayed a similar meaning, and was either grouped within that theme, or if there was no other data with a similar meaning, it served to develop a new theme. This intense process of thematic analysis was continued to further develop the higher level and lower level themes so that the data was logically organised to assist with its presentation in the empirical chapters (Strauss and Corbin, 1998). Following this, the data themes were thoroughly checked and reviewed in order to ensure they carried congruent meaning within their higher level themes. The

fieldwork was drawn to a conclusion at the point at which the data had become theoretically saturated and no new themes were emerging (Glaser and Strauss, 1967). In a final stage to the analysis, hand written pencil notes were written on the organised thematic documents to signal minor level themes to assist with the process of writing empirical chapters. Finally, this was turned into a narrative consisting of 4 empirical chapters which are to follow.

3.14 Presentation of data in the empirical chapters

In the following 4 empirical chapters, the data from the research are presented. While it was collected from 6 separate Ultico store sites, and 2 RCU union sites, the data is not arranged into individual tributary cases, rather these individual sites all contribute towards the common themes of the single case study, so are instead treated as embedded units of analysis (Yin, 2009). Differences between the store sites were minimal, as would be expected in a large streamlined retail organisation, however certain differences are drawn upon where they contribute to broader themes which are of relevance to the entire case.

The discussion of qualitative data is not heavily littered with direct quotations; rather they are included sparingly for illustrative purposes only. The process of analysis described above, in terms of thematic coding and organisation of data followed by intense interpretation and abstraction, is the key task of the qualitative researcher in social and management science

(Hamel, 1993). It is not to demonstrate the amount of data retrieved through quotes in an almost quantitative fashion. Some of the data from informal, unrecorded conversations was useful in helping to interpret and abstract from the recorded data, however as these were based on notes, direct quotations from these could not be reported. The analytical discussion signifies the breadth and range of data where appropriate, while direct quotations are included to show the data, much as a graph or a chart might be used to illustrate quantitative data. Only the final empirical chapter includes quantitative data presenting themes such as financial revenue, profit and employment statistics which work in triangulation with the qualitative data. It is therefore presented in tables amongst the discussion of thematic findings.

3.15 Further Ethical Considerations

At times, data of a potentially sensitive nature was collected, where it involved discussion of problems or tensions at work. Therefore ethical issues relevant to this study concerned the anonymity of participants and the anonymity of the organisation in writing up the research. This was addressed by making the organisation and participants anonymous in the write up. In order to ensure the anonymity of the organisation is not breached by readers of the thesis, the locations of research sites have been re-named by giving them much broader geographical tags, such as 'West Yorkshire Store'. In order that the name of the organisation could not be deciphered by reference to competitors and a subsequent process of elimination, Ultico's competitors which are mentioned have been kept

anonymous through the use of assumed names to make identification of any of these impossible. Participants were informed that all data was confidential and not shared with other participants in the study, or anyone else apart from the researcher. They were informed that their responses, position, location and employer would be kept anonymous and confidential.

Participants were recruited through a snowballing technique. They were included on the basis of their willingness to talk to a researcher about their perceptions of work and human resource management practices. They were excluded on the basis that they did not want to speak to a researcher or did not have time to do so. Having been informed that their responses would be anonymous and confidential, they gave their consent to be recorded. There were no risks to health and safety of the participants or the researcher, other than those which would be present in the workplace where interviews were conducted and for which all participants, as employees of the organisation, had allegedly been trained. Participants were interviewed during work time, and did not lose any pay as a result. As a visitor to the various workplaces, the researcher read the available health and safety notices on his way into the building. There was a minimal risk that the researcher would lose the data recording equipment whilst travelling from the sites of data collection back to the university, where the data is securely stored. This risk did not materialise. The entire research project was reviewed and approved by the University of Leeds AREA Ethics Committee.

3.16 Conclusion

This chapter has discussed the methodological approach to the thesis, in terms of advocating an inductive qualitative case based strategy, to address the questions posed by the thesis. Semi structured interviews are argued to be the most appropriate format for the collection of primary data, followed by documentary evidence where possible. The most appropriate vantage point for observing the phenomena concerned has been put forward and Ultico has been introduced to play this role, because it is the most significant and appropriate retail establishment in the UK for which to conduct new research into HRM systems implementation and interaction with internal and external factors. The union in social partnership with Ultico, the Retail Colleagues' Union has also been introduced, both in terms of participants and its potential for providing an alternative set of gatekeepers to Ultico with the purpose of balancing perspectives in the data. Criticisms regarding the representative value of the case study approach have been considered and addressed with a defence of the analytic generalisability of the approach. The ethically sound conduct of the research was defended, followed by a discussion of the analysis and presentation of data. The following 4 chapters now present detailed discussions of the data generated by this methodology.

Chapter 4: The Retail Sector, Ultico and its HRM Strategy

4.1 Introduction

This chapter provides a contextual examination of Ultico's position in the UK retail sector and its HRM strategy. Ultico is the dominant player in UK food retail and its HR strategy has been developed to contribute towards its market dominance. This discussion provides a detailed contextual understanding of the intended internal HRM operations, which is key to the three subsequent empirical chapters. Chapters 5, 6 and 7 analyse the internal implementation of HRM systems at Ultico; the internal interaction between the HRM strategy and the Retail Colleague's Union (RCU); and finally the impact of significant external economic fluctuations on HRM practices. In order to do this, it is first necessary to set out in detail the context of the UK retail sector and Ultico's position within it, along with the HRM strategy and individual practices in place at Ultico, which entails a rigorous examination of all the associated processes and organisational policies. This is to provide the contextual detail for the analysis of HRM implementation in chapter 5. It is also necessary to provide a detailed account of the history and climate of industrial relations between Ultico and the RCU to illustrate the intended mechanics of the social partnership agreement between the organisation and the union to provide the context for analysis the its interaction with Ultico in chapter 6. This contextual data is therefore presented below in order to lay the foundations for the subsequent chapters.

Firstly, an analysis of the food retail sector demonstrates Ultico's rise to becoming the dominant establishment in the UK market. The HRM strategy and systems according to Ultico policy are explored in detail, which shows how Ultico positions itself as a leading employer with terms and conditions slightly above the market average. Furthermore, it shows how Ultico has attempted to develop and implement a sophisticated, coherent system of HRM which is consistent with core organisational values of customer service and fair treatment for employees. This is done by addressing in turn each individual HRM practice on which data was retrieved during the research, which draws on data from interviewed participants, while many organisational policy documents contained within the appendices are referred to throughout the chapter. Finally, the RCU is introduced and the history of relations with Ultico are set out, including the more recent (1998) negotiations between both parties, and the subsequent decision to enter into social partnership. The intended contractual terms of the partnership agreement, where they are relevant to or likely to have an impact on HRM systems, are illustrated. This draws on interview data from participants and refers to a full copy of the document contained within the appendices of the thesis.

4.2 The UK retail sector and Ultico

The retail sector is a major contributor to UK GDP and a major provider of employment in the UK. At the time of data collection, 2.9 million people in the UK were working for retail employers, representing around 11% of the

workforce, further rising during the time of writing by just over 4,000 more employees (British Retail Consortium, 2012). According to the British Retail Consortium (2012) retail sales in 2011 amounted to over £303bn, through 284,490 UK outlets, or 187,390 VAT registered businesses. This number of establishments represents 9% of all VAT registered businesses in the UK. The retail sector is therefore a key player in the British economy, and it has been argued that retail work represents a new type of mass employment in the age of post-industrialism (Bozkurt and Grugulis, 2011). The notion of the retailer replacing the factory in terms of mass employment which is low in autonomy and discretion, was voiced as early as the 1970s (Braverman, 1974) even before the post-industrial growth of the major retail establishments.

Ultico is a key player in the UK food retail market, leading its main competitors by a significant margin with over 30% of total market share. The organisation started life in the 1920s and grew continuously to market dominance during the latter quartile of the 20th century. Common to Ultico and its major competitors, the 'stack it high sell it cheap' philosophy drove early growth in the sector from the middle of the 20th century. More recently in the 1980s, Electronic Point Of Sale (EPOS) technology was key to Ultico's rise to market domination, because they were one of the very first UK food retailers to successfully implement the IBM developed system (Haynes and Allen, 2001). EPOS technology essentially enables computerised stock control via electronic sales tills, removing the need to continually monitor shelf stock and relay information to shop storage and distribution centres.

Moving into the 21st century, Ultico has sustained its position at the forefront of the UK food retail industry through rapid growth of the small convenience store format, many of which are in business partnership with motor fuel stations, which offer a smaller range of essential food and household products in convenient locations. Finally, Ultico has continued to expand through broadening its range of products and services at its larger stores and via growing online sales.

When data collection had ceased in early 2011, Ultico's group operating profit for that financial year, including overseas operations, stood at around £3.8bn, while in its UK operations on which this thesis is based, revenue excluding VAT totalled £40.1bn (Ultico Plc Investor information, 2011). At the same time Ultico traded from just over 2,700 UK stores and employed just under 201,000 full time equivalent employees. It was at the time of writing, the largest private sector employer in the UK. Key competitors of Ultico are referred to throughout the thesis for purposes of comparison only. These are: MW Northsons, J Poshfoods and America Mart (UK Ops).

According to Ultico's staff handbook and employee welcome packs, HRM activities are related to their core values, which are broken down into supporting themes. The first, 'no one tries harder for our customers', is intended to be achieved through having the 'the most loyal and committed staff', and 'looking after people so they can look after customers'. The second, 'treat people how we would like to be treated' is achieved through themes of trust and respect, mutual support, the 'sharing of knowledge so

that it can be used at work', and 'interesting work with the opportunity to progress'. HRM at Ultico is claimed to be the conscience of the organisation where their previous HR Director (in 2009) publicly referred to incorporating the two core company values into business models, reward structures and policies, which are designed to 'bring people back on track if they moved away from the values' (CIPD, 2009). In this way, Ultico views its HRM strategy as being a key driver in its continued success and growth, revolving around its values of customer focus and 'soft' approach to management of employees. Discussion now turns to how Ultico's HRM practices and systems are geared to achieve this success.

4.3 HRM systems at Ultico

Policy and practices detailed are: recruitment, appraisal, training, development and internal promotion, downwards communication and information sharing, upwards communication and employee participation, pay and reward systems. The specific details of each practice are demonstrated in terms of their intention to achieve the 'soft' approach to management of employees and core values of Ultico introduced in the previous section. In doing this it provides the foundations for critical discussion of implementation and interaction in the following chapters.

The General Assistant (GA) positions are the 'backbone' of the workforce and account for over 90% of positions in all stores at Ultico nationally and include roles such as check out operation, shelf stacking and general

customer service. Therefore the standard recruitment practice for these employees is now introduced. Personnel managers report that consistency of practice is the key organisational focus, however the information given by GA staff and line managers who were initially recruited at GA level suggests some degree of variation in practice. This 'consistent' process begins with initial screening of application forms. The form is short and simple (see appendix A) with selection based on two key criteria: availability to work, and score on 16 behaviour based questions with equal weighting, which are designed to assess a candidate's suitability in terms of customer service skills and attributes. Application forms are ranked into red, amber and green. Based on their scores and depending on demand for and supply of applicants, 'greens' are first invited for interview, followed by 'ambers', and in cases of very high recruit demand, 'reds'. The second and final round of selection for recruits at the GA level is an interview with 2 managers. Line managers conducting interviews are provided with a standard toolkit which is essentially a candidate assessment form (see appendix B) which plans the interview, provides a number of choices of questions to ask, and marking schemes with which to rate and score candidates.

The overwhelming majority of the line and personnel managers reported that it was the focus on customer service, and ability to be 'helpful and friendly', which was sought after in new recruits, and the application and interview processes are deemed to be effective tools to recruit these employees. On the interview assessment form there are 5 different indicators candidates are assessed on. These are: customer focus; personal integrity; drive;

developing self / others; and team working. These 5 indicators are categorised into 3 sub-types for each competency: Did they share a smile? Did they know their stuff? Did they show they cared? Interviewees are then rated again on these 5 competencies during a 20 minute work sample on the shop floor. According to company policy, 2 managers are required to be present at each interview in order to maximise alignment of appointed employees with the required competencies.

In a similar fashion to recruitment the appraisals, or reviews, use red, amber, green grading systems. New recruits to Ultico have a review after 1 week, after 4 weeks, after 12 weeks, and then after 6 months. After that they are conducted at 6 monthly intervals. Having 4 reviews for each new employee in the first 6 months of employment is seen by Ultico as necessary to achieve acceptable levels of employee retention, a notion which is explored in depth in the next chapter.

'That is the standard we need to help to minimise labour turnover'
(Personal Manager 1)

The reviews assess items around training and competence specific to the individual department, and items which apply across the board to all employees. These are customer service, competence, punctuality and attendance. At the time of data collection, the GA review was called in company terms, 'How am I doing?', and consisted of 4 parts: what has gone well; what has not gone well; any training either party believes is outstanding or required; a summary with overall comments. Unlike the recruitment and selection procedure, the GA level review process does not utilise

behavioural assessments, nor does it rate flexibility. Amber graded reviews would likely be received where training has not been covered, whilst a red graded review would indicate punctuality or attendance problems.

Management reviews are far more specific, based around KPIs relevant to the job and department, each with accountabilities to the store steering wheel (see appendix D). However, in similar fashion to the GA reviews, and other company processes, the KPIs assessed at review are again graded with the traffic light system. The KPIs assessed are:

- People (performance of their team) – attendance, reviews (satisfactorily completed), briefings completed.
- Customer experience – mystery shopper results, length of queues, stock availability.
- Finance – sales, expenses and costs.
- Operations – theft, loss, wastage and shrink (un-accounted loss of stock).
- Community – recycling, carrier bag reduction, community engagement.

Where an amber or red result is achieved on any of these indicators, a 'next steps' process is initiated to assist the manager to improve for the next review in 6 months time. Reviews are also linked to training delivery, which is now introduced.

A structured training programme is written into Ultico policy for new GA level employees called the 'know your stuff framework' (see appendix C), which starts with mandatory training on joining the company. The structured

training programme is split into 3 levels: bronze which is for basic knowledge of job tasks; silver for a competent skill level; while gold represents expert level. Each of these levels are split into 2 streams: 'for everyone', which all employees will go through; and 'for your department', which is specific to the job role. In Speed stores this covers the operational training in all areas of the store. The departmental framework is made up of a number of modules, and the length of training depends on the job role.

Bronze training in the company wide and department specific streams is the basic benchmark level of training. For the company wide training this involves: legal, fire, health and safety and food handling training, with refreshers every 6 months. To illustrate departmental training, take the dairy department as an example. Bronze level concerns the temperature of the fridges and how to keep the products safe for consumption and sale. Silver targets the merchandising of the different products, and product awareness. Gold training is based around marketing, team working, developing other people and showing flair in the job. This level is usually for team leaders, or those who will go on to become team leaders. Across the organisation, every employee is trained to bronze level, and 85% are trained to silver level, according to the personnel managers. The GA level training discussed above was estimated by employees to be between 10 to 12 days per year for a full time employee. This varies from department to department, with more specialist roles such as in house security staff and delivery drivers experiencing the top end of this bracket.

Training for management level staff is understandably more extensive. Firstly, all managers across all stores have half a day training a week, always on a Monday afternoon. This takes a different specific theme each week. It is commonly geared towards customer service, and often concerns training them to deliver further training or briefings to their staff. During a visit to the West Yorkshire Mega store, a management workshop was in session called *'no one tries harder for customers'*. This was led by the store director and trained line managers to deliver a 20 minute session to their staff around customer service over Christmas. It is then a KPI of the store personnel manager to ensure that all employees are signed off as having received the training. Training on core organisational processes comes every two months and involves either in-house workshops, or external workshops in other stores, which helps to communicate new practices and ways of working from store to store, the effectiveness of which is explored in depth in the next chapter.

In addition to the technical and job specific training, there is compulsory behavioural training for managers, addressing both the way they manage their team and manage themselves. For example, workshops were being rolled out in the Speed stores at the time of data collection called 'Ask more than tell'. Compulsory to all Duty Managers and store managers, the workshop is concerned with how managers talk and speak to employees, in terms of trying to involve them and encourage them to participate more in operations. Further to this are regular stress management training courses

for line managers and above, which are seen to be necessary in helping them to deal with the negative aspects of their jobs.

Training relating to promotion from GA level to line management level, which is promoted by Ultico as 'an opportunity to get on', a 'soft' HR policy which is open to all employees, is now discussed. Ultico's management development and internal promotion scheme, known as 'Options', is now set out (see appendix C). 'Options' programmes are available for GA or team leader to line manager, or for line manager to senior team. Programmes start with team leader workshops or more commonly, a series of 'pre-Options' workshops, which are essentially assessment centres for potential managers designed to measure leadership skills and potential to manage a department. One in ten employees under each line manager must be signed onto 'pre-Options' each year. One in 3 of these (so one in 30 from of all employees) are signed on to the 'Options' programme for the subsequent 12 months. The 12 months is variable, but it reportedly takes this amount of time for a GA to progress to a line manager. The first three months are centred around workshops in leadership, which focus on how to influence people and gain commitment, in line with the organisational values and public statement from the HR director mentioned in the previous section. The classroom based work is followed by work in every department of a store to learn the entire operation, and then a training needs analysis for a specific department so the candidate is technically sound for that department. They are then given a 3 month placement as line manager of a

department. When successfully completed, the employee is eligible to apply for management positions.

Every line manager and senior team manager is tasked with having at least 1 in 10 of their employees on some form of development programme, which is according to personnel managers, evidence of Ultico's commitment to internal staff development. This is monitored by yearly KPIs at annual review. As discussed earlier in this chapter, if a manager fails to reach this target, then this will be brought up by a poor review on the 'people' section, and processes or 'next steps' will be put in place to improve their performance.

To achieve transparency and organisation wide best practice Ultico attempts multiple downwards communication systems. Notice boards, or 'what's going on boards' in company terms, in communal staff areas display statutory information, health and safety news, and are littered with publications and company news, union updates, social club updates etc. These are compiled by the personnel manager, store director and senior team managers, and are designed to keep employees informed of company developments, changes and routines at both the local and national level. More important and central to the organisational strategy is the 'steering wheel' (see appendix D), which is a method of communicating store information within each store. This is the tool used in every store to help to measure and manage the business, and has an important role in communicating strategy and performance. The wheel is made of 5 parts, or

segments, and each is graded weekly as red, amber or green, the same traffic light system used in other areas of the business. The five parts are: People, which measures attendance and reviews; Customer, measuring mystery shopper results, gaps on shelves and length of queues; Finance, profits and costs; Operations, relating to theft and wastage; Community, measuring recycling, event participation and the green agenda.

The traffic light grading systems for areas of the wheel are directly influenced by the KPIs of line managers and above. Positioned by the staff entrance in each store and 6 feet across, it is there for all staff to see as they enter and leave the workplace. Whilst the information displayed on the steering wheel is of more direct relevance to managers, with performance in certain areas affecting their KPIs, there are some elements that are of direct relevance to all employees. This is especially true of the 'Customer' element of the steering wheel, the performance indicator for which all staff are responsible, and which Ultico bases its business strategy and vision upon.

On a more individual level, senior and line management are given a quarterly business plan and then less detailed monthly 'trade-it packs', detailing what the company want to achieve, ideas and key areas to focus on in the short term. The focus of these is discussed by a managerial joint team planning meeting, the aim of which is to brief managers to deliver the weekly 'Team 5' to the GA level staff. The 'Team 5' is a 5 minute briefing or talk, either in small groups or individually, to share company information and detail short term objectives. Broken down into 3 sections, they include:

what's happening in the company; what's happening in the store; and a managers' message which relates to a particular team or department. So according to practice, every staff member in the company is given information face to face every week.

In addition to the downwards systems, practices to facilitate upward communication are also in place. The most representative method of gauging employee opinion is through the 'viewpoint' questionnaire. This is a 25 item staff survey with 5 point Likert scale responses ranging from strongly agree to strongly disagree (see appendix E). It is conducted in each store at least one a year, responses are anonymous, and it is compulsory for all staff to complete. The items give employees opportunity to express their opinions on how they are treated, how they feel about working at the company, how they feel about the management, and perceived opportunity for progression. The results of the viewpoint are again graded as red, amber or green, and this forms a KPI of the personnel manager and store director for each store. Where a red or amber result is found, next steps are put in place and a 'retest' viewpoint is conducted 3 months later. The closed questions on the survey provide no opportunity to participate in decision making, it just gives a broad indicator of common perceptions of staff around the aforementioned issues. To cater for this shortcoming is a process called 'ideas capture', the company's staff suggestion scheme. Suggestion cards are completed with an idea, and placed in the suggestion box. All submissions receive a response from either a manager or an ideas champion, and successfully implemented ideas receive an award.

In addition to the above feedback process, Ultico uses' team talks' and what are termed 'shop floor rumbles'. The team talks are conducted at the same time as the team 5, and provide an opportunity for employees to raise issues and suggestions to their manager and cross the first step of the hierarchy with their views and issues. The 'shop floor rumble' entails senior management spending an afternoon each week working with a different team on the shop floor. This potentially provides opportunity for shop floor GA level staff to raise issues and ideas with the senior team, including the store director and personnel manager, therefore enabling direct communication through multiple grades in the hierarchy. These practices, combined with the viewpoint questionnaire and suggestion cards detailed above show 4 company processes through which employee voice can allegedly be heard.

Finally, it is necessary to consider Ultico's pay and benefit strategy in terms of the high performance work system rhetoric of pay and benefits slightly above the market average (Guest, 2001). From GA level upwards, the rate of pay is slightly above this average, and widely regarded as the best in the retail industry. It must be noted that these are low paid jobs, and while many retail organisations pay minimum wage or only slightly above it, the organisation's pay for GA wages are still not far above this mark, at £6.81 per hour for the lowest grade of GA at the time of data collection. The contributory pension scheme to which all employees are eligible is widely regarded as the best in the industry. After 20 years service, this currently

pays £10,200, compared to £4,200 with America Mart (UK Op's) or £3,700 with MW Northsons. The 'share in success' scheme pays each employee 3.6% of their annual salary in company shares for free (see appendix F). Other share purchase and investment options are available to staff with over 3 months service: 'Save as you earn' offers a risk free way of getting shares in the business by providing a guaranteed return on savings; 'buy as you earn' allows employees to buy shares at current market rate from gross pay before income tax and national insurance are deducted (see appendix F). One of the most valued benefits is the privilege card, which entitles all staff to a 10% discount on all company products and services, excluding insurance plans.

This section has examined in detail the HRM practices and policies which are used at Ultico. It is clear that organisational policy goes to some length and investment to create a high performance work system tailored to its needs across its UK operations. Recruitment systems are designed to appoint personnel at every level who are capable of delivering the company's core values of customer focus and cooperative team-working, with behavioural and competency based selection processes. The appraisal / review system is designed to reward or praise good performance and constructively support and improve unsatisfactory performance, either with extra training or support in a certain operational area. Training is prescribed to be frequent, and systems follow different grades for GA level employees and are designed to develop non-job related skills. HRM policy appears

committed to developing staff from the bottom up through the 'Options' programme, showing aspiration to a strong internal labour market.

Multiple processes are in place to share and cascade business information with all levels of employee, both within individual stores and down the company hierarchy. In terms of employee participation, again, multiple systems are in place to gauge employee feedback, satisfaction, and listen to ideas on operational procedures. Multi-skilling on different departments is encouraged to add variation to daily tasks, and create greater flexibility within the workforce. Many of these HR systems are subject to KPI monitoring to ensure they are implemented and administered by managers. The pay and rewards packages at Ultico are amongst the best in the retail industry, albeit by a slim margin, and work to retain at least the commitment of employees by preventing lateral moves to competing establishments. This detailed account provides the foundations for the following empirical chapters, where the implementation of these policies are analysed and significant diversion from, and contradiction with, prescribed policy is explored.

4.4 History of industrial relations, the RCU and Partnership

The HRM strategy detailed above does not function as a self contained system. The RCU is a key internal actor contributing to the Ultico's HRM strategy, which it does through processes of communication, consultation and policing of policy. The current vehicle through which these activities are

formalised is a social partnership agreement with Ultico. These activities and their internal interaction with Ultico's HRM systems are explored in chapter 6. This section provides a contextual understanding of relations between Ultico and the RCU over recent decades, which lays foundations for the key arguments in chapter 6.

The relationship between Ultico and the RCU stretches back to the mid 1950s; however it was 1998 when the first partnership agreement was signed, while the last major revision was in 2003. It is this latest revision which will be introduced in this chapter, and drawn on in chapter 6. However before introducing the agreement, it is important to consider the history of this relationship from the middle of the last century. The RCU was formed in the late 1940s when the two previously established unions representing retail workers voted to amalgamate. From this time the RCU actively recruited in stores and distribution depots against a degree of rivalry with other unions such as the GMB and the old Transport and General Workers Union (T&GWU). Up until the 1970s, there were sporadic incidences of industrial action, typically organised by the T&GWU rather than the GMB and the RCU. In particular were tensions with the T&GWU at distribution sites resulting in a localised strike at one depot in the mid 1970s. This was an old distribution depot on preferential older terms and conditions with comparatively (to the newer sites) good rates of pay. The depot was subsequently moved to a new site with new terms and conditions, evidence of Ultico's determination to streamline and minimise labour costs. Industrial

action ensued at the site, mainly organised by the T&GWU (Haynes and Allen, 2001).

In the late 1970s, in trying to pre-empt any leaning towards the TGWU, the organisation signed a sole recognition agreement with the RCU for its entire national operations. Furthermore, management encouraged its employees to both continue their association with the RCU and actively play a part in its activities (Marchington and Harrison, 1991). The sole recognition agreement continued throughout the 1980s and into the mid 1990s, where the relationship was confined to annual pay negotiations around the retail agreement, and representation at local level for grievance and disciplinary, however even during this time the union was thought to be acting within the partnership rhetoric by both providing an independent voice for staff whilst helping management to legitimise unpopular changes (Haynes and Allen, 2001). As discussed in the literature review, the ideas of social partnership were beginning to gain popularity within political and economic circles, and the possibility of an incoming labour government was becoming more likely from 1995 to 1997.

The initial negotiations prior to the RCU partnership deal, taking place at a neutral academic location in the mid 1990s, were fraught with difficulty. RCU members voiced concern in a demonstration outside the building that the union would 'become in the organisation's pocket', (Haynes and Allen, 2001, p.169) whilst management challenged the union to demonstrate how they would be able to add value to the business. Nonetheless, the

agreement was signed in early 1998 on the premise of mutual gains for both parties, whereby the union was 'expected to contribute to the efficient running of the organisation' (RCU, 2003), in exchange for influence over management decisions and resources to train reps and recruit members. The agreement has stayed the same since 2003 and up to the time of writing, but is re-signed each year with the new agreements on pay rates after the annual pay review. The only changes to the agreement other than pay rates since 1998 were in 2003 when minor revisions to the forum processes were introduced, increasing the number of reps on the national forum.

The current partnership agreement is a large document with a total of 142 pages split into 3 sections (see appendix G for a hard copy of relevant pages). A 32 page section covers procedures for grievances, disciplinary and appeals. A 46 page section covers pay elements, breaks, paid and unpaid time off. The 64 pages of the main section, which is of most relevance to the HRM systems at the organisation, covers the roles and responsibilities of the different types of representative, training for reps, recruitment of new members and the hierarchy of forums. This section of the agreement is drawn on heavily in chapter 6, and its key intentions are now introduced (see appendix G).

The broad goals from the partnership are to develop employees through developing long terms and rewarding jobs, high quality working lives and the best possible terms and conditions of employment, which bears similarity to

some of the intentions of Ultico's own HRM strategy. Similarly, Ultico's own communication intentions are echoed in the agreement in terms of updating staff about changes in the business and responding to concerns of staff. Ultico agrees to recognise the RCU's independent role through giving support in recruiting members, embracing the RCU's expertise in retail and externally promoting the successes of joint working. Ultico also claims to support RCU representatives through contributing to the training and resources needed to perform their roles whilst optimistically claiming to value the broad contributions they make. Finally, the RCU agrees to support organisational change and development at Ultico through a 'progressive agenda' to add value to the business, by sharing information and expertise and regularly reviewing the partnership agreement.

The broad goals of the partnership agreement aspire to the optimistic intention of social partnership by specifying gains to be achieved for the benefit of both the organisation and the union or employees (Ackers and Payne, 1998; Kochan and Osterman, 1994). It appears to support HRM systems in terms of human resource development and employee voice, or upwards communication. Whether and how well they do this will be considered in chapter 6. The notion of 'working to implement change', suggests a direct benefit to management, and raises the notion of risk in terms of union resources being called upon to assist management processes and changes which may or may not be of benefit to union members and employees (Martinez Lucio and Stuart, 2005).

This section has illustrated the history of industrial relations between Ultico and the RCU and accounted for the events leading up to the development of social partnership status between the two parties, which still stood at the time of writing in 2012. The terms of the partnership, where they are relevant to HRM and employment issues, have been set out. This material provides the foundation for much of the discussion in chapter 6, where the interaction of the RCU with Ulitco's HRM systems are explored and analysed.

4.5 Conclusion

This contextual chapter has provided the background to the following critical chapters of the thesis. It was first necessary to consider the retail sector in the UK, to emphasise the importance of the industry to the UK economy in terms of its contribution to GDP and its share of total employment, which is due in part to its significant growth and expansion into novel markets over recent decades. The nature of work in retail has been likened to the past industrial work in factories, partly due to its scale, but also due to the technological advances which at the same time as helping the sector to grow, have reduced autonomy and discretion in the work. Also significant to the empirical discussions is the position of Ultico as the market leader in this industry. This gives the organisation the market power and the financial strength to explore new territory in advance of its key competitors, not least in terms of employment and HRM policy, but more openly evidenced in terms of ventures into new markets and novel shopping formats.

A comprehensive account of all of the HRM practices and policies which Ultico intends to implement consistently in order to achieve success in the industry through a claimed 'soft' approach to HRM, has been put forward. This material forms the basis of the critical discussion and analysis in the next chapter. The climate of employment relations has been illustrated, both historically and contemporarily, between Ultico and the RCU because it is a key internal actor which contributes to the HRM strategy at Ultico. Ultico and the RCU are unique to the UK retail sector (as of summer 2012) in having a signed social partnership agreement in place which provides an intention for joint working. Chapter 6 analyses this relationship in detail with regards to interaction between the RCU, HRM practices and their implementation, so the historical context and prescribed intentions of the current partnership processes form the foundations for the analytical discussion this chapter. It is now that the implementation of these HRM practices, intended interactions between them and deviation from the prescribed intention are discussed.

Chapter 5: HRM Systems: Desired synergy and problems in implementation

5.1 Introduction

In order to address the first key research question, this chapter considers the optimistic intention of HRM systems at Ultico and draws out the reality of variable implementation. Having mapped out the type and extent of strategic HRM practices in place, this chapter discusses how they are intended to 'fit internally' to the requirements of the organisation. Consistencies, inconsistencies and contradictions with theorised models of HRM systems are illustrated by considering the individual HRM practices in place within the context of the organisation and the retail environment. The implementation of the system is drawn out in detail, while associated tensions and problems are analysed. Key areas for exploration posed in earlier chapters are not whether, but how HRM practices and systems may affect organisational performance and the channels through which they do so. In this chapter, these questions will be addressed in the following sections: firstly, the HRM practices in place at the organisation are considered in terms of their complementing synergy and how they are intended to work in terms of a complementary HRM system. The optimistic intention of the HRM strategy is contrasted with the reality of variable implementation of HRM by line managers, due to varying levels of training in HRM delivery and time to do so. This uncovers negative impacts on the workforce and shows how key HRM requirements are left unfulfilled. Finally, the chapter looks at how HRM systems are implemented problematically at

senior management level to reduce human resource costs and associated issues concerning the breaking of trust are explained. It is argued that the problems with implementation at line management level reduce the effectiveness of the HRM systems and that efforts to compensate go against the grain of strategic fit, while pragmatic implementation at the senior level results in the intensification of work. The chapter contributes to knowledge around how HRM systems intend to work internally to add value and improve conditions for employees, but are vulnerable on multiple levels to falling short of this intention.

The majority of material discussed in this chapter draws from interviews with employees: senior team, middle management, general assistant (GA) level staff, and documentary evidence retrieved from the participating workplaces. Data from union representatives and full time officials are used to a lesser extent, as this is more relevant to the subsequent chapter which considers the impact and effect of union partnership on the HRM strategy.   The detailed account of the HRM system and practices in the previous contextual chapter are drawn on throughout this chapter.

5.2 HRM systems: complementing synergy

This section will consider the HRM practices and systems in place at Ultico, and how Ultico seeks to implement them as an internally coherent system to achieve strategic goals. The ways in which Ultico seeks to integrate these practices, consistent with ideas of reinforcement, flanking and compensation

(Horgan and Muhlau, 2006), are described and analysed. The discussion of data starts by considering synergy in recruitment and selection practices, and then how they relate to the review process. This is followed by looking at complementarities between review and training, and the extension of training systems to the internal management development programme. The various forms of downwards and upwards communication are then analysed, before considering the pay and reward system. In doing this, the section focuses on the intentions of Ultico's HRM strategy. The reality of the system is then considered and contrasted to the intention in the following two sections, which cast significant doubt over the effectiveness of Ultico's internally consistent HRM strategy, in terms of both organisational and employee related positive outcomes.

Firstly in terms of recruitment, Ultico pursues a behaviour and competency based matching strategy. As set out in the previous contextual chapter, the behaviour based questions on the application form and in the interviews are explicitly used by the company to elicit information about the congruence between the applicant and the two core values of the organisation: *'No one tries harder for our customers',* and '*Treat people how we would like to be treated'.* This is seen by senior management to be an essential aspect of their HRM system.

> *'That (the behavioural questions) helps us identify the type of person we are looking for, those who are customer focussed, warm and friendly and use their own characters when dealing with customers... think about their colleagues as much as they do about customers, and that screening process helps with that.'*
>
> (Personnel Manager 3)

The 'filter' of behavioural selection criteria is reinforced at 3 stages: application form; interview; and shop floor trial, using the 'red, amber or green' rating system, described in the previous chapter. Ultico sees this as a mechanism for maximising the chances of recruiting employees who fit the key core values of the organisation (Callaghan and Thompson, 2002). In this way, Ultico uses recruitment and selection activities as a mechanism for aligning HRM strategy with the overall mission and strategy of the firm. Most emphasis is placed upon customer service, because other than price, this is seen as being the key way of competing with similarly placed establishments. However while this appears to fit internally to the staffing requirements of Ultico, this process is not consistently adhered to. Problems arising from this will be considered later in the chapter.

Similarities can be drawn between the appraisal, or review, process and the recruitment process, both in terms of the consistency of practice, and the use of 'red, amber, green' grading systems. The review process for GAs and line managers is seen by senior management to complement the recruitment process in terms of employee performance. Management respondents claim to use their recruitment and review processes in combination to ensure they have the right employees doing the right things.

> *'You do see performance benefits from it, definitely. Selecting the best is important but reviews are key. You bring in about 50-60 a year and the key is they know what is expected, (in order to) to do what they need to do (to perform in their jobs). They're either praised, or supported to improve their performance.'*

(Store Director)

A conscious integration of process is evident here in a number of ways. The personal qualities or attributes which are selected during the recruitment procedure are then 'reinforced' through the review process. Additionally, Ultico views the effectiveness of one HR practice as being clearly contingent on the supporting conditions of another. Therefore the review process is 'flanked' by the recruitment process, because it is through this that Ultico aims to ensure that the correct calibre of employees are in the job in order to go through the review process. However, the recruitment process is at times scaled down to fit operational requirements, by using just one interviewer and by omitting the work trial part of the selection process. Therefore it cannot be concluded that the two processes consistently interact to the same extent.

All manager level and the large majority of GA level staff reported a similar review procedure for the GA level employees, consistent with the outline of the process in the previous chapter. What appears striking is the frequency of reviews, especially in the first year of employment, for what are essentially low paid, low skill jobs. Having 4 reviews for each new employee in the first 6 months of employment is considered to be the standard they need to minimise labour turnover, both in terms of individual satisfaction with the job and individual performance in the job. So here Ultico uses the review process in a compensatory fashion, in order to offset the negative elements of intense and demanding GA level jobs.

A further explicit attempt by Ultico to 'fit' their HRM system internally is evident by looking at the relationship between review and training practices. Training provided by Ultico can be understood in terms of both the aim of 'matching' skills to business strategy (Tichy 1982; Fombrun, 1984) and developing performance enhancing skills through 'gold' level training (Ichniowski et al, 1997). The data strongly suggests that Ultico is also seeking to explicitly fit training with other HRM practices in a coherent fashion. The training is now considered in the context of combined systems of HRM, however it is important to illustrate at the outset, that the perception of the majority of participants at all levels is that there is a great deal of training on offer to employees.

> *'There is loads of training all the time. Legal, fire health and safety, then you have your departmental training and quite a few people are multi-skilled as well. We have refreshers regularly and new training with changes to things.'*

> (GA South Yorkshire Mega store)

The review process is used at GA level to identify candidates for gold training, and although it is not an essential requirement, it is generally seen as the first step towards the 'Options' management development scheme. In this way, Ultico seeks to use the review process to 'flank' the training process, with outcomes from reviews altering the inputs into training schemes for GA level staff.

The relationship between management reviews and behavioural training reveals attempts by Ultico to implement 'compensatory' HRM practices. Managers experience training around ways to deal with the stressful aspects of their work, referred to by Ultico as being 'in or out of the box'. These

workshops discuss with them 'how something happens and how they react', and that between that period there is the opportunity to 'choose' how they react and to 'choose' their attitude.

> *'It is a very emotional business. We give a lot emotionally and there is a lot riding on it for us, and it can get pretty intense, so there is a need for managers to manage their stress levels.'*
>
> (Personnel Manager 2)

This compensatory relationship was evident in the data from all levels of management that suggests that their jobs are high in emotive demand and present a need to manage stress levels through dedicated stress management courses. It was widely reported by both GA and management participants that reviews are a source of stress for managers, specifically where KPI targets are perceived to be beyond the control of the individual manager yet are linked to pay or potential disciplinary action. It is clear that this training process is working in an interactive fashion with the review process, for line managers. In the previous analysis of appraisal systems, the heavily performance / KPI based reviews which managers experience twice a year, do, in some instances present negative side effects in terms of stress amongst managers. The stress management, or emotional management courses for line managers are therefore a compensating HRM practice which specifically addresses and mitigates this potential problem. The complementary process of compensation caters for the fact that some aspects of high performance HRM systems may create unintended, negative side effects, potentially negating any increase in performance, so compensating practices attempt to block or mitigate these possible negative effects (Horgan and Muhlau, 2006). The 'compensating' HRM practice

detailed above in terms of stress management training provision is not available to GA level employees, but then the practice is deemed not to be necessary as these employees are not subject to the same review processes which have been found to induce negative side effects, in terms of stress.

The requirement for stress management courses can be understood when the implications of a good or bad review are considered. One of the KPIs for line managers is 'shrink', which is unknown loss of stock and relates to the 'Operations' section of the steering wheel. There is some contention as to the fairness of this being used as a KPI with the same targets nationally, where different stores have massively different rates of theft due to their location, which can significantly impact upon a review outcome.

> *'It's quite often you can have a bad couple of months. If two palates of Becks go missing I will be on a red.'*
>
> (Beers, Wines and Spirits Manager, West Yorkshire Mega store)

So shrink is a KPI which is often not satisfactorily met by the manager of certain departments at the West Yorkshire Mega store, and is a KPI that managers feel they have little control over. Their performance related pay is dependent on a good review outcome, i.e. green. However if an amber or a red result is achieved, the 'next steps' process is put in place. At manager level, where the poor KPI is related to cost or productivity, the next steps resembles a quasi-disciplinary procedure and accompanies the loss of bonus salary payments. There is no in between, and no average or 'just ok'. They have either excelled or failed. With rates of pay and potential disciplinary procedures resulting from these assessed KPIs, it is clear to understand this general consensus amongst line managers of how reviews

can be very stressful situations and serve to intensify the work for them. This emphasises the culture of driven success at all costs and the constant push to extract more performance from the workforce through complementing HRM systems, illustrated more generally by the following quote from a store director.

> *'I think, by heck I pay my guys this so I can get a bit more, you know but we've got to think like that in industry.'*
>
> (Store Director, North Yorkshire Mega Store)

The HRM practice which is used to offset this intensive 'excel or fail' process of management performance and appraisal is the pay system entwined within it. However, whilst it rewards and compensates financially the highly performing managers, it does nothing to compensate for consequences of underperformance, especially where the causes of underperformance may be beyond the control of managers in certain store locations.

The concept of a high performance work system suggests the provision of, or at least the perception of, opportunities for career progression and development (Guest, 2001), and from a cost perspective, promoting from within the organisation is a way for Ultico to reduce costs associated with recruitment and initial training. Furthermore, from a high commitment HRM perspective, it is intended to foster a work environment of aspiration and increased motivation (Walton, 1984), something which was revealed in a minority of interviews.

> *'It really helps to create a good work environment, it keeps people motivated if they know they can move up (the company hierarchy)'*
>
> (GA, Canteen)

The 'Options' management development programme is valued by personnel managers as it provides a constant stream of newly qualified and apparently motivated line managers and senior team staff. Furthermore, the 'Options' training is seen to be more applied and 'useable' than standard training, as the skills learned are put in to practice almost immediately by trainees taking on line management responsibilities. The notion of internal fit, where training followed by empowerment to utilise training should have a more positive effect on performance, is evident on the development scheme (Wood, 1999). Furthermore, the line managers interviewed believe that the presence of the 'Options' programme improves motivation across the store and helps to keep morale at a good level as people believe they can progress if they want to, and do not perceive that they are 'stuck in a dead end or low paid job'. While the same perception was found by some of the GA respondents, this was countered by other GAs who had limited knowledge of, or desire to join the 'Options' programme.

Downwards communication systems are theorised to be an essential component of a high performance HRM system (Guest et al., 2003; Guest 2001). The multiple forms of downwards communication set out in the previous chapter are used by Ultico in a reinforcing way. The array of information sharing practices: notice boards, company magazine, weekly newsletter and website, combined with the team 5 and the store steering wheel, demonstrate a complementary relationship in terms of reinforcement, which is theorised to be of most importance where the HRM systems are concerning communication (Muhlau and Lindenberg, 2003), and where

practices such as notice board posting or wall displays are likely to be weak signals. The 'team 5' weekly briefing is the only method of regular face to face downwards communication. This also relates closely to the idea of 'guidance', in terms of sharing information and embedding company norms and culture into all employees (Ichniowski, 1997).

> *'The weekly team 5s are the best way (for downwards communication), I think, that's 5 minutes with your line manager. There's 3 points to it: a company message, store message, and a departmental message'*
>
> (GA, South Yorkshire Mega Store)

It is also more a more robust form of communication due to the manner in which it is cascaded down the hierarchy: face to face and its delivery is enforced through the KPIs of the line manager. Good review performance for a manager is dependent on the team 5 happening every week for every member of staff, so a complementary relationship reliant on flanking is evident here. The company places enough value on this information being shared that it enforces these active communication channels with KPIs, on which managers' salaries are dependent.

Ultico also uses multiple upwards communication practices, which were outlined in the previous contextual chapter. The viewpoint (staff feedback) questionnaire, the staff suggestion card scheme and the management 'rumble' practice represent a clear attempt by the organisation to 'reinforce' various upwards communication methods (Wood, 1999), with the aim of strengthening the perception of the opportunity for employee voice amongst employees by providing multiple channels through which management can 'hear' this voice. The 'rumble' process where senior management work

'shoulder to shoulder' with GAs on the shop floor also demonstrates an attempt to complement staff development practices, in terms of providing an opportunity to observe and recognise potential management skills and attributes in GA employees. Specifically, this lies around the recruitment of candidates for the 'Options' development scheme. In this case, the process of recruiting suitable candidates for the 'Options' scheme is facilitated, or flanked, by the 'rumble' process which brings senior management into contact and conversation with potentially every GA level employee of their store over time.

This section of the chapter has shown how Ultico attempts to 'fit' its HRM practices internally, with the aim of improving their effectiveness through complementary relationships of reinforcement, flanking and compensation. The discussion now moves on to discuss the problems and pitfalls associated with the implementation of these HRM practices. The remainder of this chapter shows how unintended problems of HRM implementation result from line manager interpretation of policy, and conflict with operational needs. It then demonstrates how HRM policy is disrupted at senior management level to elicit greater performance from employees, against the rhetorical 'win-win' prescription of a strategic HRM system.

5.3 Line managers' compromised implementation of HRM

The previous section has shown how HRM systems are intended to improve performance in terms of complementary interactions between different HRM

practices. This drew mainly on data relating to company policy and practice, and reports from management and employees. This section considers the implementation of the HRM systems from the experiences of all employees interviewed at the organisation. It argues that the intended HRM system in certain cases is not strictly adhered to, and is vulnerable to being implemented with varying degrees of consistency and success by line and personnel managers. An initial finding at the commencement of data collection was that in 2007, an HR Manager role had been made redundant across Mega stores nationally, as illustrated below.

> *'When I came there was an HR manager in addition to the PM, who did recruitment, inductions etc for everyone. This is now done by the line managers of individual departments.'*
>
> (Customer Service Manager, West Yorkshire Mega Store)

The stripped-out role was in Mega stores and was junior to the personnel manager. The role holder was in charge of day to day HR duties such as recruitment, review and basic training. On the abolition of this role, these duties were absorbed by line managers, which intensified their job tasks (Hales, 2005). However more significant to the argument of this section, is a perception amongst GAs that these absorbed tasks are often performed ineffectively by line managers.

> *'From an employee's point of view, I think HR is a specialised job. I think people need specialised training to do HR, but unfortunately you could be a line manager on produce and not know anything about it.'*
>
> (General Assistant, South Yorkshire Mega Store)

This relegation of HR responsibilities from trained HR managers to line managers contributes to a rift between the intended organisational practice, and the reality of that which is experienced on the shop floor. In the situation

where company policy and actual practice fail to align, different outcomes are experienced by employees and by the organisation. The causal processes of this poor alignment between policy and practice and the implications it has are now discussed.

Experience of the recruitment process was described in a positive manner by the large majority of employees, as might be expected because all were successful in the process. This also includes all managers who were recruited at GA level. However some negativity was evident in terms of the process being an 'old' system which now needs updating and that the quality or even accuracy of the rating system depends on the competency of the manager conducting the interview. This is also evidenced by looking at the positive and negative indicators which the interviewer must choose on the candidate assessment form (see appendix B), such as the negative indicator 'is distracted from job when under pressure', or the positive indicator, 'obtains my respect and the respect of others'. There does appear to be a systemic danger that the process will result in the quantification of numerous other variables such as the style or mood of the interviewer, therefore potentially suffering from interviewer bias.

> *'The quality and fairness of the interview really depends on the competency of the manager taking the interview'*
>
> (GA South Yorkshire Mega store)

Nonetheless this is a process which is supposed to be applied consistently across the organisation, for recruitment to GA level, and as a part of the recruitment process for external appointment to more senior positions. It could be argued that, perhaps this does not really matter for appointments to

the lowest level in the organisation, however the performance of Ultico relies on its values of high quality customer service, a theme which runs through the ethos of the company and which its HRM strategy intends to elicit from every employee. Furthermore, this is arguably more important in the lower level GA employees who spend the greatest proportion of working time facing and interacting with customers.

A similar systemic risk of manager bias was found in relation to the 'Options' development programme. A small minority of GA level employees expressed a positive effect on motivation, far fewer than the 75% claimed by personnel managers based on results of the annual staff survey. The common perceptions amongst GA level staff were that it is somewhat 'manager dependent' in that it is necessary to have a cooperative and supportive manager in order to get on the 'Options' programme. This is due to the way the process is run in that endorsement by the person's line manager is required in order to be placed on the pre-'Options' scheme. There is therefore the perception that poor or overly good relationships between hierarchies play a part in 'Options' endorsement and create a situation of perceived unfairness. There was also the perception that some managers were more willing than others to endorse 'Options' candidates.

> *'If you're the right person AND got the right manager, they will put you through'*
>
> (GA, Humberside Speed store)

What has now become a recurring theme throughout the HRM system was also found to be a potentially damaging factor here. That is the systemic problem of the autonomy of line management and their interpretation of the

company policy. Key problems surround the way that this can affect the perceived fairness of the selection process, and hence the morale of the workforce. Whilst a minority of GA level respondents did think the 'Options' development scheme was beneficial to the working environment, there was equally a minority who perceived the selection process to be unfair, and not entirely based on merit. This was due to two possible factors. The first was mentioned above in terms of favourable relationships between line managers and GAs, influencing preferential treatment and selection for the 'Options' scheme. The second is due to shift patterns, and how much contact a GA on a particular shift has with his or her manager. This is more of a problem in the larger stores, where line managers generally cover more GA employees and interaction is less common. The less a manager sees of certain employees, the less likely they are to observe and recognise good work and potential management skills, leading to a perceived and actual inconsistency of opportunity.

The implementation of training was also perceived to be inconsistent, and a source of intensifying workloads. Bearing strong similarities to the above discussion on recruitment and appraisal, there are negative perceptions about the conduct and delivery of the training, in terms of its quality being dependent on the competency of the manager providing the training.

> *'In fact, it (training) is very rarely delivered properly; I mean managers are always in a rush to dish out the required training and a lot of it on the job so it can't always go in right.'*
>
> (GA South Yorkshire Mega store)

While this suggests a strained workload for managers, it supports the data which tells us there is lots of training, and re-training. Although the training programme looks good 'on paper', questions are raised about its quality and its relevance. It is suggested that the nature of the training is not always suitable for effective delivery during normal business operations, as most is provided on the job. While some employees claim to value the intense training provided, an equal amount hold the view that a lot of it is unnecessary, or even 'Pavlovian', as described by one GA referring to the tick-box exercises that constitute a large proportion of the training programmes.

While there are genuine worries about the effectiveness of the training programmes due to the lack of time to run them, having to 'cram' them into and alongside operational duties, there was a similar concern regarding the intensification of work resulting from these processes (Ramsey et al., 2000), in terms of training completion constituting an additional job task to complete alongside standard operational duties. The problem of line mangers' implementation of the training systems, is compounded by the volume of training and time constraints affecting training delivery which potentially harms its quality.

> *'What should happen and what does happen varies from store to store. It's quite good at ours, you come in and get buddy'd up with someone like a mentor. There have (where training is poorly administered) been times when fire safety has been completely missed in new recruits. That is serious.'*
>
> (Team Leader / Training Mentor Buddy)

The variation in quality of training appears to be dependent on 2 factors. Firstly, it needs a line manager who is capable of effectively communicating the required training. All line managers are responsible for delivering some area of training. Secondly, the manager and recruit need enough time to be able to complete the required training. The majority of training is on the job, so this is in turn dependent on how busy a store is from day to day. Where managers and assistants are rushing to serve customers or put stock on the shelves at the same time as delivering or receiving training, one of these activities will suffer.

> *'Especially on late shifts though, there can be new recruits who seemed to bypass the whole (training) system. It's happened about 3 times in my experience (3 years).'*
>
> (GA, South Yorkshire Mega Store)

In an organisation where, 'no one tries harder for our customers', and mystery shopper results can affect store performance ratings, then it will always be the training which is abandoned in favour of immediate and quality customer service. So regarding training, HRM policy implementation is contingent upon business expediency. On the one hand this is inevitable, however it is not dealt with systematically. The consequences of this are usually minor, such as poor training on a new line of products, however where something serious like fire safety training is missed, as portrayed above, the consequences could potentially be dire. Problems with the implementation of HRM practices are evident, both in terms of the defined process, and the systemic risk regarding competency of inadequately trained line managers responsible for doing so.

The discussion now moves on to consider upwards and downwards communication, and how their implementation is seen by GAs to be ineffective at best, and at worst, a cause of tension and mistrust between GAs and managers. Before delving into the more complex processes of communication and information sharing, first mentioned are the obvious ones which are visible to everyone, such as notice boards and wall displays. The perception of employees was that it was difficult to take all this information in without a large amount of spare time before or after a shift. All levels of staff agreed that they 'just formed part of the wallpaper' and are rarely looked at, read or properly digested. The company magazine 'One Team' published quarterly is available for all staff to take home. This covers what's going on in the company such as store, distribution and product news. Again, it is rarely read by staff at GA level and reportedly just occasionally read by staff at line management level.

> *'I mean look around, the walls are plastered with stuff, though you don't pay any attention to it!'*

(GA, South Yorkshire Mega store)

The data broadly confirms that the majority of GA level staff rarely look at the store steering wheel, or take in the information displayed around the workplace due to information overload. The Team 5 was widely regarded as a better way of knowing what is going on, due to the face to face nature of the communication. This is recognised in company HR policy, with Team 5 dissemination being a KPI of every line manager and every personnel manager in every store. It is a KPI of line managers to deliver Team 5s, and it is a KPI of their personnel manager to make sure that the line managers deliver their Team 5s, in order to ensure that the downwards communication

is effectively delivered. However reports of the success and regularity of Team 5 delivery varied by respondent and by store. For instance, the personnel manager at West Yorkshire Mega store claimed to be at 98% in terms of Team 5 delivery at the time of data collection, whilst according to a GA in one of the Speed Stores:

> *'I haven't seen a Team 5 in our shop for about a year. They are useful when we do have them though.'*
>
> (GA Humberside Speed store)

The consensus amongst personnel managers is that managers do their best with Team 5 delivery, but that it is not always possible to deliver it to every employee every week due to different shift patterns, in the words of a South Yorkshire personnel manager, *'hand on heart that (the Team 5) doesn't always happen'*. This is of course taken into account, however there are times when manager GA contact is limited and operational duties again take precedence. According to the data from GA level employees this appears to be slightly more of a problem in the small Speed stores where there is less contact between managers and employees. However within all of the participating stores there is again a perception that managers are inconsistent in administering the Team 5 communication every week, suggesting a systemic problem with the HRM implementation process, due to time constraints and line manager skill and competency. In one of the three Speed stores, a distinct lack of communication was reported which was perceived to be negatively affecting both the operations and morale. This particular case related to the introduction of new cash till equipment which employees were unaware of how to operate. The wider perceptions

across all of the participants in the study were that the process of sharing business information is a good thing, when it happens.

> '*It's (Team 5) supposed to be once a week, but sometimes they miss it for whatever reason or if things are busy.*'

> (GA South Yorkshire Mega store)

It is however, not a perfectly implemented process and does not always happen as company policy prescribes. Rather it appears to be something line managers will do, if they have time to do so amongst trading related operational tasks.

Unlike other HRM practices, only limited negative effects of information sharing have been brought to light, however there are problems with its delivery which appear to be dependent on individual managers' interpretation of and adherence to company policy. The only minor problem with the prescribed practice is information overload, and the lack of sufficient time to take in the information. The key problems surrounding this HRM practice are again the reliance on line managers, relatively untrained when compared to the previously employed HR managers, to implement the policies, and the conflict between doing so and carrying out operational priorities of the business within time constraints (McGovern et al., 1997).

A final set of HRM implementation issues are now discussed with regard to upwards communication and the reliability of Ultico's principal method of this is now questioned in terms of its ability to convey accurate information. It is argued that given the opportunity, management deliberately miss-implement

upwards communication practices to distort the dissatisfaction of the workforce for their own gain. Widespread concern was found amongst both GA level employees and union officials over the anonymity of responses to the viewpoint questionnaire, the key company vehicle for upward communication. Firstly were frequent concerns amongst union officials over the demographic section of the survey which, including questions about age, position, ethnic origin, and now sexual orientation, makes it easy to identify which responses belong to whom, especially in smaller teams or stores. This raises potential confidentiality issues because the forms are often handed into a line manager or personnel manager upon completion. Reports from GA level staff vary from trust in the anonymity of the process, to complete mistrust due to situations where staff are called into a room in small groups and told to complete the surveys whilst being supervised by a manager who then collects the forms. This was particularly evident in the case of 'retest' viewpoints, a process which happened during the period of data collection. This is where an entire store fails to meet the national KPI targets for employee satisfaction, tested by the viewpoint, and is then required to re-administer the survey after attempting to address the causes of the fail.

> *'The first time we did it (viewpoint questionnaire), it came back really really bad. They did it again and it came back really really good! You can't go from really bad to really good, it looks like the managers have done it themselves.'*
>
> (GA Canteen, West Yorkshire Mega store)

So in this situation, employees voice dissatisfaction through responses to the survey, which results in KPI shortcomings for line and senior management. They are required to re-issue the questionnaire, and when

doing so, supervise completion of the questionnaire which was found to illicit better responses. This is due to the fear amongst employees of being seen by their managers to complete the questionnaire giving negative or critical responses. The West Yorkshire Mega store subsequently had to take a third viewpoint test for the year due to the massive variation responses between the first survey and the retest survey, which is evidence that head office management take the process seriously and are aware of problems in the implementation of company processes by middle management. This is supported by reports from all levels of staff and union personnel that as a company there is a massive drive to establish a culture of employee voice, or at least portray that perception, but then the implementation of it varies widely with individual stores, departments and managers.

This variation between stores is even more pronounced with the 'team talk' and 'rumble' processes. The key reason for this is the absence of KPI monitoring systems to assess their implementation, due to the difficulty in doing so, making them even more dependent on individual managers' attitudes and store cultures. The 'team talk' is tied in with the team 5 briefings to give GA level staff the chance to share their views on operations with their team and manager, and so is in theory carried out weekly. Looking to the previous discussion on downwards communication, and issues relating to the frequency of the team 5 process, it can be seen how these same issues around frequency of occurrence are present with the team talk. The lack of consistency between line managers conducting the process suggests that the implementation of the 'team talk' is not strictly

enforced, and is susceptible to manager interpretation and their competing operational priorities. It is, however a more robust method of employee participation than the ideas capture and viewpoint systems, due to the face to face nature of the process, and opportunity for immediate feedback on ideas. While the 'team talk' links GA level staff to their immediate line manager around participation and ideas capture, the 'rumble' process links GA level staff with the senior management team around the same agenda. The actual frequency of the 'rumble' process was harder to gauge from the data, as this is a process confined only to the larger stores and the senior team 'rumble' with different departments every week. However the attitudes and conduct of senior managers around participation was viewed more positively by GAs than the conduct of line managers. This is again consistent with the data mentioned in previous sections indicating that HR policies devised at head office level become weaker as they are further cascaded down the organisational hierarchy, from optimistic intention at the top, to becoming variably implemented at the lower or line management level due to time constraints and variable training of line managers.

This section has discussed problems with the implementation of strategic HRM practices. It was previously shown how these systems are intended to create desired performance and behaviours, however it has now been demonstrated how they are perceived as problematic by employees, or not working to their desired strengths, due to the systemic problem of differing interpretations of policy by managers and lack of time for effective implementation alongside more important business operations. There is an

evident conflict between operational duties and delivering HRM systems (Fenton-O'Creevy, 2001). The following section looks at how the HRM practices are problematically implemented at the senior management level in order to reduce labour costs.

5.4 More for less: Work intensification through problematic HRM implementation

A key finding of the research concerns the determination of specific HRM practices to stretch labour resources at Ultico. This has the effect of reducing the overall cost of labour for individual stores and the entire organisation, and therefore improving profitability. However it does so through channels which are quite different from those theorised by models of strategic HRM, especially those of high commitment management (Walton, 1985) or high involvement management (Lawler, 1986). It is the notion of work intensification as a result of strategic HRM practices (Ramsey et al., 2000) which is to be explored further in this section. It will demonstrate how specific HRM practices are implemented in various alternative ways by senior management in order to reduce labour costs. It will also show the effects this has on employees, and the stresses and tensions it has created within the workforce, in contrast to the notion of motivation and commitment which the above theories suggest. To do this the HRM practices of multi-skilling, staff development and recruitment will be considered.

A key difference in the multi-skill capacity of employees is evident between the two types of store studied. In the small Speed stores, which employ 15

to 25 employees, all GA level staff are trained to operate in any function of the store. The large Mega stores employing 500 to 600 initially train GAs for a specific department only. In the words of a Speed store GA:

> *'We work on the tills, stock take, stack shelves, take deliveries and assist customers. That's the thing with (Speed) stores, it's a small store and we're a multi-tasking unit. The larger stores work a bit differently, they're all in departments.'*
>
> (GA, Humberside Speed store)

During data collection the large Mega stores were in a massive drive nationally to increase the multi-skilled numbers of GA level staff. Personnel managers claim that this is to add variety to individual roles, make the work more varied and interesting, and help GAs to understand more about the entire operation. Employees are trained to work in one area of the store such as the bakery or the frozen foods section. If GAs choose to multi-skill, they are trained on another section. This allegedly increases options for overtime and the organisation's options for the location and flexibility of labour.

Training to multi-skill was reportedly optional, and was not imposed on staff, however at the time of data collection, the employment contracts had just been changed so that all new starters must be trained on both their parent department and the check out tills. GAs generally welcomed the option to multi-skill, firstly because it provides variation in day to day roles and responsibilities and more importantly, because it creates more opportunities for overtime, where the extra hours may only be available on a specific department which they became trained to work on. This benefit was very convincingly advertised by management. Whilst the majority of GAs

welcomed the opportunity to multi-skill, there existed a small minority who were happy in their 'comfort zone', and did not want move to any other area of the business.

> *'We have people who have come in every day for almost 20 years and have sat on the same till every day, and they don't want to do anything else. That's fine.'*
>
> (Personnel Manager, South Yorkshire Mega store)

As it stood at the time of data collection, this was not an obstacle to management initiatives, as there were always enough employees happy to train and work on multiple departments. The multi-skilling initiative was widely in favour with line management, who more openly asserted that the main reason for it was operational, in allowing them to cover areas in high demand, rather than to enrich the work of shop floor employees as personnel managers claimed. Whilst personnel managers claimed to rely on both the stability of the static workers as well as the ambition of those who wanted to move around different departments in the business, there was an element of worry amongst these employees about future policy developments around multi-skilling, especially in the wake of the contract changes making multi-skilling compulsory for new starters. This concern was evident amongst the longer serving employees, where they witnessed the more recent recruits to the company having to train on multiple departments. Their concern was that, in the future, their contracts may be altered to enforce them to do the same, but all levels of management denied that this would happen. However as natural employee turnover and replacement occurs, the company will ultimately be left with an entirely multi-skilled workforce.

Further contention was evident among employees in the more desirable GA level positions who had decided to multi-skill on the check out tills in order to increase their overtime opportunities. This regarded what was essentially a pecking order of GA level jobs, where certain positions at the same grade were seen as more desirable, such as Ultico delivery drivers and security roles being preferred to check-out and shelf stacking positions. This was particularly the case with the Ultico delivery drivers, who are responsible for driving vans to deliver shopping to customer orders over the internet. While there was no data to suggest that these jobs are actively sought by the wider workforce, they are certainly valued by those in post, to the extent that they complained at being moved to the check outs or to other departments. Multi-skilled delivery drivers who are trained on the tills have been taken off driving duties when the store is busy during their normal hours, not overtime hours, whilst those who have opted not to multi-skill continue deliveries, which is much preferred to working on the tills. Therefore these employees feel somewhat tricked away from the job they preferred to what is perceived to be a worse day of work.

> *'The dot.com drivers are put on the tills all day, and they get frustrated because they think their job is to be out delivering etc, and just because they are till trained, they have to do that.'*
>
> (GA, South Yorkshire Mega Store)

So what has essentially happened is that the multi-skilling option was advertised to the workforce on the basis of increased overtime opportunities. However as more and more employees became multi-skilled, the necessity to offer overtime decreased. This resulted in a greater flexibility and spread

of skills within the store at any one time, so it was cheaper to move an employee already at work from a quiet department to a busy one, rather than offer overtime at the time and a half rate. The methods used to achieve this end were based on misleading information. It is clear that the multi-skilling policies were not in place to enrich the work of GAs, or to increase their opportunities for overtime, and do not work to improve motivation, commitment or individual performance, especially where GAs have reported being coerced into working on less favourable departments, having trained on them for the purpose of overtime only. These practices are in place to create a more flexible internal workforce, which ultimately reduces the number of staff required to run a store, and reduces the need for paid overtime. However the initiative continued to be promoted on the basis of increased overtime opportunities. This shows how a specific HR practice, which is seen as favourable to employees, works to reduce overall labour costs through intensifying or changing work patterns rather than providing the soft outcomes for employees which form the basis of its introduction.

Resource saving diluted implementation of HR practices was also evident in terms of recruitment. Although rigorous recruitment practices are prescribed in company policy, as set out in the previous chapter, in reality many employees did not experience the full process of selection. Those who did experience the full process were employees recruited as a result of standard staff turnover. Those recruited for new store openings or for temporary Christmas shifts, which constitute large scale recruitment drives, generally did not report experiencing the full process of selection. This is key

evidence that when operational needs dictate, the intensity of selection, and therefore strength of strategic HRM systems, decreases to meet those needs. In all of these cases the need was for swift recruitment on a large scale. This strategy represents a rejection of the more elaborate models of HRM, but still falls in line with the matching models where the human resource is managed in a way which fits in with the needs of the organisation (Tichy et al., 1982), albeit changing needs in terms of recruitment. For example, when the West Yorkshire Mega store opened in November 2000 as part of a regeneration project for the area, an open day was staged at the local school. Demonstrations of the job roles were given, rather than a 20 minute work trial, and just short interviews were conducted prior to making a job offer.

While the company policy states that 2 managers should be present at interview, there are frequently instances where they are conducted by just one manager. Again, this was in situations of recruitment drives to staff newly opening stores as in the one mentioned above, or to recruit temporary staff for the busy Christmas period. Furthermore, a significant majority of employees and managers reported that it was a potential recruit's availability for work, in terms of the hours they were prepared to work and flexibility, which was more important in deciding success on the application form and subsequent invitation to interview. While the behavioural questions on the application form and in the interview appear well designed to recruit the right 'fit' of person for the company's values, and this is adhered to during normal recruitment operations for vacant positions, it is relaxed during times of bulk

recruitment. This finding reduces consistency with the 'softer HRM' of the Harvard model, and raises compliance with the resource based matching models, where human resources are managed in a way which fits with what the organisation needs. In these cases the organisation places more importance on recruiting x amount of employees to work from y *am* to z *pm* so many days of the week, over and above recruiting employees with likely behavioural characteristics to fit the organisation's core values. Again, the reported intention does not match the observed reality.

This 'diluted' implementation of recruitment practice is designed to save money on the operational costs of large scale recruitment. In effect, this geared down process halves the administration and management costs of large scale recruitment, however simultaneously weakens the rigour of the recruitment and selection process and importantly, its synergy in terms of organisational fit. Where this process was employed at the opening of the West Yorkshire Mega store, there were staffing problems concerning a high rate of absenteeism, theft and punctuality which resulted in an average of 70 dismissals per year. The similar sized South Yorkshire Mega store, where employees experienced the full 'undiluted' recruitment process, averaged 1 dismissal per year.

The process of the 'Options' management development programme was set out earlier in the chapter, as a 'flagship' HR practice whereby shop floor workers can progress to management level based on merit, however again, pragmatic implementation of this practice in order to reduce labour costs

was widely reported. Contention was found regarding the amount of time 'Options' candidates stay on the final 'work placement' stage of the programme before they are given a permanent manager's position. According to the personnel managers and company policy it is a 3 month placement. However employees with recent experience of the 'Options' programme reported this placement period varied from 5 months to 18 months. The significance of this is realised when the rates of pay are considered for employees on the 'Options' programme. They are paid 50p an hour more than a standard GA, or the same as a team leader, and are doing the job of a line manager with the full range of duties and responsibilities. The perceived unfairness of this payment system is illustrated by a respondent who quit the programme as a result:

> *'Why should I do all this work and get paid GA + 50p or whatever?!*
> *So I stopped and just did the team leader role.'*
>
> ('Options' Candidate, Lincolnshire Speed Store)

In the most extreme case of placement extension found during the research, the 'Options' candidate concerned refused to continue acting as a manager and reverted to just performing her original team leader role for the same money. This represents a direct form of work intensification for little extra pay, and was a result of the HRM practice of staff development being implemented in a more shrewd format than company policy would prescribe, by store directors or regional directors in the case of smaller convenience stores. While there is a constant drive to cut operational costs, a large element of which is labour costs, this will always be an attractive option to store directors and personnel managers. The cost of employing an 'Options' graduate on their work placement is roughly two thirds that of employing a

line manager. There is no company policy which states that 'Options' candidates must be given a management position within any time period after completion of the course and 3 month placement. They are just eligible to apply for management positions if and when they become available. Although there was the one report mentioned above of an 'Options' candidate refusing to continue to perform a management level role for GA level money, other employees in this position generally do not complain.

> *'I came up through 'Options', it's really good. My placement was 5 months. People just want to get on now.'*
>
> (Customer Service Manager)

This does not suggest that 'Options' candidates on longer placements are satisfied with the situation, but they are aspiring to a management position and it is likely they do not want to forego that opportunity by complaining. This developmental HRM practice can therefore be used as a tool to employ very low cost line managers for extended periods at the end of 'Options' candidates' training. While this may improve organisational performance on the surface of understanding, it is doing so via clear channels of work intensification.

This section has shown how HRM systems are problematically implemented in various ways by senior managers to draw more value from the labour force. The reduction in rigour of the recruitment process in cases of bulk recruitment does not cause tensions within the workforce, however it presents a problem to the organisation in terms of potential dismissals and the need to re-recruit. It is the multi-skilling initiative which causes most dissatisfaction amongst workers due to the perceived dishonest nature of its

promotion. GAs are promised more overtime, but end up with less overtime at the store level when sufficient numbers are multi-skill trained. Not only are employees denied the promised overtime, but their normal working hours are frequently spent in different departments, some of which are perceived to be less favourable than their original roles. The practice of keeping 'Options' graduates on their work placement for longer than the advertised 3 months also represents a significant reduction in labour costs, and has the added benefit to management of presenting few problems due to the aspiring obedience of the recruits.

5.5 Conclusion

This chapter has built on the previous contextual chapter to demonstrate Ultico's optimistic intention of its HRM strategy, however its variable implementation has been uncovered. Previously reviewed literature suggested that the HRM practices described above may have a synergistic relationship with each other (Delery, 1998), and the complementarity hypothesis proposes that three processes exist by which multiple HR practices may work together to this effect: reinforcement, flanking, and compensation (Horgan and Muhlau, 2006). This chapter has shown how Ultico seeks to use all three of these processes. Reinforcement, where one practice requires the support of another working in the same direction, is by far the most common in Ultico's HRM system. Multiple processes are in place to share information, to encourage employee participation and feedback, to recruit and select employees, whilst the appraisal system reinforces the recruitment system as an interactive pair of processes. The

training systems are 'flanked' by both the recruitment and appraisal systems, the appraisal system is flanked by the pay and rewards system for line manager level and above, and the 'Options' development scheme is flanked by the 'rumble' process in terms of talent spotting. Finally compensation, where an HR practice mitigates the negative side effects of another, is evident in two examples. The stress management training for manager level and above compensates for the negative stress inducing effects of the appraisal process and KPI targets, and the appraisal and review systems compensate for failings in recruitment.

However significant vulnerabilities of the HRM systems have been drawn out in this chapter in terms of the implementation and day to day running of all of the HR practices at the organisation, reported by every grade of employee interviewed bar the personnel managers. The systems are vulnerable to being implemented variably by line managers who are both time constrained, and inadequately trained when compared to the now redundant HR managers who used to perform many of these roles. Problems were evident with every one of the HR sub-systems, and the overriding theme in each one was dependency on line managers' interpretation policy, and adequate time to perform HRM practices alongside operational duties. Recruitment and appraisal processes are criticised by GA level staff as being far too dependent on the competency and personality of the manager conducting them, and this is easily understandable on viewing the documents and tools at their disposal, and the time constraints of enacting HRM policy alongside operational duties (Purcell and Hutchinson, 2007).

Training is also believed to be in part dependent on a 'competent manager', while the amount of training which must be 'signed off' continuously alongside normal operational duties intensifies work for both the trainer manager and trainee GA, or is omitted. Similar problems are also evident with systems of information sharing, particularly the team 5, in that the managers rarely get the time to deliver these every week as they are supposed to. HRM therefore suffers in terms of being of secondary importance to business expediency, understandable of course, but where essential HR operations are omitted due to time constraints, there arises a question around the capacity of staffing levels to effectively run the business.

Further vulnerabilities of the HRM systems were evident in terms of senior management's pragmatic implementation of HRM systems and organisational policy to directly increase profitability at the expense of employee satisfaction. This was evident with the 'Options' development scheme, where newly qualified 'managers' are kept on trainee wages, little more than a GA for indefinite periods doing a full manager's job. Similar levels of contention are evident around the issue of multi-skilling in terms of the organisation's vision to multi-skill almost the entire workforce in order to ultimately reduce the amount of staff required to run a store, and reduce the need to offer paid overtime. In these cases, HRM policy is being implemented pragmatically to elicit more labour for less money from the workforce at the expense of soft employee outcomes. Again, this is understandable in terms of decisions around business efficiency, however it fails drastically in any attempt to elicit greater motivation or commitment from

employees. Rather, the compensatory effect of slightly higher than average wages mitigates the tensions derived from the policy.

The internal vulnerability of the rhetorical high performance work system has been drawn out, and the processes leading to the reality have been explained. The system is vulnerable to poor implementation by line managers due to poor competency and time constraints, while it is vulnerable to variable implementation by senior management to drive down labour costs. This has the effect of reducing potential soft outcomes for employees, reducing employee motivation and intensifying work. In some cases it also risks omission of essential legal HRM requirements such as fire training.

As suggested in the review of literature, there is another key factor in the internal workings of the HRM strategy. Significant interaction and negotiation takes place at store level, regional level and national level between the RCU trade union and Ultico management, which has a significant effect in mitigating some of the negative side effects created by the HRM system discussed in this chapter. This interaction, underpinned by an in-depth partnership agreement, also contributes towards development and decisions around HR policy and attempts to hold management to account around these decisions. The relationship between Ultico and the RCU was set out in the previous contextual chapter. The RCU's internal interaction with and effect on HRM systems is discussed in the next chapter.

Chapter 6: The impact of union activity: Ultico and the Retail Colleagues' Union

6.1 Introduction

Previous chapters have considered the HRM systems at Ultico and discussed how individual practices are intended to fit internally, to interact and complement each other. Chapter 5 discussed how practices are frequently compromised due to poor implementation, time constraints, and how they are used by management to elicit greater flexibility, lower cost labour, resulting in a more intense working environment. This chapter turns attention to the employment relations connections in terms of how the HRM strategy fits internally with the presence of a union. It considers the impact of the Retail Colleagues' Union (RCU) on the HRM strategy, on the work environment for employees and shows how the RCU attempts to mitigate the vulnerabilities of the HRM systems uncovered in the previous chapter. The history of employment relations and the current partnership agreement were mapped out in chapter 4, and it is this agreement which provides the vehicle for much of the union activity which is central to this chapter.

This chapter highlights key issues about the effectiveness and strength of the union in a role concerned with policing or monitoring management activity, which contributes to debates about the capability of unions in social partnership to hold management to account over HRM and operational HRM policy. The role of the union in developing, lubricating and enforcing HRM

systems is considered, along with how its activities supplement HRM practices which are central to the overall strategy. It argues that the union does this through its communication channels, its consultation capacity, and its role in policing and enforcing the terms of the partnership agreement and prescribed organisational policy. In this way union partnership can be seen to be a key contributor to the effectiveness of a high performance work system. The limitations of the partnership processes in returning benefits to employees are explained, where the union has committed to the rhetoric of mutual gains, but the nature of the gains appear at times to be management heavy. This discussion relates to implementation problems identified in the previous chapter, in terms of how the union actively attempts to mitigate those areas of vulnerability. In doing this it sheds new light on the internal context of HRM systems with the presence of a trade union.

6.2 The Ultico – RCU representative roles and the forum process

The union's partnership agreement sets out roles and responsibilities for 6 different types of representative. These are the standard rep, health and safety rep, store forum rep, store director forum rep, national forum rep and the recruitment and development rep. All of the rep roles are elected positions, apart from the recruitment and development rep, who is appointed by their area organiser and their personnel manager for a 6 month full time seconded position. This role is unique in that the RCU funds the position. Recruitment and development representatives continue to be paid by the organisation so they maintain their employment benefits, which are then

reimbursed by the union. The role responsibilities are to recruit union members at new starter inductions, recruit and organise members in stores where a need is identified, coach, support and identify new representatives, and work on national and divisional recruitment campaigns. This is part of the support the organisation provides to assist the union to recruit members, and is of particular importance to the food retail industry where turnover of staff is typically high, and in aiming to keep union density at a constant level, continuous recruitment to the union is necessary (Lynch et al., 2011). Also included in this support for the role of the recruitment and development rep, is the provision of access to all new starters at their company induction, which takes the form of a 20 minute session at inductions to advertise the union to new starters and attempt to recruit them as new members. This role is the only one of the six rep roles which represents a concession to the union with little or no direct gain for management.

The RCU (standard) rep role differs in that it stipulates responsibilities and tasks which are of direct benefit to the organisation, whilst also working to look after the interests of members and employees. For management, the rep is required to assist in communicating information on store issues to staff, help to integrate new policies and according to the partnership, '*assist in a way that helps the company continually improve the customer's shopping trip'* (see appendix G). For the union the post holder represents the views and interests of staff both formally and informally, represents members at grievance and disciplinary proceedings, assists with member recruitment and communicates with both the personnel manager and the

area organiser concerning HRM and employee related issues. The health and safety rep, in a similar fashion to the RCU rep, is responsible for assisting the organisation's efficient running by communicating information on store issues to staff, and assisting in any way that helps the company improve the shopping experience. For the union and members, the rep performs traditional health and safety duties such as investigating serious incidents, reviewing the incident book, prepares employees for relevant grievances and represents staff in discussions with enforcement officers. In addition, the role requires attendance at the store forum to represent the views and interests of staff. The roles of three representatives have so far been detailed, and it has been explained how their defined responsibilities are intended to promote benefits to the organisation as well as to union members. Continuing this theme, the three levels of forum representatives are now discussed, and the forum system is considered as a supplementary HRM process.

The other three union representative positions not detailed above have their main responsibilities in different levels of the forum process, which is a form of upwards communication specifically run by the union. Their defined roles, however, still contain concessions to the organisation in terms of '*being required to assist the company in continually improving the customer's shopping experience*' (see appendix G). The three different forum representatives serve on the three levels of the forum. The lowest level forum is the store forum, or in the case of Speed stores, a forum for a cluster of stores within a region. These take place 3 times a year and are attended

by the forum representatives, RCU representatives, store manager, personnel manager, section manager and health and safety rep. Their purpose is *'to make improvements on behalf of staff', 'improve ways of working', 'make the job simpler' and 'improve service given to customers'* (see appendix G). So, issues of benefit to both the organisation and employees are on the agenda in equal measure. In addition, the business needs for change are discussed, and help in communicating changes is sought by the union representatives present, whilst issues for change raised by staff on forum cards are discussed with a view to resolution. This union run process was widely regarded by GA employees and union respondents as the only way that employees can have an influence on management decisions.

> *'there are things that go through the forum process that you can see staff have had – they've (representatives) raised it at the forum, it's gone up, they've (management) felt it's a good idea, and they've changed a policy and cascaded it back down.'*
>
> (RCU North East Area Organiser)

Conflicts, dissatisfactions or issues which cannot be solved at the store forum are referred to the store director level forum. This is a forum for a geographical region of stores headed by a store director. These are also held 3 times a year, one month after the round of store forums, so issues unsolved at the lower level can be addressed at the next tier with minimal delay. They are attended by the store director for the region and the store director level rep, the personnel manager for the group, and a dedicated RCU area organiser. This forum enables the regional director to hear views of staff first hand, and importantly, forms a communication link, feeding information back to staff in the stores through the union representatives.

With the higher company authorities present, issues which were unsolved at the lower level may be solved here, or if not, this forum will act as a sounding board for the next tier, the national forum.

The national forum operates with senior union figures and is concerned with long term strategic policies which affect the staff of the organisation, and the annual negotiations around pay and the employment package. This top level of the forum system holds the 'national forum business meeting' at least three times a year which is attended by the national rep from each store director region, the stores personnel and operations directors, the RCU national officer, divisional officer and 4 area organisers, company project managers and RCU officials. The work of the national forum is a continual process, and the representatives work throughout the year as part of project teams and working parties defined at union business meetings. These representatives are therefore required to meet in smaller groups at more frequent intervals as part of the national forum work, which includes project team meetings, communicating information from the national forum business meeting to store director level forums, and consulting national level issues with the representatives at the lower forum tier. The union business meeting agenda is developed from the company and union priorities detailed in the partnership and takes account of changes within the business and throughout the retail industry, covering wide ranging topics such as improving attendance, retaining staff, work life balance, promoting retail as a career and women into management. The pay and employment package review process is a key activity of the national forum. This is carried out

annually by the pay review project team which includes 10 national forum representatives. Agreement is reached through a process of negotiation with the company and continual consultation with other colleagues on the national forum. This is discussed further in the later section, 'The union returning financial benefits'.

The way employees can have an influence through the forums is by writing their problems or suggestions on forum cards, and / or discussing the issue directly with a rep before the store forum. All forum suggestion cards are collated before store forums, and all receive a response and enter the forum system at the lowest level first. The forum system was widely valued by all participants in the research, both as a system of communication and formal consultation.

> *'It helps the work environment here, to know that you can have a say or an effect, and it does solve problems'*
>
> (Rep West Yorkshire Mega Store)

It is the influence that employees can have, through forum representatives, on company decisions and processes which is valued most highly by respondents. The common perceptions amongst employees and union representatives is that without this process of consultation though the forums, management will do what they want with a free reign, and the work environment, terms and conditions, would be much worse. That is not to say that a decision may have been made already regarding a process change or implementation, but the forum system is a mechanism by which employees can retain some influence over policy and procedural decisions.

'We can talk to someone on the board who's oblivious to what's happening, going round the M25 in their own bubble, and forgetting what's going on in Hull or wherever.'

(National Rep, Humberside Speed Store)

Union officials who were working for the RCU and with the company previous to the partnership agreement indicated that formerly, the level of influence the union and employees had over company decisions was 'a bit hit and miss' and significantly lower than it has been since. It is this influence over company decisions and communication systems which are created by the union partnership's key processes which are explored further in terms of its effect on HRM systems. Developing themes from the previous chapter, the following discussion of data shows how these processes develop and strengthen both upwards and downwards systems of communication, and improve the extent of employee influence and involvement in company decisions. Further to this the data shows how the union plays both a policing role for members and employees and in common RCU terms, acts as a 'reality check' for management.

6.3 Union enhancement of communication

The forum process has been outlined above, however now we will consider how this process constitutes and complement parts of the HR strategy of the company, in terms of vertical, upwards and downwards communication. The union processes, formalised through the partnership agreement, form a system of communication separate from those implemented as part of management policy. These channels are created through the union's forum system, and through the informal networks of union representatives and

organisers which run parallel to company management hierarchies. The following data will show how this works to complement the organisation's systems, and in many cases, proves more effective.

The downwards communication systems which were discussed in the previous chapter are used for cascading information down the management hierarchy, often regarding changes to the business or working practices which have a direct effect on employees. The company steering wheel and business updates through the Team 5 process were developed through formal consultation with union personnel through the forum system, and was part of the organisation's agenda to communicate business strategy and position the need for specific changes. The concession won by the union was the structure of the upwards communication system by which staff could have an influence on those changes from the store level. The structures and networks in place which are formalised as part of the partnership agreement mean that union personnel, either representatives or organisers depending on the level of action, are briefed on changes at the same time as managers. This is described by the RCU research team leader as 'a bit hit and miss', but works well in the better organised stores.

There are instances where managers will intend to brief a process change or implementation by Team 5, but the union representatives or organisers will intervene where the Team 5 is deemed an insufficient process and the changes need communicating more thoroughly. For example, the introduction of new equipment which may pose new or different health and

safety risks would not be suitable for communicating through Team 5. Data in the previous chapter showed that Team 5 briefings are often dependent on a manager and an employee being on the 'right shift at the right time', with reports from some respondents having not had one in 'years'. Therefore while management might prefer the Team 5 briefing, the union will intervene in an enforcing or policing role, and make sure that process changes are communicated in a satisfactory manner, as reported by a rep in one of the large stores:

> *'Whenever our PM gets anything down like changes, she informs the union. We as representatives get together and say, 'what do you think', because if we put it out there, there might be people coming to us and complaining to us, so we as representatives recommend how management should work around changes.'*
>
> (Rep, West Yorkshire Mega Store)

So in terms of downwards communication around changes to the business, the union acts in both a policing and consulting role. This is evidence that the union functions as a sounding board for management, in terms of testing the water to gain a better idea of how an initiative will be perceived by employees. This fits with the rhetoric of mutual gains whereby employees and members benefit from having an independent voice, and management gain from being able to listen to that independent voice through alternative communication channels to inform their decisions.

Data from the previous chapter showed there to be multiple methods of downwards communication, which worked in a reinforcing complementary relationship (Horgan and Muhlau, 2006). The union's network of researchers, organisers and representatives on different levels of the forum

system represent a further system of downwards communication. As discussed above, the organisation's downward communications are policed by the union in terms of how the content is signalled and the appropriateness of delivery, however the union presence also demonstrates a communication system in itself which the data shows can be more efficient. This union communication system complements Ultico's communication systems, contributing to the internal fit of the entire HRM system (Wood, 1999). However this does not always please management, where representatives and employees find out about changes or developments from head office through the forum system before the managers are informed, their perceived levels of power and control are reduced.

> *'She (my personnel manager) gets a bit mad because being on the national forum I sometimes find out things before she does!'*
>
> (National Forum Rep, South Yorkshire Mega Store)

This is almost reminiscent of traditional industrial relations, pre-dating the language of mutual gains and human resource management. However the majority of management respondents report that using the union as a system of message delivery is a major benefit because it helps employees understand what the company is trying to achieve through delivering that message. In this situation, management use the union for downwards communication in a consultative fashion to make sure it is delivered in a way that staff are most likely to respond positively to, and as a method of communication to 'soften the blow' of any potentially unpopular change or implementation.

'The union are the first port of call for anything that's happening, so they get that message from the horse's mouth and understand what the company are aiming to achieve, and then they really help with delivering that message.'

(Personnel Manager, South Yorkshire Mega store)

This represents a clear benefit to the organisation, again in terms of lubricating their HRM system. Benefits to the union are that they appear to maintain a level of influence over how downwards communications are delivered.

Just as the union's network of representatives and organisers forms a system of downwards communication as shown above, it similarly serves as a system of upwards communication. The network of representatives and organisers is essentially an informal system which can broadcast issues and problems at individual stores across the organisation, while the forum structure is the formal process through which employees can both communicate and influence changes to the business. The organisation's parallel systems are the viewpoint questionnaire and the team talk processes, which are regarded by lower level employees as very weak systems of communication in comparison to the forum system. The forum process is the union's flagship component of their partnership agreement in that it potentially gives employees the means to influence company decisions and gives the union channels to negotiate over changes. It is also a key component of the organisation's HRM system in that it provides a channel for employee participation and voice which would otherwise not be open. The forum system was regarded positively by all participants in the

study, and there is a wide perception that through it employees are able to influence some level of change.

> *'I think it's good to know that they will listen to you. I think it highlights problems they can have in other stores at the higher level, and it helps with communication across the business.'*
>
> (GA West Yorkshire Mega Store)

This system of communication not only demonstrates a reinforcing complementary relationship with the upwards communication systems put in place by the organisation, but it goes further by providing 3 hierarchically structured platforms through which to negotiate the material which is being communicated from the shop floor. It has the trust of the workforce, unlike the organisation's viewpoint questionnaire which, as discussed in the previous chapter, is perceived with notions of mistrust and manipulation by management. Issues raised through the forum system vary widely, and can at the local level, be concerns about the number of spare lockers for employees on the busy peak shifts, or the availability of safety shoes for those taking heavy deliveries. These are likely to be resolved at a store level forum. At the other end of the scale, major changes to business processes have resulted from the ideas of shop floor employees, raised at the store forum and implemented at the national level

> *'It proves for them as a company, because what they're getting is an awful lot of good ideas come forward from their staff, about a simple change in maybe an operation about the way they do something, that actually could save the business money or improve efficiency.'*
>
> (RCU North East Area Organiser)

The union is instrumental in providing a working system of upwards communication which not only reinforces, but expands upon the systems put in place by the organisation. In doing this it represents clear benefits for the

organisation in terms of capitalising on innovative ideas from employees. The benefits to the union are present in terms of the formal platforms for consultation and negotiation through which it can maintain some influence over company decisions and changes to the business. What is becoming clear from this analysis of data is that the union, through its partnership processes is acting, albeit at times antagonistically, to enhance the effectiveness of Ultico's HRM strategy.

Finally regarding upwards communication, the union also plays a policing and enforcement role. This is with regard to the organisation's viewpoint questionnaire system. The previous chapter highlighted problems around the implementation of this compulsory annual staff survey, specifically around repeat surveys in the case of poor results where managers had supervised employees' completion of the forms to illicit better results. In response, union representatives are now requesting involvement in the implementation of future viewpoint surveys. With this problem having been communicated through informal networks of the union, this is now happening nationally, rather than just in the problem store concerned, in order to proactively avoid the same problem at other stores. This is therefore a form of proactive policing from the union which has the potential to increase the accuracy of the organisation's communication system, and in the longer term, potentially increase the workforce's trust in the process. Again this analysis argues that through working antagonistically through the formalised structures of the partnership, the union is able to mitigate the problems created through pragmatic implementation of the HRM practices. In this way

the union is able to improve employee outcomes and lubricate the workings of the HRM system for the organisation, which further supports the notion of the union acting as a mitigating factor through the partnership system.

6.4 Consultation, negotiation and policing around further HRM practices

The forum process detailed above represents formal consultation and negotiation between the union, or members / employees through the union, and various levels of management, depending on the level of the forum. However this very system has been found to have created an informal level of consultation as well, which is not specified in the partnership agreement or in any company policy. This informal communication and consultation between the union and management was evident at every level of seniority, as per the forum hierarchy, so between store managers and representatives, regional directors and area organisers, head office personnel and the national officer. The partnership and the forum system have reportedly altered the nature of communication and encouraged more willingness to work together.

> *'There is far more of a readiness and able-ness, from both sides, to pick up the phone with a group PM saying: got this issue at such a store, we try to resolve it and sort it out informally'*
>
> (RCU North East Area Organiser)

> *'One of the biggest impacts for me is that where there is a problem we will always endeavour to sort it out informally first of all. That just helps massively.'*
>
> (Personnel Manager, South Yorkshire Mega Store)

The ethos of this union partnership is around consultation and communication, both through the formal processes, and informally. The way the RCU works with Ultico in practice is principally about repeated and continual dialogue. More of this discussion happens informally than through the formal processes, however it is the formal processes which give rise to the informal discussion. Formal processes are there to fall back on when informal discussions break down, and to some extent vice versa, so in effect there is the framework for a dual system of consultation which is mutually supportive.

While the forum system has been discussed as a process of formal communication and consultation, which is strengthened by the informal processes which it gives rise to, the union has varying impacts on all of the HRM practices discussed in the previous chapter, either through communication, consultation (Guest and Peccei, 2001), an inevitable policing role (Kelly, 1996), or combinations of these.

Taking recruitment practices, the union plays a significant policing role, which changes the practice for the benefit of employees and to the occasional hindrance of management. It also plays a less significant consultation role for the benefit of management. The policing role can be seen in action when contracts are offered to new employees. Since early 2010 the entire organisation has ceased to offer permanent contracts to new staff joining the company at GA level (this happened as early as 2008 in some inner city stores, including the West Yorkshire store in this research,

but in 2010 was rolled out across the organisation nationally and became standard practice). Temporary contracts are offered for a period of 3 months and, subject to adequate performance, are then renewed for a further 3 months. This is legally allowed to go on for up to 12 months, after which the employee must be either released or made permanent. According to the terms of the union's partnership agreement, personnel managers must inform their area organisers when temporary contracts are re-issued, so that the union can ensure employees are on the correct contract. This does not always happen, and requires policing by the union. During the time of data collection, the West Yorkshire store was failing to tell the union they were re-issuing temporary contracts. It took a few months for the area organiser to get the list of contract details from the personnel manager, however when they did, they were in a position to enforce the terms of the agreement, and employment law, and make all of the temporary staff who had been employed for over a year permanent.

> *'They should tell us when they re-issue, but it doesn't always happen. If we find out that someone has been there for over 12 months, we go in and make them permanent.'*
>
> (RCU North East Area Organiser 2)

Regular instances of management withholding information from the union are, on the surface, a failing of the communication system between them, but this is more likely to be suggestive of a management biased partnership (Kelly, 1996). Many RCU respondents used the phrase '*management trying it on*', in this case as there are clear benefits of keeping employees on temporary contracts in terms of flexibility, regardless of the agreed terms around communication of employment contracts to the union, and regardless

of its legality. Representatives are trained on employment law and company policy and processes, which gives them the tools and information required to hold management to account over issues such as temporary contract extensions. The informal resolution of these breaches in agreement is most common, rather than engaging in formal grievances which take more resources and which management would lose, however it is the resources of union representatives and area organisers which are required in order to informally police and resolve these issues. Therefore this constant policing of employment law and company policies, whilst a strain on the union's resources, improves employee outcomes of the HRM system.

A further area where the union acts in a policing role concerns the internal labour market and advertising of vacant posts. According to company policy agreed through the forum process, vacant positions at other stores should be advertised internally before external applicants are considered. A situation where this does not work is with advertising between Mega stores and Speed stores, where employees wishing to move from one to the other find out about vacancies through informal networks, or worse still, find that positions had been available but then filled, after the event. This was particularly the case in the East Yorkshire Speed Store where tensions were high as a result positions in local Mega Stores not being advertised internally first.

> *'We know there are jobs available in the superstores but they're not coming to us to be advertised. We've said they're not giving us a chance to move on from a (Speed Store), we're stuck in there.'*
>
> (GA, East Yorkshire Speed Store)

The union's response to this has come in two ways. The first response is proactive, utilising the network of store representatives and forum representatives to communicate across the business from store to store to create awareness of specific vacancies. The second response is reactive, in the case where it is found that vacancies are not being advertised internally, an area organiser will, in the first case informally, contact the personnel manager in charge of the vacancies and inform them that they are in breach of the partnership agreement. This has been a contributing factor to the continuous 'fire-fighting' work of the union in attempting to hold management to account over practice which breaches agreed processes. While the company processes need to be policed and enforced by the union, this importantly mitigates the potential negative impacts on employees, and reduces the potential vulnerability of HRM systems to poor implementation.

The union also plays a consulting role where changes to processes around recruitment are concerned. Changes to, and development of, policy and practice are a continuous process for the organisation, and the union is consulted at the appropriate level either informally, or formally through the forum process. In these situations the union acts as a '*reality check*', where what may seem like a good idea at the head office may not work on the shop floor. At the head office level, the national officer is involved in discussions around changes to policy, along with the union's dedicated company research team; at regional levels, between an area organiser and a group personnel manager; or at local level, between a rep and a personnel manager. For example, at the national level this consultation has addressed

the implementation of graduate recruitment schemes; while at the local level discussion has focussed on store specific recruitment practice such as offering Christmas temporary work to family and friends of employees, as happened in 2008 in the South Yorkshire Superstore. This represents a benefit to management, where they can 'sound out' potential ideas and changes, for both legality and feasibility in terms of the potential reaction of the workforce. It also represents a benefit to the union, whereby they retain some degree of influence over company policy changes around recruitment. However tension has arisen from this 'mutually beneficial' consultation process in terms of company appraisal, or review practice.

The tension referred to above concerns where union processes have been turned to the benefit of management while disguised as union initiatives. During the time of data collection, a significant change to the review process for GA level staff was implemented, which was a direct result of the employee suggestions which came up through the forum process. Prior to this change, the review system was as one GA described, '*a bit of a blue eyed boy process*', as in there was no clear cut grading system and the process was left vulnerable to manipulation and favouritism by managers conducting the reviews. In contrast the management level reviews were, as discussed in the previous chapter, graded on the company traffic light system as red, amber or green. Suggestions were made by employees and members at a store level forum to introduce a traffic light system of reviews for the GA level as well, but without the performance related pay attached to the results. This was in response to uncertainty from staff about how they

had performed in a review, and requests for a clearer system. This rose through to the national forum, and was implemented across the company.

> *'This came about through the national forum. It was the staff who asked for a better appraisal system.'*
>
> (National Rep, Lincolnshire Speed Store)

Reaction from GA employees to this change has been mixed, even though the idea came from the independent 'voice' of the workforce. Essentially, highly performing and ambitious GAs initiated and welcomed the change as it allows their work to be formally recognised and recorded, however there are significant voices of concern that the grading system will in future be used to determine pay and rewards as it does with management staff. This is vehemently denied by management, and the union has vowed to resist any such initiatives. This is an interesting tension. An idea which 'originated' on the shop floor, but which has not been welcomed by a significant proportion of the workforce, has been introduced. What is essentially a system of performance measurement and management has been attributed to the union and as 'the will of the workforce', as a justification for its introduction. The resulting insecurity amongst members of the workforce, that in the future it may result in performance related pay for GAs, is now a new tension which the union is concerned about.

The policing role of the union is also evident with the appraisal system, in a reactive format only. In the cases of disciplinary action against employees for poor performance, the union will go through records of the person's past reviews. There are frequently cases where reviews are found to have never

happened, and the union will then pick up on this and argue that the disciplinary action is unfair due to insufficient signalling to the person of their poor performance. Looking back to the previous chapter, the discussion of appraisal and review systems highlighted problems around the frequency of reviews, where multiple respondents reported that reviews did not happen as often as they are supposed to. This situation presents challenges for the union to enact its policing role, where poor performance of employees is disciplined but they have had no advance warning via appraisal. While the union does not police the appraisal process proactively in terms of delivery, it does so reactively where problems arise, intervening in disciplinary processes where the action is perceived to be unjust. This union representation would have been available in any case prior to the partnership agreement, however it is now supported by the 32 pages of the agreement detailing procedure around grievances, disciplinary and the appeals process. It specifies time limits for proceedings and dedicates resources of representatives for investigations to be undertaken on behalf of employees, therefore increasing the capacity of the union to adequately represent and defend members.

Closely related to the reactive policing of appraisal systems are the reactive policing of training systems and training delivery, which are also areas where the union plays a key role. Where union representatives and / or organisers would intervene in disciplinary processes where appraisals have not been held or conducted correctly, they will do the same where the required training has not been delivered or delivered poorly. As with the appraisal

process, the union plays a reactive policing role. So, where members or employees are facing disciplinary action for poor performance or misconduct, the union will examine the training files for the employee and where the correct training has not been delivered they are in a position to defend against any punitive action from the company. Situations of this kind are frequent, with the common perceptions of the training being 'a bit hit and miss'. As discussed in the previous chapter, the training systems are extensive, but not always adhered to, with much of it rolled out on the job during normal working hours. Neglect of training practices are most common in the case of bulk recruitment for new store openings and particularly around the recruitment of temporary staff for busy periods such as around Christmas.

> *'There can be situations where they are desperate for staff and it's just get them in and get them on the job.'*
>
> (Rep, South Yorkshire Mega Store)

The training records to which the union will have access detail the training modules which have been delivered and signed off for an employee, and the date when they happened. This enables union representatives and organisers to reactively police the quality of training delivery to some extent.

According to representatives and a training sponsor, the maximum number of training modules a manager could cover with an employee in a day would be 2-3, where the store is quiet and there is sufficient time for delivery. So where significantly more modules than this are reported to have been covered on the same day, questions are raised about the quality of the

delivery, and even whether they were covered with the employee at all in what appears to degenerate to a box ticking exercise.

> *'You even get instances where the training record is all signed off on the same day. How can they do 20-30 modules on the same day!?'*
>
> (RCU North East Area Organiser 2)

This is however, still just a reactive form of policing, and is only brought to light when an employee's performance is under question through disciplinary proceedings. Furthermore, it does little to actively change anything in terms of the quality of training delivery, other than attempt to create a climate where managers may not get away with inadequate training. What it does do is make it more likely that the lower level employees in the company do not bear the brunt of the consequences for the poor training they may, or may not, have received. In this way the partnership processes can again be seen to be assisting with the effective delivery of HRM.

In addition to the reactive policing mentioned above, the union also plays a proactive role in policing irregularity between training and job allocation. This happens at local level or store level, and will involve a union rep intervening where an employee is told to do a job for which he or she has not been adequately trained. Representatives have the authority to point managers to company policy, and regulations agreed under the partnership. This has the effect of increasing the amount of training in stores, or at least the compliance to the correct amount of training, through proactive intervention at local level. At higher levels the union provides consultation on developments and changes regarding the training processes, both

through the forum process, and informally through communication between senior personnel managers and the RCU national team.

> *'We have working parties that look at training, maybe change some wording or improve inclusion of training, so that when it goes out, we feel that every aspect we need training on is covered.'*
>
> (National Forum Rep, Lincolnshire Speed Store)

The union's influence on training processes was traditionally more concerned with health and safety training, where they have a lot of influence, however since changes to the forum system in 2003, which brought in working parties specifically concerned with company training, the influence has extended to general training practice development. The working parties for training stem from the national tier of the forum, and include members from both the company and the union. Outcomes from the working party on training have seen major changes to the way new recruits are trained prior to the opening of new Speed stores. While the store is still under construction, new employees are recruited and have inductions at another nearby store. They are then employed in nearby stores as additional staff, and are put through the required training exercises and given 'on the job' experience before their new store is opened. This is a major development when it is considered that there are now around 1300 of these stores in the UK with up to 50 still opening each year. This union based initiative was in response to the precarious training of new recruits, and is now regarded by union and management respondents as the most robust and intensive new recruit training system in the industry. However this only happens for new Speed store openings. It would be almost impossible to run this kind of training

scheme for larger store openings where averages of 500 recruits per store need to be trained.

6.5 The union returning financial benefits

The discussion now moves on to consider the effect the union has on one of the most important components of an HRM system to employees; the pay and benefits. A compensation package which is slightly above the market average for the job, or at least is perceived to be, is an essential criterion of an HRM system aiming to increase performance (Guest, 2001). Pay bargaining is one of the key activities of the forum system at the national level. Pay and benefits are reviewed every year following prolonged negotiation and bargaining with the union's pay review team, terms of reference for which are detailed in the partnership agreement. The process is a 10 month cycle, as when the pay increases are agreed and announced, the review team have 2 months off before starting negotiations again for the next year. The pay team meet with head office management from September until May to work on the forthcoming review to pay and benefits, with emphasis on maintaining an ongoing dialogue to work through all areas of the compensation package to reach a consensus. The recommended settlement is put to a vote of the full meeting of the national forum, where all 44 members have the final say on the annual review. It is implemented on the first Sunday of July, and then in September the negotiations start for the following year.

The bargaining around pay and benefits was perceived by all participants in the study, union, management and GA level, as the best thing the union does because it directly affects every employee in the company. The compensation package was also regarded by all participants as the best amongst large players in the food retail industry, albeit slightly, and there was no doubt among participants that this is a direct result of the continuous work of the union's pay review team.

> *'The fact that we are one of the market leaders in retail in terms of pay and benefits is testament to the partnership and the annual pay bargaining. I've seen what (the management) offer in terms of pay before the negotiation starts, and it's way off what we arrive at after bargaining.'*
>
> (Rep, South Yorkshire Mega Store)

Looking at the basic general assistant hourly wage after the 2009 pay review and comparing to the company's main competitors, the results of the negotiations clearly set it above the rest. National minimum wage was £5.80, and many retailers paid only this. MW Northsons paid £6.12. J Nicefoods paid £6.23. America Mart (UK Op's) paid £6.24. Ultico tops these with £6.66, significantly higher than its competitors. After the 2010 pay review, this rose to £6.81. A significant development in the 2010 pay review, following a 2 year battle, has been the eradication of the youth rate for under 21 year old employees. As the national minimum wage is lower for these workers, hourly rates have traditionally been proportionally lower. They are now on the same rate as adult employees, which has equated to a 20% pay rise. This is the only organisation in the industry to have eradicated the youth wage rate, and was the result of continuous campaigning from and negotiation with the union through the forum process.

While employees naturally value the gains to wages made by the pay review team, it is small improvements to the benefits package which were more widely reported as beneficial. The key example was with the privilege card, which entitles staff to 10% off all purchases made from stores nationwide. It is estimated to be worth roughly £330 per year for each member of staff, and costs the organisation around £90m per annum. Prior to the 2010 pay review, the minimum spend in order to use the card for a discount was £3, which meant that the majority of staff could not use the card to get a discount on their lunch whilst at work. This was raised through the forum process with the pay review team, and as of the most recent pay review, the minimum spend has been reduced to £1, enabling workers to buy discounted lunches. Also attributed to the union's pay review process are premiums for Sunday and Bank holiday working, whilst Bank holiday working is still voluntary. The premiums are time and a half pay, and this is optional, on top of standard full time pay if worked. As with the abolition of the youth rate, these benefits can be found at no other company in the industry, while the pension plan was regarded by all participants, management, GA and union, as the best in the industry.

> *'The pension fund is the best in retail and the benefits package gives you an average of 17% on top of your wages. When you compare that to (names 3 main competitors) we're heads and heads above them. We have the best pay and conditions of any retail company, and long may that continue'*
>
> (National Forum Rep, North Yorkshire Mega Store)

The data shows the effect of the union on the compensation package to be significant, which is done through processes of communication and

negotiation. The tiered forum system is necessary to communicate the desires of shop floor employees in terms of changes or developments to benefits, such as the staff privilege card. These are then negotiated at the top level of the forum system, and its associated pay review team. Unlike the other components of the HRM system, the union does not play a shop floor policing role around pay and benefits because the system is not vulnerable to poor or variable implementation as with the other components of HRM discussed earlier in the chapter. While the pay bargaining results in what are perceived to be the best terms and conditions in this sector of the retail industry, this function of the partnership is again a throwback to the more traditional function of a union; to fight for improved pay and working benefits. It does this well, however the risks involved in committing union resources to management initiatives (Martinez Lucio and Stuart, 2005), as discussed in previous sections suggest that management expect a return on their investment in wages.

6.6 Limitations in the partnership effect

The above data has shown how the union returns benefits to employees through its communication systems, consultation and bargaining with management, and policing HRM policy and strategy. It has also been shown how significant benefits are returned to the organisation, again through communication systems, consultation and lubrication of the HRM strategy. However, just as problems were found with the implementation of HRM systems in the previous chapter, the following data highlights problems with the implementation of the union's processes, which limits its ability to return

benefits to employees, and in turn limits its impact on the organisation's HRM strategy.

A key discussion in the previous chapter concerned the poor implementation of HRM practices and systems by managers. The systemic risk of HRM practices was found to be in part due to variance in the competency or skill of mangers in charge of an HR operation. This is also true of the effective working of the union's processes, despite being underpinned by a partnership agreement. Union representatives and organisers all shared similar perceptions concerning the positive or negative effects of working with various managers, both at line management level, and senior team staff including personnel and store managers, where a significant amount of variation is evident. While it has been shown how the union's communication and consultation qualities can be to managerial advantage, the union's policing qualities have the potential to constrain management under pressure to achieve tight targets. Of course for managers, meeting KPI targets is an essential component of the job, however when the union's partnership agreement is breached in order to meet their KPIs, there is then a problem for employees and for the union to deal with.

> *'So some managers, all they want to do is achieve a KPI, and will do anything to achieve their KPIs.'*
>
> (National Rep, Lincolnshire Speed Store)

So again, as in the previous chapter, there is a tension where having to achieve KPIs hinders HRM related processes. At the lower level, breaches of the partnership around HR issues are most frequently perceived to be the result of newer or less experienced managers who have not been properly

trained on the partnership, and do not understand the importance of it. This requires continuous policing in the stores concerned. More problematically, union representatives report dealing in cases where individual managers actively oppose the union and its agenda, such as in situations where managers will proactively try to block representatives from going on union work. For example in the North Yorkshire Store, an instance was reported where a union rep who worked on night shifts was required for official union business in the day time. According to the agreement, the rep should be released for the shift the night before and the night after, but was told it was not allowed due to operational requirements. This had to be resolved by seeking the intervention of the area organiser who communicated horizontally with the personnel manager, who then passed the order down to the manager blocking union activity. This policing of the partnership is not always possible due to the sheer number of these cases and the lack of representatives to deal with them, which limits its beneficial effects on HRM strategy.

Linking back to themes raised in the previous chapter, the systemic risk regarding the competency of managers and what they think they can get away with, in terms of HRM policy, was widely believed by union respondents to be a key factor in determining how policy regulations are obeyed from store to store. The other key factor is the quality of union representatives on site, in terms of how well trained they are, what they know about the partnership agreement, and how determined they are to act in a policing role to enforce it for the union and employees.

'I think they (managers) play on what the representatives know (about the partnership regulations), what they should know, and hope to god they don't know.'

(Store Director Forum Rep, East Yorkshire Speed Store)

This varying balance of power at different workplaces dictated by the relative experience of representatives and cooperative or uncooperative managers is reminiscent of the antagonistic nature of more traditional British industrial relations, rather than the rhetoric of partnership and mutual gains (Samuel, 2007). A similar systemic risk is evident in stores at the senior team level, reported by the area organisers who deal with them. For example, personnel managers who are not engaged with the partnership can create problems, and if the personnel manager is not able to deal with a very strong willed store manager then problems can arise. In contrast to this, experienced personnel managers can make a huge positive difference to the effective working of the partnership, for representatives, members and employees. So at both line and senior management levels within stores, the interpretation of the partnership and the systems it brings to the business and employees are dependent on the competency and cooperation of the people involved. Therefore the partnership agreement is a 'good intention', however both local and senior managers try to push the boundaries, and in these cases the reality of the outcome is dependent on traditional capacities of the union to police and enforce policy, so the partnership is only as good as the power to enforce it. This is often dependent on the micro-politics of local relationships between representatives and management (Martinez Lucio and Weston, 1992), a key limiting factor in the effectiveness of the partnership in producing its beneficial effects on HRM systems.

It has been shown how the union, through its communication, consultation and policing roles, is able to mitigate some of the areas of contention caused by poor implementation of organisational HRM strategy by management throughout the company. However, as discussed above, the very processes through which this works are also vulnerable to the effects of inexperienced or uncooperative management, at both a local and regional level. In terms of the problems around policy determination to elicit greater flexibility from the workforce, specifically the multi-skilling strategy, the policing role played by representatives can be weak. There are frequently cases where the RCU head office gets reports of managers attempting to coerce GA level staff to multi-skill on the cash tills by telling them that the agreement is out of date.

> *'We still get a lot of calls saying, 'my manager says that agreement is out of date now', but it still stands.'*
>
> (RCU Company Research Team Leader)

At the national level concerning the multi-skilling initiative, the union has been in a long battle with management to increase the pay for greater skill levels, so that GA level staff skilled on multiple areas will be paid higher hourly wages. This has been met with blank refusal, and the formal negotiation structures, including the work of the pay review team have made absolutely no difference to the stance of head office management. The influence of the union on company decisions through the formal and informal mechanisms was widely regarded as beneficial by lower level employees.

> *'I would dread to think what would happen without the RCU there, we wouldn't have a leg to stand on.'*
>
> (Rep, South Yorkshire Mega Store)

However, a minority of union representatives questioned the impact it has on swaying decisions which will pose no clear benefit to the organisation. The aforementioned changes to the appraisal system through employee / union influence was seen to be a benefit to personnel managers in terms of being able to rank the quality of GA level staff. Even the annual bargaining around pay and benefits, whilst resulting in the best terms and conditions in the industry, delivers a benefit to the organisation in that they actively broadcast this in order to attract and retain the best employees. In contrast, where the union is pressing for increases in pay for multi-skilled GAs, and the organisation wants all GAs to become multi-skilled, the union influence is futile. A similar power imbalance was found at the regional store director forums, in terms of a lack of cooperation. At this level it was in terms of the provision of safety equipment for staff at a group of Speed stores.

> *'A lot of the time we are listened to, sometimes we're not. We still have issues with equipment such as safety shoes, and more safety equipment and you just seem to get flannelled off. If it's something they realise will be a benefit it seems to get done. If it's not a benefit you can be waiting.'*
>
> (Store Director Forum Rep, East Yorkshire Speed Store)

So while the union retains a level of influence over management decisions, this influence appears at times, only welcome where it displays benefits to the company. Situations such as these have led to a minority of participants in the study talking about the RCU as a 'weak union', with the belief that the organisation has a hold over them. This 'hold' is the concession for a half hour session to advertise union membership to all new starters at inductions, without which the union would struggle to keep membership at a constant due to the traditionally high turnover of staff. This raises concerns about the

balance of power between the two parties signing up to the partnership, where essentially the management can get away with breaching the agreement, and do so frequently, requiring a constant 'fire-fighting' effort from representatives and organisers to police it. This highlights weaknesses in the influence and subsequent impact of the union in this partnership arrangement, which can at times limit the positive effect it has in mitigating the vulnerabilities of HRM implementation. Having said that, the overriding picture is that there are significant gains to both Ultico and its employees from the partnership arrangement's ability to lubricate the HRM systems.

6.7 Conclusion

The previous chapter showed how elements of the HRM system at Ultico are vulnerable to a reduction in their soft, employee centred outcomes due to internal tensions around the implementation of HRM practices. This chapter has shown how the RCU acts to reduce these vulnerabilities, which to some extent mitigates their potential negative impacts on employees. It does this through its broad influence on HRM systems, via processes of communication, consultation and policing, underpinned by its partnership agreement with Ultico. The agreement sets out terms of reference for the 3 tiered forum system which creates a formal communication system through which employees on the shop floor can participate in company decisions, and this formal system gives rise to informal consultation, horizontally between union and management personnel. The union's networks and activity supplement HRM practices in terms of upwards and downwards communication, and prove to be more effective than the parallel systems

which the organisation has in place, for example the union's forum system compared with Ultico's viewpoint questionnaire. This brings potential benefits to employees, where they can escalate problems and grievances up from the store level to a level of seniority with the power to resolve them; and it benefits management, where they can cascade changes to practice and process down through the union's structures to benefit from softer implementation. In this way it supplements and complements Ultico's HRM systems.

In addition to providing alternative communication structures through networks of representatives and organisers, the union plays a consulting role for management and a key policing role for employees. Both of these roles are dependent on the vertical communication structures within the union, and horizontal communication between union and management personnel. The consulting role brings potential benefit to both parties, whereby the union retains a perceived level of influence over all company decisions which may have an effect on the workforce, and management gain from having access to both legal and practical advice as to how changes to HRM systems are likely to work on the shop floor, and how employees may react to new initiatives. This effectively lubricates the HRM strategy in terms of its implementation because the union is able to mitigate potentially damaging (to the organisation or employees) HRM initiatives or developments.

The policing of the partnership terms and of company policy around HRM issues are arguably the most demanding activities for the union, and require

large levels of resources to undertake, depending on the cooperativeness of management at different stores. At the local level, the data suggests that the implementation of the partnership processes which have the potential to improve HRM systems for both employees and management are in part dependent on the informal relationships between management and union personnel. At the national level, the data suggests that the level of influence the union has over head office to change or implement process is dependent on whether any benefits to the company can be seen, so in terms of real influence, the union has very little over company policy. Having said that, the large majority of respondents valued the union partnership highly, seeing it as a type of insurance policy to protect them when management push the boundaries. A large minority of participants in the research had worked for a main competitor, and every one of this sub-group firmly believed that the working environment at any of these was worse because there was no partnership with a union, just recognition in some cases.

In summary, the RCU and its associated activity reduce the internal vulnerability of HRM systems to losing potential soft outcomes and becoming more akin to hard HRM. This benefits employees and benefits management through lubrication of the systems and practices around HRM. It helps to return financial benefits to members and employees and in some cases, but not all, will hold management to account over controversial HRM decisions. This contributes to knowledge about the internal context of HRM systems by demonstrating how a powerful organisation is able to use social partnership with an independent trade union to its advantage, by trading

company resources to recruit members for union cooperation and contribution towards the company agenda.

The concerns and tensions discussed which give rise to the union's inevitable policing role raise more concerns over the implementation of HRM systems. This further emphasises the vulnerabilities of Ultico's high performance HRM system to losing its soft outcomes for employees, and provides a further nuanced contribution to knowledge about the social processes which HR practices may initiate in a large organisation. The two chapters presented so far have considered the internal context of a strategic HRM system, firstly by analysing the tensions and interactions between individual HRM practices concerning their implementation alongside competitive management activity, and secondly by considering their interaction with the key processes and activity associated with the RCU trade union. As the data for this research was collected from mid 2009 to late 2010, while the UK was in recession to just emerging from recession, with high unemployment throughout the period, an ideal opportunity was open to investigate how environments external to the organisation may impact on the implementation of HRM systems. The findings from this are discussed in the next chapter.

Chapter 7: Economic recession and changes to HRM strategy

7.1 Introduction

The first key empirical chapter considered the HRM systems at the organisation, in terms of how practices are implemented ineffectively and actively determined to increase profits at the expense of soft employee outcomes. Significant problems were found regarding the interpretation of policy and practice in both line and senior management, often resulting in work intensification. The second empirical chapter discussed the effect of the union, the RCU, which has a social partnership agreement with Ultico. The union was found to have a significant positive impact on the HRM strategy for management through enhanced communication channels and consultation over decisions. It also demonstrated a mitigating impact for employees through its role in policing HRM practice and policy. However weaknesses regarding the influence of the union were evident at the national level, and problems concerning abidance to the partnership terms were found at the local level.

This final empirical chapter contributes to the previous discussion of data by considering the external context of HRM, specifically in terms of the impact of the 2008 to 2010 recession on how HRM systems are implemented, how they are changed, and the resulting impact on employees at Ultico. The data for this research was collected between June 2009 and September

2010, during which time the UK was experiencing negligible, zero or negative economic growth, and unemployment was averaging around three million. However the case organisation did not experience a fall in profits, in fact, it continued to announce record profits year on year throughout the economic downturn. The following presentation of data argues that changes to the external job market and increased unemployment have intensified the implementation of new HRM practices, which have in turn, resulted in an intensification of work for employees of the organisation by driving up profit per employee by a third. The discussion also sheds light on increasing weaknesses of the trade union in partnership with the company, where it attempts to mitigate these changes for the workforce. The chapter does this through a detailed and nuanced analysis of key qualitative data and organisational quantitative data which is publicly available.

7.2 The recession and Ultico

In order to introduce the argument for this chapter, it is firstly necessary to illustrate the effects of the economic downturn on Gross Domestic Product (GDP) and employment in the UK. Chart 1 below shows real GDP growth by quarter annum in the UK economy from the first quarter of 2007 to the first quarter of 2011. It shows that the UK economy experienced negative growth from late 2008 until early 2010.

Chart 1, UK GDP Growth (Source: Office for National Statistics, 2011)
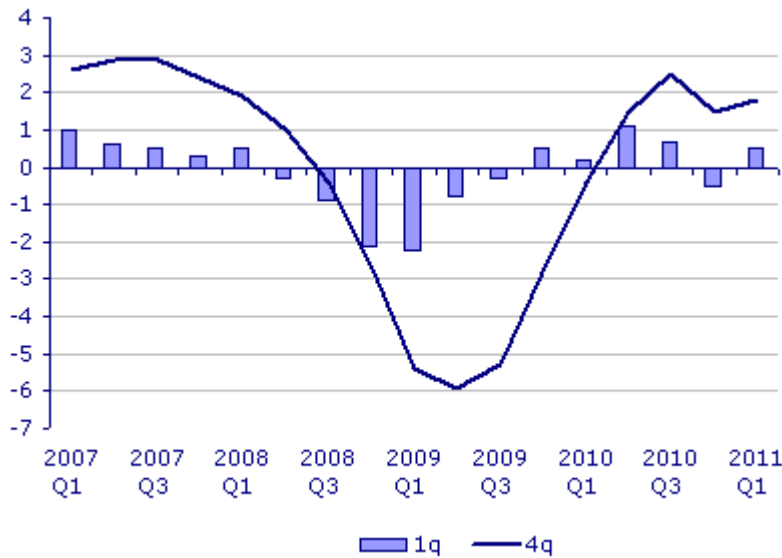
Real GDP quarterly growth

As the qualitative data for this research was collected between mid 2009 and late 2010, the data recorded stems from the peak of negative growth to mild recovery, however the experiences recounted by participants stretch back much further in time. The organisation researched, however, did not record a fall in profits throughout the downturn. Improved performance was to some extent common across the food retail sector, unlike other retail establishments trading in consumables other than food, where bankruptcy was not uncommon and many high street shop closures were seen nationally, as was seen in the case of Woolworths. Ultico stood out as a pinnacle of retail growth, profitability, and employment through the economic downturn. Table 1 below shows the annual group operating profits for the organisation and the percentage increase year on year from 2007 until 2011.

Table 1, Group Operating Profit.

(Source: 'Ultico' PLC Annual Report and Financial Statements, 2011)

Year	2007	2008	2009	2010	2011	Total %
Group Operating Profit (£m)	2,648	2,791	3,169	3,457	3,811	
% Increase on Previous year	NA	5	14	9	10	30

Over the period from 2007 to 2011, the group operating profit rose by 30%, with the greatest annual increase being observed between 2008 and 2009, the year when UK economic growth sank into recession. It must be noted that these figures relate to the company's group profits, which includes all foreign as well as domestic operations. The success of the brand globally has varied widely, with senior management participants in the research indicating that some of the operating profit increases are due to successful expansion in Asia, while significant losses have been recorded from venture into the North American markets. However the UK operations still account for two thirds of all revenue and business activity, and as the UK is the location for the research, the discussion will concentrate on domestic operations from here on.

Table 2, UK Operations Revenue.

(Source: 'Ultico' PLC Annual Report and Financial Statements, 2011)

Year	2007	2008	2009	2010	2011	Total %
Revenue UK Ops (£m)	32,665	34,858	37,650	38,558	40,117	
% Increase on Previous year	NA	7	8	2	4	21

Data for UK operations profits was not available, however table 2 above shows increases in UK operations revenue for the same period. Again, this increased year on year throughout the economic downturn and negligible recovery, with a total increase of 21%, and the greatest annual increase was from the year 2008 to 2009 at 8%. So these figures suggest that the organisation experienced limited or no negative effects from the economic downturn, but instead it continued to grow at a similar or even greater rate. This assumption is again supported if we consider company expansion in terms of new store openings in the UK, detailed in table 3 below.

Table 3, Number of UK Stores and New Store Openings.
(Source: 'Ultico' PLC Annual Report and Financial Statements, 2011)

Year	2007	2008	2009	2010	2011	Total %
Number of Stores	1,988	2,137	2,306	2,507	2,715	
% Increase on Previous year	NA	7	8	9	8	32
New Stores Opened	NA	149	169	201	208	

Despite economic recession and negligible recovery, the organisation has continued to increase the amount of new stores it is opening in the UK each year. The seemingly high figures here are due to the company continuing its strategic plan to massively increase the number of smaller convenience stores, such as the Speed stores.

The financial strength of the organisation throughout the recession has been detailed, and this might beg the question: how does this impact on HRM systems, or even, why should it impact on them at all? In order to make this

link, we must firstly consider the wider UK context in terms of unemployment and the availability of jobs, and then consider the increase in employee numbers relative to the growth of the company. Below, chart 2 shows the increase in the rate of adult unemployment in the UK over the period of economic downturn and recovery. The unemployment rate increased steadily from early 2008 when GDP growth had started to fall, before levelling off in mid 2009 around the peak of negative economic growth. As the economy recovered back into positive growth, unemployment has varied narrowly, remaining between 7.5% and 8% up until the most recent recordings in early 2011. The unemployment rate is even more accentuated for the Yorkshire and Humber region of the research, with unemployment peaking at 9.6% at the start of 2010 and remaining at over 9% for that year. So the time of data collection for this research sits within the plateau of relatively high UK unemployment, and even higher in the relevant region.

Chart 2, UK and Yorkshire and Humber, Adult Unemployment Rate – (Source: Labour Force Survey: 2011)
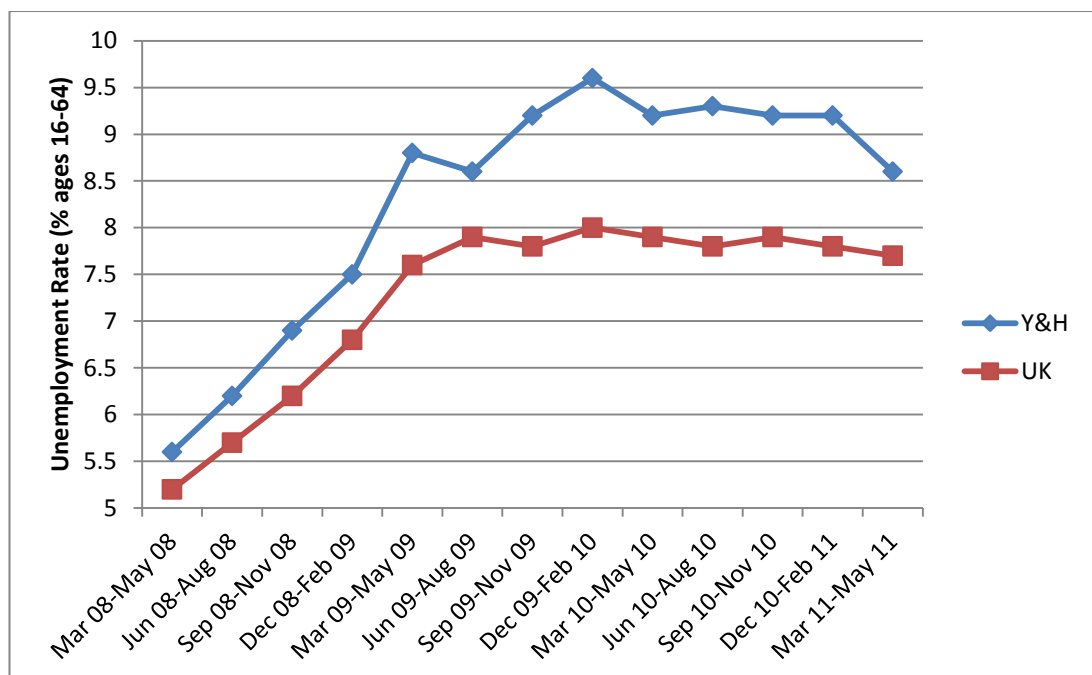
This is key to the argument of this chapter, in that the external environment of high unemployment and low availability of jobs has massively reduced staff turnover at the organisation, and consequently reduced access to the external labour market for personnel managers.

> *'The turnover of staff (in the organisation) was absolutely astronomical before the recession, now with the recession it's way too low'*
>
> (National RCU Rep, North Yorkshire Mega Store)

The perception illustrated in the above quote is held across the organisation and because of the obvious impact on operations, it is a view held by both management and union reps alike. It is now argued that these changes in staff retention have led to changes to HRM strategy, which have in turn resulted in a greater demand for flexibility from the workforce, and further intensification of work at the organisation.

7.3 Low employee turnover and higher value of jobs

Participants of every type and seniority in the research agreed that with the recession, staff retention had greatly increased nationally across the business. Historically, (pre-recession) low levels of staff turnover were a KPI target for store and personnel managers, which was reportedly difficult to meet. Indeed, of the stores researched, both the West and North Yorkshire stores were on a red light for staff retention, whilst just the South Yorkshire store had been able to retain enough staff for long enough to achieve the targets set by head office. However since the effects of the recession kicked

in, and unemployment climbed to higher levels, this turnover has decreased massively. While these shop floor retail jobs were traditionally not valued as 'good jobs', according to union respondents, they are now valued because they *are* jobs, are secure jobs in a successful company, and the threat of the loss of these jobs is more significant (Forde et al., 2006). In city regions shop floor jobs were commonly held by part time by students who would then leave for a graduate position after gaining a degree. It was reported that now, more students are staying on after graduating and asking for more hours, because there are limited jobs for new graduates. The perception across the stores researched was that the majority of mid-life to later-life workers used to be secondary income earners in their household, whereas now more of them have become the primary earners where their partner has lost employment. This is illustrated by the following quote, in the language of one of the GA respondents.

> *'These jobs used to be for students and a bit of extra cash for middle class housewives. Now they're (jobs) putting food on the table and paying off mortgages.'*
>
> (GA, North Yorkshire Mega Store)

So the change in staff turnover and increase in perceived value of jobs at this organisation creates tensions such as those shown below.

> *'In my area there have been lots of job losses, so where Ultico used to be a secondary income, now it is the primary 'bread winner' so to speak. A lot of people are part time workers, but their attitudes are changing. They want to hang onto that job and are after more hours.'*
>
> (RCU Rep, South Yorkshire Mega Store)

As explained in the next section below, a resource problem is created for management in terms of implementing changes to the company which require different patterns and locations of work. A problem for employees is

created in terms of the altered balance of power in the employment relationship (Ramsay, 1977). A challenge is subsequently created for the representing trade union in trying to mediate the employment relationship in the face of a changed balance of power. Firstly, the discussion considers the problems created by the reduction in labour turnover, and the response of management to this change. It then moves to discuss the impact this has on employees, and the response of the union.

7.4 Changes to hours: the problem for management

It may be unclear as to why a reduction in staff turnover would create problems for management. Indeed, it represents a reduction in the HR operating cost in many areas. All costs associated with recruitment are greatly reduced, along with the cost of basic training for new starters. Productivity shortfalls associated with new staff 'learning the ropes' are reduced, and the company enjoys the benefits of experienced, long serving staff. However the organisation's strategic response to changing customer habits through the recession has brought about the need for changing patterns and locations of its workforce.

During the recession, the shopping habits of customers have reportedly changed. Customers are doing more regular smaller shops at different times of the day, and a greater proportion of shoppers are visiting stores to purchase reduced price goods later in the evening. Traditionally, customers would generally shop for a large trolley load once a week, and then maybe a

smaller basket shop at another time during the week. However throughout the recession, customer habits have changed to visit more often for smaller basket shops. For example at the North Yorkshire Mega Store, the foot rate (number of shoppers through the store in a week) has reportedly risen from 35,000 to 50,000. Furthermore, customers have changed what they are buying. The amount of value added products sold has decreased, while the cheaper items are in more demand. The organisation quickly reacted to this by bringing out a new brand termed 'Discount'. This was the fastest Ultico had ever brought out a new product range, taking 6 weeks from the brand conception to getting it out on the shelves, a process which normally takes over a year. Reminiscent of the 'stack it high, sell it cheap' philosophy which spawned the growth to dominance of the supermarket concept in previous decades, this new product range and increased foot-rate through stores led to a greater need for staff on shelf stacking, particularly on the twilight shifts, and evening checkout shifts.

> *'...it took 6 weeks to get it out on the shelves, normally it takes years. So because of that they (management) were suffering on the evening check outs and (stock) fill, so they started moving people around the business – more on nights and twilights.'*
>
> (RCU Rep, North Yorkshire Mega Store)

This is not an isolated example of the company implementing changes which require different ways of working or different patterns of work. The organisation has continually lead the market in adapting to the changing needs of customers (Haynes and Allen, 2001).

> *'They are an ever evolving company. They constantly look at every aspect of their business to see what they can do to change or to improve, what will make it sharper, better, quicker, slicker for their customers. Not necessarily for their staff but for their customers.'*
>
> (RCU NE Area Organiser 2)

Before the recession where the turnover of labour was around 30% per annum, personnel managers were able to simply recruit for the new hours required when changes to work patterns were needed. So in the case of the above example, they would have advertised for more evening check-out assistants or twilight shelf stackers amongst their continuous recruitment process. Now, with very few staff leaving the company they are unable to do this, and so instead they have greatly increased the process of enforced changes to hours. In a similar fashion to the multi-skilling practices discussed in previous chapters, this aimed to increase the flexibility of the workforce.

Also termed 'moving people around the business' and 'right hours, right place', the changes to hours practice has been increasingly used as a response to decreasing employee turnover rates across the organisation. This allows personnel and line managers to ask employees to change their shift patterns, and in some cases change the departments in which they work.

> *'Previously we would have just recruited for the hours we need. Where we may have had them 1-5, now we need 6-10, so every vacancy is re-assessed and we don't very often go external. We are using a lot of internal moves.'*
>
> (Personnel Manager, North Yorkshire Mega Store)

According to personnel and store managers, it has been an essential process to help guide the company through the recession whilst continuing to operate at a profit. Of course, this does vary nationally, depending on the local context. The researched Speed store in Lincolnshire had no need to

change the hours of existing staff due to a higher rate of employee turnover compared to the other stores researched. However participants from this store were well aware of the policy and the impacts it has had on their colleagues in other stores, and the unusually high turnover rate here was attributed to retirements and maternity leave. The implementation of the changes to hours process, where a need is identified, involves firstly asking employees if they are willing to change their hours to another shift or work on a department. Where they do not agree, contractual notice may be served so that within one month an employee must either change hours to the required pattern or face redundancy. This process will now be considered in more detail, while its effects on employees and the response of the union will be discussed.

7.5 Changes to hours: the impact on employees

The organisation and the union have together outlined a process, stated in the partnership agreement, which managers must follow where hours are to be changed for individual or multiple employees. The agreement recognises that moving people around the business may be necessary to meet customer needs. Changes to the way the company operates may be necessary and may impact upon employees by: replacing one role with another; discontinuation of a role; changes to the responsibilities of an existing job role; or changes to hours, including adjustments to productivity targets. The partnership requires that the process is managed in a way which ensures that '*best practice against HR policy*' is demonstrated, '*people are treated how we like to be treated*', and '*it is got right first time*'. So for

management, the agreement allows major changes to working patterns, hours and even productivity targets, while for the union, it sets out some vague statements of intent regarding fairness in the way these changes are implemented. The agreement specifies a list of 'good' practices which 'should' be followed where changes to working patterns are imposed. These suggest that individual circumstances be considered, employees are made to fully understand the need for change and all options are explored to reach a mutual agreement, and that no one should leave the organisation as a result of change. A 28 day consultation process is permitted to reach an agreement on changes to an employee's pattern of work, during which they may seek representation from the union. Where an agreement is not reached during this period, the organisation may then consider giving staff the required contractual notice to change hours.

Prior to the recession this process was rarely used, but was there to cover operations in the instance of occasional store closures or relocations. More recently, with the massive change in staff turnover, it is commonplace. Participants of every level and type in the research recognised this as a problem, albeit from different perspectives: management report an operational problem; employees report an employment problem or worry. All participants associated with the union indicated that contractually enforced changes to hours were, at the time of data collection, by far the most common type of grievance raised with them since the effects of the recession impacted on the job market and unemployment. Therefore

changes which are external to the organisation are being shown to create new internal tensions.

> *'The big issue for our members at the moment is changes to hours and things like that. There's not been much recruitment due to the economic climate, so people are having to change their hours more and more – that is an issue.'*
>
> (RCU, Organisation Research Team Leader)

The problems around changes to hours have arisen due to the sheer amount of employees being asked, or told, to change their hours, where many do not feel able to do so. Also, as with many of the HRM practices discussed in previous chapters, there are problems surrounding the implementation of the process. The process of consultation for employees and managers to go through is specified in the partnership agreement, which was consulted with the union at the national level, and is in place to help both parties reach a mutual agreement on any changes. However as the need for changes to hours has increased, so have incidences where the consultation process falls down.

> *'The most common grievances at the moment are (GAs) saying managers are bullying them about hours and shift changes'*
>
> (RCU Rep, West Yorkshire Mega Store)

Managers are under pressure to deliver changes to working patterns more quickly and with larger groups of employees than they were prior to the recession, which has resulted in perceived coercion and employees feeling bullied into accepting the changes. The urgency of the need to change is being used to drive through the changes.

'I didn't like it. I felt bullied by her (my manager), but I moved jobs and had to change my hours. I understood why I had to change my hours, but it was the way she went about it.'

(GA, West Yorkshire Mega Store)

Perceived coercion over changes to hours is evident higher up the organisation, and not just between line manager and employee. Common views from the union are that the economic climate has affected the way industrial relations are managed, in that organisational practice has become more hard-line. In terms of changes to hours, there was previously an informal agreement where, in the case of no resolution from consultation over changes, management would not give contractual notice if it could be avoided. However now management are 'more bullish' about it, and unless there is solid mitigation, such as single parent status, they will give contractual notice to change hours, according to RCU reps and area organisers.

The majority of changes to hours are moving employees from a day shift to an evening shift, which is generally less popular, particularly where the employee has an active family life or children. This is not seen by management as adequate mitigation against changes to hours, where a partner is able to look after children, however work life balance is obviously affected. There is a perceived environment of intimidation around changes to hours, where employees are coerced into accepting a change which they don't feel able to accept, when their mitigation is not deemed sufficient by managers against the business need for change.

'They'll say: 'well you can work evenings now because your partner can look after the kids'. Work life balance is suffering.'

(RCU Rep, South Yorkshire Mega Store)

The response of the union to these grievances of employees whose hours have been forcibly changed are limited. The process which management must follow is stipulated in the partnership agreement, which of course the union has signed up to. So, there is very little room for negotiation as long as management follow the process correctly. If they do not, and there have been cases where the 28 day consultation process has not been followed correctly, the union is able to adopt its policing role, and make sure the guidelines in the agreement are adhered to. The last time the partnership was revised with regard to content was in 2003, and then there was no issue with changes to hours due to a higher turnover of staff, so the process the union agreed to did not appear to be problematic at the time. However it is now clear that the process is being used, or abused, to the extent that the partnership guidelines are not protecting members and employees.

While changes to hours can be identified and implemented on a local or store level by individual line managers to satisfy local trading needs, larger scale changes affecting employees across the organisation are decided at the senior head office level. These may be changes to hours which involve changes to job roles, or changes to productivity targets. At this level, the union should be consulted, and have an opportunity to comment on changes before they happen. At the national level, the union role is to consult over changes and raise relevant points on behalf of members, and if necessary, challenge the business case for change that is being put forward. At this

level, the organisation deals with the union's national officer. Again, since the effects of the recession have been felt in the job market, the organisation is reportedly taking more of a hard line on industrial relations matters at this senior level, to the extent that area organisers and union reps are suggesting some breakdown in communications at this senior level. For example, where a planned change is proposed by head office management, management inform the national officer about the proposed change, and then before any process of consultation is initiated, the change is found to have been implemented. This was the case with changes to productivity targets in Speed stores, where the national officer was informed of a possible change to shelf stacking duties in Speed stores. Before the process of consultation had begun, the national officer heard that the changes had been implemented from reps on the shop floor through the usual union communication chain. This creates tensions between the union and its members and employees, because when any change to process gets briefed out at the store level, it is always on the basis that the union has agreed to the change. As in the above example, this is not always the case. The union may have been notified of proposed changes, but not officially recognised them as going to the implementation stage.

> *'When things get briefed out at store level, it's always on the basis that the union has agreed to it, when it may not have. The union may have heard about it but not agreed to it.'*
>
> (RCU North East Area Organiser)

This contributes to, and strengthens the argument of the previous chapter which indicates that the union has limited real negotiating power over decisions made at head office level. It also adds to this argument by

suggesting that the effects of the recession have further weakened the impact of the union at both senior and local levels, and further tilted the balance of power in the employment relationship away from labour, both collective and individual, and towards the employer (Boxall and Purcell, 2011).

7.6 Changes to working patterns: beyond the recessionary need

The discussion of data in this chapter has so far shown how the impact of the recession has resulted in the need for changes to patterns of work due to changing customer demands. The impact of the recession on the external job market, and consequently on employee turnover in the organisation, has meant that the required changes to patterns of work could only be achieved through changing the hours of current employees, rather than by recruiting new employees as others leave. The effects of this have been less than popular with the workforce, mainly due to forced changes to unsociable hours, and the union has been powerless to intervene in these changes. The process outlined in the partnership agreement for 'moving people around the business', specifies changes to an existing job role in terms of its content and responsibilities, and changes to hours including adjustments to productivity targets. However since the economic downturn, the organisation has made changes, with specific reference to job roles, hours and productivity targets, which have not been necessary to cater for changing consumer demands. Rather these changes have been made to stretch the capacity of the workforce to cover more responsibilities, and to

increase productivity. This has significantly intensified work at the organisation, and has only been possible due to the reduction in staff turnover, and the higher value placed on these jobs by the workforce.

Table 4, Total UK Sales Area in Floor-Space by Year.
(Source: 'Company' PLC Annual Report and Financial Statements, 2011)

Year	2007	2008	2009	2010	2011	Total %
Total Sales Area (000sq ft)	27,785	30,457	32,389	34,237	36,722	
% Increase on Previous year	NA	10	6	6	7	29

To put this argument in perspective, recall the company annual report data from tables 2 and 3, presented earlier in the chapter, which showed that the number of UK stores had increased by 32% from 2007 to 2011, and then reflected in UK operations revenue increasing by 21% over the same period. This data was presented in order to demonstrate the performance of the organisation through the recession. Following a similar trend, table 4 above shows the total UK sales area in terms of floor space (floor space area is a standard measure of retail sales capacity) to have increased by 29% from 2007 to 2011, figures which might be expected given the similar increase in the number of stores. However, if we consider the data relating to the number of full time equivalent employees over this period, shown below in table 5, similar year on year increases are not seen. The increase in full time equivalent employees from 2007 to 2011 was just 8.2%, a small figure in comparison to the 29% increase in floor space and the 32% increase in the number of stores. Furthermore, if the increase from 2007 to 2008 were to be omitted, and the effects of the recession on unemployment were not

being felt at this time, the increase in employees drops to 3.2%, while the increase in number of stores was still 25%.

Table 5, Average UK Full Time Equivalent Employees by Year.
(Source: 'Ultico' PLC Annual Report and Financial Statements, 2011)

Year	2007	2008	2009	2010	2011	Total %
Total UK FTE Employees	184,461	193,917	194,420	196,604	200,966	
% Increase on Previous year	NA	5	0.2	1	2	8.2

So what does this mean in terms of the changes to work at the organisation? Can the increases in profits be attributed to an intensification of work, and employees being expected to do more in the same amount of time? From the quantitative data we can be certain that employees are responsible for an increasing amount of shop floor sales space, and are selling an increasing value of goods relative to their numbers. However this does not tell us exactly how the process works in terms of increased efficiency. For more insight on this, we need to return to the qualitative data.

General assistant level employees, union reps and union organisers reported not just increased flexibility requirements of the workforce, but also increased productivity targets. The need for increases in flexibility has been explained above, in terms of lower turnover of staff and changing customer behaviour. However the increased productivity requirements cannot be attributed to either of these directly. Increases in productivity expectations were reported across all stores in the research, but it appears to be more

pronounced in the Speed stores. One example in the Humberside Speed store found that between 2008 and 2010, the number of employees had decreased from 22 to 15. When employees had left the store they were not replaced, while others had been given contractual notice to move to a new store opening within the region. This equates to having less staff in the store at any one time, with the same amount of jobs to do.

> *'They've moved people around. On an evening we work one and one really, it's quite difficult. We have a manager in charge and then you're stood on your own basically. You end up with just 2 people in the shop and all these jobs to do and jobs to get ready for the next morning.'*

> (GA, Humberside Speed Store)

This reduction in the number of staff employed to run a store, and consequent increases in productivity has been justified from a management perspective by changes to processes and the way in which work is supposed to be carried out. For example, new directions are to stack the shelves in boxes where possible, rather than removing stock from boxes before placing it on the shelves. This is directed to result in a reduction of 20 minutes out of an hour for that job, so where before an employee would be allocated one hour to fill a row of shelves, now they are allocated 40 minutes for the same job. Employees in Speed stores, as mentioned in previous chapters, are all multi-skilled in that they are trained in every operation of the store, and constantly oscillate between different tasks. Frequently they will be filling a shelf or taking stock, and then have to rush to the tills if a large queue develops, which used to require entering user details and a password on the till, a process taking around 30 seconds. In response to this, the tills have been modernised to take a swipe card so an employee can log on in 3-

5 seconds. As a result of this, time has been taken off the 'allocated budget'
for the till responsibilities and substituted with other duties. This means that
the prescribed workload for every hour of a shift is increased.

> *'This means less staff and more work to do. It's got harder, and I put
> it down to money grabbing. They want more work for less money.'*
>
> (RCU Rep, Humberside Speed Store)

The Speed stores are a newer concept than the large Mega stores, so these
streamlining processes may be expected more frequently, as management
are still 'learning' the operational requirements of the small format stores.
However, the statistics above cannot be explained merely by streamlining of
the Speed stores, and similar changes to staffing numbers and productivity
targets are also evident in the larger stores.

This intensification of work was not confined to GA employees. While GA
level staff have been required to change hours and perform an increasing
number of tasks on different departments, line managers in the large Mega
stores have had contractual notice in terms of the number of departments
they are responsible for. At the time of data collection, a grievance had
been raised with the union from a manager who had been required to
change from managing two departments to eight departments within the
same store. The change was accompanied by a slight salary increase, but
this was perceived as no real compensation for the massive increase in work
load, which resulted in serious stress for the individual concerned. This
intensification of work was also evident at the senior management level,
affecting personnel managers at Superstores in the northern region. While
no site visits were conducted to Superstores, it was widely reported by other

respondents that the personnel manager role in these stores was reduced to a part time 25 hours a week role.

> *'...there was a massive re-structuring in Superstores North, where they reduced the PMs' jobs to 25 hours – tough, they all wanted out.'*
>
> (RCU National Rep, North Yorkshire Mega Store)

However resignations as a result of this change were minimal, and this was widely attributed to the lack of available jobs externally. So it is a company-wide intensification of work which has been observed throughout the recession, reported by research participants across both Mega and Speed stores, and also reported by these participants to be happening in the Superstore format. Data was not available to quantify this notion of work intensification, however the statistics covered so far point to a greater sales area and number of stores per full time equivalent employees. Further to this, table 6 below shows profit per employee for the same period.

Table 6, UK Profit per Employee by Year.
(Source: 'Ultico' PLC Annual Report and Financial Statements, 2011)

Year	2007	2008	2009	2010	2011	Total %
Profit per FTE Employee	11,292	10,814	13,065	14,303	15,098	
% Increase on Previous year	NA	-4	21	10	6	33

While the number of FTE employees increased by just 8.2% over this period, UK profit per employee increased by 33%, following a trend similar to the number of UK stores, total sales area, and revenue. As with the figures for number of employees, if the pre-recession change from 2007 to 2008 is excluded, the changes are more pronounced. So from 2008 to 2011 profit

per employee increased by 37%, while the number of employees increased by just 3.2%. The year showing the largest increase was from 2008 to 2009 at 21%, which coincides with the smallest increase in FTE employee numbers: just 0.2%. Finally, it also coincides with the impacts of the recession, in terms of rapidly rising unemployment, and a reduced availability of jobs. This data does not quantify work intensification, but it provides quantitative support for the qualitative data which directly reports an intensification of work. For other performance indicators and company size indicators to have significantly increased along with profit per employee, while employee numbers have only increased by a comparatively tiny amount, then this must point to either work intensification or significantly increased efficiency of work.

The reduction in staff turnover within the organisation was the primal cause of the need for changes to hours and 'moving people round the business', but the data also shows that changes are being imposed in order to increase efficiency, in terms of productivity requirements, and reduce the amount of staff needed to perform the same operations compared to before the recession. The processes through which the changes are implemented have been shown to be beyond the direct influence of the union. Employee toleration of the changes and resulting intensification of work are again, due to the higher unemployment rate, and the lower availability of alternative employment. It was discussed earlier in the chapter that since the recession has impacted on unemployment, the perceived value of jobs at the organisation has increased.

> *'The way the economic climate is at the moment, people are scared of losing their jobs. Management take advantage of that, staff are more inclined to back down. Two years ago they'd have been off – 'sack me'. Now they're rolling over to keep their job.'*
>
> (RCU NE Area Organiser 2)

While these jobs have become more valuable due to the external availability of work, perceptions are that management have seen this as an opportunity to stretch the workforce to cover more work. Reports to this effect were common from GA level participants and respondents from the union. Cut backs in staffing levels were widely reported, and these reports are verified by the quantitative data above. When people have left the organisation over the last 3 years, they have not been replaced, leaving gaps in the operational running of departments, so instead employees are moved around the business, or productivity requirements are changed. Frustration was evident from participants due to the fast moving changes which have been implemented during the recession, where employees are being required to change 'virtually constantly' the amount and type of work they have to do. This is accompanied by general perceptions that even long term service staff would leave the organisation if they were able to get another job, which is illustrated in the following quotes, in detail by a union organiser, and in a pessimistic comment from a Speed Store GA showing the feeling of confinement to Ultico.

> *'If the economic climate is improved to such an extent that there's more mobility for jobs, there's an awful lot of long term service people in Ultico who I think would go tomorrow if they could get another job.'*
>
> (RCU North East Area Organiser 2)
>
> *'but where are you gonna go (to find other employment), you know'*
>
> (GA, East Yorkshire Speed Store)

Some caution needs to be given to this data which suggests that workers would be ready to leave the organisation if they could find employment elsewhere. We have seen from the data in previous chapters how the pay, benefits and working conditions are perceived to be the best in the industry. It has been shown how the union partnership with the RCU is perceived to help return and maintain these benefits to members. For example, throughout the recession the annual pay review has returned pay increases well above the rate of inflation (most recently a rise of 2.3%, or 1.8% above inflation), in addition to the eradication of the under 21 lower youth rate of pay. The pay and benefits of employment at Ultico are good, but they are well earned and paid for. So viewing these reports within the broader context of the experience of employment at the organisation, it is more likely that they are pointing towards frustration and dissatisfaction at the fast implementation of changes to working hours and volume of work, rather than a desire to leave because of it. Again, this reflects the uneven balance of power in the employment relationship created by the external effects of the recession and the relative position of Ultico being able to provide secure employment.

Both the qualitative and quantitative data indicate an intensification of work throughout the recession and significant increases in company profits, due in some part to increased workloads, as the profit per employee figures demonstrate. The latter part of this chapter shows how management have opportunistically used the effects of the recession as a tool to extract greater performance from the workforce, which has inevitably resulted in work

intensification. This has been done by increasing the productivity targets for, and expectations of, the workforce during such a period of high unemployment and low availability of external vacancies, that a higher value is placed by employees on their jobs. Therefore the organisation's employees have felt in no position to challenge the changes because of the weak voice of the union regarding them. Furthermore, employees feel unable to leave the organisation for a similar job at a competitor because it is perceived that more favourable working conditions are not to be found at a competitor, at least financially, so this further strengthens the position of management in seeking greater productivity from their staff.

7.7 Conclusion

This chapter has shown how the external effects of the recession have provided opportunity for changes to the HR strategy at Ultico, and the processes through which these changes have negatively impacted upon employees. Qualitative data was collected from the organisation from depth of economic recession until its marginal recovery, and during this time unemployment rose rapidly, but did not fall as growth returned. Quantitative data indicated that at face value, the organisation did not suffer as a result of the recession, rather the group continued to announce record profits and UK operations continued to report increases in revenue and expansion. However, while the company did not suffer financially in the UK, it did have to adapt to changes which were the result of the recession. The first of these were changes to consumer behaviour, in terms of shoppers buying different products and at different times of the day. This required a reaction

in terms of the distribution of labour, including more employees working in the evenings and less on the day shifts. The second was a major reduction in employee turnover within the organisation due to rising unemployment and fewer external job opportunities. This significantly reduced the capacity of management to address the required change to shift patterns through the process of resignation and re-recruitment, where they previously would have simply recruited for different hours on different shifts. So while there was a major, immediate need to alter shift patterns across the business, the traditional method of doing this was no longer available, or capacity to do so was reduced. Therefore management was forced to implement imposed changes to hours for a large proportion of the workforce. The sheer volume of changes to hours required to meet changing customer habits has led to the need for contractual notice to do so in many cases, where voluntary agreement could not be reached after the 28 day consultation period. During the course of data collection this had become by far the greatest form of grievance raised with the union, mainly due to the changes being from a day shift to less sociable hours. Due to the process for changes being outlined in the partnership agreement, the union was powerless to intervene, as long as the correct process was followed.

Across the 6 sites researched, and reportedly across the organisation nationally, employees are generally less satisfied than they were before the recession, due to the unwanted changes to working patterns. Yet employee turnover has greatly decreased and remained low despite increasingly unpopular changes to working patterns, which reflects a changing balance of

power in the employment relationship in the organisation's UK operations (Ramsay, 1977). Employees are desperate to keep their jobs, so they are more likely to endure poorer hours and working conditions (Forde et al., 2006).

More recently changes to hours and increased productivity requirements have become common. This has not been in response to changing consumer behaviour, or any need for changes to hours as a result of the recession. Significant reductions in the number of staff employed to run a similar area of sales space and stores have been imposed in order to increase the amount of profit made across UK operations. The effects of this have been reductions in the allocation of time for specific tasks at the shop floor GA level, increases in the number of departments to run at the management level, and reduction from full time to part time roles to perform the same jobs at senior management level. Results of this are evident in the markedly increased amount of profit per full time equivalent employee: 37% since the implementation of these changes in 2008. So, what started as an organisational response to changing customer habits and largely reduced employee turnover highlighted the increasing value to employees of jobs in the organisation, giving management more power in the employment relationship. This presented an opportunity to experiment with the employee number to volume of work ratio, knowing that consequences from employees in terms of grievances and resignations would be minimal due to shifting relationships between labour and employer (Nolan, 2011). Therefore in an organisation financially unaffected by the recession,

significant impacts on the workforce have been felt in terms of the intensification of work, whilst the company and shareholders have benefited by using the recession as a tool to increase the financial return from their labour.

This argument has shown how implementation of an HRM strategy is likely to respond to changing external contexts in competitive markets. The previous chapters of this thesis have not attempted to relate HRM to performance, as earlier research has been so keen to demonstrate (Wall and Wood, 2005); rather they have focussed on the internal tensions and social processes concerning the implementation of HRM systems, and how they mitigate the potential employee related positive effects of a high performance work system. This chapter, although it has shown a positive relationship at Ultico between HR activity and profit per employee, does not attempt to do this either. It shows how changes in the external environment potentiate a return to hard HRM which facilitates managerial prerogative over allocation of labour and inevitable intensification of work, by uncovering the processes through which this happens.

Chapter 8: Conclusions

8.1 Introduction

This thesis has analysed a range of factors, both internal and external, which impact upon the implementation of strategic HRM systems. The resulting impact of this varying implementation on the experience of work and the performance of employees, has been drawn out. The key contribution of this work is that despite a notional commitment to a high performance work system which purports to promote 'soft HRM', in reality it is vulnerable both internally and externally to regressing to what is more recognisable as 'hard HRM', where performance increases typically result from work intensification.

The thesis set out to make new contributions to the knowledge around the working of strategic HRM systems and the reality of their implementation in a fast moving consumer retail environment. To do this, three key questions were put forward which were each addressed in consecutive empirical chapters. The concluding chapter systematically discusses findings which address these three key research questions and the contribution made to ongoing debates in the academic fields of HRM and employment relations. Firstly, findings in relation to the internal vulnerabilities of HRM implementation are addressed. Secondly, findings relating to how an independent union mitigates poor implementation are considered. Thirdly,

the findings addressing the final research question of how HRM systems are vulnerable to external economic changes are discussed. The latter half of the chapter considers further implications of this substantial empirical work for theory, for future research, and for practice in HRM and employment relations. Finally, concluding thoughts on the broader contribution of the project are put forward.

8.2 How are HRM systems internally vulnerable?

The first key question of this research asked how HRM systems are vulnerable internally, as a result of problems of implementation. This first required an understanding of the complexities surrounding interaction and internal fit of Ultico's HRM strategy. Chapter 4 mapped out the prescribed HRM systems in place at Ultico, the aspiring rhetoric of a high performance HRM system which allegedly fosters success through a soft approach to workforce management. Chapter 5 firstly presented a comprehensive review of how these HRM systems are implemented in a complementary fashion, interacting to improve or increase the effectiveness of each other (De Menezes and Wood, 2006; Wood, 1999; Delery, 1998). The intensive analysis of how these practices interact has expanded knowledge on the notion of the complementarity hypothesis (Horgan and Muhlau, 2006), in terms of the different types of interactions which can take place; reinforcement, flanking and compensation. Reinforcement was key where communication systems are concerned and where effective implementation is variable due to operational priorities taking precedent. Flanking

relationships between practices were evident (Muhlau and Lindenberg, 2003) where recruitment practices improve the outcomes of appraisals, and appraisal practices improving the take up of training. However variability in implementation caused wider vulnerability in the system because where one practice suffers the one it 'flanks' also suffers, so that lapses in HRM delivery have a wider negative effect than at first glance.

The vulnerabilities of the HRM system due to poor implementation were augmented by the need for compensatory practices. 'Slightly above market average pay and benefits', and 'high job security', compensate for negative effects created by other HRM practices such as appraisal based on KPI targets. For line managers, stress management courses are provided as a further compensatory practice. This was a telling finding, and adds a new level of understanding the literature which suggests that strategic HRM systems may facilitate work intensification (Thompson, 2011; Forde et al., 2006; Ramsey et al., 2000). The same notion was also evident for GA level employees in terms of the extra frequent review / appraisal processes deemed as necessary in the first 6 months of employment to keep staff retention at this grade at an acceptable rate. While the contextual chapter 4 presented what may have appeared to be an optimistic portrayal of HRM systems at Ultico, the reality of the implemented systems points towards their vulnerability to losing soft employee outcomes. The processes through which this happens have been illuminated in this thesis.

The variable implementation of HRM was found to be a key factor in its internal vulnerability, reducing the effectiveness of the systems' delivery, and its resulting impact. This contributes to knowledge surrounding the role of the front line manager in the delivery of HRM systems, and the resulting commitment shown by lower level employees. In considering Guest and Conway's (2004) research which shows leadership to be one of the strongest factors relating to organisational commitment and also demonstrating wide variation in employee perception of management leadership, it is not surprising that GA level employees at Ultico report the effectiveness of HRM systems to be heavily manager dependent (Hales, 2005). The systemic shortcoming concerning line managers' variable delivery of HRM practices and systems appears to be as much of a problem at Ultico as it has in previous research addressing the line manager's role in HRM delivery (Whittaker and Marchington, 2003; Fenton-O'Creevy, 2001). For example at Ultico, it was not necessarily a lack of training which was discovered, but an over-abundance of ineffective training delivered by line managers. Work overload and conflicting priorities negatively affected HRM delivery, specifically for the HR practices concerning training and downwards communication, which are delivered 'on the job' during 'shoulder to shoulder' working. This is a conflict identified around HRM implementation in that it always comes second to operational duties around customer service. This is a key vulnerability of the high performance work system, and adds to understanding about how line manager implementation of these systems compromises their effectiveness (McGovern, 1997; Purcell and Hutchinson, 2007).

The complexity of internal vulnerabilities of HRM systems continued to be uncovered in relation to senior management cost cutting initiatives. For example, the tensions around the multi skilling initiative and lack of transparency in perceived motivations for its implementation, in terms of the promise of increased overtime versus the realist of greater flexibility. This policy is understandable from a management perspective, in striving for full functional flexibility with the workforce, but it is based on a 'soft' HRM practice, increasing job task variation, which is advocated by the literature and models of HRM (Guest, 1987; Lawler, 1986; Walton; 1985; Beer et al., 1984). Similar tension was found with the management development programme. The desired outcomes of these models; commitment, involvement, motivation and increased performance of employees are not evident at Ultico as a result of either of these practices. In this case, variable implementation led to dissatisfaction, tension and work intensification. This shows how Ultico is promoting the rhetoric of 'soft' HRM, but how the reality of the outcome is not what it is portrayed to be, and markedly different in terms of employee outcomes (White et al., 2003; Truss, 2001). The beneficial result is improved performance and profitability of the company due to the lower wage bill, achieved clearly through work intensification. The profitability outcome is exactly what management intend to achieve through HRM systems, however through a different channel to that which is suggested by traditional HRM theory (Kaufman, 2010). This therefore contributes to knowledge about how HRM systems may be vulnerable internally to variable implementation.

8.3 How does a union mitigate internal vulnerabilities in HRM?

The second key research question asked whether, and how, a union might act as a 'missing variable' to improve the effectiveness of a high performance work system and mitigate internal vulnerabilities. The RCU plays a key role in the implementation of HRM systems at Ultico, particularly in communication through the forum process. Lawler's (1986) 'high involvement management' model suggested trade union presence might assist with the effective working of HRM systems, and so the findings of this thesis lend support to that assumption. In their analysis of WERS (1998) data, Bryson et al. (2005) demonstrate how strategic HRM practices had little or no effect on organisational performance without the presence of a union. Where a union was recognised, there became an effect. While this extensive research based on highly representative secondary data showed this valid effect, it neglected the processes linking the two variables. The findings herein add a deeper level of understanding to this link, in terms of how a trade union impacts upon the implementation of the HRM function (Kim and Bae, 2005). It does this through providing alternative communication channels, a consultation service and importantly, a policing or enforcement function. These three processes also contribute in different ways to debates around union partnership, however it is the uncovering of the processes through which they contribute to HRM implementation which adds to our knowledge of how partnership lubricates HRM strategy.

Terms of reference for formal consultation between an organisation and a union were found in the only major content analysis of partnership agreements to date (Samuel and Bacon, 2010). Questions were raised in the literature review about how this might play out in practice and contribute towards HRM systems. The findings show that the union is always consulted about changes to HRM policy and strategy. The provision for consultation between the RCU national officer and Ultico's UK head office may appear weak in terms of the balance of power between the two parties because the changes are at times implemented before the consultation process has been concluded, with the national officer finding out through the union's communication channels. However the union has some element of influence on changes to strategy, which provides a vehicle for employee voice (Appelbaum et al., 2000; Boxall and Purcell, 2011) which to some extent mitigates vulnerabilities in the HRM strategy. While the partnership may appear to be employer dominant and subservient to management (Heery et al., 2003; Wray, 2005) with the overall arrangement to the benefit of the organisation more than employees, benefits to employees are evident through the ability of the union to mitigate vulnerabilities of the HRM strategy to poor implementation. This contradicts studies which suggest that partnership has no benefit to high performance work practice outcomes for employees (Danford et al., 2008; Danford et al., 2004).

The communication systems working through the union's channels and action enhance employee voice, work as a supplementary HR practice. The forum process provided by the union, and set out in the partnership

agreement, is a form of employee involvement and voice which is widely considered an essential part of a system of strategic HRM (Guest, 1987; Lawler, 1986; Walton; 1985). The implementation of this has been drawn out in the findings. While communication systems are valued by employees as their chance to voice opinions and ideas, the policies brought in as a result of it are done so where they benefit the organisation. For example, the idea to change the GA appraisal system, in grading them with the traffic light system, came from employees via the union's forum system and which management deemed useful in order to monitor performance. So issues are raised with regard to the partnership being employer dominant (Wray, 2005; Taylor and Ramsay, 1998). Management decide whether or not to involve unions or employees but within defined limits (Bacon, 2001). However the effect of the union in its entirety is positive for both parties in the employment relationship. While questions over the power balance in the partnership remain, (Kelly, 2004; 1996; Taylor and Ramsay 1998), the complexities of the partnership arrangement at Ultico support the notion of mutual, albeit not necessarily equal, gains for both parties (Kochan and Osterman, 1994; Ackers and Payne, 1998).

This section has reviewed the findings in relation to the role of the union and partnership in implementing HRM systems. The union contributes internally to HRM processes in terms of upwards communication through providing channels through which employees can have an influence upon terms and conditions of employment and HRM policy, for example in changing terms of pay and benefits through annual reviews, but this ultimately rests on

management's prerogative. Systems for consultation between senior management and the union are in place as a result of the partnership, however union influence is limited to management's authority. While this supports the argument of the critics of partnership to some degree (Kelly, 1996, 2000; Taylor and Ramsey, 1998; Gall, 2003), the findings do not go as far as Kelly's (1996) stance that 'it is difficult, if not impossible, to achieve a partnership with a party who would prefer that you didn't exist', rather these findings suggest that Ultico might even like the fact that the RCU exists. The key beneficial role it plays for employees and members is in policing and enforcing the status quo through alternative communication channels which mitigate the worst excesses of poor implementation of HRM systems. This empirical work has added deeper knowledge to the complex relationship between unions and organisations in partnership arrangements through uncovering the processes through unions contribute to HRM in these circumstances.

8.4 How are HRM systems externally vulnerable?

The final question posed by the thesis concerned how HRM systems might be vulnerable externally to changes in the economic environment. The literature review considered the limited material concerning external fit and economic fit of HRM systems (Boxall and Purcell, 2011). Ramsay's (1977) paper about cycles of control and employee involvement initiatives suggested that they were used to re-gain the compliance of labour when

management prerogative was under challenge, and that the converse is true when it is not challenged. This is suggestive of a shifting balance of power in the employment relationship, due to labour market fluctuations, which impact on HRM strategy and its relative position between 'soft' and 'hard' HRM. The processes through which external economic variation may have this effect have been uncovered.

Increases in profit per employee by almost 30% and similar figures regarding store numbers and sales area were found at Ultico, while numbers of employees stayed constant, demonstrating unarguably the performance gains made. How this clear intensification of work has been implemented, as discussed in the previous chapter, are key and important findings which add knowledge about HRM in an age of economic uncertainty. This also contributes to the debate about HRM and organisational performance. It shows how HRM strategy can improve performance, but in a straight forward 'hard' way from workload increases rather than through win-win channels of commitment and motivation (Thompson, 2011; Ramsay et al., 2000).

However while these complex findings are novel, they are not all together surprising. In relation to the literature around issues of 'fit' discussed in chapter 2, societal fit was considered in relating HRM strategy to a range of social factors, in addition to the legal environment. This includes an adaptation to economic conditions and the varying ease or difficulty of recruiting and retaining the required labour in the relevant local labour markets (Boxall and Purcell, 2011), and more broadly alluded to in both

labour process and strategic HRM literature (Thompson, 2011; Kaufman, 2010). If the local labour markets, job markets and other external economic conditions are considered in relation to Ultico during the time of research, then it is clear that the company has swiftly taken a societal 'best fit' approach to HRM strategy, more specifically in terms of economic 'best fit'. The gaps in knowledge around the processes through which this can happen have been explored in this empirical work.

When economic growth is strong and unemployment is low, then organisations must adjust their employment practices to fit, such as increasing pay, benefits or providing more favourable working conditions (Kaufman, 2010; Jackson and Randall, 1995). As would be expected, the opposite happens during times of poor or negative economic growth: employers shed labour, freeze wages or reduce overtime (Boxall and Purcell, 2011). This did not happen at Ultico; pay rises continued because the company was economically strong and redundancies were not made because they were not needed, so on the surface employment at Ultico looks good, and the compensatory practice of 'slightly above market average pay' became stronger. However this also facilitated the negative employee outcomes resulting from the external environment, which came in another guise: in terms of stretching the existing workforce and intensifying work, because of the opportunity to do so and significantly increase competitiveness (Rebitzer, 1988). These findings also extend debates and fill in gaps in knowledge raised in previous research on threat of job loss, participation and productivity (Forde et al., 2006). This study found that a

'threat of job loss' effect on productivity may operate where worker participation levels are low, as in Ultico. Similarly Turnbull and Wass (2012) found that the fear of losing employment in the Police Force within the context of budget cuts contributed to work intensification. Similar notions of the threat of job loss helped Ultico achieve the 33% rise in profit per employee throughout the recession. The vulnerabilities which enabled this to happen at Ultico have been drawn out, which contributes to gaps in the knowledge about external fit and implementation of HRM where the dynamics of the employment relationship change.

These findings also raise further issues about the ability of unions to mitigate external vulnerabilities. The RCU partnership agreement contained procedural guidelines on changes to hours and changes to productivity requirements. Martinez Lucio and Stuart (2005) would have seen this as a risk, and the resulting consequences of this risk are now being realised, in terms of a union with limited power to challenge a deterioration of working conditions and intensification of work. This has resulted in dissatisfaction with the union in terms of its ability to pursue what is termed by members as 'core union business', in protecting the terms and conditions of employment (MacKenzie, 2009). So in the case of Ultico and the RCU, social partnership may at times be aiding further decline of collective power in the workplace (Nolan, 2011). The RCU appears to represent a compliant union (Kelly, 1996; Taylor and Ramsay, 1998), in an employer dominant partnership (Heery et al., 2003), which is unable to mitigate vulnerabilities to external factors.

The key contribution of this chapter was in drawing out the detail of the processes through which economic changes impact upon HRM strategy and policy, which was made possible through the intensive qualitative methods employed in the research. In doing this it has uncovered the external vulnerabilities of the soft outcomes associated with a high performance work system, under specific economic conditions, to regressing to 'hard' HRM which creates definitive performance benefits for management. This not only adds support to the notion of external fit and external factors playing a key role in shaping HRM strategy, but crucially, it shows the processes by which it can happen. It shows how economic recession enabled Ultico to use their HRM strategy to intensify work by capitalising on the changing balance of power in the employment relationship.

8.5 Theoretical implications

While quantitative research on the concept was still being published in abundance, Guest (1997) called for better theory about HRM systems and the outcomes resulting from them, while more recently arguing that the knowledge base is still no further forward (Guest, 2011) in that it has been unable to account for the link between HRM practices and employee performance, or to explain management activity surrounding HRM implementation. Where Harley et al. (2006) called for deeper knowledge of when and how HRM practices have positive or negative outcomes, the findings within this thesis have uncovered new knowledge on these linkages,

albeit in a research design which does not possess population validity, but in one that generates strong analytic generalisability (Yin, 1993). It also makes in-roads into this field of study in the retail industry, which is a relatively new and ever evolving type of mass employment in a post-industrial economy (Bozkurt and Grugulis, 2011). Further adding to the analytic generalisability is the case organisation's position in the UK food retail market, with a third of the market share. It is the market leader, and attracts the following and 'copy cat' behaviour of its competitors (Haynes and Allen, 2001). In doing this it has found that allegedly 'soft' HRM systems are not necessarily to the benefit of employees' working conditions, but tools through which an efficiency driven management can drive down labour costs and increase performance of the workforce to the extent that employees may be systematically exploited and their work intensified (Ramsay et al., 2000; Keenoy, 1997).

While existing theory has accounted for internal and external factors affecting the delivery of HRM systems (Boxall and Purcell, 2011; Delery, 1998; Delery and Doty, 1996), it has not specifically explored the ways in which HRM systems might be vulnerable to internal and external factors. This thesis has shown how alleged soft outcomes of the HRM system are vulnerable, at multiple points from both inside the organisation and from the external environment within which the organisation operates, to being diminished or lost. Again, previous research has been suggestive of internal vulnerabilities (White et al., 2003; Truss, 2001), but stopped short of exploring how they might be realised. The processes through which the

HRM system's vulnerabilities are opened up, and the consequent impact on employees, have been illustrated throughout the thesis, which adds significant knowledge to our understanding of the complexities of such systems.

Chapter 5 showed internal vulnerabilities concerning line managers' variable implementation of the prescribed HRM system, typically due to time constraints and lack of training in HRM delivery. This results in unanticipated negative outcomes for both employees and Ultico. Furthermore, the prescribed HRM system is vulnerable to senior management's pragmatic implementation of 'soft' HRM practices in order to reduce labour costs or meet KPI targets. Similar tensions have been raised in the literature (Purcell and Hutchinson; Whitaker and Marchington, 2003; Fenton-O'Creevy, 2001; McGovern), however this research has uncovered how complex social processes and economic priority combine (Kaufman, 2010) to make HRM systems internally vulnerable, thus deepening our theoretical understanding of HRM implementation.

Chapter 6 reinforced the finding of vulnerabilities in the allegedly 'soft' HRM strategy, highlighted by the continuous need for intervention and a policing role of HRM practices from the union to mitigate negative effects caused by the variable implementation of the prescribed HRM systems. While Bryson et al. (2005) found union presence to be a key mitigating variable in the high performance works system model, and Kim and Bae (2005) suggested interaction between management and unions to be necessary for internal fit

of HRM systems, they did not explore the processes through which the interaction works. Through uncovering the detail of the communication systems , methods of consultation and policing of HRM systems through the vehicle of a partnership agreement, this work extends the theory of HRM and internal fit (Boxall and Purcell, 2011; Delery and Doty, 1996) to shown how a union may act as an important actor in a high performance work system. In addition to this, it adds weight to the theoretical assumptions of the social partnership literature around mutual gains, lending support to advocates of partnership at returning some, but not always equal, gains to employees (Ackers and Payne, 1998; Kochan and Osterman, 1994).

Chapter 7 demonstrated the vulnerability of the HRM strategy to variation in the external context, by uncovering the processes through which economic recession is opportunistically utilised to reduce labour costs through work intensification. These processes are possible due to the change in the labour market, while it is management who choose to respond to these external changes in order to increase profits, by derailing their 'soft' approach to HRM. While numerous commentators have suggested this association (Forde et al., 2006; Rebitzer 1988; Ramsay, 1977), research had not, until now, delved into the complex processes through which HRM systems may respond to economic change. This work extends the theory of external fit (Boxall and Purcell, 2011; Kaufman, 2010; Delery, 1998) by giving the knowledge base a deeper understanding of how external environments of high unemployment initiate a return to 'harder' implementation of HRM systems, thus explaining their external vulnerability.

Taken together, these findings show how HRM system is vulnerable internally and externally; because immediate operational needs and need to increase profit takes precedence over it, alluding to a low road best fit approach (Beer at al., 1984; Fombrun et al., 1984; Tichy et al., 1982). The consequences of these vulnerabilities are work intensification and at times, the omission of HRM requirements essential to the business, such as certain aspects of training. This provides a more nuanced understanding of the reality of a high performance work system, the outcomes of which contradict the theoretical models of HRM (Fombrun et al., 1984; Walton, 1985; Guest, 1997). That is that performance gains arising from strategic HRM systems are, in some cases doing so via channels of work intensification (Thompson, 2011; Ramsay et al., 2000) rather than through win – win channels such as involvement and job satisfaction improving commitment and motivation. While this thesis did not set out to explicitly examine the links between HRM systems and performance, this link was indeed found from the data in chapter 7, but through a clearly proven channel of work intensification due to relative staffing reductions. The combined contribution of industrial relations and economic factors to the working of an HRM (Kaufman, 2010) system suggest that theory, and future research should incorporate or account for them.

8.6 Implications for future research

The findings uncovered in this thesis provide useful direction for future research into HRM systems, their implementation and their vulnerabilities. The review of the literature discussed numerous studies based on extensive quantitative methodologies which address the issues of internal fit and interactions between HRM practices (Wall and Wood, 2005). However the overriding themes of these were attempts to find a relationship between strategic HRM systems and organisational performance. This research was found wanting, and contradictory. Since its early conception, HRM has attracted much academic interest and research, particularly as the earlier theories upon which it is based claim that it improves organisational performance to such an extent that investments in strategic HRM systems are worthwhile (Tichy et al., 1982; Beer et al., 1984; Walton, 1985; Lawler, 1986). The over dominance of quantitative research on HRM was associated with general trends in industrial relations and management research through the 1980s and 1990s, reviewed in Wood and Wall's (2005; 2007) articles on the bulk of major quantitative studies on HRM over this period.

The argument in favour of intensive qualitative approaches which allow insights into complex social processes at the workplace (Delbridge and Whitfield, 2007; Hesketh and Fleetwood, 2006; McCarthy, 1994) is strengthened throughout this thesis. The level of detail which has been uncovered relating to the implementation of HRM systems and the knowledge of resulting social processes at the case organisation simply

could not have been found through a quantitative approach, which merely scratches the surface of these processes. While the vast literature of quantitative investigations into HRM systems attempts to link them to organisational performance, there has been an important step missing in the link, involving complex social processes and interactions; those which cannot effectively be quantified and measured through survey based research (Guest, 2011), and it is these which have been uncovered and discussed in this thesis. The implementation of HRM systems by various levels of management, and the perception and response to these systems by employees (Purcell and Hutchinson, 2007), is a complex area of social enquiry which the methodological approach of this thesis has addressed. For example, quantitative research including Ultico in a survey would have detected the multi skilling or job variation practices and it may also have detected, in a longitudinal design, the resulting improvement in business performance, or even profit per employee. However the steps in between would have been unclear as to how this improvement came about, so it would have neglected the social processes on which knowledge of HRM systems has been uncovered in this research.

In a similar fashion, quantitative research may have picked up on the use of internal labour markets and the high level of promotion to management from within the company, or even practices such as the 'Options' management development scheme. It may also have picked up on improved business performance or profit per employee as an outcome. However it would not have found out what was happening in terms of keeping 'Options'

candidates on their work placement for longer than the 3 months they are supposed to, up to 18 months in some cases performing a manager's role on a GA salary which is not far above the minimum wage. This finding further strengthens the argument promoting intensive qualitative methodologies in advancing knowledge on HRM systems (Delbridge and Whitfield, 2007; Pucell and Hutchinson, 2007; Hesketh and Fleetwood, 2006).

Qualitative research reviewed in chapter 2 also uncovered processes which would have been difficult to observe through quantitative techniques (Kim and Bae, 2005; Danford et al., 2004; Kaufman, 2003; Truss, 2001). These were processes surrounding the link between HRM systems and performance of employees, in terms of increased stress and workload created by these systems, in a similar way to which this thesis found HRM practices to be used to intensify work. Quantitative techniques attempting to relate the two outer variables would not have picked this up as they do not have the analytic power to do so (Hamel, 1993). It is this type of analytic generalisability (Yin, 1993; 1994) which has enabled this thesis to cast new light upon processes which are relevant beyond the location of the case study, to the wider retail sector and industrial world.

The findings of this thesis have provided a deep contribution to debates around HRM systems and their implementation, considering external impacts of a union and global economic turmoil, however the retail sector remains understudied (Bozkurt and Grugulis, 2011). Quantitative research

is unlikely to generate new insights at this stage, because as argued throughout this thesis, it is a nuanced understanding of the channels through which HRM systems are implemented and enacted in the organisation where new knowledge is likely to be uncovered. Further case based research in Ultico's main UK competitors into how their HR policies have responded to the same changes in the economy would help to generate greater understanding of HRM in retail, an increasingly important sector. Further research into the effects and interactions of social partnership agreements between private sector organisations and trade unions would add further knowledge to the field. Research of this nature could build on the findings of this thesis to further develop academic understanding of the internal and external vulnerabilities of strategic HRM and high performance work systems. Since data was collected for this research, the UK has re-entered recession, while the labour market conditions have not improved. This raises further questions for research in terms of how external vulnerabilities develop as the recession deepens. Therefore with continuing high unemployment in the UK, future research may consider its impact on other industry sectors.

The research in Ultico was confined to the North of the UK and the argument in chapter seven was built around unemployment data from this region. Unemployment was slightly lower in other regions of the UK, particularly the South, so future research may benefit from considering other regions. However the trends are still similar in terms of markedly increased unemployment and the effects and resulting processes around employment

terms and conditions were affecting the entire UK Ultico and RCU operations. The findings demonstrate strong analytic generalisability (Yin, 1993), and can be used by future researchers to guide further research, specifically around the implementation of HRM systems in the retail sector and beyond, the inner working of private sector partnership, and processes through which private enterprise can use the external economic changes to drive down labour costs and increase profitability.

8.7 Implications for practice

The substantial empirical work of this thesis, while adding to the theoretical knowledge on HRM systems and the potential industrial relations contingencies for the academic community, also holds significant implications for practice in HRM and trade unionism. The growing field of evidence based HR can draw from these findings, and recent commentary has called for the need to rethink traditional HR practice in the face of rapidly changing economic and social conditions (Rousseau and Barends, 2011). For employers, the implications of this thesis may initially appear to be of little interest, since the vulnerabilities of HRM systems uncovered primarily relate to employee outcomes. In the contemporary labour market where vacant positions are scarce and the supply of labour is abundant, there is a reduced need for satisfied employees because their compliance is provided by the market (Ramsay, 1977). Indeed some managers might even take these findings to inform their own work intensification strategies to increase

profits. However, the vulnerabilities in the HRM systems uncovered here extend their negative outcomes beyond the employee. For example, the problems stemming from poor internal implementation led to cases where employees were inadequately trained or not trained at all on fire safety raises important issues for employers to consider when devolving HR responsibilities to line managers who have inevitably more important priorities (Purcell and Hutchinson, 2007; McGovern et al., 1997).

For employers, the larger implication of this work concerns the effect of social partnership with an independent trade union as a lubricating and mitigating factor in an HRM strategy which returns clear benefits to management (Kochan and Osterman, 1994). Indeed this finding may not be generalisable to all unions, particularly unions which are likely to be more militant. Due to very large contextual and historical differences we would not expect a partnership between, for example, the London Underground and the RMT to demonstrate similar dynamics to those observed between Ultico and the RCU. The fact that the RCU's density is to some extent dependent on Ultico' giving them access to new employees to recruit is surely key to this dynamic (Lynch et al., 2011; Haynes and Allen, 2001). However also found to be key to a successful partnership dynamic in this empirical work was the micro-politics of industrial relations climate at the local level (Martinez Lucio at al., 2000; Martinez Lucio and Weston, 1992), just as Samuel (2007) found at the organisational level. This finding is suggestive of where a partnership arrangement might work successfully and is therefore a key implication for employers considering this type of arrangement. The

benefits of partnership for the internal coherence and fluency of an organisation's HRM systems warrant serious consideration by employers.

On the 'other side' of the employment relationship are implications for trade unions and staff associations, at both the specific level of partnership arrangements, and at the broader level of working terms and conditions in contemporary liberal market economies. In terms of partnership arrangements, this work implicates a range of benefits, but also significant risks to unions (Martinez Lucio and Stuart, 2005). The benefits are clear in terms of the potential influence a union can have on management HR activity. Partnership agreements are able to formalise a certain level of influence, however Samuel and Bacon's (2010) content analysis of such agreements found them to be broadly limited in their coverage; often merely statements about joint working. The agreement between Ultico and the RCU is more detailed, 142 pages in total, however the value of this research for unions is a deeper understanding how the formalised relationships play out in practice. Therefore implications for unions are similar to those for management of organisations mentioned above: an indication of how and where partnership arrangements might be successful. This leads on to the potential risks for unions in partnership arrangements; risks of what they might sign up to in an agreement back-firing further down the line. An example of this was clearly evident where the unions formally committed to helping ease change in staffing requirements by agreeing to the provision for changes to hours where necessary at the last major revision in 2003. The external economic changes made such changes to hours commonplace and

has damaged the reputation of the RCU, due to its inability to resist this activity, and risks being viewed by some members as a compliant union (Kelly, 2004).

In terms of broader working terms and conditions this research has implications for trade unions and for the worker in liberal market economies. The ways in which management are able to use the external economic and labour market variations to implement intensifying HR practices to directly increase profit should be of interest to unions in planning their future strategies for employer engagement and negotiation. The detailed insight into the employment relations concerns associated with high performance work systems and their implementation gives unions key understanding which will help them in their principal business; to protect working terms and conditions for their members in an ever uncertain economic future.

8.8 Conclusion

This thesis has contributed to a deeper understanding of HRM and the reality of a high performance work system. It has been able to do this through an intensive inductive approach, uncovering the complex social processes and interactions associated with the implementation of HRM systems. It has explained how a high performance work system is vulnerable to losing its 'soft' outcomes due to internal and external factors which impact upon it. The result of these vulnerabilities is that the HRM

system achieves performance gains through the channel of work intensification. The soft HRM strategy which is aspired to through company policy is derailed by attempts to increase profitability: through cutting HR personnel and passing responsibilities to line managers; through senior managers attempting to reach KPI targets and lower their wage bill; through opportunistically exploiting changes to the external economic context. The RCU is able to lubricate HRM for management and mitigate some of the resulting negative outcomes for employees.

This research is of high significance to scholars researching the implementation of HRM systems and to those attempting to link HRM and performance, because it provides an alternative explanation and a deeper understanding of the channels through which any link comes about, challenging the theoretical assumptions of mutual gains for employers and employees and enhancing theoretical understanding of how the implementation of HRM can cause work intensification. It extends and deepens theoretical knowledge on internal and external fit of HRM systems and deepens understanding of the dynamics of partnership arrangements and their impact on HRM. In doing this it rejects the credibility of unitartist approaches to employment relations and demands consideration of the industrial relations context in HRM research. This thesis therefore provides a platform for future HRM and employment relations research and has strong implications for practice in both organisations and the trade union movement.

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Note: Appendices A-G have been removed from the online version of this thesis due to potential commercial sensitivity

Appendix H: List of participants

	Position	Site	Gender
Senior	Store Director	North Yorks Mega	M
Management	Personnel Manager	North Yorks Mega	F
	Personnel Manager	West Yorks Mega	F
	Personnel Manager	West Yorks Mega	F
	Personnel Manager	South Yorks Mega	F
	Personnel Manager	East Yorks Area	F
	Personnel Manager	Humberside Area	F
	Personnel Manager	West Yorks Area	M
Line	Customer Service Manager	South Yorks Mega	M
Management	Duty Manager	Lincs Speed	F
	Beers, Wines, Spirits Manager	West Yorks Mega	M
	Counters Manager	North Yorks Mega	M
	Bakery Manager	West Yorks Mega	M
	Check-Out Manager	West Yorks Mega	F
	Petrol Station Manager	South Yorks Mega	M
	Customer Service Manager	West Yorks Mega	F
	Stock Manager (Nights)	North Yorks Mega	F
General	Security	North Yorks Mega	M
Assistant	Staff Canteen	West Yorks Mega	F
	Admin Clerk	West Yorks Mega	F
	GA	West Yorks Mega	M
	GA	West Yorks Mega	F
	GA	West Yorks Mega	F
	GA	North Yorks Mega	F

	GA	North Yorks Mega	F
	GA	North Yorks Mega	M
	GA	South Yorks Mega	M
	GA	South Yorks Mega	M
	GA	South Yorks Mega	F
	GA	South Yorks Mega	F
	GA	South Yorks Mega	M
	GA	Humber Speed	F
	GA	East Yorks Speed	M
Union Full	Ultico Head of Research	RCU Head Office	M
Time Officials	Area Organiser North	RCU North Office	F
	Area Organiser North East	RCU North Office	F
Union Reps	National Forum Rep	North Yorks Mega	M
	National Forum Rep	South Yorks Mega	F
	General Rep	West Yorks Mega	F
	General Rep	West Yorks Mega	M
	General Rep	South Yorks Mega	M
	Regional Rep	Humber Speed	F
	National Rep	Lincs Speed	F
	National Rep	East Yorks Speed	M