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Global management norms: understanding the role of social skills in creating global management norms

Track 20: Organisational Change and Transformation

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Abstract

This developmental paper aims to explore the use of relational capabilities by organisational actors engaged in global management norm making in multinational organisations (MNCs). Global management norms in this research refer to management norms that are intended to generate shared or common assumptions, values or expectations about work (i.e. how work is organised) and employment (i.e. how employees are managed) practices and processes across a geographically distributed workforce; and is anchored in a relational and sociological perspective of organisational behaviour (Granovetter, 1985; Finnemore and Sikkink, 1998). This relational theoretical perspective brings into focus the social context of work relations and the significance of social skill as a means through which actors exert agency over their work environment. Qualitative data from 166 organisational actors across 24 multinational companies (MNCs) have been collected. Preliminary analysis reveal the social skill organisational actors engage when norm making. We have clustered these into 4 forms of relational capabilities.

Introduction

This paper is concerned with how managers use their relational capability to support change associated with global management norm making in international firms. This work departs from neo-liberal conceptualisations of managerial action routed within competence frameworks and seeks instead to consider how relational frameworks can be used to understand how managers enable change. In this developmental paper we focus on the empirical evidence. We ask the research question:

How do managers mobilise resources associated with their understanding of others, their relationships to others, and the temporal nature of these relations?

In our results we identify four capabilities and illustrate the social skills associated with these. We suggest that these relational capabilities support the morale engagement of work communities in how productive work is performed. The research has important implications in terms of building better workplaces that both support economic goals of organisations, and workforce wellbeing.

In sum, in the analysis for this paper we are concerned with understanding how managers use their social skill for global management norming governing work and employment practices. We suggest that managers use their social skills for framing and progressing change in organisations in ways that are reflective of their relationship with the socio-economic-technical communities in which they are embedded. In this way our conceptualisation of skills goes beyond demand-led notions of a narrow set of cognitive skills or personal attributes required to fulfil job requirements or cope with job demands. And instead broadens the notion of skill (Fligstein, 2001; OECD, 2005) to capture how

individuals shape their environments through their wider connections and understanding of the social and economic firm-society interface in a globalised world.

Capabilities and Social Skill

The concept of capabilities from the strategic management literature define dynamic capabilities as the ability of the firm to develop and deploy internal and external resources in a manner that ensures the firm stays congruent and responsive to the changing business context. A key role of capabilities is 'appropriately adapting, integrating, and reconfiguring internal and external organisational skills, resources and functional competences to match the requirements of a changing environment' (Teece, Pisano and Shuen, 1997: 515). It thus implies the mobilisation and renewal of resource by managers. Indeed, managerial capability is a key element to building the bundle of firm level capabilities. However, we understand little about the how managers might achieve this in practice.

Sen's (1992; 1993) CA approach allows us to shift from a focus on HRM as a managerial resource to serve organisational effectiveness and allows us to shift to a focus on individual freedoms. But not the self-interest of neo-liberal economic models/argument but more in line with relational approaches of economic action and social context – that recognises the interdependence of individuals and moral principles in guiding social action. CA captures social justices (Rawls, 1972) and equality of resources (Dworkin 2000) perspectives and demand public scrutiny which makes it particularly pertinent to work contexts involving norms that cross international boundaries.

To unpack these more macro conceptualisations of capabilities, we suggest it is useful to focus on the social skills that individuals use as they navigate the social content of work. This draws upon a sense-making approach to social skill that focus on the behavioural and material features of what organisational actors do, rather than a perceptual approach (e.g. Konlechner, Latzke, Guttel, and Hofferer, 2018). This sense-making approach is consistent with an embeddedness perspective on interpreting economic behaviour in firms whereby we can understand workforce behaviour in terms of social relationships. Trust and personal experiences create a moral context that governs exchanges between people and can work to minimize exploitation of others (derived from the notion of the moral economy by Polanyi, 1944). Taking this relational theoretical perspective prioritises an examination of the social content of economic exchanges through networks rather than hierarchies i.e. who is involved in exchanges, where the power resources lie and how they are used, which communities actors identify with or trust because of prior and direct experiences, how credible or legitimate are the actors involved in the exchanges.

We argue that by taking a relational perspective routed in Sen's theorisation of capabilities provides the tools to reveal how managers are able to mobilise resources associated with their understanding of others, their relationships to others, and the temporal nature of these relations. By doing so we identify a set of relational capabilities that explain how (through the social content of work exchanges) and why (the values and meaningfulness of work exchanges) organisational actors engage in norming making.

Global norm making and manager capability

Global norms are, defined here with reference to the sociological work on management norms derived from Finnemore and Sikkink, (1998). This perspective highlights the social or relational context of norms whereby management norms are embedded sets of assumptions, values or expectations that express how employees relate to each other, how work is organised and the nature of performance demands. As such norms convey a set of shared ideas around governance concerns (Finnemore and Sikkink, 1998), reinforced through organisation structures and processes and as such they can be difficult to change and alter. Norms are therefore an area of contestation, with actors that may have vested interests in preserving the status quo pitted against those wanting

to create a change. Organisational theorists argue that norm change is most likely to have a deep level transformative impact in a firm (Argyris and Schön, 1978) often associated with a strategic shift or disruption (Bartunek, 1984).

Our work focuses on the use of managers' social skill in the context of 'global' management norms in multinational companies (MNCs). Global management norms are specifically management norms that are intended to generate shared or common assumptions, values or expectations about work (i.e. how work is organised) and employment (i.e. how employees are managed) practices and processes across a geographically distributed workforce. Global management norms can cover a vast array of domains from business concerns around cost efficiency, quality standards, innovation, to environmental concerns on carbon emissions, materials consumption, to workforce concerns on equality and diversity, talent attraction and retention, physical and mental health and safety.

Further, multiple management norms co-exist, for example a firm is rarely only focused on business concerns to the exclusion of the consideration of environment and workforce concerns. Whilst these management norms and their multiplicity and co-existence are not specific to MNCs, global norms are distinctive in terms of their intention to transcend national institutional legislative and normative contexts. This means global-norming is a central tenant of the management of MNCs, and one that is contentious because of the multiple of arenas in which norms operate (Fligstein and McAdam, 2012). It is the contentious nature of the global norming context, which provides an ideal opportunity for examining the use of organisational actors' social skills.

Methodology

The research is part of a large-scale multi-method research design. For the purposes here, we draw upon the qualitative methods. A total of 166 semi-structure interviews have been undertaken within 24 MNCs (Table 1). Within these MNCs we have concentrated on international business divisions where the demand for international integration and international collaboration is high. The businesses operate in a range of sectors including technology, financial and professional services, publishing, pharmaceuticals and logistics.

The interviewing had two primary objectives: a) to collect data on global management norms relevant in each organisational context and b) identify those that had been disruptive and were on-going. These norms then become the focus for further follow-up interviews, adopting a critical realist approach where we see 'social phenomena exist not only in the mind but also in the objective world' (Miles and Huberman 1994: 4; Bhaskar, 1989; Edwards, O'Mahoney and Vincent, 2014).

Selection of interviewees was dependent on their having had some role or direct experience with the norm the research focused on. Employees were given organisational permission to take part in the research. In practice this meant a significant managerial role holder or gatekeeper within the organisation was identified as a starting point. From then onwards the research team were given fairly free and open access to contact other organisational members that related to the scope of the research. In addition, the research team worked with a research sponsor inside the organisation who helped facilitated access. However, all participation by individuals was entirely voluntary and data disclosed by individuals was protected by the research teams' ethical codes in terms of assurances of confidentiality, anonymity and GDPR protection.

The interview schedules were generated from theory and previous empirical work undertaken by the research team members. The interview schedules were designed to be used to undertake semi-structured interviewing. Once global norm making areas of focus were identified, the subsequent interviews concentrated on the role of different organisational actors in the process of norming

making. Areas covered by the interviews included: the role of individual actors in creating, diffusing, implementing and monitoring new norms; role of organisational structures (hierarchies and networks), (un)anticipated impacts on new and old organisational processes, values, policies, practices; timeline surrounding changes; social context of the work relationships.

Interviewing process: There were 5 team members who undertook the interviewing. All interviews are conducted by at least 2 members of the research team (with 2 exceptions where only 1 interviewer was present). Joint interviewing was used whereby one took the lead and the other listened and followed-up on any missed points and then the roles were reversed. This technique allowed the semi-structured flow of the interview to proceed more fluently and effectively as it gave thinking and reflection time to the research team during the interviewing. This approach also aided initially analysis and reflection as the team shared their insights and were very familiar with the content of the interviews. The interviews last on average 60 minutes. Interview notes relating to key themes that emerged from the interviews were kept by members of the research team and used as a basis for slide packs which were subsequently fed-back to the organisations.

Data checking and verification: In each organisation, the research team had a research sponsor to whom they provided summaries on the insights and analysis at different stages in the research process. This allowed the research team to sense-check their interpretation of the information, follow-up on missing information and verify insights.

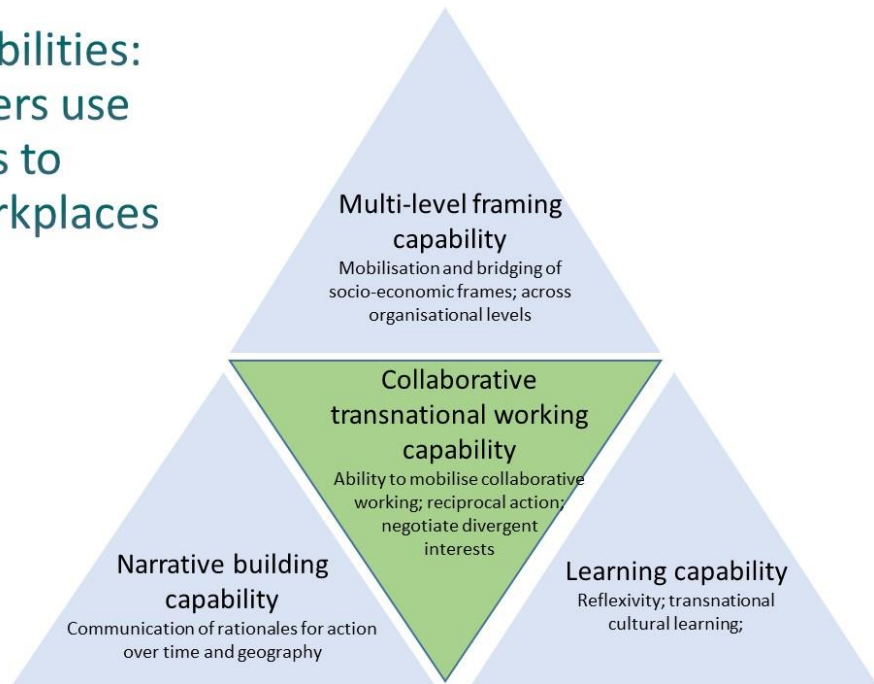
The data analysis process followed an abductive approach. The coding framework was initially drafted once one third of the interviews were undertaken and built on the content of semi-structured interviewing and were informed by the information coming from the interviews. The coding structure was applied to a sample of 10 interviews which resulted in some further refinement in terms of definitions of the coding categories. All data were then coded within NVIVO which provided a means of organising a very large set of data and retrieving data within key codes. For the purposes of this paper the data capture within the social skill and organisational structure codes (i.e. networks and hierarchies) was retrieved for further scrutiny.

Findings

The empirical analysis will be discussed in detail at the conference. Figure 1 shows the four relational capabilities derived from the analysis process. In table 2, each of these capabilities is defined in more detail.

Figure 1:

Relational Capabilities: how some leaders use their social skills to build better workplaces



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Table 1: Number of Interviewees per company

Pseudonym	Number of unique interviewees
Company 1	36
Company 2	32
Company 3	11
Company 4	7
Company 5	6
Company 6	4
Company 7	3
Company 8	3
Company 9	3
Company 10	3
Company 11	2
Company 12	2
Company 13	2
Company 14	2
Company 15	1
Company 16	1
Company 17	3
Company 18	12
Company 19	4
Company 20	11
Company 21	5
Company 22	6
Company 23	3
Company 24	4
	166

Table21: Summary of the Relational Capabilities

Capability	Definition	Behavioural Components
Multi-level Framing capability	Framing that aligns or bridges objectives (bridging frames, co-ordinating frames)	· horizontally across social and economic concerns within the firm and
		· vertically between firm norms and societal frames) e.g. diversity, flexible working, regulation.
		· Risk argument of not aligning
		· Value added argument of aligning
Narrative building	Articulating a sense-making narrative that is dynamic and intersectional	· makes sense of changes over time
		· makes sense of changes to different cross-national contexts
		· that solves problems, fill gaps, adds advantages to global organisational purpose/action
Collaborative working capability	How the interests of different stakeholders are accommodated (perspective taking & issue selling)	· alliance building – across management levels or within disciplines or communities within the organisation, across work teams.
		· Culturally embedded collaboration - (see Levy's work) GA cultural embeddedness impacts on the international nature of the networks they create. Network element is the structural aspect of the capability of norm making.
		· Fostering collaborative action
		· Issues selling to different interest groups
		· Activating social networks
		· Activating mutually/reciprocal collaborative action
		· Mediating differing interests
		· Mobilising different identity groups in the organisation e.g. local/global, functional areas

		<ul style="list-style-type: none"> Global perspective (understanding of place within the global organisational network)
		<ul style="list-style-type: none"> Political Cost-benefit analysis – what are the battle that can be won and at what cost politically
		<ul style="list-style-type: none"> Expert credibility/professional credibility
		<ul style="list-style-type: none"> Global negotiating perspective– awareness of wider demands on global colleagues/cultural variation in priorities/variation in national business contexts and customer demands
		<ul style="list-style-type: none"> Recognising intra-organisational norm divergence – e.g. sales and forecasting have different norms for resource expectations which requires a political dance to negotiate a mutually acceptable outcomes
Learning capabilities:	Collective/group learning processes	<ul style="list-style-type: none"> reflective learning – thinking about how things worked in the past/problematising/adjusting behavior,
		<ul style="list-style-type: none"> changing work processes/ or the organisation of work in the international sphere to meet work demands.
		<ul style="list-style-type: none"> Co-created learning spaces/actions
		<ul style="list-style-type: none"> Transnational scrutiny of solutions
		<ul style="list-style-type: none"> Transnational cultural learning – sensitivity to cultural distinction in ways of working and expectations