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Communitarian Perspectives on Corporate Governance

Rory Ridley-Duff

Sheffield Hallam University

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Abstract

Research into corporate governance is currently oriented towards understanding how governors control the governed through contractual relationships, economic decision-making and control over cultural values. These theories, however, were unable to provide satisfactory explanations for the empirical data discovered during this study. It became necessary to consider gendered aspirations, sexuality and emotional needs to explain both social organisation and hierarchy development.

Data from an 18-month critical ethnography was used to develop grounded theories on interpersonal dynamics, culture development and corporate governance. Micro-analysis of journals, letters, e-mails, documents and interview transcripts were assisted by computer software. However, freehand sketching proved an equally valuable method for evolving theoretical ideas. Theory was developed using two comparison cases: one empirical; the other based on an academic literature supported by a field visit.

This thesis develops theory that courtship, friendship, marriage and childraising influence the early development of a corporate governance system. They continue to exercise influence even when in contradiction with control systems imposed by external institutions. This prompts a re-examination of theories of power so that the nature and role of intimacy at work can be accommodated.

The study finds that decision-making is underpinned by a dual desire for attention *(social rationality)* and assistance *(economic rationality)*. The fusion between the two is sharpest immediately before and after childbirth resulting in a multitude of gendered behaviours that influence workplace aspirations and social organisation. "Self-interest" depends on perceptions of others' intent towards the people we care for and desire. "Common good" depends on which social groups and behaviours we believe should be promoted within a culture. Communitarian perspectives on corporate governance, therefore, reflect the social aspirations of entrepreneurs, attitudes towards unitarist and democratic organisation, and organisation members' constant struggle to balance social and economic interests. Contributions are made to the application of grounded theory in critical ethnography and ethical dilemmas during participant observation.

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Chapter 1 – Introduction

This project was forged through the interest of six men in democratic governance and communitarianism.   The absence of women is itself significant. The story of how they worked together is recounted later, but some background here contextualises what follows.

In 1989, I left Procter & Gamble (HABC) Ltd to work for a well-known workers' cooperative[1]. Thus started a pragmatic journey to test my intellectual convictions. That year, an entrepreneur – who I shall call Harry – established Custom Products with his schoolteacher, Reece, convinced they could create an environment that affected people positively. Later Harry persuaded John to take over Reece's role. John and Harry formed a working partnership that – over the next five years – helped turn the company into one of the fastest growing businesses in the UK[2]. In 1999, after running workshops involving all staff, the two formalised their management philosophy – their own "third way". Staff became contractually obliged to be open and honest at work, treat each other as equals, and uphold values of respect, support, fairness and consistency.

Meanwhile, I started writing about collective and democratic management. Papers delivered as part of a management development programme were assembled into a book to capture the view that a "silent revolution" was occurring in business thinking. While forming my ideas, Harry's also developed through contact with his local university. Tim, a local professor, started researching his organisation culture in exchange for assisting Harry with strategic management. In 2001, Tim presented findings in London and the collaboration evolved to fund this PhD.

A company I helped establish in 2002 had to closed after 8 months, but the legacy of reflections about its creation was captured in "Silent Revolution". When it was published and circulated to management consultants, John received a copy and

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[1]   Market research in the 1990s reported that the company name was the second most recognised and trusted in its market.

[2]   Independent Newspaper.

forwarded it to Harry. A friendship evolved around the apparent convergence of values and thinking and an application to undertake this in-depth investigation of their company culture was the result.

Research Questions

The project was driven by two key questions. Firstly, is the model of corporate governance devised at Custom Products rooted in communitarian values? Secondly, what are the impacts of this approach? These primary questions prompt a number of sub questions:

- What are its underlying epistemological and philosophical assumptions?

- How did it develop?

- How it is implemented in practice?

- Can the model be generalised and made useful to others?

The narrative in chapters 4, 5 and 6 explore these questions and an evaluation is offered in chapter 7. Progress, however, was not straightforward and themes emerged that triggered other directions in theory development. For 18 months, data was collected through ethnographic fieldwork; grounded theory methods were applied; warm friendships triggered commitments to long-term relationships. But as intensive critical analysis was undertaken, problems brewed on both sides of the relationship.

Sometimes apparently insignificant events provide clues to fundamental differences. At my former employer, newcomers found the place unfriendly as people worked individually on projects. But when a resignation occurred, a special kind of celebration took place. The "company" would donate £10 for each year of employment, consult the leaver over the gift they would like, and pay for their peer-group to have a meal out. One of my closest colleagues, a founder member, commented "when people join, they accept collective liabilities; when they go, they leave behind collective assets." Leaving parties celebrated the "assets" that a person left behind.

A different attitude prevailed in Harry's company. Staff were showered with attention during recruitment and induction, invited to "development days", "presentation evenings" and "socials", and encouraged to attend "community classes". But when staff

departed, individuals were left to make their own leaving arrangements - the "company" did not officially contribute or purchase presents.

When it was my turn, an attempt to organise a meal and informal drink prompted a mixture of confusion and suspicion, plus a quiet word from the HR manager that I should extend an invitation to everyone. Some people did not respond to invitations. Others sent apologies through a third party. One person sent their wife to represent them even though I barely knew them. Aside from my immediate work colleagues, a few others attended. We had fun but it was a surprisingly different experience so the anomalies were duly noted and a question was added for follow-up.

A Change of Direction

Six months later when follow up questions were asked, participants were unexpectedly defensive. Harry was moved to ask, "what possible benefit can be gained from investigating leaving parties?" A second question regarding a lunchtime comment about workplace relationships triggered defensiveness and withdrawal of a close colleague. Other participants, however, grew more interested.

Someone commented that my use of e-mail may be a problem so I changed approach. Face-to-face meetings after departmental meetings took place. After the earlier unexpected reactions, care was taken to prepare participants that talking may lead to discomfort. Reassurance was offered that they could request further follow up discussions if unhappy. The face-to-face interviews, however, also attracted criticism from a director for their "poor timing". It did not seem to matter *how* I asked questions – any questioning of taken-for-granted assumptions seemed to provoke criticism from directors. When my e-mail feedback (made under an assumption of confidentiality) was reported to a manager, questions were then asked about "personal agendas", "morality" and "ethics". As a result, a pattern of behaviour (that had already been noted earlier) was applied to me.

First, my "errors" were identified and gentle encouragement was offered to help me acknowledge and apologise for these. I did so, but when continued attempts were made to stimulate dialogue, further "disappointment" was expressed that issues were being "misrepresented". The advice then followed that I should "let go" and "move on".

Reluctant to leave key issues undiscussed, I made some protestations at the inability to discuss emergent themes in the research and these were met with doubts about my emotional stability. Continued attempts to engage in discussion were characterised as a "vendetta". Somewhat frustrated, I approached non-managers for comments on conference paper findings. My "misbehaviour" resulted in exclusion.

Some researchers might thrive on such experiences - even deliberately provoke them – but this was not my motivation. When the morality of my behaviour was questioned, an opportunity arose to check the tolerance and integrity of the culture. What would happen if I raised inconsistencies and inequality issues by attempting to uphold values of equality, respect, fairness, support, consistency? Would an equitable outcome be achieved?

This approach created acute ethical dilemmas. Emergent theory suggested that **all** current directors had formed outside personal relationships with the company founders *prior* to their high level appointment, that emotional bonds were paramount in the evolution of organisation structure. This had also been true of myself – my friendship was cultivated outside the company and later directors recruited me to the research, and attempted to recruit me to the company. The role of close (and sexual) relationships in social network formation was emerging as the central thesis of the work so how could I "let go" and "move on"?

It was beyond my imagination – initially - that attempting to maintain independence would lead to my exclusion. Consequently, "mistakes" were made. A peculiar situation developed in which exclusion increased as attempts to uphold cultural values increased. Once it became clear there was a risk of losing access, a decision had to be made between pursuing theory development (at the risk of exclusion) or suppressing or falsifying my findings. I chose to pursue the theory development.

So began a final journey through the data to chart more precisely how and why relationships form, develop and break up. Events recorded at the time – and which had passed unreflected – took on significance. Having enjoyed working there, insufficient attention was paid to whether the "happy family" claims were more imaginary than real. Publicly the culture was caring and sensitive - there were many public expressions of

support. Close examination of the data, however, threw up many hidden social conflicts. Below are a couple of examples.

Firstly, a worker in a production department explosively criticised directors at the annual presentation evening for failing to uphold the company's "shared values". The issue centred on the refusal to appoint a "disabled" member of staff to a permanent appointment. The complainant left shortly afterwards. Secondly, an apparently flirtatious comment by a middle-aged temporary male worker regarding the short skirts of visiting schoolgirls not only raised eyebrows, but triggered massive anger and a sacking. At the same time, a *group* of adult women teasing a 16-year-old schoolboy raised nothing more than laughter[3]. What do these episodes signify about the culture?

As micro-analysis progressed, the absence of people for long periods was troubling. The level of sickness in one "downsized" department was a concern. When these issues were raised in academic papers, they were dismissed as "too subjective", full of interpretive errors that "misrepresented" the culture. So this was put to the test by comparing figures with industry, regional and national statistics. My concerns, if anything, were understated.

As findings were followed up with people outside the management group new stories emerged. Earlier reports of contentment were balanced by stories of unhappiness; directors had an ongoing conflict with salespeople responsible for earlier rapid growth; office and warehouse staff confessed reluctance to express views in meetings for fear of being "shot down in flames"; long-term members talked of feeling "destroyed" - of a culture that had changed "more than 50%" and was starting to feel like a "communist state". Were participants now telling me what they thought I wanted to hear, or accepting me into their confidence to divulge their "truths"?

Towards a Perspective

This brief introduction is not just to whet your appetite for the long read ahead, it also raises questions regarding the organisation of the narrative and how to approach issues

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[3]   The women repeatedly commented within earshot how they would like to "take him home". If a group of 25-40 year men joked this way with a 16-year-old schoolgirl, how would we regard it?

of corporate governance. Papers had been written from conventional perspectives: structure, ownership, culture, remuneration (see Ridley-Duff, 2004a, 2004b) – but their significance dropped when the emotionality of gender issues surfaced.

Emotion emerged as a key point of departure. The consequences of reactions impacted on many relationships, group structures, future plans and career aspirations, and corporate governance appeared less as a system of accountability for financial stewardship and more as a system for the control of gendered conflicts rooted in competing family and corporate value systems. At the heart of both were the desires and dissonances between people in (potentially) long-term relationships.

The Study

The research commenced in October 2002. Data was gathered between December 2002 and April 2004. Analysis and writing took place from September 2003 to October 2005. For seven months, I engaged in participant-observation *working* inside the company, then maintained friendships through e-mail correspondence and attendance at social events.

In March 2003, a two-day visit to the Mondragon Cooperativa Corporacion (MCC) facilitated study of corporate governance. It also gave me an opportunity to gather primary data on the MCC to contextualise the academic literature on their governance systems. From January 2004, I tested theoretical ideas using a second case - my former employer SoftContact. This was helped by journal entries comparing experiences, extensive documentary evidence, and four in-depth interviews.

Key Findings

People form relationships for two reasons; firstly, to get and give *attention* that satisfies their *emotional aspirations*; secondly, to get and give *assistance* that satisfies their *material needs*. Survival is both emotional and material. Our own and others' desire for attention drives the development of close relationships – the search for emotional fulfilment through the chance to reproduce is the most meaningful experience in many people's lives – dominating aspirations both at home and at work.

The desire to have (or not have) children frames our responsibilities in adult life. Child raising forces adults to focus on children's emotional and material needs, while subordinating their own. Out of these experiences social actors construct systems of family values. These values, however, also contain implicit assumptions about attitudes to work and wealth creation. Conversely, the decision not to have children – or not to prioritise their care – frees a person to pursue career or entrepreneurial aspirations. An alternative value system based on corporate life results.

For most people[4] there is a fluid relationship between the value systems evolved from family and workplace experiences. Depending on the goals and responsibilities accepted, gendered divisions are chosen in the way (potential) parents construct their value system. These impact on social network formation and governance. The two domains are interlinked by dual sets of aspirations: *social* aspirations for personal relationships inside/outside family life and *economic* aspirations for a wealth creating role inside/outside corporate life. People are drawn into relationships that will fulfil their aspirations, and withdraw if they no longer make a contribution (or are perceived as a threat). All relationships, therefore, operate on both social and economic levels, driven by meaningful choices. We are constantly engaged in maintaining and deepening, or withdrawing and breaking away from, relationships that affect the emotional and material welfare of the people we most care about.

The implications for governance (both political and corporate) are considerable. Human beings do not pursue autonomous self-interest or a universal common good. Nor does "rationality" operate solely, or even primarily, on the basis of economic outcomes. "Self-interest" varies depending on a person's perception of others' intentions towards those they most care about. The "common good" varies as our commitment to acknowledge, protect and legitimate social groups changes. Existing "rational" models of corporate governance, therefore, are epistemologically limited. Neither "self-interest" nor "common good" can be pursued through a unitarist discourse

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[4]   Around two-thirds of the adult population are engaged in committed male/female relationships. See Johnson et al (2001) for a review comparing behaviours in 1990 and 2000.

in corporate governance - the hegemony of one social group over others cannot balance "self-interest" and "common good".

At present both Company Law and Charity Law is premised on the *desirability* of a separation between governors and governed. Until recently, this situation existed in Family Law but has been superseded by the principle of equity. In Company and Charity Law, however, the principle of equity is not embraced. Those working for the company (employees) are rarely offered membership, let alone voting rights (Gates, 1998). In Charity Law, employees and beneficiaries are barred from acting as Trustees. In both cases conflicts of interest are handled through a separation of interests – those with the least interest in the outputs of an enterprise are considered the *most* fit to govern. Emotional detachment and calculative rationality are considered 'best practice'.

Underpinned by a belief in efficiency, command and control, the Combined Code 2003 also embraces impartiality, objectivity and conformance as 'best practice'. The companies used for this research, however, deliberately distribute power widely to many stakeholders within their governance systems. Conflicts of interest are handled through *internalisation* to stimulate personal and collective debate on how to achieve "equilibrio". The result is an alternative body of knowledge from which to theorise about corporate governance.

An Outline of the Thesis

In chapter 2, philosophical perspectives are examined to clarify the position of communitarianism. Influential in the US, communitarianism argues that the individualist culture of rights needs to be balanced with moral and practical responsibilities. Two interlinked sets of beliefs are outlined: those regarding personal identity (is it genetically inherited or induced socially?) and those on "correct" ways of thinking (is there just one or many?)

A meta-theoretical framework is developed that establishes *communitarian pluralism* for the purposes of the research:

	Society is best served by creating and upholding consensus	Society is best served by encouraging and respecting diversity
	Unitarism	**Pluralism**
Individualism Identity is individual	Governance by a sovereign Top down management control Some individuals are intellectually and morally superior.	Governance by collective debate Bottom up individual control No individual is morally superior and "truth" is individually constructed
Identity is social **Communitarianism**	Governance by an emergent elite Management control by consultation Some "truths" are intellectually and morally superior	Governance by elected representatives Bottom up interest-group based control No individual or group is morally superior and "truth" is both individually (privately) and collectively (publicly) constructed.

Communitarianism is characterised by a belief that identity and thought processes are constructed from cultural experiences and human interaction (with genetic inheritance playing a limited role). Pluralism is characterised by a belief that different ways of thinking have their own internal logic and legitimacy. Respect for different ways of thinking promotes collaborative learning that brings about new discoveries.

The dominant discourses in corporate governance and management control are considered in this light. The primacy of shareholder interests has been challenged by bureaucratic discourses that privilege executive management, while emergent co-operative and multi-stakeholder forms are emerging from debate about "social enterprise". The contributions of agency theory, transaction cost economics, systems theory and culture management are considered in light of the meta-theoretical framework.

Methodology

In chapter 3, the metatheory is applied to the process of social enquiry. As different methodological approaches make varying assumptions about society itself, a case is made for epistemological and methodological reflexivity (Johnson and Duberley, 2000). Ethnography, particularly its claim to be appropriate for a study of culture, offers a way to facilitate *scientific learning* (Miller, 1962). Problems are highlighted; the emotionality of researcher and participants; *a priori* ideologies; anomalous data and

taboo subjects; ethical dilemmas over what constitutes "private" information and how –
or whether - it should be presented.

In charting the difficult waters between interpretive approaches, postmodernism and
critical theory, an argument for *critical ethnography* is established. Discussion about
operationalisation through the distinct discourses of different ethnographic "actors"
creates a framework for interrogating the research participants' (and my own) beliefs
and social agency.

The Main Narrative

Chapters 4 and 5 develop theory on interpersonal dynamics, relationship formation and
social influence. These foundational theories inform discussion of group behaviour and
corporate governance. The issue of sexuality is accommodated to improve
understanding of relationship dynamics at work. Attention is given to dominant and
alternative literatures on gender to present social life as a recursive relationship between
getting/giving the attention and assistance required for human reproduction and material
assistance. Attention includes gaining access, acquiring and using information to
pursue emotionally meaningful relationships. By getting/giving assistance we develop
physical and intellectual skills to satisfy our material needs.

New theory explores how the desire for (or avoidance of) intimacy affects our
intentional behaviours and decision-making. The desire to remain close to a person will
incline us to agree with them – if we think that by agreeing, a relationship will be
strengthened. But this is mediated by economic dependencies, past experiences, and
value systems, which may support or conflict with our social desires. The concept of
social rationality – how we make decisions intended to impact positively on
relationships we want to develop, and negatively on those we do not wish to develop –
is elaborated.

In chapter 5, the focus switches to empirics on power and socialisation – processes that
trigger and resolve social conflict. The argument that workplace organisation is
gendered is developed through exploration of socialisation processes inside and outside
the workplace to illuminate the impacts of family, group, corporate and societal norms.
The literature on "culture management" is reviewed from the perspective that it

provides a strategy to regulate relationships by creating (or imposing) shared values and meanings. Theory based on the empirical findings – that culture evolves out of a process of dissonance resolution – is constructed to provide insights into democratic and autocratic tendencies.

Corporate Governance

In chapters 6 and 7, these theories are applied to critique dominant thinking in corporate governance. Firstly, regulation of intimacy underpins social structures and the potential for economic efficiency. Divergence in social and economic thinking is traced to experiences of childraising, creating the conditions in which systems of corporate governance channel our energies so that we acquire the competencies to sustain a community. This alternative perspective exposes the narrow and epistemologically flawed outlook that sustains dominant discourses. Contributions are made by abstracting the logic of these perspectives through a careful examination of the case study companies' practices to offer communitarian perspectives on corporate governance.
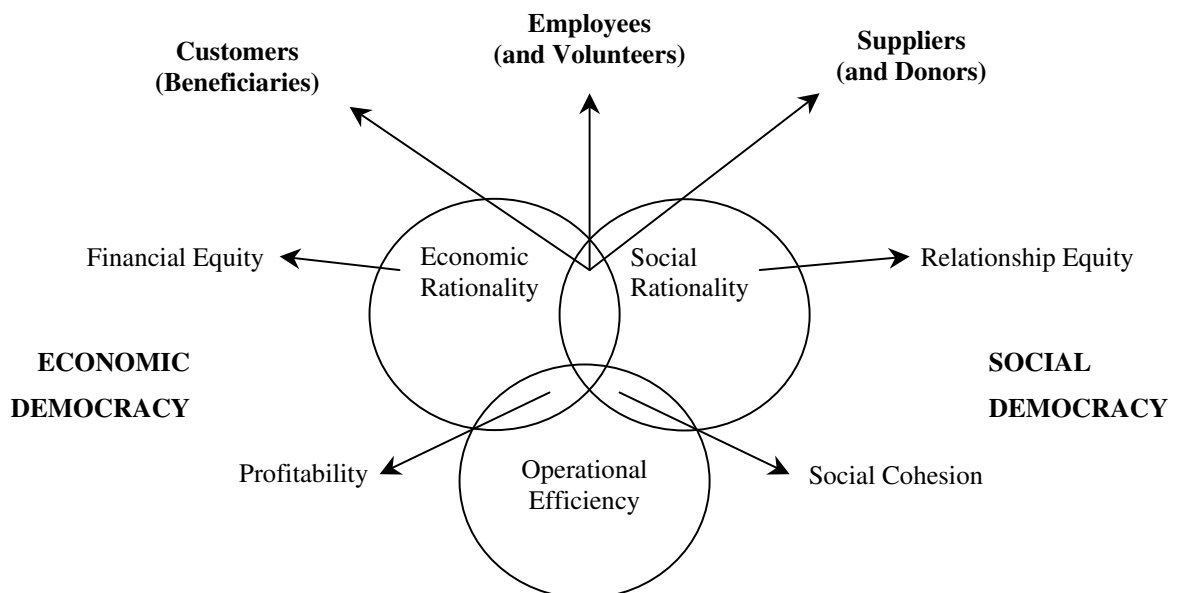
A Legacy…

As this project drew to a close, after all the events described in these pages had taken place, I found comfort watching the film *Dead Poets Society*. Set in a school dedicated to "excellence" the head teacher invites pupils to uphold its values – four "pillars" of culture: tradition, honour, discipline and excellence. Into this institution former pupil John Keating returns as an English teacher. A free-thinking democrat, he coaches his pupils in ways to survive the culture and "suck the marrow out of life". Speaking of his own subject he gathers his pupils:

> *Huddle up. Huddle up! We don't read and write poetry because it is cute. We read and write poetry because we are members of the human race, and the human race is filled with passion. Medicine, law, business, engineering…these are noble pursuits and necessary to sustain life. (Slowly) But poetry, beauty, romance, love…these are what we stay alive for. To quote from Whitman…*
>
> > **O me, O life of these the endless questions recurring**
> > **Of the endless trains of the faithless**
> > **Of cities filled with the foolish**
> > **What good amid these, O me, O life?**
> > **Answer: that you are here. That life exists, an identity.**
> > **That the powerful play goes on, and you may contribute a verse.**
> > **That the powerful play goes on, and <u>you</u> may contribute a verse.**
>
> *What will your verse be?*

Inspired by these words, one of his pupils – fearing the authority of his father – takes an acting part in A Midsummer's Nights Dream. But his father's desire to protect his son from an uncertain career in acting and make him study to be a doctor, leads to confrontation. The father removes him from the school and enrols him in a military school. Crushed by the loss of control over his future, the son commits suicide.

The father, unable to comprehend how his "care" for his son contributed to his death, demands an enquiry into what happened. The head teacher willinging roots out the subversive influences and the hapless John Keating – blamed for encouraging his pupils to "find their own voice" - loses his job. As he collects his belongings, Todd - until now the quietest pupil in the class – finds his voice and leads a spirited but belated protest.

If there is an epitaph for this study, it is to be remembered in the way that John Keating was remembered by his pupils: as a provoker of thought about democratic values and

practices; as a teacher who encouraged those silenced by fear of authority to find their voice and "contribute a verse".

The Impact of Emergent Questions

The emergent questions had a profound impact on the study. Initially, I started with questions related to communitarian "alternatives" to corporate governance. In the corporate governance literature, there is no discussion of gendered interests as a factor in the design of companies. In the feminist literature, while there is considerable attention to the impacts of patriarchy on personal identities, workplace practices and societal structures, the way that gendered interests impacts on the establishment and development of companies is still sketchy, to say the least.

Communitarianism, through its perspective that individuals can only be understood by first exploring their relationships within the community, focussed my attention on the impact of home on work, and work on the home. Over time it became clear that a second question needed to be answered: what is the relationship between the desire for intimacy (and human reproduction) and the process of wealth creation. It also emerged that the primary case company had a vision to impact on members "personal lives" as well as their "professional careers" creating an empirical justification for considering the gender literature in the course of developing grounded theory.

The focus of the research, therefore, changed from a narrow conception of communitarianism (based on the Weberian ideal of shared values and charismatic authority), to a much broader one that examined the interpersonal dynamics between people within and across group boundaries. The structure of the thesis reflects this change of focus.

Firstly, there is a conventional chapter on corporate governance and management control (Chapter 2). In chapter 3, in addition to a review of methodology and methods, I discuss the practicalities and ethics of integrating issues of sexuality and culture into the study. This is taken up in Chapter 4, through an examination of interpersonal dynamics that draws on the feminist literature. In Chapter 5, the development of workplace culture is discussed both theoretically and empirically, with particular attention to the way gendering processes affect conflict and hierarchy development.

These literatures, and empirical findings, are brought together in chapters 6 and 7 to critique the dominant discourse on governance and suggest a perspective helpful to designing governance systems in social enterprises. This model offers a coherent alternative, capable of meeting social and economic objectives, even as it rejects many of the recommendations regarding 'best practice' in the current Combined Code.

Chapter Summary

Chapter 2	**Theoretical Perspectives** Establish discourses in corporate governance and management control.
Chapter 3	**Epistemology and Methodology** Establish the rationale for a subjectivist epistemology and objective ontology. Select an appropriate methodology for a study of culture.
Chapter 4	**Interpersonal Dynamics** Establish a literature on relationship dynamics. Present empirics on relationship formation and development, motives for affiliation, motives for conflict. *Theory of Interpersonal Dynamics (ID Theory)* *Theory of Social Influence in Decision-Making (SI Theory)*
Chapter 5	**Intra/Inter Group Dynamics** Examine views on "culture management" and inter-relate these to the impacts of marriage and children on men's and women's working lives. Present empirics: socialisation and social conflict. Develop theory of culture development. *Theory of Dissonance Resolution and Culture Development (Culture Theory)*
Chapter 6	**Corporate Governance** Establish argument that governance systems are outcomes of interpersonal dynamics constrained by conflicts between family and corporate values. Establish the inter-relationship between social rationality and economic rationality by examining entrepreneurial dynamics. Critique the Combined Code and offer approaches based on the concept of *equilibrio*. *Theory of Communitarian Corporate Governance*
Chapter 7	**Contribution to Knowledge / Conclusions** Contributions to the literature. Summarise issues on "social enterprise" definition and governance. Evaluate the research questions. Contribution to Methodology (Ethnography, Grounded Theory, Ethics). Reflect on limitations, generalisability and personal learning. *Theory of Social Enterprise Governance*

Chapter 2 - Theoretical Perspectives

In chapter 1, I set out my thesis that understanding the relationship between interpersonal dynamics and culture development will facilitate the development of communitarian perspectives on corporate governance. The role of this chapter is to explore differences in individualist and communitarian philosophy and their relationship to discourses on governance and management control. This discussion is necessary to understand how assumptions affect views of relationship development and practice, and to position myself in the debate.

This body of literature will later be assessed in the light of fieldwork: two rich case studies in which participant-observer access was gained to the formal and informal aspects of organisational life. Not only was it possible to work in different capacities, and attend many meetings, it was also possible to attend semi-formal and informal social events. In chapter 3, I discuss the approach in more detail.

In chapter 4, dominant and alternative discourses on gender prepare for an examination of interpersonal dynamics to provoke debate on how and why relationships form, the ways in which they develop, and how power balances are structured and changed. The theory that emerges informs exploration (in chapter 5) of intra and inter-group processes. In discussing and critiquing "culture management" the dominant gender discourse is further unsettled through empirical data that illustrates how gendered behaviour can drive conflicts.

The dominant view of corporate governance is challenged in chapter 6. Further critique is offered on individualist and communitarian approaches to corporate governance based on an argument for pluralism in business life, the promotion of intimacy within and between social groups, and a greater understanding of *socially and economically rational* behaviours. My first task, however, is to communicate how philosophical differences underpin our understanding of corporate behaviour and the way these manifest themselves in the literature. Below is a diagrammatic representation of the journey I will take:

Diagram 2.1 – Literature Review

What is individualist and communitarian philosophy?

| What is (corporate) governance? What are the principle discourses? |

Individualist Views   →   Communitarian Views   →   Pluralist Views

| Approaches to Management Control |

Markets/Bureaucracies   →   Systems/Cybernetics   →   Anthropological

| Making Sense of Personality and Morality |

Individualist Views   →   Communitarian Views

| Summary |
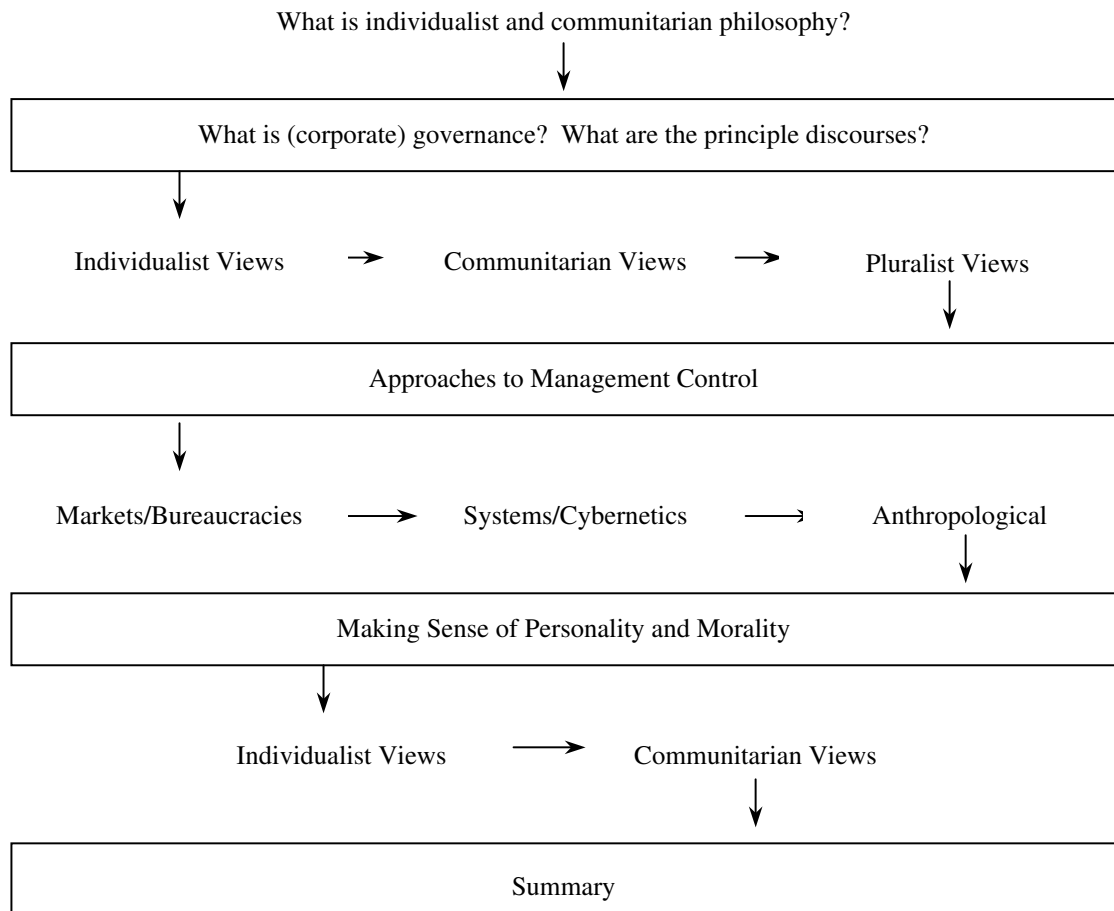
Individualist and Communitarian Philosophy

Individualist philosophy can be traced back to Plato's concept of pure reason. Reasoning is conceptualised as a private process in which people separate themselves from the world to think rationally about it. How these ideas were taken up in the writings of Smith, Hobbes, Rawls, Taylor, Handy and Gaus is discussed below, to establish how individualist views of self-interest impact on ideals in society.

From a similar ontological stance different philosophers have applied individualist assumptions to suggest quite different types of ideal society. In a Hobbesian view (Hobbes, 1948) individual self-interest leads to constant conflict and war. He argues for a unitarist solution; that a sovereign power should impose order and social control to counter self-destructive tendencies. Smith (1937), on the other hand, regards the pursuit of self-interest as something that contributes to a common good – an "invisible hand" where equilibrium between producers and suppliers brings about the most good for the most people. The resulting society – in which he envisaged free-traders in abundance – distributes economic power widely.

Contemporary Debate

Liberal philosophers have struggled to free themselves from the Enlightenment view that the application of reason reveals universal truths. The classical view is that knowledge advances through positivist science to reveal laws in the natural and social world (see Gaus, 2003). Rational economics was evolved from the assumption that people act in self-interested ways to maximise the utility value of goods and services. Taylor (1911) created his doctrine of scientific management by breaking jobs into easy repetitive tasks, offering higher wages to those prepared to expend extra effort, and demonstrating how productivity and wages could both be increased. As a result, business principles and economic theory progressively focused on hierarchical norms, a separation of "managing" from "doing", and success in terms of turnover, output growth and financial gain (Friedman, 1962).

Rawls' (1999:24) critique of scientific management, however, describes how the presumptions in Taylorist thought came to permeate social life:

> *The nature of the decision made by the ideal legislator is not, therefore,*
> *materially different from that of an entrepreneur deciding how to maximize his*
> *profit by producing this or that commodity, or that of a consumer deciding how*
> *to maximize his satisfaction by the purchase of this or that collection of goods.*
> *In each case there is a single person whose system of desires determines the best*
> *allocation of limited means.*

As Morrison (1991:107) notes, this assumes that individuals who "project onto the
world the order they find in their minds" can determine "common good".

The Influence of Social Psychology

Gaus (2003:9) describes the influence of social psychology on liberal philosophy,
particularly that "normal adults often do not employ the norms of reasoning
long-advocated as correct by philosophers". In particular, the concept of rational
self-justification as a result of *cognitive dissonance* (Festinger, 1957) leads to a view
that life just happens and we make sense of it afterwards. Our ability to think first and
act second is limited. Attention has been paid to the way the justification process
constructs meaning leading to the prevalence of particular ideas.

Wilhelm Wundt explored how the human mind gathers information. His early work
(Wundt, 1897) established limits on the number of stimuli humans can process
simultaneously. While thresholds vary (in Wundt's view, with the intelligence of the
subject), consciousness results from *selective* cognition of the world. James (1890)
went further by contending that the selection process applies not just to physical stimuli
but also to the *ideas* out of which philosophical systems are developed. In other words,
we are selective not only in the attention we give to *external* events but also in the way
we select ideas to interpret them.

While Sutherland (1992) uncharitably regards our inability to take account of
everything as *irrationality*, other contributors articulate this as *bounded rationality* (see
Simons and Hawkins,1949; Williamson, 1975; Robbins, 2001). Organisation members
can be rational but only in relation to *a priori* concepts and emergent knowledge. The
tendency is to *satisfice* parties by providing solutions that are satisfactory and sufficient,
rather than achieving optimal solutions.

As a result, social psychology has been a key influence in contemporary liberal
philosophy by making a link between cognitive processes and *social* processes.

Secondly, it exposes that reason is bounded by what people pay attention to. Gaus (2003:93) reviews how Berlin, Gray, Hobbes and Rawls all wrestled with the idea of "collective reason" leading to discussion of how to handle divergent views in government. Rawls originally contended that there should be an acceptance of:

> *.. principles that free and rational persons concerned to further their own interests would accept in an initial position of equality…[that] specify the kinds of social cooperation that can be entered into and the forms of government that can be established.*

<div align="right">(Rawls, 1999:10)</div>

Critiques of Individualist Views

Philosophers from the empiricist tradition, while accepting an individualist orientation, disagree that 'pure' thought is possible. Aristotle, in *Politics*, articulates his view that people are social animals that have to participate in society (cited in Aronson, 2003) and this was later popularised in works that explored how knowledge is linked to experience (see Hume, 1749). Aristotle and Hume depart from the notion of the individual as capable of 'pure' reason in the Platonic or Hegelian sense – they see reason as a product of interacting with the world.

The logical development of this argument is that personal identity is constructed through interaction with others. Following Durkheim, Giddens (1984, 1990) contends that we recursively evolve ourselves and our social structures through constant interaction (see also Cladis, 1992). Rawls' principles, therefore, must themselves be the outcome of a political process and discourse. They are also bound to, and reflect, the dominant ideas at a particular point in the development of a culture. As such, universal rights, ideas and laws are impossible, although they may be durable for periods of time.

Communitarian thought, therefore, takes issue with Rawls' contention that there should be *universal* rights and freedoms. As Avineri and de-Shalit argue (1992:2):

> *The individualist image of the self is ontologically false….the only way to understand human behaviour is to refer to individuals in their social, cultural, and historical contexts. That is to say, in order to discuss individuals one must look first at their communities and their communal relationships.*

Rights and freedoms are cultural constructs and have specific meanings to members of a particular culture. In contrast to individualist thought, communitarians adopt a more

sociological approach that focuses less on the development of individual rights and the
pursuit of self-interest, and more on utilitarian arguments that "shared values" can be
developed to achieve a "common good". Taking a lead from critical social psychology,
its proponents argue that 'free' people do not exist and that 'rationality' is both a
precursor and *outcome* of experiential learning. Pragmatic decisions, therefore, involve
a consideration of both material and emotional gains and losses, and are more 'moral' if
they consider impacts on both self and others. As Blumer argues (1969:8) human
beings "have to take account of what each other is doing or is about to do", and this acts
as a constraint on free will.

Divisions in Communitarian Philosophy

Communitarian philosophy, however, is divided in its attitude to the development of
strong cultures and normative values. There has been repeated debate over whether
social engineering is benevolent (Mayo, 1933; Ouchi, 1981; Peters & Waterman, 1982)
or paves the way for totalitarian control and oppression (Whyte, 1957; Lukes, 1974;
Kunda, 1992; Thompson and Findlay, 1999).

Following Durkheim, Collins (1997) and Tam (1999) attempt to position "liberal"
communitarianism at the juncture between conservative (unitarist) and libertarian
(pluralist) forms of social organisation. However, unitarist outlooks pepper their
arguments in considerations of business. Tam argues in a UK context that:

> *…companies **must** learn to treat their workers, suppliers and customers, as well
> as their senior management and shareholders, as members of a shared
> community…* [emphasis added].

> (Tam, 1999:10):

Collins, in a US context contends that:

> *…the standard **should be** democratic organizations with a few authoritarian
> exceptions rather than authoritarian organizations with a few participatory
> management exceptions…* [emphasis added]

> (Collins, 1997:503):

Both, however, limit their calls to various forms of representative democracy and legal
reform so that recalcitrant business leaders are prodded into practising social equality.
Democratic forums, they contend, will "prove" democracy as a superior way of

organising – a circular argument if ever there was one. But the recourse to law is another *unitarist* approach, often relying on "rational science" to support arguments. It is with some justification, therefore, that communitarian policies come to be seen as alternative forms of authoritarianism (see Lutz, 1997, 2000; Skoble, 1994).

The philosophical inconsistencies do not stop there. Lutz (2000:345), in aligning himself with Etzioni and Tam, still makes the assumption that knowledge and reality are both objective when he argues for common values that everyone can subscribe to:

> *If…socio-economics does embody a significant normative dimension…and that dimension is to be articulated by the non relativistic type of communitarianism advocated by Etzioni, Tam and others, it seems advisable to add three more propositions…that will guarantee a merger…with communitarian philosophy:*
>
> i)   *SET affirms the existence of a common good based on common values recognized as transcultural (e.g. human equality, equal dignity, participatory democracy, etc.)*
>
> j)   *SET affirms the existence of objective knowledge about an independent reality that must be sought in a rational and impartial manner in cooperative inquiry.*
>
> k)   *SET affirms that notions of social progress as non-culture specific and measurable by a rod of common values, such as emancipation and self-realization or fulfilment.*

These affirmations also cast Lutz back into the unitarist camp of moral and cognitive relativism, seeking to find and then impose a 'superior' way of organising social life based on "objective" knowledge that leads to "common values".

Implications of Individualist and Communitarian Philosophy

Individualist philosophy contends that people reach adulthood with relatively "fixed and universal" cognitive functions (Gough and McFadden, 2001:28) that derive either from genetic inheritance or empirical experience. In making this assumption, philosophers focus on understanding individuals' capacity for accurate perception and 'rational' thought. Social influence, emotion and culture are regarded as accidental and local, significant in that they distort and corrupt perception.

Political commitments that derive from individualist philosophy include Hobbes' view that society needs rational and morally superior leaders to impose order on selfish irrational subjects (Hobbes, 1948). Alternatively, there are pluralist views (Smith,

1937; Rawls, 1999, 2001) that all individuals should have their liberty and freedom protected so they can develop their moral and rational judgement to build a just society.

Communitarian philosophy, on the other hand, switches the balance between genetic and social influences. Here individuals are understood through their interactions with each other and the cultural influences that penetrate their consciousness (Gough and McFadden, 2001). Cognitive functions are acknowledged, but they are understood as habits of thought, or personal insights that are "bounded" by cultural ideas. Emotions – far from always distorting judgement – can themselves be regarded as a second body of knowledge that guides rational action (see Goleman, 1995). From this perspective, culture is stable and enduring while individuals adapt themselves to different situations.

Political commitments that derive from a communitarian perspective can also have a unitarist or pluralist flavour. Some proponents argue for normative control (Etzioni, 1998) that will bring about "better" behaviour. These generally focus on the development of shared values (Tam, 1999) to build high performance cultures (Collins, 2001). Critics contend that such approaches *degrade* organisation performance because of the propensity to become totalitarian. Their counterperspective is that strong cultures only improve productivity and social responsibility *if* there is a commitment to diversity (see Habermas, 1984, 1987; Nove, 1983; Bowles and Gintis, 1990; 1993; 1996; Whyte and Whyte, 1991; Kotter & Heskett, 1992).

These four views, summarised in Table 2.1, indicate different approaches to governance.

Table 2.1 - A Meta-Theoretical View of Organisation Governance

	Society is best served by creating consensus	Society is best served by encouraging diversity
	Unitarism	*Pluralism*
Individualism — Identity is individual	Governance by a sovereign who imposes their values to provide an equitable system of governance. Rules are created to impose social order, allocate responsibilities and adjudicate conflicts between subjects.	Governance that accommodates conflict through individual rights and discursive democracy. Balance is achieved through democratic control (in social life) and market mechanisms (in economic life).
Identity is social — **Communitarianism**	Governance by an elite able to create consensus. Rules reflect the shared values of a political elite who allocate responsibilities and adjudicate disputes according to their perception of collective interests. Elites marginalize minority points of views.	Governance that accommodates conflict through discursive democracy to determine political rights and responsibilities of individuals within collective structures. Balance is achieved in both social and economic life through a mixture of participatory and representative democracy.

Having identified these philosophical positions, a more fruitful discussion of corporate governance and management control can be elaborated.

Governance

Giddens (2001:420) defines governance as the "regular enactment of policies, decisions and matters….within a political apparatus". Historically, there are three ways that a political apparatus has been organised: monarchy, bureaucracy and democracy. The monarchist view is based on a sovereign individual able to control social and economic relationships within their domain of power. The bureaucratic approach vests authority in an elite who formalise hierarchical power through rules and procedures. Democracy, which has two distinct forms (direct and representative) is premised on the idea of legitimisation of governors by the governed. In representative democracy, the governors are legitimised through their election, whereas in direct democracy, the governed work with governors on the legitimisation of proposals thereby blurring the distinction (see Pateman, 1975; Rothschild and Allen-Whitt, 1986; Cheney, 1999).

As Townley (1994:6) argues, the notion of "government" already presumes that an elite can make interventions into social life. The way they are made, however, depends on the way the governed are conceptualised:

> *Government is intrinsically dependent on particular ways of knowing. Programmes of government require vocabularies, ways of representing that which is to be governed: ways of ordering populations, mechanisms for supervision and administration of individuals and groups. They depend on specific knowledges and techniques to render something knowable.*

Different philosophical outlooks apply different bodies of knowledge. Not only do they adopt different conceptions of the "governed", they also adopt different criteria for measuring their effectiveness and efficiency (see Berry, Broadbent and Otley, 1995, 2005).

Discourses in Corporate Governance

Long standing support for entrepreneurial cultures in Anglo-American countries - interrupted only by the post-war Keynesian consensus - is reflected in contemporary guidelines on corporate governance (see Cadbury, 1992; FSA, 1998, 2003; ICAEW, 1999; IFAC, 2003). The discourse assumes it is desirable to have a distinction between governors (shareholders, directors and managers) and the governed (workers, customers and suppliers).

Over the last two decades trade unions have been transformed through reforms that give individuals rights to opt out and be consulted by their leaders. At the same time, a series of employment laws have eroded the employers' power to act on behalf of individuals without properly establishing their consent. Theoretically, these measures strengthen individuals' ability to resist pressures from abuses of collective power to ensure individual views are respected.

Rather less has been done, however, to attend to the social relations that make employment rights necessary in the first place. The legal distinction between employer and employee (and customer and supplier) creates a division of interests protected by leaders on both sides of the divide. Those acting for employers negotiate concessions from employees while protecting their right to buy, sell, dismantle and restructure businesses for the benefit of owners. Those acting for employees are content to concede

employers' right to manage themselves in return for a place at the negotiating table to bargain for increases in pay and influence over conditions of trade.

Despite a focus on the long-running tension between capital and labour, a much quieter (but no less significant) debate has been growing amongst those who question whether such divisions are inevitable. Some of these arguments emerge in debates about the nature of *social enterprise,* a term whose definition remains as vague as *private enterprise*, but which embodies the notion that trading activity can bring about progressive change by addressing social exclusion. One inclusive definition is promoted by the Social Enterprise Coalition (SEC):

> *A social enterprise is not defined by its legal status but by its nature: its social aims and outcomes; the basis on which its social mission is embedded in its structure and governance; and the way it uses the profits it generates through trading activities.*

(NEF / SAS[5], 2004:8)

While this definition is helpful, it fails to link philosophical beliefs with approaches to governance. Let me, therefore, outline the dominant discourse in business to contrast it with emergent alternatives.

Prevailing Views

Views about the purpose of corporate governance vary with attitudes regarding the purpose and boundaries of the corporation. Monks and Minow (2004:8-9) review a wide range of definitions from Eisenberg's view of the corporation as an "instrument through which capital is assembled…[for the] gain of the corporation's owners, that is, the shareholders", through to Bierce's view of the corporation as "an ingenious device for obtaining individual profit without individual responsibility"! Their own more rounded view is that corporate governance allows different parties to combine their capital, expertise and labour for mutual benefit.

Although Monks and Minow acknowledge labour in their definition, the tone and scope of their analysis is limited to *senior* management - often the entrepreneur(s) who

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[5]   New Economics Foundation / Shorebank Advisory Services

establish the business. Little regard is given to the labour of employees below management level, or the potential role of customer and supplier in governance.

The tension between narrow and broad definitions can be found in academic papers. Deakins contrasts the views of Mayer (1997), that corporate governance is concerned with the alignment of investor and management interests to enhance shareholder value, with the broader based views of Deakins and Hughes (1997) who consider corporate governance as the inter-relationship between internal governance arrangements and the accountability of business to society (see Deakins et al, 2001).

Coad and Cullen (2001, 2004) consider the narrow scope of discussion in the Cadbury, Hampel and Turnbull reports with the broader views of evolutionary economics. This regards economic activity as an accidental and institutional activity, only sometimes driven by rationality, where social practice springs from habits of mind (cultural norms, rituals and institutionalised behaviours) retained because of their past ability to sustain a community. The primacy of shareholder interest is recast as a habit of thought (rather than a rational choice) perpetuated through mimetic processes.

Wider views of the relationship between the corporation and society have remained high on the political agenda because of the collapse of high profile companies. Cadbury (1990) initiated a new round of reflection by outlining three dimensions: obligations to stakeholders, responsibility for consequences of actions, interaction between business and society. Even after further collapses (including BCCI, Maxwell and Polly Peck) guidance and codes of conduct have continued to resist discussion of wider relationships.

The evolution of the Combined Code has increased the scope of discussion from financial management (Cadbury) to directors' remuneration (Greenbury) to principles of good governance (Hampel), before considering issues of internal control (Turnbull), institutional shareholders (Myners), auditors (Smith) and non-executive directors (Higgs). Taken as a whole, however, the Combined Code is still inward looking, seeing directors as an island within the broader enterprise, empowered to review each other's performance but only subject to non-voluntary controls from shareholders or regulators (see FSA, 2003).

Monks and Minow (2004) review the increasing tension between shareholders and stakeholders. In most developing and Anglo-American countries, codes of conduct recommend that directors prioritise "enlightened shareholder interest" (Company Law Review, 1999:37) through a presumption that the long-term interests of stakeholders and shareholders coincide. The UK government's White Paper on Company Law (DTI, 2005) sets out the intention to enshrine the concept in law – a small nod in the direction of satisfying employees, customers and suppliers without making any specific provisions for their inclusion in corporate governance.

Patterson (2001), in an examination of the impact of UK/US codes of conduct on the behaviour of firms, concludes that the requirements *undermine* the balance between stakeholder interests (and therefore the interests of all stakeholders). As Monks and Minow argue (2004:1), the number and scale of collapses is increasing with seven of the 12 largest bankruptcies in American history filed in 2002. In the UK, the collapse of stock value at Marconi occupied British minds as much as the collapse of Enron occupied American ones[6]. The impact has reverberated around the world with renewed calls for corporate social reporting and social responsibility in international quality systems such as ISO, Balanced Scorecard and EFQM[7].

To what extent, then, should directors (and members) of a company be required to consider social as well as economic effects? Monks and Minow (2004:49) contend that:

> *Directors who fail to consider the interests of customers, employees, suppliers, and the community fail in their duty to shareholders; a company that neglects those interests will surely decline. The danger lies in allowing corporate managers to make policy tradeoffs among these interests…It is the job of elected public officials, not hired corporate officers, to balance the scales of justice.*

Explicit in this statement is a get out clause. On the one hand, directors *should* consider wider stakeholders but to do so would embroil them in political judgements. Engagement with political judgement is regarded as a 'danger' that should not be left to

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[6]   Corporate Governance debate, ICAEW, September 9th 2003. Speakers spoke repeatedly about Marconi and Enron.

[7]   Frank Steer, Director of the Institute of Quality Management, South Yorkshire Excellence, 13th November 2002.

'hired corporate officers'. Despite this, a growing body of literature suggests that the highest standards of social and economic performance occur when stakeholders engage in **both** political and economic dialogues (see Kotter and Heskett, 1992; Collins and Porras, 2000; Major and Boby, 2000; Collins, 2001; Conyon and Freeman, 2001; Sloman and Sutcliffe, 2001).

Behind Closed Doors

The above literature illustrates a variety of viewpoints. The narrowness of the dominant discourse, however, is revealed behind closed doors away from the glare of academic scrutiny and the media. At an ICAEW debate[8] on the purpose of corporate governance, the narrow conceptions of corporate governance prevailing amongst the association's members was clear:

> *Corporate governance is to make investors comfortable, to lower the cost of capital and carry out the wishes of the shareholders.*
>
> *[Corporate governance is] to ensure money is put to sensible use to make more money to build shareholder confidence.*
>
> *[Corporate governance is] to reduce the cost of capital, to serve **me** as a shareholder.*[9]

The meeting discussed relationships between shareholders, directors and managers, although two speakers did raise the possibility that other stakeholders might have a role. When one suggested that corporate governance might be more fruitfully conceived as the "alignment of stakeholder interests" and another argued that the employees at Marconi might have been in a better position than shareholders to monitor executive management, one of the panel members reacted angrily:

> *That sort of stuff makes my blood boil. Shareholder value has to be the goal. If you are going to use my, or my client's money, you are not going to put the interests of other stakeholders ahead of mine.*[10]

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[8]   Institute of Chartered Accountants of England and Wales

[9]   FileRef: DM-16092, paragraphs 5, 7

[10]   FileRef: DM-16092, paragraph 12

How shareholders control directors (and directors control managers) was debated at length. The prevailing view was that "these damn managers are always taking our [shareholder] money for their own salaries and stock options"[11]. Bitterness and frustrations were expressed together with old-fashioned ways of handling the situation:

> *We shouldn't vote, we should do things by consensus and if directors do not consent, get rid of the non-consenting directors…*
> *This is dire…the finest fertilizer is an owner's heel*[12]

The meeting helped me understand the tensions between shareholders, directors and managers. It also helped me to appreciate the depth of feeling about ownership rights and the view that *all* other stakeholders (particularly directors, managers and, to a lesser extent, employees) should be subordinate to shareholder interests. With regard to employees and customers, it was not so much that they were *actively* excluded, it was more that these groups barely registered in shareholders' consciousness.

Unitarist Assumptions in Corporate Governance

The prevailing view remains strongly supportive of developing shareholder value and assets. This view is fuelled by strong feelings inside the shareholder community that no other stakeholder has a legitimate right to involvement in company governance – that governance is only about their own rights, not the rights of other stakeholders. In addition to this, there is a *political* argument that business should *not* be political because it is only a financial and economic activity. This argument, which I will contest later, is that moral and political considerations are for politicians, not businesses, and that if a company is *financially* successful then all stakeholders will benefit.

This narrow view of a business as a separate legal entity, with no moral responsibilities other than those defined in some other political sphere, echoes the individualist view of self-interest. A business need only care about itself. Self-interest and personal growth are paralleled by business growth and profitability for its own sake. In terms of moral

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[11]   FileRef: DM-16092, paragraph 6. One panelist claimed that between 1992 and 2000 executive shares had risen from 2% to 10% - "the largest peacetime transfer of wealth ever".

[12]   FileRef: DM-16092, paragraphs 6, 13

responsibility, a company need only follow the law. 'Enlightened' businesses may go further than this. Like a person pursuing the elusive goal of 'goodness', businesses may pursue 'best practice' to prove they treat customers and employees fairly. This pursuit, however, does not extend to a consideration of the *nature* of the relationships, only to the *techniques* used to communicate (within established social structures) to build confidence that concerns will be acted upon.

The Beginnings of Pluralism – Stakeholders

Since the 1980s, new discourses have embraced quality standards on communication processes between the managers and other stakeholders. Johnson (2004:6) tracks the way that arguments for top-down authority relations have gradually been eroded by arguments for collaboration:

> *Here a recurrent theme (e.g. Kanter, 1989; Peters, 1992; White, 1994; Champy 1995; Mintzberg, 1998) is the need to shift management: from the hierarchical calculation and enforcement of rules through vertical reporting relationships that enable authoritative command and control of subordinates' work performance; to "learning leadership" (Senge, 1990) in the form of horizontal communication and dialogue (Isaacs 1993) through roles such as mentor (Garvey and Alred, 2001), co-learner (Marquardt, 1996) and entrepreneur (Halal, 1994). This change is necessary because knowledge is no longer hierarchically ordered through task continuity. Therefore employees cannot be commanded in traditional ways, instead their "collaborative" deployment of specialized … knowledge must be facilitated (e.g. Drucker, 1993; Mueller and Dyerson, 1999). The aim here is to ensure the development of a consenting and loyal work force capable of exercising responsible autonomy (see Friedman, 1977).*

In philosophical terms, this represents a series of incremental shifts away from individualist perspectives. However, the shifts pose difficult questions because they eventually come up against the assumption of shareholder primacy and managerial prerogative. As such, they can trigger conflicts with deeply embedded ideas about ownership and control.

Johnson (2004:7) draws attention to the way that "hierarchies [that] accord more value to managing than doing militate against such collaboration because compliance and repression are built into its system of governance". Coats (2004:25) adds that individualist assumptions in HRM falsely view conflict as a 'people management' problem:

… unitarism continues to deny that there can ever be legitimate conflict in the workplace. If conflict does exist it is the result of either: incompatible personalities producing personal friction; inadequate communication; "stupidity" on the part of some individuals to understand what is in their own interest; or, the work of agitators stirring up the apathetic majority who would otherwise be content.

In Coats' view, conflict is both implicit in the employment relationship and also a constant in social life because people form groups that come into conflict with other groups. He contends that identities will always be subject to collective as well as individual pressures, and that governance systems need to accommodate both voices.

Although Coats takes a pluralist view in some respects, he does not follow through his own argument. He focuses on the arguments for trade unions and works councils to redress an imbalance in *existing* manager / worker relations without ever questioning the legitimacy of the relationship. It is, therefore, a limited pluralism within the existing unitarist framework of shareholder primacy with excesses opposed by employees through trade union representation.

Unitarist frameworks – even with some democratic rhetoric – still retain the presumption that an entrenched elite are entitled to control participation in governance. Such arrangements have been labelled oligarchy, elitist democracy, mangerialism and meritocracy (see Michels, 1961; Collins, 2001; Parker, 2002). Whichever term is used, there is a consensus amongst supporters that it is benevolent and promotes community spirit (see Peters & Waterman, 1982; Kanter, 1983; Etzioni, 1998).

The Emergence of Communitarian Alternatives

While mainstream texts nod in the direction of "interesting special cases" (see Seal, 1993:20; Monks and Minow, 2004), their underlying rationales are not discussed in such a way, or at sufficient length, to give them legitimacy or credibility. With a new generation increasing investment in social entrepreneurship (see Harding and Cowling, 2004), *social* rather than private enterprise is moving up the political agenda. It is, therefore, timely to reconsider the intellectual heritage that underpins alternative approaches to corporate governance.

Consideration of a changed relationship between capital and labour can be traced back over two centuries. Gates (1998) found profit sharing between workers and owners as far back as 1795, but the first coherent critique of capitalist production, and a coherent alternative, gathered pace in the 1820s and 30s through the activities of Robert Owen. Owen abhorred the "atomisation" that developed in his factories, and criticised changes to family life that separated women and men in daily life. He responded by investing in experimental "communities" where a secular version of communitarianism was a guiding principal (see Harrison, 1969).

Owen, however, failed to grasp the importance of industrialisation and his experimental communities, based on agrarian ways of life and light industry, were marginalized by the influence of Marx and Engels. The division between Owenite and Marxist ideas, however, has rumbled on quietly and is worthy of re-examination given that state-ownership is not regarded by many as an effective way of socialising business.

Firstly, Owen argued for common ownership of community property. The inherent ambiguity in this statement created disagreement amongst his followers over the boundary of the "community" or whether common ownership should extend into the private sphere. The Rochdale Pioneers who formed the first co-operatives in the 1860s, took Owenite principles to mean common ownership of property outside the state sector at the level of the individual enterprise.

In commonly owned enterprises assets are held in trust by the members of an organisation. In contrast with prevailing ideas of corporate governance, the principal-agent relationship is altered from one between shareholders and directors, to one between managers and workers (in producer co-ops), managers and suppliers (in agricultural or marketing co-ops) or managers and customers (in consumer co-operatives). While Marx's ideas would succeed in becoming the ideology of a new political class, Owen's ideas have been enduring through the ideology of cooperativism. His legacy, therefore, was to initiate an entrepreneurial culture that is rooted in collective rather than individual action.

In contemporary company law (see Davies, 2002), equity investors are defined as 'members' whilst workers are contracted by their agents (managers). This casts managers as the agent of capital in a 'naturally' antagonist relationship with 'hired'

labour. It follows from this arrangement that corporate governance should align the interests of managers and shareholders with little regard (or need) to align the interests of managers and workers. Co-operative concepts and laws, however, cast workers, suppliers or consumers as members. Capital is 'hired'. This changed arrangement casts management as the agent of workers, suppliers or consumers with a 'naturally' antagonistic relationship to *external* capital. Corporate governance is reframed as the alignment of internal interests with little regard (or need) to align managers and external investors. These two positions – linked to individualist private ownership and communitarian common-ownership – always cast capital and labour in opposition to each other, and assume the primacy of one or the other is paramount.

There is an illusory belief that since the collapse of communism (Fukuyama, 1992), capitalism is in the ascendancy. As Ransom discovered (2004:9):

> *…when I looked a little closer into the metropolis of competitive capitalism, the United States… there are over 45,000 co-operatives and credit unions serving more than 100 million members – about 40 per cent of the population. More Americans own a share in a co-op than in the stock market. Co-ops, it seems, are part of the American way of life.*[13]

Co-operatives, however, have been repeatedly criticised for their limited ability to generate an entrepreneurial culture (Cornforth, 1988), inability to sustain investment (Vanek, 1977; Major, 1996; Major and Boby, 2000) and a limited ability and/or desire to grow (Rothschild and Whitt, 1986; Turnbull, 1994; Ridley-Duff, 2002). Even as these criticisms find answers in the literature on the Mondragon Corporacion Cooperativa (MCC), the "co-operative" as a political project has been tainted for many (but see Bradley and Gelb, 1982; Oakeshott, 1990; Morrison, 1991; Whyte and Whyte, 1991; Turnbull, 1994; Kasmir, 1996; Cheney, 1999).

From Hegemony to Pluralism

Forms of organisation that accord capital and residual rights to worker-investors, however, started to find legal form after WW1. Gates (1998) describes a period during the 1920s and 1930s when US conceptions of business ownership came under sustained

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[13]   Statistics sourced from Thompson (1997) *Cooperative America*, www.wisc.edu.

attack from the state governor Huey Long. In the early 1930s, Long was elected to the senate and gave radio speeches that proposed limits on personal wealth together with a redistribution of wealth and ownership. With the US still in the grip of depression, Long started to receive the mass support required to organise a presidential challenge to Roosevelt. In 1935, he was assassinated.

His legacy, however, continued through his son Russell who entered the Senate and worked on influential Finance committees with Louis Kelso to establish the legality of employee-share ownership plans (ESOPs). By the late 1980s, the ESOP was introduced to the UK and by 2000, 80% of the top 100 FTSE companies had established ESOPs. Tens of millions of employees in the UK/US now hold shares in their own company (ESOC, 2000).

However, as Melman (2001) discusses, these changes made little impact on the lives of workers or corporate practice in the majority of cases. Shares did not confer any control rights, made little change in the pattern of worker layoffs, profitability or organisation. No change was made in the relationship between employer and employee. While Conyon and Freeman (2001) found some effects on profitability from ownership combined with participation, ownership alone made little impact unless the workforce owned a majority of shares.

Meanwhile, in Europe co-operative companies networked successfully and started to outperform their private counterparts. In Spain and Northern Italy some local economies are now dominated by co-operative industrial companies, retailers, schools and universities (see Oakeshott, 1990; Holmstrom, 1993). The MCC (in Spain) provides an example of sustained economic and social development based on co-operative principles. Notable innovations are the rejection of employer/employee relationships[14] (see Ellerman, 1990) and systems that distribute power to separate bodies representing worker, manager and owner interests (see Oakeshott, 1990; Whyte and Whyte, 1991; Turnbull, 1994; Ridley-Duff, 2004).

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[14]   Members are self-employed.

The significance of these developments is two-fold. Firstly, US ESOPs established pluralist models of ownership (see Gates 1998; Major and Boby 2000) where the legitimacy of worker ownership (either individually, collectively or a mix) is accepted alongside arrangements for external investors. Secondly, the co-operative movement established ownership models that recognise suppliers, consumers and workers as stakeholders, together with pluralist forms of corporate control.

These offer new models for ownership and control based on the principle of pluralism *within* the organisation, as well as through market relations. Others have adapted ideas from Mondragon to suit regional and national frameworks (see Cheney, 1999) that acknowledge the interests of investors, managers and workers through different relationships to the enterprise, but a common interest in creating organisations that generate and distribute financial surpluses.

A substantive criticism of democratic models is degeneration due to oligarchy and market pressures (see Michels, 1961; Cornforth, 1988, 1995; Major and Boby, 2000). However, quite apart from the continued growth of the sector worldwide (Holmstrom, 1993; Sloman and Sutcliffe, 2001; Ransom, 2004) and robust large scale examples[15], commentators quickly forget a string of mutual and membership-based organisations that changed to private organisations not because of their competitive weakness but because of their commercial success[16]. Major and Boby (2000:4) discuss how degeneration, far from being a result of market pressures, is a product of the corporate governance structures deployed.

> *Many publicly-traded U.S. employee-owned or controlled firms face the problem of how to buy back leaving or retiring workers' shares in order to keep control of the firm by current rather than ex-workers. U.S. private employee-owned companies whose stock is not publicly traded must be prepared to buy back shares of departing workers - some have huge potential share repurchase liabilities they cannot honour without selling out to outsiders. In many cases the value of the company's shares is decreased by the future buy-back liability, which may reduce the incentive to reinvest, since the workers cannot gain the full up-side benefits of success. In both scenarios, many "nearly democratic"*

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[15]   John Lewis Partnership (40,000 employees), MCC (67,000 employees in 45 countries).

[16]   The Halifax Building Society and the AA are well known examples.

*firms may well become victims of their own success and lose their democratic
character.*

Their proposed solution – separation of ownership and control with different classes of
share for each stakeholder – emerged from debates in co-operative economics
(see Major, 1996; Major 1998; Major and Boby 2000). Under their model rules, all
stakeholders can be accepted as "members" under Company Law: uncapped dividends
on "profit shares" solves the recurrent debt problems associated with *successful*
American ESOPs; surplus sharing aligns the economic interests of all stakeholders;
voting shares only for investors of labour, protects the enterprise from speculative
financial investors.

The dual pressure to accommodate investors into co-operative corporate governance and
employees into private-sector ownership has resulted in an explosion of models that
operate on pluralist lines. In addition to Major and Boby's contribution, SCEDU[17] has
created NewCo, a model with four stakeholder groups[18] (entrepreneurs, employees,
corporate supporters and investors); Social Firms UK recommends mixing variable
yield equity for founder members and employees with preference shares for institutional
investors[19].

In Spain, the SALs (Sociedad Anónima Laboral, or Labour Company) limits individual
holdings to 25% and requires that 85% of workers hold shares. Meanwhile, the MCC
pioneered changes that recognise multiple stakeholders (50% workers and consumers in
supermarkets; 66.6% customers v 33.3% workers in banking; 33.3% students, workers
and funders in colleges/universities).

Even strongholds of Owenite common ownership (ICOM[20] and Cooperative Group)
responded with a governance framework to accommodate multiple-stakeholders.

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[17]   Sheffield Community Enterprise Development Unit.

[18]   Bill Barker, October 2003. Meeting to discuss constitutional rationale of NewCo.

[19]   Geoff Cox, Social Firms UK, Submission to CIC consultation, July 2003

[20]   Industrial Common Ownership Movement

ICOM's Blue 3 rules, introduced in 1997, allowed "profit shares" for investors and "voting shares" for members (see Ridley-Duff, 2002). The Co-operative Group's multi-stakeholder governance model for its national programme of childcare centres distributes control rights to four stakeholders (parents, staff, local authority and co-operative) while protecting assets through common ownership.

All these models challenge prevailing assumptions on who controls the enterprise and the distribution of surpluses by accepting the communitarian pluralist position that ownership and control should include all affected parties. They also challenge the reliance in the Combined Code on 'independent' directors to make 'rational' judgements to protect shareholder interests (FSA, 1998, 2003).

Gates (1998:13) articulates the perceived impact that such models might have on the relationship of business to society:

> *"Inside" ownership improves performance both directly (by encouraging insider challenges to poorly conceived management decisions) and indirectly – by influencing managers who know that the firm's owners are now working amongst them. Similarly, by including a component of **consumer** ownership, the utility's managers (and their families) would live among shareholders who are also neighbors, schoolmates and teammates. Such a community-focused ownership stake could change the quality of business relationships across a broad spectrum because local, up-close capitalists have more at stake than do remote investors.*

The debate has evolved over the last 200 years. Originally, rights were accorded to entrepreneurs and individual investors ("property owning democracy"). This conception is still prevalent in the business community – the right to trade freely is considered the foundation of economic democracy. However, alternative views became possible once joint-stock and risk sharing were allowed in Company Law. Elites formed to share risks – in some cases sufficiently enlightened to consult stakeholders without giving up control rights ("elitist democracy"). The foundation of a democratic claim here is that everyone – theoretically - has an *equal opportunity* to climb the corporate ladder. Co-operative Law (in other countries, but not yet in the UK), however, legitimises ownership and control on a one-member, one-vote basis ("egalitarian democracy"). In this case, democracy is conceived as the inability of one party to silence any other voice. Most recently, social enterprises have adapted Company Law to create interest-group based control of the enterprise that may also

deploy democratic control over group representatives ("stakeholder democracy"). In this final form, democratic claims derive both from the egalitarian processes within interest groups, but also from the way that governing bodies allocate places in proportion to labour contributions (based on member head-count) and financial contributions (shares purchased). These business forms construct their democratic claims differently:

Table 2.2 – Constructions of Democracy in Business

	Unitarism	*Pluralism*
Individualism	Entrepreneur-owned and controlled enterprise. Entrepreneur selects senior management. The market selects "winners". (*Property-based Democracy*)	One-member / one-vote societies, democratic businesses and cooperatives. Directors/Executive officers subject to direct democratic control and the market selects "winners". (*Egalitarian Democracy*)
Communitarianism	Enterprise controlled by one stakeholder group or elite. A board or management council appoints senior managers. Interventions into the market are permitted for the common good. (*Elitist Democracy*)	Multi-stakeholder ownership and recognition of interest groups. Executive positions are decided/ controlled by stakeholder groups. The market – indirectly – comes under democratic control. (*Stakeholder Democracy*)

Whether individualist or communitarian, unitarist or pluralist, all enterprises grapple with issues of social control and cohesion. In the next section, the meta-theoretical framework is applied to theories of management control.

Approaches to Management Control

Principal-agent theory and transaction-cost economics offer two rationales for hierarchical relationships variously theorised as legitimate mechanisms to create balance, or power relationships that ensure subordination. Secondly, cybernetic and systems thinking postulates that organisations can be viewed as organisms that are adaptive to their environment. Lastly, sociological explanations of control are conceptualised as the outcome of a social process by which behavioural norms are imposed or emergent. In each of these cases, the nature and purpose of control in business organisations is conceived differently (Anthony, 1965).

Agency Theory, Hierarchies and Markets

In the 1930s, principal-agent theory (see Berle and Means, 1932; Jensen and Meckling, 1976) postulated that firms developed out of the process by which owner-managers started to delegate organisation management to third parties. Sloman and Sutcliffe (2001:41) summarise the changes that occurred:

> *As businesses steadily grew over the eighteenth and nineteenth century, many owner-managers were forced, however reluctantly, to devolve some responsibility for the running of the business to other individuals…The managerial revolution that was to follow, in which business owners (shareholders) and managers became distinct groups, called into question what the precise goals of the business enterprise might now be. This debate was to be further fuelled by the development of the joint-stock company.*

While shareholders receive surpluses, ownership of assets now belonged (technically) to the company not its members but the issue of control has remained a source of debate. At its heart, agency theory (AT) argues that the contractual relationship initiated by the principal – usually necessitated by growth - is an exchange between two parties for mutual benefit. Seal (1993:54) describes this as a "neutral" conception of the firm with the economy as "a web of interlocking contracts".

Control becomes a matter of enforcing contracts and ensuring that parties honour the commitments into which they have entered. Critics, however, argue that "asymmetric information" creates power imbalances (Sloman and Sutcliffe, 2001:42):

> *The crucial advantage that agents have over their principals is specialist knowledge and information…For example owners employ managers for their specialist knowledge of a market or their understanding of business practice…[resulting in a] complex chain of principal-agent relationships – between workers and managers, between junior managers and senior managers, between senior managers and directors, and between directors and shareholders. All groups will hold some specialist knowledge which might be used to further their own distinct goals.*

Control mechanisms are conceived as a legitimate response to the "inherently weak position" of the principal entitling the principal both to *monitor* that the agent is acting in their interests and also to offer *incentives* to align their interests.

Ellerman (1990:32) contests this. In his view, the firm uses contractual relations as "a scaled-down version of the Hobbes' anti-democratic pact of subjugation", a tool of

exploitation by which the principal forces the agent to give up sovereignty and forfeit their own interests. Control, therefore, is not regarded as a mechanism to redress inequality but a mode of power relationship by which the principal subordinates the agent. As Melman (2001) argues, the legislative changes that ended feudalism allowed landowners to dump peasants (quite literally) into a labour market in which they had to accept new terms of employment to survive. Their subjugation was brutal – survival depended on submissive behaviours and deference that were the norm until trade unionism and cooperativism challenged new social relations.

Davies (2002:7) summarises how these conflicts over control are played out in law. Adjudicating conflicts between shareholders, directors and senior managers is the domain of company law, while the relationship between directors, managers and employees is handled through employment law. The presumptions in both sets of law are framed in favour of the principal:

> *It is the initial shareholders of the company who bring it into existence…and who become the first members of the organisation…Subsequent shareholders also become members of the company. The point is of theoretical, even ideological, significance, because the train of thought which makes the shareholders members of the company leads naturally to making the shareholders' interests predominant within company law.*

While it may appear bizarre that a person who makes a small investment is considered a 'member' while a person who invests a life-time of labour is not, the legal scales are also tipped towards the principal in employment law. The three common law duties of the employer are: to pay wages; to care for the employee's welfare; to pay costs and expenses. In return, the common law obligations of employees are to: "obey his or her employer's instructions"; to work with reasonable care and skill; to be loyal (Kendall, 2002:1).

This exchange is consistent with Ellerman's characterisation of a contract as an agreement whereby the agent gives up sovereignty in return for compensation. While changes have imposed tighter guidelines on employer behaviour (particularly regarding consent to change contracts) the legal framework entitles the employer to direct the employees' work and assumes the employee – in law at least – must act in the interests of their employer.

The Inter-relationship Between Markets and Hierarchies

Economists, however, contend that it is assessment of costs that determines whether market or hierarchical relationships are chosen. Coase (1937) argued that exchange is never cost-free, and that in each social arrangement there are different monitoring costs. Judgement is required to determine whether market solutions (transaction-based) or employment solutions (command-based) are the optimum. He contended that firms arise (or grow) when the costs of hierarchical authority relations (i.e. an employment contract) are considered less costly than transactions in a market. The trend towards downsizing and a small core of permanent staff (see Buchanan and Huczynski, 1997; Sloman and Sutcliffe, 2001) are contemporary examples of this phenomenon.

Williamson (1975) extended Coase's analysis to integrate the ideas of bounded rationality and opportunistic behaviour. Different parties aim to maximise their own utility to justify their position in the company. In particular, managers seek to direct profits to enhance their own function and status bringing into question the assumption that managers act to maximise shareholder value. Williamson argued instead that managers seek to "satisfice" shareholders then use additional surplus to pursue their own agendas (see also Simons and Hawkins, 1949; Joerg et al, 2004).

Although Williamson's model is derived from economic considerations, it introduced meaningful behaviour as a factor in control systems. He also established employees as a firm-specific asset (see also Patterson, 2001) and the organisation as a number of stakeholder groups. This promotes a view of organisational life as a series of self-regulating and adaptive activities – something often discussed under the heading of systems theory and cybernetics.

Systems and Cybernetics

Cybernetics concerns itself with control and communication in machines and animals (see Weiner 1965) to establish how they self-regulate, reproduce and learn. Two books[21] developed this analogy to cast managers as the primary thinkers directing constituent parts of an organisation, operating in accordance with organisational designs

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[21]   "Decision and Control" and "Brain of the Firm" (Beer, 1966, 1972)

and plans. Unlike centralised management approaches based on bureaucratic control, systems approaches make an implicit assumption that management should reduce deviation from what is desired by allowing different sub-groups to obtain and interpret their own feedback (see Broadbent, Berry and Otley, 1995). It can be conceived, therefore, as an error reduction system achieved through decentralised information-loops that provide sub-groups with the ability to act on information provided by their own systems.

The analogy has been criticised for characterising people as mechanistic, and assuming a deterministic attitude to human behaviour (see Burrell and Morgan, 1979; Morgan and Smircich, 1980; Clegg, 2002). It can also be challenged for its utopian unitarist assumptions (see Lilienfeld, 1978; Griseri, 1998) failing to recognise individuals' ability to reinterpret rules and make moral judgements about their own behaviour. What is helpful, however, is that systems theory takes a holistic, rather than reductionist approach by considering the inter-relationships between parts of a functioning system, not just the internal workings of the parts themselves.

Whether this is a departure from, or reinforcement of, hierarchical control is still contested but process-based approaches to control have been adopted by notionally hierarchical and democratic organisations alike (see Alvesson and Deetz, 2000; Ridley-Duff, 2002; 2004b) to increase participation. For example, a "sales" *process* will involve salespeople - using materials produced in a marketing department – who enlist technicians to explain product benefits. Senior managers may put in an appearance to build trust, while administrative staff record and document communications to give an impression of professionalism. The process may also involve customers (who act as referees), or suppliers (if bidding jointly). This holistic approach, therefore, assists understanding of the connections between the different parties both inside and outside the organisation and how information affects each party's ability to contribute.

The organisation as an adaptive system prompted Ouchi (1980) to suggest a typography that recognises 'clan control'. Depending on how managers respond to ambiguities in the knowledge of production (how the value-adding transformation takes place within the organisation) and ambiguity in the market (how the market can provide information through supplier/customer prices), different governance systems could be adopted.

While Seal (1993) characterises this in terms of how outputs and transformation are understood – with clan control as a solution where transformation and output are neither measurable or understood - Turnbull (1994) places Ouchi in the context of four different control systems that are *cumulative* in their impact. Firstly, Turnbull discusses mutual benevolence (Brittan, 1975), then clan control (Ben-Porath, 1980; Ouchi,1980), and argues that hierarchy and markets relations are invoked when the first two fail. Turnbull argues, on the basis that there are far more transactions in the first and second systems, that corporate governance systems should be directed towards efficiencies in "mutual benevolence" and "clan control" rather than hierarchy and market.

Ouchi's identification of "clan control" as a management control process opened up further lines of research into way that social values, and not just prices and rules, affect control issues. Clan control was seen as a way of engaging the intellectual abilities of a workforce, even if it took several generations to develop, and spurred further studies on culture management (see also Ouchi, 1981; Pascal and Athos, 1981; Deal and Kennedy, 1982; Peters and Waterman, 1982).

Culture Control

Culture management will be considered in more detail later (see chapter 5), so discussion here identifies its importance to communitarian governance. As Ouchi (1977:97) argued in earlier work "real control comes about only through changing the worker's behaviour". In later work, there is recognition that control might be achieved at the "input" stages of recruitment, induction and socialisation, rather than at the output stages of production. Peters and Waterman (1982:6) cite the comments of Chester Barnard to clarify the distinction between good managers, who focus on *ex-ante* socialisation, and others who focus only on *ex-post* social control:

> *A leader's role is to harness the social forces in the organization, to shape and guide values. He described good managers as value shapers concerned with the informal social properties of the organization. He contrasted them with mere manipulators of formal rewards and systems, who dealt only with the narrow concept of short-term efficiency.*

Their thesis that companies achieve commercial success because of their culture has been criticised on the basis that 'excellent' companies do not always sustain their commercial advantage. However, the work of Kotter and Heskett (1992) and Collins

(2001) identify some of the factors that differentiate those that maintain commercial success from those that do not. In both cases, their findings suggest that pluralism is correlated with enduring survival, while strong cultures built around a charismatic leader are vulnerable because values are not internalised by company members.

As Watson (1994) points out, however, the question of survival is not simply a matter of *organisational* survival, it is also in the minds of members who depend on the organisation *for their own survival*. Berry, Broadbent and Otley (1995:4) see viability as the frame of reference within which all governance decisions and models operate, a way of "guiding organisations into viable patterns of activity". A pattern of activity is viable if it does not threaten the existence of the organisation. Watson (1994:33) summarises the implications of this for management:

> *Managerial work is thus about strategic exchange: those directing the organisation are trading and balancing meanings and resources across all those constituencies whose support is needed **for the continued existence** of the organisation - whether these be junior employees, key customers, senior managers, shareholders, state agencies, or pressure groups.*

The motivation for control, therefore, is conceptualised as the desire to ensure that all constituencies can continue to benefit. In identifying this, Watson highlights an important consideration in discussions of control. Not only are managers engaged in directing activities, but also determining which *relationships* are needed for survival (and, by implication, which are not needed). The process is not simply technical, but a social process by which people make decisions about *who* to include and exclude from the organisation, and *how* they can contribute.

Unlike the hierarchical command and control assumptions of contemporary law and principal-agent theory, Watson's conception of "strategic exchange" orients stakeholders towards ways of inducing collaboration (Watson, 1994: 32-33):

> *Productive cooperation…has to be striven for. It has to be brought forth from the working out of the vast diversity of projects being pursued by the various people in and around the organisation…The variety of orientations…and the range of expectations held by other stakeholders, means that the productive cooperation which gives work organisations their rationale is essentially problematic…Human beings…will not be drawn together into the sort of positive cooperative effort typically required by systems and rules alone. To contribute initiative and give commitment…the work needs to be made **meaningful** to people.*

Amongst culture writers, therefore, there is divergence between a unitarist and pluralist outlook. While Collins and Porras (2000) continue the call initiated by Peters and Waterman for "cult-like" cultures, Collins (2001) later saw a need to differentiate between the sustainability of cultures based on self-discipline and unsustainable cultures based on fear. Other authors, however, remain sceptical that cult-like cultures are sustainable over the longer term (see Griseri, 1998; Thompson and Findlay, 1999; Johnson, 2004) and look to diversity and discursive democracy as foundational values.

Summarising Theories of Management Control

The purpose of control can be mapped to different ideological commitments. Where the organisation is conceived as a set of mutually beneficial contracts, control is conceived as the process by which the principal redresses the information imbalance with agents to ensure equity, or as a rational response to changes in market conditions. This view is contested, however, as a mode of power relationship to enforce the will of the principal by inducing an agent to give up their sovereignty.

Systems and cultural perspectives present more holistic views of stakeholders co-operating with each other towards a common purpose devised by management. Control is perceived as a way of identifying and reducing deviance to ensure collective efforts meet "shared" goals. But in the final section, I considered the alternative view that organisations comprise individuals and interest groups seeking to co-operate in "strategic exchange". From this perspective, control is a process of mediation to establish meaningful work that stakeholders will continue to support.

Let me conclude this section by mapping these four views of management control:

Table 2.3 – Constructions of Management Control

	Unitarism	*Pluralism*
Individualism	Agency theory as a process of subjugation. The principal subordinates the agent through a contractual relationship that allows performance monitoring, and expects obedience and loyalty.	Agency theory as a "nexus of contracts" between equal parties. Clan control as culture that allows each member to maximise their contribution through pursuit of individual goals.
Communitarianism	Cybernetic approaches designed to detect and correct deviance from rules imposed during system design. Clan control as normative control based on formalised corporate values and behaviours. Deviations are regarded as "errors" to be corrected.	Cultures that value diversity and encourage stakeholder involvement and representation at all levels. Normative control based on values that are informal, emergent and contestable. Deviations provoke "strategic exchanges" until meaning is re-established.

Making Sense of Personality and Morality

Each point of intersection between individualism, unitarism, communitarianism and pluralism offers up an alternative construction of personality. Below I examine the assumptions implicit in each combination.

Individualist Unitarism

Individualism takes the view that personality, decision-making and morality is a genetic or social inheritance. Both conceptions view the individual as relatively stable, with enduring traits throughout adulthood formed in part by the individual's ability to rationally reflect on the world. This leads to a perception that people are limited, constrained by genetic or cultural limitations, and that personality is a dominant factor in inter-personal conflict and competence. Cognitive psychology argues that it is possible to reveal the potential of a person by testing these traits (see Wundt, 1897; Ekman & Frisen, 1975; Gross, 2001):

> *They began to test aptitudes, to classify interests, to evaluate achievements. Now they can pigeonhole your personality, assess your emotional stability, your masculinity, your imagination, executive potential, chances of marital bliss, conformity to an employer's stereotype, or ability to operate a turret lathe.*

> (Miller, 1962:19)

The intersection of individualism and unitarism implies not only that personality is fixed, but that superior morality is a set of personal qualities that are inherited (genetically) or engineered (socially). In the case of genetic inheritance, individualism can give rise to the view that some people are "naturally" superior to others, justifying their right to organise and control social life. In the case of social engineering, the justification is made on the basis that a perceived benefit has been shown through the application of "rational" science. Taken either way, it provides not just an explanation for authoritarian behaviour, but also its moral justification (see Wilson, 2003, 2004).

Individualist Pluralism

In this paradigm, while it is still believed that people inherit skills genetically or socially, it is not assumed that people are morally superior to others. The protection of free speech and private property is articulated as a social arrangement that ensures each of us can "achieve [our] own greatest good" (Rawls, 1999:21; Handy, 2002) and enable individuals to contribute to the common good.

The ideal of governance is an egalitarian democracy, with decisions being made through dialogue between free, equal and rational people. The legitimacy of collective voice and responsibility, however, is regarded with some suspicion because of evidence that social influence and norms prevent individuals voicing their own opinion (see Myers and Lamb, 1976; Janis, 1982). It is conceived as a constraint on personal freedom that is a threat to rationality.

Status is accorded to those who pursue personal development and achieve relatively high levels of autonomy (i.e. "freedom"). Its achievement is regarded as a reflection of personal qualities rather than an outcome of a series of inter-related social processes over which the individual has only a small amount of control. Morality, therefore, is conceptualised in terms of pursuing self-interest, "goodness" (see Rawls, 1999, chapter VII), and "rightness". However, the pluralist form recognises that neither of these can be achieved without a commitment to understand others and defend their right to hold different points of view (Rawls, 1999:323-343):

> *… individuals find their **good** in different ways, and many things may be good for one person that would not be good for another…When we take up another's point of view and attempt to estimate what would be to his advantage, we do so as an adviser, so to speak. We try to put ourselves in the other's place, and*

*imagining that we have his aims and wants, we attempt to see things from his standpoint. Cases of paternalism aside, our judgement is offered when it is asked for, but there is no conflict of **right** if our advice is disputed and our opinion is not acted upon [emphasis added].*

(Rawls, 1999:393)

Rawls, therefore, constructs pluralism as the capacity to make a distinction between what is right and what is good. We are right when we pay close attention to the exactness and accuracy of our rational deliberations, but we are good when we exercise our capacity to put ourselves in someone else's shoes, see their point of view, understand their needs, and offer our judgement on that basis.

Communitarian Unitarism

Communitarians view personality, actions, behaviours, thoughts and feelings as outcomes of the relationships we have and cultural contexts in which we find ourselves. Personality, therefore, is an evolving malleable construct that adapts to each relationship and is affected by place, time and the company we keep. Our perception of others impacts on our own identity and behaviour.

Viewing personality as variable encourages the idea that people constantly develop (and are also malleable), that people can overcome (or need not be limited by) genetic factors or upbringing, because the future – while influenced - is not determined by the past. But it also offers up possibilities for managers to consciously influence the perceptions of those they manage, and use a range of techniques to manipulate opinion.

When combined with a unitarist outlook, communitarianism becomes a justification for the imposition of one group's value system on others, but the justification is not rooted in genetic superiority, metaphysical enlightenment or discursive democracy, but through a belief that a different way of perceiving has been *scientifically* proven as superior (see Tam, 1999; Lutz, 2000). If science "proves" that a different approach is superior, then its imposition can be seen as legitimate even if a majority are against it.

A different conception of morality emerges. While absolute or universal values (moral or otherwise) cannot exist, it is still possible to establish "better" values in the current social or historical context due to advances in scientific understanding. Where these are "proven" to have a positive effect on others, it can be argued that it is justifiable to impose them. As Dewey argues, moral values should be based on the good or harmful

effects of our behaviour on others (see Dewey, 1958; Starrat, 2001). The philosophical difference is that we are encouraged to pursue what is in the common interest as a means of securing our own interests. Our morality is determined by our attitude to others, not our attitude to ourselves; our worth is measured by our desire to benefit others, rather than ourselves; to protect the community, rather than our self.

Communitarian Pluralism

The problem that organisation theorists have with a unitarist outlook is that it can easily degenerate into totalitarianism if *scientific rationality* itself is used to serve the needs of an elite (see Michels, 1961; Griseri, 1998; Gough and McFadden, 2001; Starrat, 2001). If a false assumption is held by dispersed individuals, it might be possible to counter this with social resistance or legal redress, but if a unitarist assumption becomes *part of the legal framework* (or embedded in systems of governance and control, for example) it can invidiously oppress a population. As Collins (1997) argues, authoritarianism justified by rationalist assumptions still dominates business schools even as it is being rejected as the basis of economic and political theory.

The communitarian pluralist perspective, therefore, rejects that it is sufficient to rely on "scientific" truth in public policy. There is also a need for truth to be epistemological valid through discursive democracy (i.e. that the social science itself has a pluralist commitment integrated into its methodology and that the results are validated through further discourse). Eagleton (2003:7) captures its essence in identifying how the human condition is one of 'asymmetrical reciprocity' in which we "cannot presume to know fully the other's standpoint or presume that the other's standpoint is identical to one's own.… [as a result, we need] to allow the space to acknowledge difference and to allow listening and learning to take place."

Where she differs from Rawls is in respect of collective identities (in this case men and women). There is an acceptance that identity and voice are constructed both individually and collectively. We are unique, but are still deeply influenced by the relationships we have within collectives (e.g. family, friends, gender, ethnicity, workplace, community, nation). Personality is a combination of our individual and cultural inheritance, but it also changes as the social context changes because collective identities penetrate our consciousness. We can escape their influence partially, but

never completely, and only then by becoming self-aware of the way cultural ideas impact on our thinking. Morality is characterised by a commitment to mutual understanding and learning, and to the creation of communal rather than exchange relationships (Mills and Clark, 1982). Outcomes take second place to intent - the goal of balancing awareness of, and sensitivity to others, with self-awareness and protection of oneself.

The difference between unitarist and pluralist conceptions of communitarianism, therefore, rests on whether shared values can be achieved, and whether these are transcultural or culturally embedded. Unitarists assume they can be achieved through the objectivity of rational science. Pluralists assume they cannot be truly shared and that local cultural influences will always impact on interpretation and behaviour. Nevertheless, the process of continually attempting to understand oneself and others has its own reward by bringing about ever greater awareness and sensitivity.

The four positions link to the underlying philosophical framework as follows:

Table 2.4 – Constructions of Personality and Morality

	Unitarism	*Pluralism*
Individualism	Personality as fixed genetic or social inheritance, which is developed throughout our formative years through individual reflection on the world. Morality as the pursuit of legitimate self-interest on the basis of genetic or social superiority.	Personality as fixed genetic or social inheritance, which is developed throughout our formative years through individual reflection on the world. Morality as the pursuit of legitimate self-interest within a framework of universal democratic rights established by discursive democracy.
Communitarianism	Personality as an evolving construct created through interaction with other people individually and collectively. Morality as the pursuit of progressive social change legitimised by objective scientific discovery.	Personality as an evolving construct created through interaction with other people individually and collectively. Morality as the pursuit of progressive social change through commitment to mutual understanding and learning within a framework of discursive democracy.

Summary of Literature Review

Initially, I examined differences between individualist and communitarian views of social life. In doing so, unitarist and pluralist positions were explored to establish a meta-theoretical understanding of approaches to corporate governance and management

control. With regard to governance, the prevailing discourse arises out of conflicts between shareholders, directors and senior managers. In law, the balance is tipped towards shareholders, but research over several decades suggests that mangers not only establish different agendas, but have effective ways of protecting their interests.

Three alternative positions were discussed: firstly, the emergence of bureaucracy as a new attempt to systematise consensus through development of rules and procedures; secondly, egalitarian forms of governance to promote autonomy and equal voice; lastly, stakeholder democracy - the governance of organisations through interest groups that deploy direct and representative democracy.

Consideration was given to agency theory, transaction cost economics, systems theory and culture. Alternative views of agency theory (as contracts for mutual benefit, or subjugation of the agent) were compared to the position in employment and company law. While the legal position favours the principal, there is evidence that other stakeholder groups (particularly if they control the organisation's resources) follow a different set of interests.

Lastly, assumptions about human personality were related to philosophical concepts. The viability of these different social constructs will be examined through fieldwork in which "community-oriented" businesses, who all claim to operate democratically, are subject to in-depth examinations. In chapter 3, the process of sense-making is discussed, and the choice of *critical ethnography* is justified. Chapters 4 and 5 contain narrative and critical reflections on life inside the case companies. These are then applied to challenge dominant conceptions of corporate governance in chapter 6. In chapter 7, findings are summarised to abstract communitarian perspectives on corporate governance. This is shown diagrammatically below:

Diagram 2.2 – Contribution of Chapters 4, 5 and 6 to Theory Development

Interpersonal Dynamics	Inter/Intra Group Dynamics
(Empirics on Personal Relationships)	(Empirics on Socialisation / Conflict)
(Chapter 4)	(Chapter 5)

Contribution to Knowledge

(Chapter 7)

Corporate Governance

(Contextualisation of Findings)
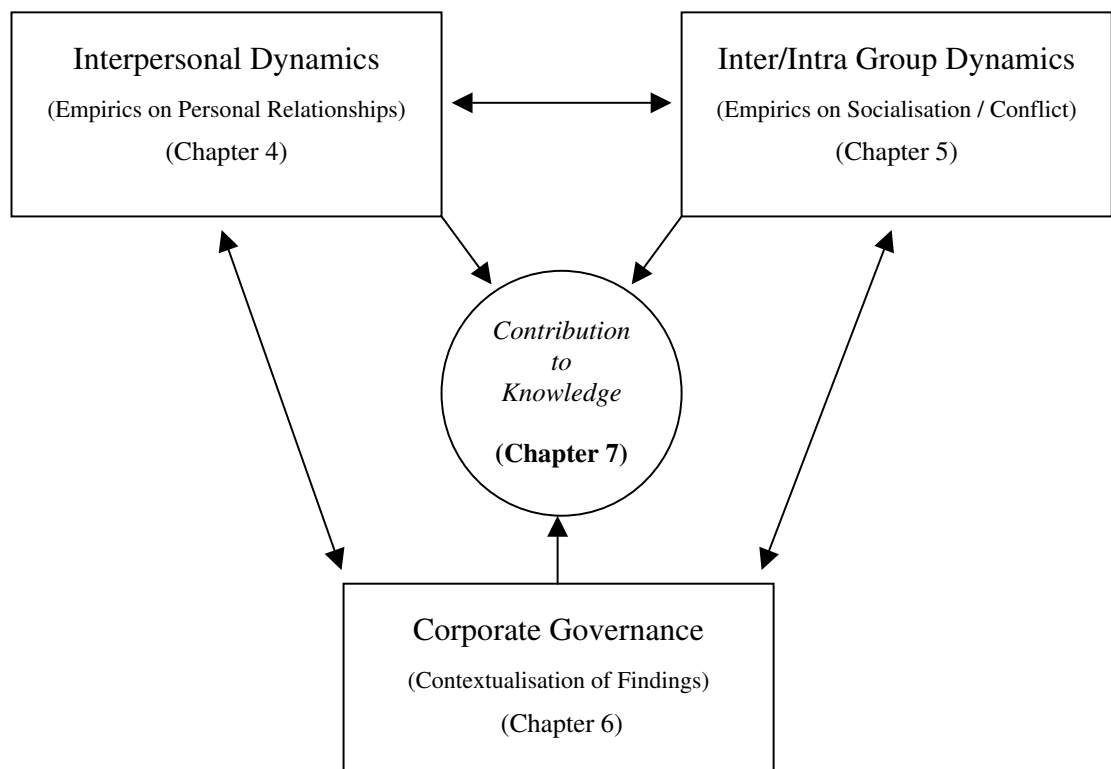
(Chapter 6)

Chapter 3 - Epistemology and Methodology

In chapter 2, a meta-theoretical framework was used to elucidate theories of corporate governance and management control. Communitarian approaches focus on the study of culture and social context to understand human behaviour. In this chapter, the debate is elaborated to justify the selection of methodology. As different methodological approaches make varying assumptions about the nature of society itself, it is important to select techniques appropriate to the task and critically assess the role of these when later considering my findings. Below is an outline of the structure of the chapter:

Diagram 3.1 – Epistemology and Methodology

Conceptions of Social Inquiry

Unitarist Conceptions of Truth

Positivism → Falsification → Interpretation

Ethnography

Politics of… ⟶ Presentation of… ⟶ Anomalies…

Pluralist Conceptions of Truth

Postmodernism ⟶ Critical Theory

Methodology and Methods (theoretical justification)

Methodology and Methods (in practice)

Summary
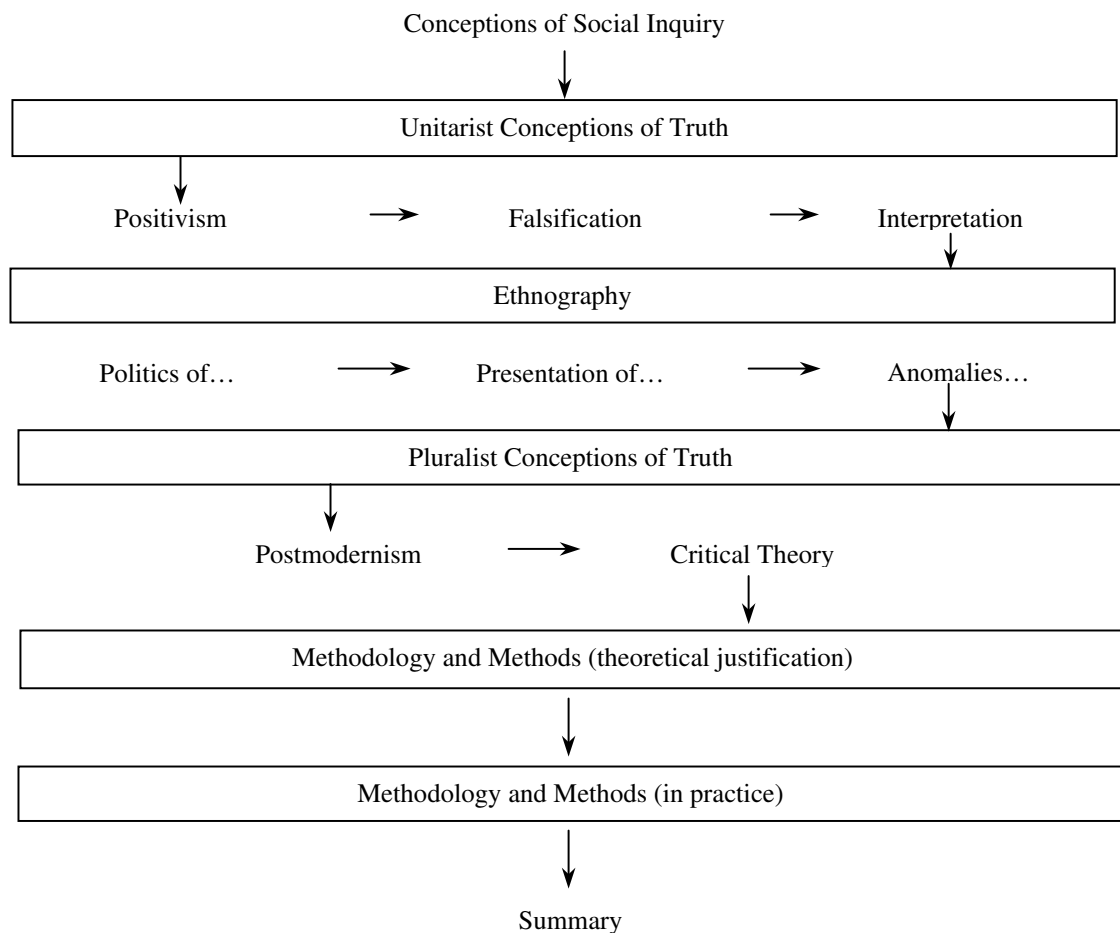
In section 1, unitarist conceptions of "truth" are discussed, together with problems of perception and social influence that impact on them. *Ethnography* has been repeatedly deployed to collect data in studies of culture so consideration is given to its approach to sense making. In section 2, pluralist conceptions of truth are discussed to argue for a

particular approach to analysis before considering the methodological choices and methods actually deployed (sections 3, 4 and 5).

Conceptions of Social Inquiry

In chapter 2, a meta-theoretical framework was formed by cross-referencing presumptions about personal autonomy (individualism) and social embeddedness (communitarianism) with attitudes toward consensus (unitarism) or competition between discourses (pluralism). In this chapter, I deploy this framework again to assist understanding of scientific inquiry.

Is social life the result of actions that arise from our thinking or is our thinking a result of reflecting on our actions? If our answer is that thought precedes action, then it follows that what we do (our behaviour) is a reflection of what we think. The nub of the individualist view is that we think and act independently; that what we do is a reflection of what we think. From this premise, it can be assumed that the way we experience the world is a reflection on the way our will is imposed upon it and that 'legitimate' knowledge is derived by studying our words and actions (see Saunders et al, 1997; Johnson et al, 2004).

The communitarian view, however, sees the relationship differently. What we think is learnt from experience and social discourse. Both are mediated by personal reflection so that what we do (objective) may or may not be a reflection of what we think (subjective) because social rules and influences unconsciously impact on our subjectivity (see Giddens, 1984, 1990; Kunda, 1992; Gough and McFadden, 2001). It is the **difference** between public and private discourses that reveal the most about a culture, not observable behaviours.

In assuming that our behaviour follows in a linear way from thought, individualist philosophy assumes that we can 'know' a person through their actions and words (*erklaren*). Communitarian philosophy, in arguing that culture impacts on private thought and public behaviour contends that our focus should be *verstehen* - on understanding people through the *meaning-making* processes they deploy. Only then can we move beyond observation and begin to *understand* how cultures are created, as well as the impacts they have on our thinking and behaviour.

The individualist argument is that behaviour is *objective*; the communitarian argument is that behaviour cannot be interpreted without understanding the meaning-making process of a person. These different assumptions imply different 'truths' about behaviour and create a debate regarding whether it is legitimate, in a research sense, to distinguish between private thought and public behaviour. An objective epistemology argues that it is not, while a subjectivist epistemology argues that it is essential. In arguing for a *communitarian pluralist* approach, it is the *relationship* between the public and private domain that is believed to reveal most 'truth' about social life.

The other dimension concerns whether there are singular or multiple 'truths'. The unitarist outlook argues that legitimacy is accorded to knowledge using:

> *…epistemologies which seek to explain and predict what happens in the social world by searching for regularities and causal relationships between its constituent elements.*

(Burrell and Morgan, 1979:5)

The pluralist view, however, sees "consensus" as a fiction. There is an *appearance* of consensus masked by an unstable agreement between divergence interests (Blumer, 1969; Watson, 1994) or social control through seduction of opponents (Kunda, 1992; Willmott, 1993) or the suppression of alternative points of view (Michels, 1961; Lukes, 1974; Foucault, 1977; Thompson and Findlay, 1999). In each case, divergent points of view are acknowledged to exist, and resolution is variously achieved through voluntary agreement, or the seduction (or elimination) of those who hold opposing views. Legitimacy is accorded to knowledge created through discursive dialogue (without recourse to manipulation or coercion) with an particular emphasis on theory that accounts for diversity or conflicting points of view (see Gaus, 2003).

From a unitarist perspective rationality remains an *objective process* (in which differences are regarded as deviations that need to be corrected or eliminated). From a pluralist perspective, rationality is a process of *subjective agreement* (in which differences are welcomed as phenomena to be understood). The implications for social enquiry are set out below:

Table 3.1 – Approaches to Social Inquiry

Individualist outlook (people are autonomous)

	Cognitive Psychology We can understand social life by taking a fly-on-the-wall approach. Knowledge is created by observing how *individuals* respond to controlled situations, develop ideas and impose their will.	*Evolutionary Psychology* We can understand social life by embedding ourselves within a culture. Knowledge is created by recording and reflecting on the way individuals adapt to a changing environment.	
Unitarist Rationality as theory that establishes consensus through the discovery of objective truth	*Social Psychology* We can understand social life by taking a fly-on-the-wall approach. Knowledge is created through observation of how people are influenced by each other in controlled conditions.	*Critical Social Psychology* We can understand social life by embedding ourselves within a culture. Knowledge is created by accounting for the relationship between shared and individual ideologies (including our own) in a changing environment.	**Pluralist** Rationality as theory that accounts for, and accommodates difference and diversity

Communitarian outlook (people are socially embedded)

Unitarist Approaches

Positivism (Comte, 1853) was derived from techniques used in the physical sciences to search for generalisable laws about how phenomena influence each other. This approach takes an individualist view of people, and a unitarist outlook on rationality, assumes an objective world that the researcher can study using methodologies that isolate and eliminate their own influence. The desire for certainty (amongst researchers as much as managers, policy-makers and politicians) has resulted in a preference for research designs that can find 'objective' truths to support the 'right' decisions (Johnson and Duberley, 2000; Gill and Johnson, 2002).

Positivism has both an inductive and deductive tradition. The inductive method – sometimes called Logical Positivism - is used to build management theory by generating theory from data (see Gill and Johnson, 2002). Deductive approaches, on the other hand, take as their starting point a hypothesis and then seek to establish whether a prediction (based on the theory) is observable in a sample of data. Methods are documented so that researchers can replicate the experiment. In this way, the reliability of earlier results – perhaps under modified conditions - can be checked repeatedly by experiment.

The terms 'inductive' and 'deductive' appear disguised as other words throughout the works of different authors. De Bono (1970) uses the terms *lateral* and *vertical* thinking. Glaser and Strauss (1967) contrast *comparative* and *linear* thinking. Gummerson (2000) contrasts the *holism* of case research with the *reductionism* of statistical sampling (see also Capra, 1982). Regardless of language, the character of the inductive (lateral, comparative, holistic) approach is its use of reflection to spot *anomalies and patterns* within and between different 'cases'. The deductive (vertical, linear, reductionist) approach uses our capacity to compare the predictions of a theory with a large sample of empirical data.

The distinction made by Miller (1962) between the contribution of empirical case study research (e.g. James, Freud) and empirical statistical research (e.g. Pavlov, Binnet) is one of *scientific learning* versus *scientific testing*. Miller and De Bono both argue that robust science involves both processes. Deductive approaches are more robust for the *scientific testing* of theory; inductive approaches are more robust for *scientific learning* (the generation of theory). Whether inductive or deductive, a mode of research that seeks to verify a conceptual phenomena with observable data has a positivist commitment – it is rooted in a correspondence theory of truth (see Johnson and Duberley, 2000; Johnson et al, 2004).

Popper and Falsification

Popper (1969) challenged the assumption that we can ever establish proof for a truth claim. Even if we feel sure of 'the facts', later events or discoveries might undermine claims derived from them. In considering the popularity of the theories of Marx, Freud and Alder he became sceptical about their apparent ability to explain everything, and the frequency with which people could find confirmations. Popper switched around the logic – instead of seeking data to confirm a hypothesis, he suggested that a researcher should look for data that falsifies a thesis. In this way, the principle of *falsification* entered the positivist tradition, with the idea that confirmations of a theory only count if the predictions are risky. As Lessnoff (1974:165) comments:

> *...for Popper social reality is an objective fact, a description of it is true if and only if it corresponds to the reality, and scientific consensus, at any moment, may in principle be true or false (though, given human fallibility, it is unlikely to be completely true).*

Popper, therefore, argued that we can only achieve *verissimiltude* (truth-like) claims rather than an absolute truth. His ontological position, however, remained the same - reality exists in an objective sense and he remains committed to an objective epistemology to investigate it.

Positivist research often relies on large samples of quantitative data that are subject to statistical analysis. Numerical measurements are taken about phenomena. In social science close observation of participants' behaviour is rigorously classified according to a schema. Herein lies a problem. In making choices about data collection, the researcher leaves themselves open to a charge that they are imposing their own subjectivity on the data they have collected. Their schemas are presented as neutral rather than *a priori* assumptions about the phenomena to be studied. What have they chosen to collect and why? How does the data collected reliably answer the question? Subjectivity cannot be avoided; it is simply a case of whether we build our view of the world before or after we collect data.

The way that positivist research is affected by subjectivity is illustrated by a hugely influential study into gendered behaviour in education. In 1990, the American Association of University Women (AAUW) commissioned work that changed assumptions in education policy and institutional governance throughout the US. As Susan Schuster put it - "we wanted to put some factual data behind our belief that girls are getting short changed in the classroom"[22] Below is data uncovered by Hoff Sommers (2000) that was **omitted** from the AAUW report[23].

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[22]   Suzanne Daley, "Little Girls Lose Their Self-Esteem on Way to Adolescence, Study Finds," *New York Times*, January 9, 1991, p. B6.

[23]   I became aware of her work via *The Guardian* women's page. Her argument that feminist theories of patriarchy are contradicted by empirical research interested me *after* I led an investigation into sexual harassment.

Table 3.4 - Unpublished AAUW Data from the 1990 Self-Esteem Survey

	Total %	Girls' Perception %	Boys' Perception %
1. Who do teachers think are smarter?			
Boys	16	13	26
Girls	79	81	69
Other response	5	5	5
2. Who do teachers punish more often?			
Boys	91	92	90
Girls	6	5	8
Other response	3	3	2
3. Who do teachers compliment more?			
Boys	8	7	15
Girls	87	89	81
Other response	4	5	4

Source: AAUW/Greeberg-Lake Full Data report: Expectations and Aspirations: Gender Roles
*and Self-Esteem (*Washington, D.C.: *American Association of University Women 1990), p18*

Despite the contradictions raised by the above results, only data selected to support the hypothesis (that girls *are* short-changed by the education system) were published by the AAUW. Clearly, something else is going on here (both in the data itself and in the decision to omit it). I will consider the data later, but for now let me discuss how findings were constructed by the commissioning organisation.

Hoff Sommers (1995) devotes an entire chapter to the study. She traces its development and dissemination then contrasts the data collected by the original researchers with the data published by the AAUW in order to show how the commissioning body biased the findings. In a later book offering an alternative (feminist) analysis of gender performance in education, Hoff Sommers (2000: 41-42) publishes the data that was suppressed from the original AAUW report. Despite this, other academic feminists continue to cite studies by the AAUW in support of the view that girls are disadvantaged (see Allan, 2004).

Hoff-Sommers contention is that anomalies are ignored so that the *implications of contradictory data can be discarded*. Ward and Werner (1984:219) couch the problem in these terms:

> *Discussion often centers around whether the anomaly should be ignored or should instead become the germinal point for further attempts at falsification. In very few cases do scientists actually consider anomalous data in a playful or creative manner, or see them as interesting clues in themselves.*

Constructing theory that accounts for anomalies, in their view, is the difference between reliable and unreliable research (Ward and Werner, 1984:232) because the anomalies provide pathways to a deeper understanding:

> *…discrepant data can and should lead to a more fundamental level of analysis. Rather than focussing on who is correct, it may be more fruitful to ask how and why a discrepancy has occurred. Differences at one level are thus seen to be a manifestation of rules operating at a higher level. This approach takes us from the "facts" and statements … to principles, processes, and contexts (and meta-principles, meta-processes, and meta-contexts).*

Focussing on *how* and *why* instead of *who* and *what* changes the nature of research as the goal of enquiry is to understand complex relationships between phenomena rather than uncritical reflections on experimental results. It is not without some justification that Hoff Sommers (2000:41) describes the work of the AAUW as "politics dressed up as science." This accusation, however, is more typically aimed at researchers using 'soft' (interpretive) approaches rather than 'hard' (positivist) approaches (see Clough, 1992; Hammersley, 1992). Indeed, Ward and Werner (1984) discuss the problem arising from poor handling of anomalies in the context of ethnographic, rather than positivist, research. But as the AAUW example illustrates, these concerns apply to all methodologies.

Ethnography

Ethnography, according to various authors, is an approach that enables researchers to discover the shared systems of meaning of a group of people. In doing so, the researcher enters the world of the research subjects in an attempt to understand, not simply observe, how they interpret the world and rationalise their decisions in particular social contexts (Agar 1986; Van Maanen, 1988; Schwartzman, 1993; Hammersley and Atkinson, 1995; Brewer, 2000; Gill and Johnson 2002).

There is an assumption that "'experience' underlies all understanding of social life" (Van Maanen, 1988:3) and that an ethnographer can reveal not only what happens, but the social relations and processes that explain their logic. Moreover, Hammersley and Atkinson (1995:18) argue that ethnographers can be used as a source of data – that the reactions of participants to them reveals culture. As Douglas (1976:16) noted "the researcher's knowledge of his own feelings becomes vital" and by using a journal to record descriptions *and feelings produced* the researcher's reactions become part of the data used to develop theory.

The Process of Sense Making

A number of psychologists note that people differ in their propensity to distort the world when faced with contradiction (see Miller, 1962; Sutherland, 1992; Buchanan & Huczynski, 1997; Aronson, 2003). But in the rush to study and quantify the *distorting* effects of the phenomena, there is little discussion about *why* differences occur. Reliability in scientific enquiry, surely, rests on an understanding why there is so much diversity of perception when we are faced with equivocation and ambiguity (and even when we are not).

Aronson (2003) reviews the impact of "cognitive dissonance" theory (Festinger, 1957) to understand "distorted" perception[24]. Dissonance, however, is also central to the noticing, unravelling and resolving of contradictions (Weick, 1995:46):

> *A key event for emotion is the interruption of an expectation. It makes good evolutionary sense to construct an organism that reacts significantly when the world is no longer the way it was…Once heightened arousal is perceived, it is appraised, and people try to construct some link between the present situation and 'relevant' prior situations to make sense of the arousal. Arousal leads people to search for an answer to the question 'What's up?'*

An emotional reaction, therefore, is always to be investigated and understood, and a keen awareness of ourselves as emotional beings is central to learning. While the prevailing view is that we should not allow emotions to distort our perception, Weick's interpretation suggests that *suppressing* emotions also distorts perception. Indeed, it is

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[24]   "Cognitive dissonance" emerged during fieldwork (see Chapter 5) as a concept deployed by Custom Products to understand employee behaviour.

the main contention of dissonance theory that distortion occurs because of a psychological need to manage the emotional impact of the contradictions we cannot resolve. In research, and perhaps in life itself, we will discover more if we do *not* reduce the dissonance, but resolve it through deepening our understanding.

Weick also reviews the dangers of emotions in research. Firstly, he found that our emotions can impact in two ways. Lack of information or experience can incline us to substitute *less* plausible explanations if our current understandings turn out to be false. One reaction, therefore, is to simplify our conceptual models to eradicate dissonance. Alternatively, however, we may react by suspending judgement until we have more data or a *more plausible* explanation.

Secondly, we may recall experiences with the same *emotional* rather than social content. If we do this, we may construct conceptual models based on dissimilar cases because of the similarity of the emotional impact. Alternatively, if we construct conceptual models based on similar *social* content, we can reduce the emotion we feel through improvements in understanding. Weick argues, therefore, that emotions are central to self-awareness, but can either distort or increase our understanding depending on the way we handle dissonance (see also Goleman, 1995; Glass, 2002).

Hochschild (1998) and Crossley (1998) characterise emotions as cultural phenomena. Weick's observation that emotions result from an interrupted expectation requires that we have expectations in the first place. Where do expectations come from if not from an awareness of 'typical' behaviour? Emotion, then, is more than a cognitive ability, it is also a cultural and contextual variable developed and evolved from cultural experiences (see Goleman, 1995).

Goleman's work – while identifying emotion as a second body of knowledge - has been criticised for its individualist outlook. Hochschild (1998:7) regards emotional development as collective development of an "emotional dictionary" that, while personal, is impregnated with cultural experiences and meanings that guide (and constrain) our emotional responses. As Crossley contends (1998:19):

> *We expect in many cases to be able to argue people out of their emotions,*
> *particularly if those emotions are deemed either inappropriate or unreasonable.*
> *We might say to a person, for example, that he or she has no reason to feel*

angry and is being silly…[This] differentiates emotions from sensation. It would be absurd if we were to try to argue a person out of their toothache, for example.

Emotions, therefore becomes an integral part of a "mutually meaningful, intersubjective world" (Crossley, 1998: 20). Their validity can be subjected to the same rigours and challenges that Habermas applies to the written word. Emotions, whether deemed appropriate and rational (or inappropriate and irrational) can be chosen deliberately or invoked like a reflex - a *learned* response as expressive and natural as our native tongue, but which, through self-awareness, reveals our understanding of social situations.

Sensemaking, therefore, is more than careful observation of events, people and behaviour, it an intellectual and emotional awareness that social phenomena we often ignore (in others) or suppress (in ourselves) are part of a rich body of evidence about cultural values and social rules. The researcher's feelings can reveal anomalies between their own culture(s) and another culture to provide clues about *both* cultures. If one person reacts to a situation with laughter, but another with anger, these signify differences in the interpretation of an event. Similarly, if a workplace contains much evidence of laughter without anger, or lots of anger without laughter, this may tell us something about events in the workplace. Alternatively, it may tell us which emotions are met with approval and disapproval – something that reveals values implicit within the culture.

How should truth claims be regarded? Interpretive approaches can regard subjective data as valid. Taken at face value, this enables us to get closer to the phenomena under study and write more objectively about it – an approach that retains an implicit acceptance of positivist validity criteria (see Johnson et al, 2004). Rooted in cognitive psychology, the assumption is that we simply need to ensure that our cognitive tackle is functioning well and that we write up our findings accurately.

Burrell and Morgan (1979), however, are not alone in drawing attention to the way systems of meaning are variable and depend on assumptions that people make about the nature of the world (see Johnson and Duberley, 2002; Gaus, 2003). Consequently, there is a need to accommodate the variability of belief systems into the analysis and the representation of research findings.

The belief systems of the researcher cannot sit outside this discussion:

> *How, precisely, is a garrulous, overdetermined, cross-cultural encounter, shot*
> *through with power relations and personal cross purposes circumscribed as an*
> *adequate version of a more-or-less discrete 'otherworld', composed by an*
> *individual author?*

(James Clifford, cited in Van Maanen, 1988:1)

Good question! An ethnography can only ever be a personal account of the how research participants regard their world. The way the researcher's belief systems are handled as part of the narrative is one of the problematics of presentation. Researchers may make wonderful repositories of cultural data, but they are not neutral vessels of experience because they cannot prevent their *a priori* perspectives from influencing the way data is collected and analysed. Let me therefore, consider whether this perceived problem can be turned to advantage.

Ethnography as Politics

Earlier, we discussed Hoff Sommers (2000) view that the data presented by the AAUW was "politics dressed up as science". Hammersley attempts to answer the same charge in the context of ethnography (1992:15):

> *...if political advocacy is the function of ethnography, why is the politics so*
> *rarely made explicit? And on what basis are we to distinguish between*
> *ethnographic insight and political prejudice?*

The difficulty is illustrated in the work of Kasmir (1996). While openly admitting that her ethnographic study of the MCC was intended to provide a working class perspective, the author is not sufficiently forthcoming on the way that her own political views impact on her interpretation. For example, in discussing the background to a strike - the author understates the significance of strike leaders attending "clandestine" Marxist meetings (Kasmir 1996:113). No comment is made on the modus operandi of

Marxists, particularly their use of political agitation in the workplace to encourage class-consciousness through active participation in disputes and strikes[25].

While the views of strikers and strike sympathisers are given some prominence, the views of non-managerial *workers* who voted the strikers out are notable by their omission. Therefore, what might have been an interesting exploration of why one group of workers voted out another, the conflict was recast as a traditional 'class' conflict between capital (management) and workers (labour), rather than a 'value' conflict between different groups of workers.

Clough (1992) rightly questions whether ethnography describes or constructs reality. She considers how the authors of ethnographic texts use narrative techniques popular in the mass media to present their findings as authoritative and valid. The results, she contends, are no more than social constructions masquerading as neutral descriptions in the service of a political interest. She calls for a more critical approach that unravels the discourses of different individuals and groups so that the politics of both researcher and researched are clearer (see also Van Maanen, 1988; Putnam et al, 1993; Johnson and Duberley, 2000; Alvesson and Deetz, 2000; Dey, 2002).

Attempting to stay detached can be problematic in itself. Megginson (2002:5), discusses the difficulty of unravelling our own embededness in the research process:

> *Research is always fed by emotion. And by the agenda of the person that is doing the research. This can lead us into dead-end despair. However, there are directions over the wall at the end of this course, one direction starting from the depersonalised conventions of research, takes us through being explicit about our own place in the account, from using personal stories to using other peoples' personal stories. To seeking pattern and meaning behind these stories.*

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[25]   I learned of this during evenings with members of the Labour Party, Socialist Workers Party, Communist Party and Revolutionary Communist Party between 1988-1990. They differed in their views regarding workplace democracy as a movement for social change. Lenin argued for a political vanguard to bring "political consciousness…to the workers…from *without"* to *overthrow* existing workplace relations (see Lenin, 1947:75). Marx cautioned against viewing co-operatives as a vehicle for change (see Marx, 1984:440). Both attitudes are at variance from syndicalist preferences for organisations independent of existing political structures and reformers who argue for evolutionary change (see Cliff and Gluckstein, 1988).

Ethnographers, therefore, can help readers of their research by adopting an epistemologically reflexive approach that extends beyond the researcher's impact on the research subjects (Hammersley 1992) to the way the researcher's own values, political and philosophical commitments impact on analysis and evaluation (Holland 1999, Johnson and Duberley, 2000).

Etic and Emic Perspectives

Frimansson (2003:16) contends that the objective of the researcher results in different approaches to data collection:

> *Emic accounts report the social world from the perspective of the participants, and are often based on the native's words and worldview. Etic accounts are instead based on the researcher's perspective, and use concepts and constructs to produce descriptive material that are theoretically fruitful.*

Gill and Johnson (2002:152) argue that ethnography – indeed social science research generally – can benefit from a focus on emic analyses of phenomena that seek "explanations of human action [that] are generated inductively from an *a posteriori* understanding of the interpretations deployed by the actors who are being studied." This view, is not shared by all, however. Some argue that a gradual working out of differences between the perspectives of the researcher, the academic literature, and the researched is essential (Agar, 1986). Indeed, they argue that an ethnographer should use these *differences* to create opportunities for learning and change. This raises the spectre of pursuing both etic *and* emic objectives simultaneously (Ward and Werner, 1984:101):

> *We contend that differences occur in the ethnographer's environment, or between the ethnographer's perceptions and knowledge structures and that environment (including the social environment). In order to be maximally useful, **these differences must be reified in texts**, whether they are those of the informant (e.g. interviews, transcriptions, letters, documents) or those created by the ethnographer (e.g. journals, observational notes, reports). At some point in the ethnographic process, differences must be perceived by the ethnographer **as differences** in order for them to be useful. We argue that this leap from the external world into the internal world of the ethnographer transforms **difference** into **dissonance** [emphasis in original].*

An attempt to reconcile emic perspectives occurs in Grounded Theory (see Glaser and Strass, 1967; Agar, 1986; Strauss and Corbin, 1998; Locke, 2001). Proponents advocate (in varying degrees) that the researcher should free their mind from the

constraints of existing theory in order to allow the data to drive theoretical development. The extent to which this can be done, however, is contentious (see Parker and Roffey, 1996, Strauss and Corbin, 1998; Partington, 2000; Goulding 2001). The issue of how to handle the etic perspectives of the researcher becomes a circular problem:

> *…[an] academic or student cannot possibly erase the information regarding…theory, and start with a totally empty mind. These theories provide sensitivity and focus which aid the interpretation of data collected during the research process. Grounded theory research is not a-theoretical, but it does call for an open mind and a willingness to have faith in the data. It further requires that a detailed literature review comes after the data has been collected when tentative theories or concepts have started to form.*

(Goulding, 2001:23)

What Goulding is pointing out here is that the etic perspectives of the researcher cannot be removed, but s/he needs to be committed to an investigation of her or his own pre-understandings to understand how *the selection and interpretation* of data has been influenced by them. This requires a commitment to challenge one's own pre-understandings as well as those of participants and academic theorists.

The difficulty arises in that the researcher is only partially aware of their pre-understandings at the start of the research process. Ethnography, particularly the use of participant-observation, gives the researcher a chance to observe themselves 'in action' and unravel etic perspectives of which they are unaware. This is, perhaps, what Ward and Werner (1994:101) mean when they say that "differences must be perceived *by the ethnographer* as differences" [emphasis added].

Certainly, any qualitative research that attempts to develop grounded theory has as its goal a theoretical understanding of the phenomena encountered rather than the *a priori* thinking of the researcher. Gill and Johnson (2002:158) discuss how this might be achieved using *analytic induction* and hit upon another circular problem:

> *AI requires the researcher to shift to a form of analysis that entails his or her imposition of an external logic which exists independently of, and explains, the subjects' internal logics. Clearly this shift entails an overt form of what Burrell and Morgan term 'ontological oscillation' (1979, p. 266) – the initial adoption of a subjectivist stand with the subsequent introduction of objectivist assumptions 'through the backdoor'. Now the question for AI is whether, as Burrell and Morgan claim, such oscillation poses a contradiction which should be avoided, or as Weick (1995, pp34-38) argues, such oscillation is a vital*

> *element in sense-making that helps us understand the actions of people in everyday life.*

My sympathies lie with Weick (1995), but it does not follow that ontological oscillation necessarily amounts to objectivity via the backdoor. Certainly it is possible that a researcher can unravel new and useful theoretical perspectives that have practical utility, but in doing so the findings are not outside the cultural and historical conditions in which they are discovered.

For the moment, let me round off this discussion by considering Dey's comments on writing up critical ethnography (2002:112):

> *The key to using critical thinking in ethnographic study – and the subject of much debate – is finding the right balance between the ethnographic focus on understanding and the critical focus on explanation. Some "middle ground" therefore needs to be sought, whereby foundational theories can inform, rather than obscure, the way ethnographies are problematised and written up.*

This research is based on the assumption that critical research is driven by emic analyses of *different* etic perspectives (including those of the researcher). A critical ethnography needs to provide an account of how etic perspectives come into being and are used within a culture. These accounts are not 'objective' in an absolute sense because they remain a product of cultural and historical conditions and *a priori* understandings. It is not possible to claim they are eternally useful and valid but they may have relevance for a long period (for as long as they are considered by their advocates to have practical utility). In this sense, the critical researcher is obliged to pursue both etic and emic perspectives simultaneously in both their approach to analysis, and through the application of epistemological *and* methodological reflexivity (see Putnam et al, 1993; Thomas, 1993; Laughlin, 1995; Lodh and Gaffikin, 1997; Blyler, 1998; Holland, 1999; Johnson and Duberley, 2000; Dey, 2002; Snow, Morrill and Anderson, 2003; Koro-Llungberg, 2004).

The Ethics of Handling Dissonant Data

An acceptance that a researcher will encounter different ways of thinking, and different claims regarding the truth, has ethical implications. Different stories are embedded within data. By comparing the public records of events with the private thoughts and feelings of the actors, the gap between private and public worlds of meaning, and the

impact this has on unfolding situations, become clearer. But it also creates ethical dilemmas. As Megginson writes (2002:12):

> *When we gather information, are we gathering [private] information or [public]? If we are gathering [private] information what are we doing with it? Does the [private] remain private? Minimising damage means no change, not getting to the root of the problem.*

His view is that the "poisonous, difficult, complicated stuff" has the most value because anomalies between private and public data reveal the hidden social processes that affect relationships. They reveal the difference between what is sayable and what is said, and to whom we can and cannot say things.

This is only half the story. There are also the things that we *do* say that we do not really feel; the cultural discourses we support in public but have reservations about in private; the social events we attend and the behaviours we adopt publicly that privately we avoid. These disparities between public and private reveal cultural life and the behaviours expected by group members (see Goffman, 1969). In each of these cases, asking "why" enables us to work backwards through the data to search for patterns and anomalies to drive theory development.

But is it acceptable to bring private information into the public domain without the formal consent of research participants? Secondly, what if our interpretations and explanations are controversial? As Gummerson argues, bringing out certain things may embarrass people or "trigger the anger of powerful people" (Gummerson, 2000:111). Despite this, they may be of such importance that they cannot be ignored.

Nowhere is this more acute than the taboo on sexual behaviour in organisation theory. As Hearn and Parkin argue, "organisations…become obvious places for the development of sexual relationships, be they unspoken glances, mild flirtations, passionate affairs, or life-long arrangements" (1987:13-14). Despite this, management texts usually ignore sexuality to the point that "you would imagine organisations, so finely analysed, are inhabited by a breed of strange, asexual eunuch figures…" (ibid, 4).

While feminist-inspired contributions have articulated the way that sexual attitudes have a deep-rooted impact on social control, status and career progression, the way that complex sexual relationships are implicated in the development of workplace hierarchy

is still the subject of considerable confusion (Townley, 1994; Ackroyd and Thompson, 1999; Hearn and Parkin, 2001; Collinson and Hearn, 2001; Wilson, 2003; Farrell, 2005; Ridley-Duff and Leinonem, 2005).

For Burrell (1984) this is symptomatic of a culture where 'civilisation' contributes to a desexualisation of the workplace. Suppression of sexuality becomes a tacit management control strategy so that "work itself involves drawing on libidinal energy and diverting it into work objects rather than sexual objects" (Hearn and Parkin, 1987:12) and sexual behaviour comes to be regarded as "*mis*behaviour" (Ackroyd and Thomspon, 1999). The lack of theory regarding sexual behaviour is an outcome of discourses that regard it as inappropriate in civilised discussion (Elias, 1978).

Foucault (1976), however, takes a different view. He considers the silence on sexuality as the appropriation of power. Talk about sex has not stopped, it has been appropriated by different professionals (the media, church leaders, psychologists, psychiatrists, criminal justice lawyers, legislators, HRM departments etc.) to control the discourse. Appropriating the right to define what 'sex talk' is (and is not) allowed becomes part of the management control toolkit.

While some books on the subject have appeared, Gummesson (2000:113) draws attention to the view that "[the] presence [of sexual relationships] is not described, let alone explained by much of the sociology of organization". Leinonem (2004:12) found that "gender conflict was painstakingly avoided" by her participants even when adopting Habermasian practices recommended by Gustavsen (1992). A glance through a couple of OB text books (see Buchanan and Huczynski, 1997; Robbins, 2001) reveals that despite the occasional nod to acknowledge feminist discourse, serious discussion of sexual behaviour is conspicuous by its absence[26].

For now, we need to note the complexity of the problems that may occur, and the likelihood that both researcher and research participants may feel deeply uncomfortable at the emergence of hidden social phenomena.

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[26]   For a more extensive review of the way OB textbooks have ignored sexuality, see the introduction to Fiona Wilson's book on the subject (Wilson, 2003).

Pluralist Conceptions of Truth

Divergent accounts of life have prompted some branches of philosophy to argue that reality itself is not a stable concept. From postmodernist, critical theory and critical realist viewpoints, 'reality' and 'truth' are social constructions tied to political imperatives (see Darwin et al, 2002).

Montagna (1997:130) takes the view that:

> *…there is no underlying reality to things… what is 'real' is what we socially define as real… there are as many meanings to a text as there are interpretations of it…all discourse is rhetorical. In short, postmodernism is the total acceptance of discontinuity, heterogeneity, and difference (but not differentiation) and the rejection of cultural universals.*

If we accept that different discourses exist, and that these are all rhetorical, does it follow that *all* there is in life is the endless pursuit of self-interest? In answering this criticism, Hammersley (1992:15) contends that ethnography is "more than insights" and "more than utility value", it is also able "to produce sensitising concepts and models to see events in new ways". He contends that these characteristics distinguish ethnographic research from political polemic.

The production of new concepts can expose contradictions in old concepts. Doing so has political *implications* even if there is no political *intent* behind the discovery. Kuhn (1970, 1977) articulated this as a paradigm shift; changes in understanding that fundamentally impact on the way we interpret the world. Such periods of change are always conflictual because advocates of old discourses lose their social status if their discourses become discredited. Evolutionary change takes place *within* existing paradigms and revolutionary change takes place when one paradigm replaces another as the dominant mode of thought. Kuhn's work, however, led to a new division between postmodernists who regard a paradigm shift as a *political* process that is *power* driven and critical theorists who regard a paradigm shift as a dialectical relationship between *political* and *intellectual* development rooted in a changed social reality.

Postmodernism and Critical Theory

The postmodernist position that truth claims are always political has implications for qualitative research. Should the goal of research be to deconstruct the way that

knowledge has been used, a process that "unsettles those discourses that have become more privileged than others….without advocating any preference…" (Johnson et al, 2004:13), or is the goal to "sensitize [oneself] and participants to how hegemonic regimes of truth impact on the subjectivities of the disadvantaged" (ibid: 11) in order to validate the credibility of alternative versions of truth?

In seeing behaviour through the individualist lens of "pure thought" tied to the pursuit of social influence, postmodernism returns us to the Platonic idea of reality as a projection of the mind. My inclination, however, is to accept a critical perspective that while reality is constructed, it has a relationship with a real world that is "out there" and that its validity can be tested, albeit within a framework of cultural and perceptual constraints. We may be limited in what we can sense, but our (culture specific) research efforts can construct more credible ways of understanding.

Johnson et al (2004) suggest a number of ways to assess whether a critical ethnography has facilitated scientific enquiry and acted as an agent of change[27]:

1. Reflexive interrogation of one's own knowledge

2. Sensitising the self and research participants to hegemonic regimes of truth

3. Democratic design that promotes evaluation of constructed realities

4. Accommodation through an exploration of differences with comparable contexts

5. An evaluation of how the research changes those it studies

To assess generalisability, comparison cases are useful. In qualitative research, additional cases are used to test the applicability of emergent theory in different contexts rather than establish statistical significance. While the richness of the data and analytical capabilities of the researcher are more important than sample size, comparison cases that throw up anomalies and lead to refinements of theory add to plausibility (see Glaser and Strauss, 1967; Patton, 1990; Yin, 2002). The above criteria establish a way to assess the success of this research.

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[27]   The authors acknowledge a debt to Kinchloe and McLaren (1994)

In the next two sections, I describe the way methodological choices influenced analysis, theory development and fieldwork.

Methodological Choices

My aim is to generate communitarian perspectives on culture development and governance. Hammersley and Atkinson (1995:11) note the contentious position of ethnography as a means of *developing* theory.

> *…attempts to go beyond [description], for instance to explain particular cultural forms, are sometimes discouraged…though some forms of theory, those which are believed to be capable of capturing social complexity, are often recommended, most notably the grounded theory of Glaser and Strauss (Glaser and Strauss 1968; Strauss and Corbin 1990; but see also Williams 1976)*

Other researchers are more optimistic about the possibilities of using a combination of ethnography and grounded theory (Gummesson, 2000; Yin, 2002; Gill and Johnson 2002:166):

> *When [the ethnography] entails analytic induction and reflexivity the internal validity of the researcher's theoretical conclusions may well be very high in comparison to many of the deductive approaches.*

Agar (1986:19) proposes a role for the ethnographer that accommodates the range of concerns:

> *Ethnographies emerge out of a relationship among the traditions of ethnographer, group, and intended audience. Ethnography is at its core a process of "mediating frames of meaning" (Giddens, 1976). The nature of a particular mediation will depend on the nature of the traditions that are in contact during fieldwork.*

Agar perceives the ethnographer as a person at the crossroads of various cultures. They are not passive, they are a participant in the process of discovery bringing their own conceptual understanding to the table along with the concepts of both the research subjects and target audiences. He suggests a grounded theory approach drawn from the work of Glaser and Strauss (1967) where research is broken into *strips* and organised into *schemas.* Lastly, he suggests that *inferences* can be drawn from the complex relationships between schemas in order to inductively build theory. Strauss and Corbin (1998) use different terms (*description, conceptual ordering and theorizing)*, but the process through which the researcher makes sense of data is essentially the same. My

approach is similar, but also slightly different. I propose to identify 'strips' as the *discourses* of different groups of actors. Each discourse articulates a 'social reality' linked to a distinctive position within the culture. The inferences drawn are based on the relationships between (and differences in) these discourses.

Theory Building

My background is in systems analysis and software development – a discipline that has grounded me in techniques for the analysis and representation of interrelated groups of people, processes and data. These were set aside while evaluating alternative methods of representation. In the early stages of the research, I followed the process of open, axial and selective coding. NVivo was used to build open coding structures by micro-analysing journal, e-mail and document texts. Axial coding followed by grouping and organising these concepts. During this process some limitations were established.

Firstly, NVivo encourages the construction of conceptual hierarchies. While Strauss and Corbin argue that the eventual goal is to identify a *core concept(s)* that impacts on everything, the hierarchical organisation of concepts (in that some come *before* others, or represent umbrella concepts that *contain* others) did not do justice to non-hierarchical inter-relationships. My experience of systems modelling (SSADM[28] and UML[29]) inclined me to resist hierarchical ordering of information so that relationships between phenomena could be understood. As a result, sketches were made on paper to examine the *processes* in which they were embedded and establish patterns embedded within and between different discourses.

The dynamics between actors emerged by assembling stories that unfolded over 18 months in the field – *theory development took place concurrently with the emergent discourses*. The iterative nature of grounded theory, therefore, was preserved even if the advice on data analysis was not. A single concept – intimacy - that underpinned all the theoretical development (interpersonal dynamic, inter/intra-group dynamics, gender

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[28]   Structured Systems Analysis and Design Methodology

[29]   Unified Modelling Language

theory, corporate governance) did eventually emerge. The way this became apparent is told as part of the narrative so that the reader can distinguish between *a priori* theory and emergent ideas developed out of the writing process.

Methodology and Methods (Practice)

A company that wanted its "behavioural" governance model studied co-sponsored the research (see below). The research questions focussed on describing and critiquing their communitarian model of governance. Data was collected over an 18-month period from October 2002 to March 2004 including 7 months *working* inside the company. This was supplemented by participation in social events, weekend and evening working, "socials", phone calls and e-mail conversations. Friendships were developed through working in different departments and mixing freely at social events – deliberate attempts were made to balance numbers of men and women (not always with success), both inside and outside the management group.

Journal entries were made throughout (daily while in the field). Many of these were recorded on a digital dictaphone, transferred to computer, then summarised and analysed at the end of the data collection period. To ensure that analysis took place, reflections were captured as events unfolded together with the evolution of theoretical thinking in the field.

In keeping with grounded theory, theoretical reading was limited during data collection (Glaser and Strauss 1967, Partington 2000, Goulding, 2001; Locke 2001). While working inside the company reading was oriented towards those books that were in active circulation[30]. This helped me understand the influences on management thinking and how these informed management actions.

Additional primary data was collected from SoftContact and the Mondragon Corporacion Cooperativa (MCC) for comparison and critique. SoftContact comprises two organisations: a common ownership co-operative and an employee-owned sister business. The way democratic values were re-interpreted over a 13-year period – and

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[30]   Some papers and books were read to complete university assignments in epistemology.

during the formation of a spin-off company - is helpful to this research. The MCC is a 47-year old corporation comprising 145 co-operative enterprises and 45 partnerships[31]. Most of its income is derived from exports and the 67,000 workforce have the highest productivity and profitability in Spain[32]. As an example of a *commercially viable international democratic enterprise*, with its own extensive academic literature, it is unparalleled.

All methodologies have their limitations. Ethnography's strongest claim is that it can "penetrate the various complex forms of misinformation, fronts, evasions and lies' that are considered endemic in most social settings" (Gill and Johnson, 2002:145). This leaves the researcher deep in the contestable world of social meaning, relying on interpretative skills to theorise about findings. Triangulation, of both methods and data sources, can assist in determining the validity of data and this was done for issues that were considered controversial. In the sphere of behavioural and linguistic meaning, however, all claims are open to challenge. The ethnographer's best hope is to capture a series of authentic and plausible interpretations, rather than unchallengeable truths.

The mixing of analysis methods raises the issue of methodological pluralism. This is done consciously. Objective epistemologies were adopted at one point when managers disbelieved results obtained through interpretative methods. The processes adopted are told as part of the narrative so that the reader can assess the reasoning and appropriateness. One advantage of this is that its *exposes the contexts in which different epistemologies are adopted*. Their, and my, reactions became part of the data that later informs theory development.

Preparing for the Field

Sales work has made me aware of body language as a science (Pease, 1997).
To broaden my knowledge further, I read another recent work (Glass, 2002) and made extensive notes (see Appendix B). After fieldwork, another book brought me up-to-date

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[31]   As at 6th March 2003.

[32]   Source: Field notes 5th/6th March 2003, presentation materials and annual reports handed out during the field trip.

with developments (Pease and Pease, 2004). Understanding body language changes our perception about people, and also ourselves. Habits and expressions in my own and other people's behaviour became more visible and meaningful. The justification for this approach lies in academic claims that *most* communication takes place through non-verbal behaviour (see Birdwhistell, 1952, 1970, 1971, 1974; Mehrabain, 1969, 1971; Hall, 1973)[33] although concerns about reliability remain.

Summary notes were sent to one of the research participants (a psychologist). He concurred that "body language" is just that – a language. There are no single gestures that can be interpreted in isolation. Instead, repeated *series* of gestures, expressions, remarks and tones are assembled into coherent patterns that 'speak' to those who understand them. Their validity, however, can be contested, and are subject to the same rigours and challenges that Habermas (1984, 1987) applies to the written word. Unlike the spoken word, however, body language is *unconsciously* 'spoken' (even practised politicians cannot suppress all responses) and herein lays its potential usefulness.

Looking at texts on body language pointed me in another direction - humour. Before data analysis, I read to improve my understand of empirical research on laughter and theories of humour (Provine, 2000; Critchley, 2002). These provided insights into the way that humour and laughter reveals social structure (Coser, 1960). There were useful sections on the psychology of 'corporate fun', laughter patterns as a function of authority relations, laughter as a barometer of male/female relationships, humour as group identity and a determinant of group membership[34], and practical joking / sarcasm as manifestations of hierarchy, suppressed anger and hostility (see also Nuwer, 2004).

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[33]   Mehrabian claims that less than 10% of communication comes through the words themselves and that over half comes through non-verbal behaviours and body language.

[34]   Provine discusses how humour based on ridicule of others is linked to identity building. New members may not be admitted to the group unless they laugh at other members' jokes and contribute their own.

Presentation of Self and Others

One of the key choices for an ethnographer is whether to immerse oneself in the culture, or simply observe (Gill and Johnson, 2002). Given the potential of emotional responses to provide new ways of understanding I proceeded on the basis that my own subjective experiences would assist me. In short, a critical examination of my own emotional responses has contributed to understanding my own cultural sensitivity and the "cultural dictionary" of the case study companies (Douglas, 1976; Hochschild, 1998).

A systematic way was developed to separate my experiences as a participant from my reflections and choices as a researcher. In the primary case, I appear as three different characters (Andy - consultant, Ben – office worker, Chris - warehouse worker). Using a single character was rejected on the basis that it would be misleading because different stories occur in different settings – they are linked to the role of a worker, not to me as an individual. Different experiences occurred not because I was a researcher, but because I was variously perceived as a researcher, office worker and warehouse worker. In the comparison company, I was perceived as CEO (in contemporaneous documents) or researcher during fieldwork. This afforded me different insights in each case. The boundaries around each character, therefore, are drawn on the basis of context rather than the person.

The characters articulate my varied experiences as a participant. In the case of Andy, the researcher, the discourse is based solely on my own experience (there were, after all, no other researchers!). But in the case of office and warehouse working, there were others who discussed and shared common experiences, and who articulated similar and different points of view. Individual 'characters' in the ethnography are not, apart from Andy, single individuals; they are groups of individuals whose views constitute a particular discourse[35] based on their role and gender.

Three justifications are offered. Firstly, it would have been confusing and incoherent to use approximately 100 individual discourses so these were merged together until approximately 30 discourses linked to different interests remained (see Appendix A).

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[35]   Over 100 cases were organised into approximately 30 discourses – see Appendix A.

Secondly, seeing myself as an actor inside the company (and talking about myself as another person) enabled me to establish my own etic perspectives and see where they came from. The first occasion for this was writing to an academic friend about an incident during the research. As well as renaming the research participants I renamed myself to avoid them interpreting the incident on the basis of prior knowledge. The insights that this generated were considerable so I decided to continue the approach.

Lastly, and perhaps most importantly, presenting myself as someone else helped me talk about actions, thoughts and feelings that had been suppressed. It enabled me to link up patterns in my own experience with those of others and separate what was happening to me as a participant and as a researcher. It became possible to discuss and learn from the patterns and anomalies in the data without causing undue embarrassment to any individual (including other members of my family).

Ethnographers talk to themselves daily. They suppress some experiences and later realise their importance. What did Ben (participant) tell Andy (researcher) each day? *When* did Andy realise that some of Ben's experiences were of greater importance? How did Andy (researcher) reflect on what Ben (participant) told him? How did he bring his previous experience to bear on the situations that evolved? This dialogue reveals the sense-making process of research, what and why things became important to the researcher, and how *a priori* bodies of knowledge impacted on events.

I realised, about mid-way through, that just as research participants increasingly 'drop their guard' as they get to know an ethnographer, so the ethnographer 'drops their guard' when they write to family members and close friends. Some data, therefore, comes from personal correspondence and *not* documents originally created as part of the research project. This provides insights unavailable elsewhere.

Other discourses are articulated through the construction of additional characters. The research institute supervising my project is represented as XYZ Consultants Ltd, and the three members of the supervisory team speak through a single character named 'Tim' to preserve anonymity. The principle discourses are articulated through Brenda, Diane, Harry and John. Other characters intervene frequently (Hayley, Irene, Charlie, Carol and many others). These discourses were identified through micro-analysis of research journals, e-mails and interview transcripts. The words used to tell their story are drawn

from journalised conversations, meeting notes, their own e-mails and letters, written documents, reports, newsletters, company rules, policy documents and minutes of meetings. The goal is to capture the diversity of cultural life through anonymous, authentic and plausible accounts. Inaccuracies – for those minded to comment on this - are deliberate, intended only to protect participants rather than distort findings. Where research participants requested anonymity, or were fearful that their jobs might be under threat, I disclose only the gender of the informant.

Background to the Research

My own background prior to undertaking this research has been a lifelong interest in the democratisation of management processes. After a period at Procter & Gamble (1987-1989), I joined a workers' co-operative to provide consultancy to 'third sector' organisations (1989-2001). A director from 1990, a team leader from 1991, I was eventually elected general manager in 2000.

During 2000/2001, two colleagues worked with me to create a new business. This sister enterprise was constituted as a majority employee-owned democratic business. In the older company, I was one of many directors. In the newer company, there were two directors and my role was formalised as CEO. My position was (indirectly) subject to the control of a General Meeting at which employees - as shareholders - could remove me. In both companies all employees had 1 voting share that entitled them to register their opinion on policy related matters. In the old company *all* decisions were subject to one-person, one-vote. In the new company, *policy* decisions and *director elections* were controlled by members and then implemented by the CEO.

The reader may think I have utopian views of democracy. This is not the case; my experience is that *democracy is particularly hard* and that many people dislike democracy when they experience it. New recruits enthusiasm at 'having a voice' sometimes evaporated as the implications of other people having one too became apparent to them. Some people baulked at being given information normally withheld by company boards, or left because they disliked responsibility for matters normally handled by their employer (see Ridley-Duff, 2002). Working in a one-person, one-vote organisation is far from utopian.

Some people come alive (I was one of them) but others found it difficult to accept criticism or expected politeness when they offended others. On balance, I found democratic working more satisfying but more openly conflictual than other work experiences. Having survived many emotional batterings that come from thrashing out conflicts (a bit like those 'special' moments in a marriage that we never forget), my interest is more than ideological, it is humanistic – rooted in the pleasure derived from seeing people emerge from their fear and grow in confidence, while also seeing people with huge egos and prejudices challenged and sensitised to others point of view.

In this research there are *six* organisations. I show the relationships between them in diagram 3.3:

Diagram 3.3 – Participants in the Research Process
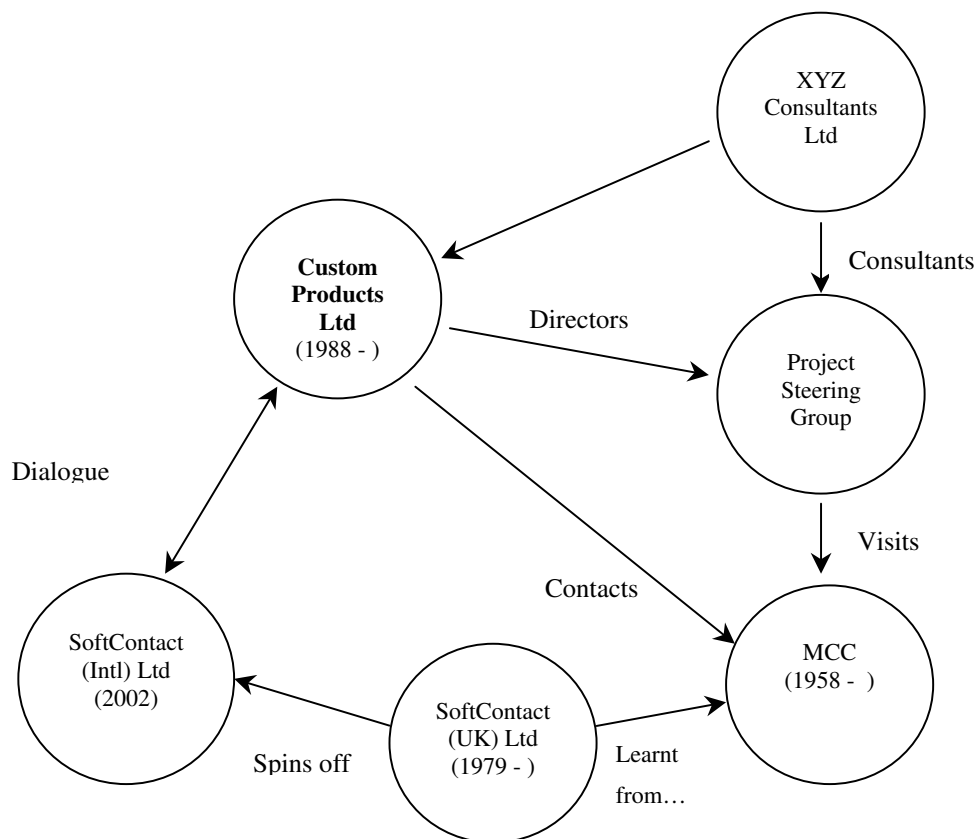
For reasons that will become clear, Custom Products Ltd withdrew its support half way through the project (see Appendix D for a chronology).

Summary of Epistemology and Methodology

In section 1, unitarist conceptions of truth (positivist, interpretative approaches) were discussed to argue no research can be completely objective. Social influence and *a priori* assumptions during construction of research questions, report writing and dissemination – these undermine the claims of positivist research to be any more objective than other approaches. In section 2, ethnography is examined as a way to study culture. In particular, consideration was given to differences between *scientific learning* and *scientific testing* (Miller, 1962). Problems were highlighted; emotionality in sense-making; *a priori* assumptions on perception; the reconciliation of etic and emic perspectives; handling anomalies and taboos; ethics and dissonant data.

In section 3, pluralist conceptions of truth were discussed to position myself at the boundary point between critical theory and postmodernism. In making the assumption that there *is* an ontologically real world, the argument for *critical ethnography* was established. Methodological choices and methods have been discussed, including the ways I prepared for the field. Theories were modelled on paper and then developed through an iterative process of elaboration using micro-analysis of data and follow up interviews in a comparison company.

Anonymous, authentic, plausible characters have been constructed to capture sensitive dialogue between participants, and the dialogue between "researcher as participant(s)" and "researcher as researcher". This promotes examination of my own believes (epistemological reflexivity) and the impact of my agency in the field (methodological reflexivity) so that the reader can assess my agency in the construction of theory.

In the next two chapters, the main narrative of the ethnography is presented. In chapter 4, empirical data and literature on interpersonal dynamics is presented. This is followed (in chapter 5) by similar treatment of intra/inter-group dynamics. Taken together they consider the impacts of recruitment, induction and socialisation processes including the way gendered identities inside and outside the workplace affect working life. In chapter 6, these are applied to critique the dominant discourse on corporate governance.

Chapter 4 - Interpersonal Dynamics

I have located myself within a communitarian pluralist tradition that focuses on interactions between people to explain social life and understands social life as a series of intentional behaviours between people. In seeking agreements, individuals, often juggling personal and group interests, communicate in symbolic and meaningful ways, and continually project (and protect) a range of personal and organisational identities that have been constructed to navigate different contexts (see Blumer, 1969; Goffman, 1969, Weick, 1995).

Agreements are, in a social – if not a legal - sense, an attempt to achieve a level of shared expectations between *individuals*. Once made, individuals usually feel bound by psychological contracts to keep to implicit social agreements but the inherent ambiguity in language and impossibility of ever fully understanding others leaves plenty of scope for both accidental and deliberate misunderstanding. These misunderstandings are particularly useful to a researcher as they reveal the differences in people's values and their link to various private and collective interests that evolve over time (see Schein, 1980; Rousseau, 1995; Griseri, 1998).

The evolution of personal relationships, therefore, has a profound impact on the development of social structures at work. Workplace culture cannot divorce itself from the way individuals meet, bond, and evolve their relationships. Nor can social life be understood without understanding how these bonds affect individual and collective decision-making processes. In this chapter, I focus on the social structures that develop between individuals at work, and the decision-making processes that result from them.

The often-ignored areas of sexuality and intimacy[36] have emerged as significant factors in this study. The way relationship behaviours are characterised by different parties as "appropriate" or "inappropriate" impacts on the environment for social bonding. In this study of *communitarian* governance, the level of bonding, and the impacts on business practice, are central.

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[36]   See chapters 5 and 6 for extensive discussion of "intimacy". For the moment, I wish to define it
         as a relationship that is sufficiently close for two people to discuss private feelings.

Their emergence was slow. After 12 months the implication of these were initially set aside when the following was written to the directors of Custom Products:

> *I was tempted to look at a 4th issue (gender equality/inequality issues) but thought it would overwhelm and divert from the focus on governance. I think you would be interested in some of the findings in this area - and the thinking it has provoked.*[37]

This offer was not taken up either then or later. However, further conflicts took place in the next six months that affected group structure, relationship dynamics, hierarchy and career development, and the issue kept surfacing as a factor in governance. This decision prompted a re-examination of data from both the primary and one comparison case in order to deepen my understanding of the "back-stage" aspects of organisational life.

Gendered behaviour is not simply a side-issue between pairs of people, but one of the organising principles behind hierarchies and group-structure at work *both within and between* gender groupings. Moreover, far from describing behaviours that are dominant/submissive, relationships were more often gently and sensitively constructed over time. Aggressive behaviours, however, did surface when people felt excluded and felt a need to re-establish personal control over the meanings attributed to their behaviour. Norms, in any given context, were *jointly* constructed. During periods of construction, there is little or no overt conflict. However, when value conflicts do occur, threatened parties reasserted control - sometimes quite brutally - over both the people and the interpretations that are publicly acceptable to them. This chapter focuses on the process of bonding (during which relationships are constructed); the next chapter deals with the impact of normative processes and the interpersonal conflicts that occur when individuals (or groups) start to understand their differences.

In section 1, I briefly discuss underlying assumptions about male/female behaviour that impact not only on organisational life but the interpretative frameworks of academics. This is both to set the scene for an examination of "deep structures" that exist in social life (Putnam et al, 1993:230), and also to unsettle the dominant gender discourses *before*

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[37]   E-mail 8th October 2003.

empirical data is presented. In sections 2 and 3, I begin to outline how relationships form amongst staff at Custom Products Ltd and XYZ Consultants Ltd. This provides data from which to construct a framework for understanding dependency and attraction. Section 4 discusses secondary case data to validate the generalisability of the theory.

The chapter concludes with a grounded theory (Glaser and Strauss, 1967) to explain how social influence affects decision-making through the simultaneous application of *social rationality* and *economic rationality* (terms which will be examined more fully later in the chapter). I will also contextualise these findings within the symbolic interactionist tradition (Blumer, 1969) to prepare for further discussions of group behaviour. An outline of the chapter is shown below:

Diagram 4.1 – Interpersonal Dynamics

Patriarchy and Sexism as Deep Structures

Feyminist Views → Alternative Views → Personal Experience

Empirical Data (Forming relationships)

Social Domain → Economic Domain
(Access <-> Information <–> Emotion)   (Intellectual <-> Physical <->.Material)

Theory of Interpersonal Dynamics

Empirical Data (Maintaining relationships)

Deference and Authority → Relationship Equity

Theory of Social Influence

Conclusions and Comments

Patriarchy and Sexism as 'Deep Structures'

Friedan (1963) is credited by many for identifying the "problem that has no name"[38].
She left it to others, however, to define how patriarchy advantaged men (Rowbottom,
1974; Dworkin, 1976). While Friedan has remained uncharacteristically sympathetic to
both sexes (see Friedan, 1980) the argument that it is a historical "deep structure"
(Putnam et al, 1993:230) has been consistently advanced as a way of understanding
discrimination against women:

> *The sexual division of labour and the possession of women by men predates
> capitalism. Patriarchal authority is based on male control over the woman's
> productive capacity, and over her person. This control existed before the
> development of capitalist commodity production. It belonged to a society in
> which the persons of human beings were owned by others.*

> (Rowbottom, 1974:117)

The feminist scholars that followed articulated how patriarchal values pervade modern
life. In making the assumption that men still control (or want to control) women,
sexism and sexual harassment have become synonymous with conceptions of the way
men behave towards women, but not how women behave towards men. In their attempt
to counter "the booming silence" regarding sexual behaviour in the workplace, Hearn
and Parkin (1987:4, 6) articulate that men dominate twice over:

> *Men tend to dominate explicitly in the public domain and more implicitly but no
> less powerfully in the private…*

Their discussions of sexuality are often couched in gender-neutral terms but
sporadically these underlying assumptions resurface and orient readers towards the view
that men are responsible for the intimidation and dominance of women at work (Hearn
and Parkin, 1987:35). For example:

> *…interest in and outrage at the nature and scale of sexual harassment in work
> organisations has increased…This represents part of the broader concerns of
> women against male violence and objectification in its various forms…*

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[38]   Friedan does not index the word *patriarchy* in *The Feminine Mystique,* but is credited by others
for establishing its conceptual importance.

There is, therefore, an assumption in patriarchal theory, that men seek to dominate women, and are by nature (or nurture) aggressive and hostile to them.

At the cutting edge of feminist scholarship, the discourse is becoming more balanced. There is recognition that male points of view on gender dynamics have not been fully integrated in feminist theory. Segal (1990, 1999) discusses contradictions in different parts of the feminist 'academy'. Of note in this study is her contention that there is little empirical data to suggest that men have a greater genetic propensity to engage in (sexual) violence towards women. Firstly, she examines the implications of Nancy Friday's study into sexuality and violence (Friday, 1980) to reveal that women fantasise about male violence and sexual aggression far *more* than men[39]. Secondly, she explores empirical evidence that violent behaviour results from perceptions of *powerlessness* rather than power. Both unsettle the idea that men dominate women, or are even motivated by a desire to do so.

The use of violence, or potential violence, as a tool of social control appears as a regular discourse in discussions of governance and control. On the one hand radical feminism argues that (potential) violence is a *means* of control and the exercise of power. On the other hand, some contemporary feminists now question this, arguing that violence occurs when social relationships breakdown, a *reaction* to perceptions of powerlessness and frustration. Either way, violence and fear is intricately linked to social control.

Kakabadse & Kakabadse (2004) found very low rates of harassment, and allegations that were made were extremely rare in the formative stages of a relationship, and more likely to occur during relationship *breakdowns*. Interestingly, the authors also report far more positive reactions and outcomes resulting from close relationships at work[40]:

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[39]   Cited in Segal (1990:213). Friday found that rape or coercive sex was the most common female fantasy, while men's "by a ratio of four to one…were masochistic". Only three men out of three *thousand* (just 0.1%) had "fantasies of enacting rape from men, whereas being raped or forced were the most popular themes among women respondents". Social constructionists will recognise the importance and implications of such a finding.

[40]   They report that nearly 40% claimed friendship resulted from intimacy, just over 10% reported bitterness after the relationship (page 70). It was more common for *both* parties to claim positive

What also comes out of this survey is that, in the eyes of many, intimacy at work is basically not a problem, is on the increase (or at least will not go away) and many report improvements in work performance resulting from the exhilaration of intimacy experiences. So, what is the problem that requires treatment and attention? [We believe] the level of attention given to sexual harassment in the academic literature and more popularly in the press and media is judged, from this survey, as questionable.

(Kakabadse & Kakabadse, 2004:5)

The impact of these and other contributions led Eagleton (2003) to discuss Young's argument (1997) that 'asymmetrical reciprocity' in relationships is the norm.

The Emergence of an Alternative Discourse

In contrast to these texts, an alternative discourse on gender relations has emerged that argues sexism is a two-way street and that *both* sexes experience different forms of discrimination (see Goldberg, 2000, Friedan, 1980; Farrell, 1988, 1994, 2000, 2001, 2005; Hoff Sommers, 1995, 2000; Vilar, 1998). The way men and women experience discrimination is linked to the roles that they expect *each other* to fulfil and their willingness to fulfil existing roles and expectations. Secondly, there is a growing recognition that women's preference for protective partners with higher paid jobs has not substantially changed in the last 40 years (see Simenauer and Carroll, 1982; Buss, 1994; Smith 2005). This increases the social pressure on boys and men to work while protecting a women's ability to make choices regarding their own work/home balance.

Warren Farrell

The material below draws on the work of Dr Warren Farrell. Given the absence of his perspectives from almost all academic works on gender, a few notes are given here to discuss the reasons for referencing his work. Firstly, Farrell was a pioneer of the 1970s feminist movement, the only man elected three times to serve as a director of the National Organization of Women. He served alongside Betty Friedan who *has* been widely acknowledged for her contribution to gender studies despite contributing a smaller output. In the 1980s, Farrell started to articulate men's perspectives as well as

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outcomes. Organisationally, 66% reported no personal impact (page 79), 22% reported no impact for their group, 35% felt there were some "general negativities" (page 76).

women's and found himself cut off from the lecture circuit and media that previously provided his living.

In 2001, however, he finally achieved some recognition when he found his name added to the Financial Times list of the 100 most influential thinkers of our time[41]. The reaction to including references to his work has been mixed. At a conference, one participant took me to one side and told me not to quote his work because it was "journalism"[42]. However, his works are as well referenced as "classic" and some academic texts. The research cited was often more credible than sources in works not acknowledging the influence of his work (compare Hearn and Parkin, 1987; Wilson, 2003)[43]. Despite this, the charge of "journalism" has some justification – his texts are written for a broader intelligentsia, and lack of rigour is evident in parts of some works.

The influence of his writings, however, can be seen partly in references to his work on the page of men's movement web sites, but mostly from the word of mouth reputation amongst senior company executives that prompted reprints of his work. Whether his work is academically credible or not – and my view it is no less credible than many other "classic" texts on gender – it underpins and expresses an alternative discourse that is influencing the gender debate worldwide. As such, his arguments need to be subject to greater academic scrutiny and contestation.

Farrell's principle discourse is that men are not culturally advantaged as a group, but (in the same way as women) enjoy advantages and disadvantages inextricably linked to the expectations placed on them by the process of raising children. He describes men as "success objects" who are pursued by women with much the same vigour as men pursue

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[41]   Farrell (2001), Foreword.

[42]   And later confessed they had not read any of his recent work!

[43]   See research into partner selection and discrimination in interviewing. Hearn and Parkin make frequent use of popular sources whilst Farrell favours academic journals. Wilson's review of discrimination in job interviewing is supported by a single reference to a study involving students, while Farrell's counter argument relies on academic studies that examine real-life interviews and outcomes.

women as "sex objects" (Farrell, 1988). The criteria may change, but the behaviour is essentially the same. This view is not new - Goldberg has argued since the mid-1970s that equality discourses have had no impact on cultural values regarding men: they continue to be respected only when "in harness" (Goldberg, 2000:Chapter 1, 16-17):

> *[Men] lack the fluidity of the female who can readily move between the traditional definitions of male or female behaviour and roles…the male is rigidly caught in his masculine pose and, in many subtle and direct ways, he is severely punished when he steps out of it…It is a myth that the male is culturally favoured – a notion that is clung to despite the fact that every critical statistic in the area of longevity, disease, suicide, crime, accidents, childhood emotional disorders, alcoholism and drug addiction shows a disproportionately higher male rate.*

Delving into the reasons behind these higher rates, Farrell (1994) argues that patriarchy is less a system of male privilege than a system of male control that prepares men to psychologically subordinate their interests not only to the family, but also the community and nation. Such socialisation, he argues, is arbitrary and no longer functional (for either sex).

The very existence of new men's groups poses a problem for advocates of patriarchal theory. How can it be that in a culture where men dominate "twice over" (Hearn and Parkin, 1987:6) a movement supported by both women and men can claim that men are experiencing sexual discrimination? The previous "backlash" argument that men were insidiously regrouping to re-establish social control (see Faludi, 1991; Wolf, 1992) has not been able to withstand scrutiny (see Hoff-Sommers, 1995, Chapter 11)[44].

The new equality discourse is prompting a re-examination of underlying assumptions and values. While a generation of feminist scholars (and many policy advisers) have regarded statistics on the low number of female managers and directors as evidence of a glass ceiling, Farrell (2005) turns this on its head to ask whether this can *also* be viewed as discrimination against men. When men are subject to increasing social pressures

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[44]   For contrasting opinions see http://www.mith2.umd.edu/WomensStudies/ ReadingRoom/AcademicPapers/Stolen-feminism-hoax and http://www.debunker.com/taxts/fair2.htm. The former is a social constructionist rebuttal of Hoff-Sommers work, the latter is Hoff-Sommers own response.

from women, the courts and child support agencies to increase their **work** commitments[45] while at the same time only getting "equal pay for work of equal value", does the combination lead to a new type of inequality? Within this discourse, the "equal pay" issue is contrasted with the "spending obligation gap" issue (Farrell, 1994:33) that leaves men with higher spending obligations that make them worse off in real terms. The underlying politics, it is argued, is less to do with discrimination against women than *protection of* women through social control over men who disagree with contemporary constructions of equality.

By drawing attention to the impact of deeply ingrained courtship processes on men's attitude to work and money, Farrell (2005:137) articulates the perceived source of men's inequality:

> *…our sons are still expected to pay for…dinners, drinks, dates, dances, diamonds and driving expenses [while] our daughters are still internalising that the more desirable they are, the more boys will pay for them…All of this is to say that men's and women's* **work** *choices are rooted far more deeply than in mere rational work decisions. Understanding the power of these roots helps us understand where our freedom to choose may be undermined not by the other sex but by our own biology and socialization* [emphasis added].

If these "roots" are impacting on work choices and behaviour, they are implicated in governance and control. Until now, the scholarly research into masculinity argues that careerism, authoritarianism and entrepreneurialism amongst men are masculine behaviours that *subordinate* women at work (see Collinson and Hearn, 2001) rather than a strategy to win respect and find love. Within the alternative gender discourse, statistics are reinterpreted from the perspective that behaviours derive not from men's desire to dominate women, but from "both sexes' … instinct to protect the female" (Farrell, 1994:23). From this perspective, careerism (and related behaviours) spring from the desire to establish oneself in order to find a partner and raise a family, and stem also from the desires of many women to reduce their commitment to work in order to prioritise raising a family.

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[45]   To support ex-wives, their housing costs, and children they may see infrequently, or not at all.

Interpersonal Dynamics and Courtship Rituals

Molloy (2003) draws attention to the extent that people at work win respect and love from others by demonstrating their ability to take responsibility, provide financially, and handle social conflict[46]. The platform for men and women to demonstrate they can 'perform' these skills is still overwhelmingly the workplace. In as much as these qualities attract members of the opposite sex, and lead to long-term relationships, the behaviours can be regarded as courtship rituals. What is more, employers generally encourage such behaviours in managers and senior staff, and promote them for it resulting in the majority of enduring relationships originating in organisational settings (see Hearn and Parkin, 1987; Farrell, 1994; Molloy, 2003).

In the playing out of these rituals, few people would dispute the high level of interest that men show in women, particularly given the vast sums they spend directly and indirectly on them (see Friedan, 1963; Hearn and Parkin, 1987, Farrell, 1988). But the complimentary behaviours *as experienced by men* are under-reported, under-investigated and under-theorised. Friedan (1963) tracks the massive surge in women's sexual appetite as far back as the 1950s and describes how, in some ways, it started to overtake men's[47]. She also provides anecdotal evidence on the diligent and determined way women change jobs in their quest for sexual partners and husbands.

While we might think that 30 years of equality legislation has made an enduring difference in societal attitudes, recent research makes depressing reading and suggests that progress is at best slow, at worst non-existent. Hearn and Parkin (1987) report high levels of relationship formation at work, but largely rely on surveys designed for, and published in, women's magazines. Farrell (2000) found that about two-thirds of women met their long-term partners at work, and that in many cases men had to ask

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[46]   Men and women win respect for the same qualities. The key point, however, is the *both sexes* see them in relation to their own interests (when the qualities may contribute to their own social aspirations).

[47]   Friedan (1963:230). Chapter 11 deals with the phenomenon. On page 230 she claims that after 1950 sex-stories in women's fiction and magazines outnumbered those in men's magazines (without providing much "hard" data, it should be noted).

women out several times before they agreed[48]. Despite a claimed sample of 3,000, his data is drawn from seminars and training workshops over 3 years where people will self-select to a significant degree.

Molloy (2003), however, provides corroborative evidence that has been controlled, cross-checked and re-checked. He found that 40% of women who eventually marry use the workplace as a *principle* means of finding a partner[49]. Another cultural pressure comes from romance novels for which demand has grown exponentially to reach 40% of all US paperbacks sales. Storylines that involve successful men at work *overcoming the resistance of women* is now one of the most popular Harlequin "formulas" and is credited with transforming the financial health of its publisher[50].

While feminist scholars continue to give consideration to the impact of men's interest in women at work (Ackroyd and Thompson, 1999; Collinson and Hearn, 2001; Wilson, 2003), few studies consider the impacts *on men* from women seeking partners at work or constantly fuelling their own sexual fantasies with novels about workplace romance. What are the impacts of these intentions on women and men at work, not to mention the impact on social control and the development of hierarchies? And how should these impacts be theorised in the governance and management control literatures?

Gendered Interactions

Research into courtship started in the 1980s. Moore (1985) investigated this and found that women, not men, initiate most relationships through nonverbal cuing with the most popular cues being repeated smiling and eye contact (see also Lowndes, 1996; Pease and Pease, 2004). Perper (1985) increased awareness of body language messaging as people establish interest in each other. He found that as relationships develop, there is a

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[48]   Unfortunately, he does not report the responses of men to this question.

[49]   Conducted over a decade, the study interviewed 2,500 recently married couples and tested findings in focus groups - 40% of women said they had *changed jobs* to find a marriage partner.

[50]   Farrell (2000:194-195). Harlequin changed its romance formula after discovering that 70% of readers had jobs. The result? A 20,000% increase in profitability over 10 years with nett revenues up from $110,000 to $21m and an 80% market share. Sources are provided.

consistent sequence of nonverbal messages that are communicated by "successful" couples as they become more intimate (non-verbal signal, talk[51], turning, touching, synchronization[52]). Perper asserts that these are subconscious behaviours that operate at a subliminal level - if one party skips a stage then the other party loses interest. Farrell (1988, 1994) reviews the extensive advice given in women's magazines to use nonverbal cues as the principle means of attracting men *at work*.

Pease (1997), Provine (2000) and Glass (2002) argue that there are many other behaviours (some gendered, some not) that communicate relationship states and intentions. For example, Provine (2000:33-35) reports that laughter is a social activity[53] that gives a good indication of the state of a relationship - but only when considering the level of *women's* laughter. He speculates that this is linked to the dominant/submissive power-plays in gendered encounters, something supported by later populist writing on seduction techniques (see Duberley, 2005).

An emergent view (Thompson and Ackroyd, 1999; Farrell, 2000; Pease and Pease, 2004) is that women control the development of intimate relationships[54]. While Provine characterises laughter as a "submissive" behaviour, he also points out that it builds up the ego of the party who is making the jokes and encourages them to continue dominating (although at a deeper level they are actually *responding* to an invitation). Whether such "submissive" behaviour can be regarded as being synonymous with a lack of power, however, is called into question by this revealing passage by Emily Duberley (2005:135):

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[51]   Lowndes (1996) contends that it matters less what a person says than that they make the effort to talk – it is the *act* of talking that is significant.

[52]   The "couple" generally stay engaged until some external circumstance intervenes. Lowdnes (1996) calls this stage "echoing". I observed such behaviour in same-sex conversations as well. However, in the light of Berne's analysis of games (Berne, 1964), such behaviour may be a sexual game of "Kiss off" or "Indignation" driven by a malicious intent.

[53]   People almost never laugh when on their own, even when watching or reading comic material.

[54]   The women's laughing makes a difference, the man's does not.

> *Asking a potential conquest about himself is flattering as it shows that you are interested in him. Also, almost every man enjoys talking about himself. It makes him feel interesting, valued, and quite simply, happy – and it's no bad thing at all for your chances if a guy feels that he's happier since he started talking to you. Laugh at a bloke's jokes too. Men love this – it makes them feel all big and clever, which is always a good way to get them on-side. A shared sense of humour is a great way to bond – you can literally laugh someone into bed.*

Or laugh an employee, customer or supplier into choosing your company ahead of the competition, perhaps? The attempt to make people laugh, therefore, is an integral part of seduction. But as the above passage indicates, the *choice* to laugh at someone's attempted joke or witticism is *also* part of seduction. In place of the commonly held image of leaders boldly selecting their followers, another view emerges. Leaders invite people to follow by attempting a joke, and followers signal their approval by laughing. The laughter from the respondent is a signal of approval, a proactive strategy in the seduction of the leader. Care should be taken, therefore, in automatically regarding laughter as submissive (although it can be if it feels unnatural or forced). It can also be seen as a process by which an insecure leader checks that he (or she) still has the approval of their "followers". In turn, the "followers" can use laughter to indicate *which* leader they approve.

Ethnographic reports of extensive eye contact, meetings, smiling, talk, laughter, turning, touching and synchronization may provide useful insights into relationship intentions and states, as well as patterns of deference in hierarchies or processes by which leaders are encouraged to lead. An ethnographer can not only follow the development of such relationships to produce theory on behaviour, but also be subject to it, even occasionally test it to see the effects for themselves.

Gender Neutral Frameworks

While there is not sufficient space to do a wide-ranging review of other frameworks, it is hard to ignore the enduring and popular Transaction Analysis (TA) theories established (see Berne, 1964; Harris, 1970; Harris and Harris, 1985). These continue to

sell not just to the wider public, but are still promoted to managers by consultants[55], are practised by "transaction analysts" and continue to be referenced in the literature on psychology (see Gross, 2001).

The relevance to this study is the focus on interactions. He develops an easily understandable framework based on a theory that our childhood feelings (our "child") and childhood experiences (our "parent") are integrated and updated through the development of our cognitive functions (our "adult"). Authoritarian behaviour, it is argued, comes from our 'parent' while seductive and playful behaviour derives from our 'child'. These are mediated by our developing cognitive abilities to create rational behaviour and "knowledge" stored in our 'adult'. These processes combine to create a theory of personality based on the relationship between three entities, Parent-Adult-Child (usually referred to as PAC) which motivate people to play a variety of "games" to satisfy their psychological needs (Berne, 1964).

Communitarian Critique

The main problem, particularly from a communitarian perspective, is that broader historical and current social processes are not accommodated (except through the PACs of other people). There are, in my view, two additional and insurmountable problems. Firstly, relationships are treated as a 'given' – the theory provides no account of *why* enduring relationships form in the first place or the social processes that drive change within them. Secondly, it assumes that people want to stay in the relationships they have, which is frequently not the case or not possible. Why do people want to withdraw from relationships, and what processes do they adopt in order to do so? While TA (and PAC) might be useful in understanding long-term durable relationships within the family or community, it is more limited in what it can bring to a discussion of *workplace* relationships.

The accounts of sudden behavioural changes stemming from a present day occurrence triggering a person's "child" or "parent" are wholly unconvincing. However, I still

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[55]   Seminar, Leeds University, 2000 – a high-profile consultant recommended the theory to a group of managers.

acknowledge that TA has something to offer through its analysis of how past experiential data influences present day responses. The experiments on memory recall (Penfield, 1952) are extremely illuminating and show that people record moving experiences – and the emotions originally invoked – not just through "schemas" but also like a high-fidelity recorder. Value systems are built through cognitive processes that use experiential data from both the past and the present (see also Bartlett, 1932; Rumelhart, 1975 for their discussion of schema theory).

To understand *current* interactions *symbolic interactionism* offers a framework for understanding the dynamism of relationships. Blumer (1969) sets out the three things that – when taken together – differentiates symbolic interactionism from other ways of studying interpersonal dynamics. Firstly, he contends that people behave towards others and things on the basis of the meanings they have for them; secondly, that meanings are developed through a process of interaction; thirdly, that the meanings are derived from, and then used to guide future actions, through an *interpretive* process on the part of a human actor (see also Prus, 1996).

It is not that TA or Schema Theory have little to offer (they do, and I will come back to them later when integrating them into a new theoretical framework), it is that they encourage individualistic and incomplete views of relationship dynamics and change. They fail to adequately explain how a person's behaviour is modified by the social influence of others, or the way that *intentions and behaviours towards people and things change as their meaning for us changes* (Blumer, 1969). How, for example, does a person we regard as "friendly" (i.e. a social opportunity) come to be regarded as "hostile" (a social threat)?

A Personal Journey

Some of these issues emerged during my own work in the early 1990s. During work for the Housing Services Agency it emerged that roughly equal numbers of men and women were being housed through the scheme[56]. This apparent even-handedness, however, was put into perspective when an outreach agency discussed its equal

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[56]   I provided equal opportunity monitoring so that the client could obtain continued funding.

opportunity monitoring procedures with me. It transpired that 9 out of 10 homeless people in London (in the early 1990s) were men, and that the agency to fulfil their commitment to equal opportunity did a weekly search for homeless *women* in order to remove them from the streets[57]. The realisation that women were prioritised despite their small numbers prompted me to reconsider whether a key organising principle of society is the protection of women, even when the social costs to men are extremely high. Why – I asked myself – do we care about homeless men so little?

With regard to women's appetite for sexual men, at the tender age of 41 my wife finally persuaded me to join a website where women and men contact and chat to each other through a messaging service. These sites are growing exponentially. In June 2003, when I joined www.faceparty.com there had been 1.25 million registrations. At the time of writing, the site had nearly 4 million[58] registrations. After setting up my "profile", and carefully projecting the image that my target audience said they were seeking, I waited. Nothing happened. I started to send messages. No-one responded. For 40 days I received not a single approach or response and only 70 "visits".

What's in a name?

As my wife is a veteran of these sites, and her inbox is nearly always full, I began to explore with her what was going on. She said that looks had little to do with levels of interest in men and to prove her point showed me one of her "favourites" who had received only 57 visits in 6 months! So I started to check out what was going on with a small sample (10 men, 10 women, aged 25-30)[59]. In this age group, men "visited" women's pages about 8 times more often than the reverse. As gender issues grew in importance, a second larger sample was taken (35 men, 35 women, aged 31-40)[60].

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[57]   As women were considered "more vulnerable" no team targeted men.

[58]   3.89 million, as at 27th January 2005.   The rate of subscription is between 30,000-40,000 per week – many are left unused.

[59]   Data collected 18th June 2003.

[60]   Data collected 7th September 2003.

More or less the same results were obtained (a 7:1 ratio). Collectively the sample had been registered on the site for 184 years[61] and were all *active* accounts – this was clearly a lifestyle not a toe-dip in the waters of online dating.

But the biggest shock was still to come. My wife offered an opinion as to how to get more attention (i.e. how to get **any** attention!). "Change your name," she suggested, "and make yourself sound sexy". So, in place of my real name, I adopted a two-word pseudonym that was suggestive. Overnight the messages started to arrive and a page that had been visited only 70 times in 40 days, then received 100 visits in 2 days (an almost 30-fold increase). Even with her help, her profile still received approximately 9-times more attention than mine[62]!

What is interesting here is that the only *visible* change to the women and men searching was my **name**. My date of birth, photo, age, location and marital status remained unchanged. Reflections at the time concluded that being honest *reduced* the likelihood of finding "the kind of person I want to chat to" and that "exaggerating my interest in sex seems to increase my chances [of finding the kind of person I wanted to chat to] quite dramatically"[63].

So, armed with the new knowledge that a small amount of innuendo can increase your attractiveness 30-fold, I exercised much more care in my dealings with research participants! More seriously, however, it suggested that men's projection of sexuality may be a *learned response*. It was also a powerful lesson on how sexual suggestion impacts on perceptions, and how a suggestive look, a coy smile, a slightly "improper" word, a short skirt, tight trousers or a hint of cleavage could substantially impact on a person at work. With these issues in mind, let me now start the main body of the

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[61]   67161 days - an average of over 2 years per person.

[62]   Her page received around 9,000 hits per month compared with around 1,000 for my page.

[63]   Personal letter, 9th July 2003.

ethnography by examining interpersonal relationships. Initially, male/male interactions are considered[64].

Forming Relationships

In mid-2002, Harry[65], the MD of Custom Products Ltd called Andy, the CEO of SoftContact (International) Ltd to ask if they could meet. Harry had read Andy's book on "social enterprise" and called to ask if they could share thoughts on corporate governance. Andy had e-mailed the book to John[66] who gave a copy to Harry. Harry and Andy met in May 2002[67] and they continued to correspond by phone and e-mail while also exploring ways to trade[68] until Andy decided to call in an insolvency practitioner because of trading problems[69]. When the company stopped trading, Harry wrote to ask Andy if he could bring along another consultant to a social evening they had arranged. Andy responded:

> *I would welcome an opportunity to reflect with you on what has happened and only you can judge whether Tim will be okay with this. If he is interested in employee-ownership it may be valuable for him…I am feeling much better this week. Although the decision was an emotional one to take, I think it was also commercially sound. I have learned a lot about my own limits,*

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[64]   Gay and lesbian relationships existed in one company but I do not discuss the dynamics for two reasons. In 18-months inside the *primary* case, not a single gay or lesbian relationship came to my attention – itself indicative of a heterosexual bias in the culture, perhaps. Secondly, the Natsal survey suggests that heterosexual activity is 50-times more common (see Johnson et al, 2001). In corporate governance terms, its impact is likely to be marginal.

[65]   For background information on each ethnographic character, and the way they have been constructed from multiple cases, see "Appendix A – Cast of Characters".

[66]   Andy, in an e-mail to Gayle dated 7th April 2002, says that he had started e-mailing the book. Gayle sent a copy of the book to John, Harry's co-director around this date.

[67]   E-mail Harry to Andy, 25th April 2003. Harry reflects on their original meeting a year earlier.

[68]   FileRef: JN1, Para 1421. Andy reflects on contact with Harry prior to joining XYZ.

[69]   E-mail Andy to Simon, 24th August 2002. SoftContact (International) Ltd was voluntarily wound on 9th Sept 2002.

strengths and weaknesses and am now in the process of filing it away for future reference and getting on with my life.[70]

At this meeting, Harry suggested that Andy might like to apply to XYZ Consultants and work with Tim on a project they were organising. His employment commenced 28th October 2002.

Examining Male/Male Relationship Formation

From a theoretical perspective, a number of things emerge from these early interactions. Firstly, Harry's original motive for meeting Andy was to seek *assistance*. This evolved as an informal business friendship while they explored ways to trade. The assistance, therefore, was both intellectual, and potentially material, but conducted initially through the medium of a personal friendship.

In turn, Andy made himself known to Harry through the marketing activities of a company co-founded with Neil and Simon. Andy's activities, therefore, were designed to attract *attention* by offering *assistance* to people interested in the concept of "social enterprise"[71]. The *assistance* offered is *intellectual*. As Andy writes in the forward:

> *Managing an enterprise that actively promotes employee ownership and participation presents challenges that conventional business can ignore. Particular attention must be given to understanding motivation, leadership and group working in order to reconcile members' expectations with the practicalities of participation. We also need information on effective decision-making, leadership and individuality within team-based organisation structures that promote participation and accountability.* [72]

John's interest in Andy was fuelled by his desire to *assist* **Harry** (note that he did not contact Andy, he gave the book to Harry). After meeting Andy, however, his *assistance* increased to include *emotional* support[73]. The length of the interactions increased and

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[70]   E-mail Andy to Harry, 2nd Sept 2002

[71]   E-mail to *The Economist* 9th August 2002 – "the first book specifically aimed at entrepreneurs and managers interested in the development of social enterprise".

[72]   FileRef: SR, Para 48.

[73]   Letter from Andy to Gayle, 24th October 2002. Andy reflects several times on the help he received from John.

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they spent a considerable amount of time in each other's company. Later the relationship evolved until they were providing *each other* with support[74].

Harry's invitation to Tim provides further insights. Harry had previously told Andy that Tim was interested in developing knowledge on alternative forms of corporate governance[75]. Andy, therefore, speculates that Tim will be interested in the meeting "if he has an interest in employee-ownership". Harry, therefore, has already developed a formal relationship with Tim that involves *mutual assistance* to develop *intellectual* knowledge for *economic* and *social* gain.

None of this assistance would be possible without the parties giving each other a lot of *attention*. For the whole process to start, Andy had to consent to *give* John *access* to his work. Andy *gives access* to his work in exchange for *getting access* to John's contact details. This work gave John *information* both about Andy and the subject in which he had developed an intellectual interest. John then gave *access* to this *information* to Harry, who also *informed* Tim. Before Andy could fulfil commitments, he was asked to *physically* base himself at XYZ Consultants. Later he located himself at Custom Products.

Data on Male/Female Interactions

John asked Diane (Support Services Manager) to contact Andy to arrange his induction week, and Andy meets a number of staff. Andy also meets Ben and they strike up a relationship when they both attend "culture classes" together[76]. In the next block of empirical data, I draw on Andy's reflections and interviews with Ben to trace the development of relationships with Brenda (Director of Finance), Diane, Hayley (a temporary worker) and Carol (Operations Officer).

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[74]   After November 2002 onwards both enquire and follow up personal issues by e-mail. (See CP2003, Paras 32, 210, 218, 1111, 1122, 1355 (Andy shares poetry), 1399 (John responds).

[75]   E-mail Andy to Harry, 2nd September 2002. Andy refers to an earlier conversation when Harry talks of a joint project with Tim.

[76]   Run once a year on alternate weeks (7 sessions in all) – see chapter 5 for more details.

On the 25th November 2002, Diane began organising Andy's induction:

> *Hi Andy - please advise me of your preferred date and I will post you a copy of our 'We Believe' booklet which is referred to in the interview. The booklet provides information about the philosophy of the company.*

Andy duly replied and received the booklet. Below he reflects on its contents.

> *I received and read the "We Believe" booklet. I was moved - genuinely moved - by the piece about Reecey [77]. The booklet is a powerful marketing tool - I found myself wanting to work for the company just on the strength of this booklet. When I opened the centre pages, the image was extremely powerful and well presented - it had real impact.*
>
> *I wondered whether this was just me - whether the reaction I had was because of my link to the company, or the people I know there. So, I gave the booklet to my wife, Susan, to read - she too was moved and impressed, particularly by the Reecey piece [78].*

The 3-hour interview with Diane also proved to be an emotional experience:

> *I got emotional several times during the interview; firstly, when we discussed a management training course I attended at Procter & Gamble[79] – Diane shared her own experience that was similar. I could feel my body going tight and rigid while talking about it. Secondly, I got emotional talking about my strengths and weaknesses. I focussed on 'caring too much' and sometimes hurting people. I became a bit emotional and felt tears in my eyes.[80]*

Andy met Diane again during his induction week when she led a training session with another new starter called Larissa. Both learned more about the company culture and the product range sold by the company. Larissa had recently been taken on as a full-time worker after a period as a 'temp'[81]. Below, Andy reflects on some of the dynamics in the opening induction session.

> *Diane described a Presentation Evening - gifts were given to newcomers, and those with 5, 10 (and now) 15 years service. The two big awards, however, were for the person who had developed the most (voted for by managers), and the person who best embodied the values and culture of the company…As she described the reaction of the person who'd received the award*

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[77]   A founder member who died in the mid-1990s. The booklet contains a tribute.

[78]   FileRef: JN1, Paras 154-156

[79]   FileRef: FC-P1, Andy's CV shows that he worked as a Business Analyst, then Data Centre Manager between 1987-89 at P&G (HABC) Ltd.

[80]   FileRef: JN1, Paras 185-187.

[81]   FileRef: JN1, Para 298

this year, I felt genuinely moved - to be voted this award by your fellow employees must be an experience beyond measure, I imagine. [82]

In addition to these ritual ceremonies, Andy found that the evening, like many other 'socials', involved quite a lot of bawdy humour.

Diane described the 'Bum of the Year' award in which staff voted for the most attractive butt from a series of pictures. These were the butts of a number of male members of staff!!! John - to his horror (he thought his butt would not be attributed to him) - was named as 'Bum of the Year'. Diane got quite carried away talking about John's butt and described her reaction when it first appeared. She said it was "as good as any male model in a clothes catalogue!" [83]

Both Andy and Larissa felt the company was friendly, and as Larissa had been at the company for a while she gave Andy some advice during breaks in the training.

Larissa said that 'one thing you'll find about this place is that it is full of nice people, really laid back'. I appreciated this - it was as if she was giving me the 'inside' view that it was a good place to work…I liked her - at lunch when I went to sit on a table by myself she indicated I should join her. I sat with her as she introduced me to her friend Irene. Larissa was about to go on her first 'social' with some of the other 'girls' from the production department - they were meeting up outside work for a curry. [84]

It seemed to Andy that the organisation had a thriving social life (both informal and formal) and that sexual attitudes were quite liberal. In the interview process itself, Andy was asked a series of questions about his views on socialising with work colleagues and was told afterwards by Diane that the company actively seeks people who understand its importance [85]. Andy met Irene again during a one-to-one induction session:

Irene is a most interesting figure. In appearance she is quiet large, perhaps late 20s, and obviously loyal and committed to the company. She enthusiastically attended culture classes, but now does 'not think much' about the company, but just likes to get on and do a good job. From the way she talks you would think that the company values do not matter to her much, but from the way she acts she is a model employee: committed, friendly, highly flexible, loyal, enthusiastic, conscientious and hard working. I found it interesting that she was sitting with Larissa in the canteen (another new starter) when I was first introduced to her. I'm unsure if she

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[82]   FileRef: JN1, Para 324

[83]   FileRef: JN1, Para 330

[84]   FileRef: JN1, Paras, 300-302.

[85]   FileRef: ST-P2, Document 34c. Questions are asked to potential recruits on their attitude to socialising with colleagues.

is a loner within the company - amongst existing employees - but clearly she likes to help new starters feel at home.[86]

There are a number of such examples where Andy appears to attribute values in the company's "We Believe" document to employees. This instance, however, is more interesting because of the way that Andy ignores what Irene is saying ("does 'not think much' about the company") and offers his own evaluation ("obviously loyal"). He reads more from what she does than what she says.

Andy found that Larissa had not found it easy to settle in[87]:

> *Larissa was curious about what I was doing. I said you can be "as nosey as you like" and she opened up. She said that when she first started she felt everyone was brainwashed. I thought "what a funny thing to say". When she got her contract she questioned something in it and got a very peculiar reaction, as if she'd done something wrong. However, she enjoys the culture now, but did feel strange for quite a while. I suppose she learned to keep her mouth shut - this is my interpretation - it seems she watched what she said after she got that reaction.*[88]

So even as Andy was enjoying the camaraderie on his first few days, he noticed that Irene may be a loner (in contrast to the general ethos of the company which is to be sociable), and that Larissa was unsettled by a reaction to legitimate concerns that made it harder for her to speak up (even though she was being 'open and honest').

The emotional impact of the opening week is discernable at the Christmas Party a few days later. Andy found Diane commanded quite a bit of attention in a group and comments on her playfulness with John.

> *Diane was very friendly and put herself about, chatting with Harry, John, myself and Larissa. When we arrived she had her arm around John, and later she was hugging him. I learned she was married, but she seemed totally unconcerned at flinging her arms around a number of men (me included) and appeared to be having a good time. Later, she took advantage of this closeness to put an ice cube down John's trousers. There was obvious mirth, but I did not feel that John found this funny and I felt a pang of sympathy for him. But he had to laugh…whether he felt like laughing or not.*[89]

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[86]   FileRef: JN1, Para 443

[87]   FileRef: JN3, Para 1250

[88]   FileRef: JN2, Para 152

[89]   FileRef: JN1, Para 495, 527

After this meeting, the style of correspondence between Diane and Andy changes. The formal style of her first e-mail ("please advise me of your….") is replaced by a more chatty style.

> *Hi Andy,*
>
> *Great to hear that you are considering coming on board! Attached is a little light reading for you in the form of the latest newsletter. It was lovely meeting your wife on Friday and I look forward to seeing you both again in the near future. Wishing you and your family my best wishes for Christmas and a Happy New Year.*[90]

Analysing Andy's Induction Week

This is the first contact Andy has with women. The founders and senior directors of Custom Products are men, and the consultant recruiting him to XYZ Corporation is also a man. Andy himself - as CEO and director of SoftContact (International) Ltd - established the company two other men, and split from a company established by six men[91]. The MCC was established by five men, after encouragement from a local priest. The project steering group also comprised six men!

In both the primary and secondary cases, women were recruited into the businesses to handle administrative and personnel functions. At Custom Products and SoftContact, women also have managerial and technical roles (see below). While there were no women on the project team at XYZ Consultants, women consultants worked on many other projects. However, men's activities account for virtually all the entrepreneurial behaviour; the one exception is Melanie at SoftContact (UK) who planned to establish a charity.

In terms of basic dynamics, much the same holds. Diane *gives* Andy *attention* in order to *assist* Andy's induction. Andy *gives information* to *assist* Diane. Diane offers *material assistance* - a booklet that provides *intellectual* reading material. The booklet and interview affect Andy *emotionally* – they appear to be designed to do this. All the same elements are present.

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[90]   Email Diane to Andy, 23rd December 2002.

[91]   FileRef: FC-S1, Document 90, page 251. Andy was given part of a PhD thesis on SoftContact (UK) written in the mid-1980s. The author is unknown.

Diane acts under John's direction so there is a male director/female manager relationship. However, this is only the norm between directors and middle-managers. While men dominate the board at Custom Products, women dominate middle-management[92]. The company's staff are, in practice, managed by 9 women and 1 man. This compares to Gallup (2005) who reports that worldwide, 49% of men and 49% of women prefer a male manager, while 13% of men, and 29% of women prefer a female manager[93]. Something unusual was taking place in the management culture within Custom Products.

Andy ran analyses of the gender splits across the company on head office/non-head office staff. He found that 75% of the company's 130 staff were women[94]. In head-office the percentages were even more extreme, 80% women, 20% men. The difference is accounted for by the balanced gender split in the company's sales force.

Numbers fluctuated at SoftContact (UK) Ltd, but when Andy joined they were balanced (7 women, 7 men)[95], and throughout Andy's period of employment he recorded 18 male leavers and 16 female leavers[96]. This is unusual for the IT industry, but possibly reflects the market served by the company. At the time the companies split, after an

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[92]   E-mail, 24th November 2003. Board composition was 4 men, 2 women. Other managers included 10 women and 4 men. Three men and one woman were 'technical' managers and had no personal reports.

[93]   Source: Gallup Organisation (2002), May 10 cited in Farrell (2005:148-149). The gap has narrowed since 1996, but only in the leading economies. In collective societies "both sexes were 6 to 10 times as likely to prefer men bosses".

[94]   Calculated from personnel data entered by Ben into a new computer system. Unfortunately, Andy did keep the gender analysis because its significance was not understood at the time.

[95]   FileRef: CSStaff, para 3.

[96]   FileRef CSStaff, paras 5-42. Over 12 years - treating both SoftContact companies as a single case. The document is constructed partly from memory.

"equal opportunity" policy in recruitment was abandoned[97], the balance started to change in the direction of the industry norm (7 men and 3 women)[98]. The spin off company recruited two women (into administrative and marketing roles) giving a balance of 4 men (2 managers/2 specialists) and 3 women (1 manager/ 2 specialists)[99].

The other issue that leaps off the page is sexual behaviour in *both* the workplace *and* a social setting initiated in both instances by a woman. In the workplace, Diane tells a story of sexual behaviour at the presentation evening (by men, it should be added, but for the amusement of the women). This includes an account of her feelings towards one of the directors' "butts"! In a social setting, Diane "flings her arms" around a number of men (including the external consultant, Andy), and puts ice cubes down John's trousers.

What is noticeable here is the immediacy and lack of inhibition. Diane's induction meeting with Andy was only their second meeting. The social gathering, at which Diane flings her arms around Andy, is the first social gathering he attended (with his wife, Susan). As this behaviour takes place both inside and outside of work, there is no justification for distinguishing between workplace and social settings at the moment.

On the basis of this data, Table 4.1 contains a framework for understanding relationship development:

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[97]   FileRef: JN1, para 265. Andy and Patrick (Executive Director) discuss the abandonment of recruiting on the basis of 'cultural fit' in the 1990s.

[98]   FileRef: CS Emails, paras 580-590. Based on a General Meeting paper on the desired split between the two companies. The document lists only 7 men, 2 women. The third women left to establish her own charity

[99]   FileRef: FC-P1, Various. This information is drawn from personnel appraisals. The company started with 6 people, recruited one further woman , then one man left. At startup, there were 4 men, 2 women. When wound up there were 3 men and 3 women.

Table 4.1 – Gendered Interpersonal Dynamics

Class	*Sub-Class*	*Non-Sexual*	*Sexual*
(Economic) Assistance	Physical	*Giving* and g*etting* commitments to meet face-to-face, travel and relocation to facilitate meetings, and direct assistance with tasks that involve physical effort.	N/A
	Intellectual	*Giving* and *getting* conceptual ideas that facilitate other tasks, or provide alternative ways of understanding.	
	Material	*Giving* and *getting* material support (money, resources) *Giving* and *getting* material gain (pay, profits, trading)	
(Social) Attention	Access	*Giving* and *getting* access to people, intellectual ideas, resources etc.	*Giving* and *getting* touches and looks that are sexually stimulating. Displaying body parts that others find sexually stimulating (butts, cleavages, legs etc.)
	Information	*Giving* and *getting* information about people, ideas and tasks so that access can be facilitated or assistance offered	*Giving* and *getting* sexual stories, sexual jokes.
	Emotion	*Giving* and *getting* access/information or assistance that facilitates the expression, discussion or understanding of emotions	*Giving* and *getting* access or information that stimulates or communicates sexual interest.

In the following section, data on team bonding and relationship development is presented by examining the behaviours associated with bonding. The behaviours detected through micro-analysis of data are then presented in a table. In the final part of this section, empirical data on social influence is discussed.

Relationship Maintenance

Andy met Ben at the company's culture classes. Ben had been on long-term sick leave, but attended the classes before returning to work:

> *Ben told me he had been off for six-months sick. He was very open with me and said he'd had a breakdown. He was pleased to be back - it is evidence that the company sticks by staff that have*

difficulties. I'm not sure what caused his illness. But the fact that people encouraged him back to work...is a testament to the attitude of people in the company. [100]

Carol joined the company while Ben had been on sick leave and he reported to Andy the peculiar dynamics the first few times they met:

> *(After Class 1) There was one young woman - probably about 30 years old - sitting opposite me who looked at me quite a lot. We gave each other a big smile at one point. I don't know her name or what she does yet.* [101]
>
> *(After Class 2) Carol is the name of the woman who smiled quite a lot at me in the first class. Even though she sat herself down at the far end of the table (as far away as it was possible to be from me) we acknowledged each other and instinctively gave each other a wave. This strikes me as odd behaviour on both our parts because neither of us have spoken to the other yet and I still don't know what she does. Later, when I was getting a coffee and everyone was readying themselves for the continuation of Harry's talk, she very noticeably (to me) turned around to look at me and smiled - I instinctively smiled back. I'm unsure of her reason for giving me attention, but I am conscious that I find her attractive.* [102]

Ben was struck by Carol's body language. He claims that she swung her whole body around directly towards him while others remained seated at the table. She was wearing jeans and lent back in her chair in a way that Ben found suggestive. He claims this made him "nervous" but he "definitely liked" the attention. But it also made him "uncomfortable" and he avoided talking to her[103]. Ben claims that the dynamics between himself and Carol continued both at the culture classes and in the workplace until he was convinced she was flirting with him[104]. He recalls that the attention was "nice" and "one of the reasons I enjoy coming into work"[105].

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[100]   FileRef: JN2, Para 122

[101]   FileRef: JN1, Para 758

[102]   FileRef: JN2, Para 1113

[103]   FileRef: JN1, Para 1115

[104]   FileRef: JN2, Para 107, 1157, 1187-1189, especially 1229-1231 when Ben reports "she came right over to my desk and looked directly at me while she smiled. I held her look until I felt a rush of adrenalin go right through me."

[105]   FileRef: JN2, Para 1157, 1229

Andy also noticed that Carol was quite forthcoming and smiled a lot at him. On one occasion, when he sat at the same table with her in the staff canteen, he found her forthright in asking about his work:

> *I had a chance to chat to Irene and Carol in the canteen, and there were a few other colleagues of theirs as well. I spoke to Carol first, we'd seen each other at the culture classes and on the Venice trip, but I'd not spoken with her properly. She was forthright and nosey about my work (which was fine) and then asked if I was a management "spy". I quickly laughed this off because it seemed so bizarre. I told them all round the table that I was not a 'spy', but the fact that she asked this question in front of all the others probably indicates that 'management spy' is a term familiar to the whole group.*[106]

Andy noted this and initially set it aside. But when he heard the words again some months later he realised the full significance of her earlier comment[107] and attributed significance to the question being asked in an open setting. Later, he conversed with Tanya (a long-serving member from a completely different part of the company) and Fred (also from another department). Given their different roles, and service to the company, he though it unlikely that Tanya and Carol could have met. Andy established directly with Carol that she had not met Fred[108]. Tanya commented that "the place is riddled with management spies, managers themselves know they are acting like 'spies' for the directors", while Fred talked of the company becoming like a "communist state"[109]. That people who had not met each other independently expressed such views indicates that these views had widespread currency amongst staff outside the management group.

Nevertheless, Andy found that for many people, the focus on developing a "community" culture led to enjoyable relationships and socialising outside work. The following account is provided by Ben:

> *People are bonding inside the team. I went and got a card and cakes for Hayley's birthday and when I gave them to her she gave me a hug* [110]. *Then I told her I had not had a good weekend. I*

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[106]   FileRef: JN2, Para 130-132

[107]   FileRef: JN2, Para 136.

[108]   FileRef: JN2, para 974

[109]   FileRef: JN2, para 138-140

[110]   A temporary female worker who joined to assist with a training evaluation.

was a bit cautious at first - I said all marriages have their problems - but then she opened up and told me about her mother having breast cancer and how this had affected her and her family over the last decade. I found myself explaining in more detail about what had happened at home.

We listened to each other - I think this isn't anything more than friendship - but it was nice to talk a bit. I did feel the need to talk. I just feel closer and closer to people at work. This weekend I got Carol a card because I like the way she smiles at me. I was a bit nervous about that but after the weekend I've had, I just thought "what the hell".[111]

Larissa is very sincere and friendly and when I found it was her birthday we had a drink, and I gave her a birthday kiss on the cheek. These are little things, but people are letting each other into their life a little bit. This opening up is not just within our team - we had a drink after the culture class. We were all chatting away and talking about Diane's son and the great battle she has over his schooling. I think she needed to get it off her chest. She says that she does not get out for a drink often, which (laughs) means that maybe I'm bringing her out of herself, I don't know, because she's been out for a drink several times with me.

John was also there, and he opened up about the past. Harry and some other directors all having PE degrees (Dave[112]*, John, Harry and even Reecey). They have this common bond between them through an interest in athletics. Lots of people opening up and getting to know each other better, talking about themselves and their past. I would have talked more privately to Diane if I'd had the chance. I could tell that she needed to let things out, so I let her, but I do want to talk to her about things.*[113]

Ben felt particularly close to Diane at this time. Andy later established that the reason for this was that Diane had been married twice and Ben – unsure how to cope with his wife's workplace affair - wanted to discuss with Diane how she handled the end of her first marriage[114].

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[111]   This later became significant (see chapter 5). At the time, Ben told Andy. Andy later discussed it with John. Ben invited Carol for a drink after the final culture class and suggested she call him on his mobile number. She did not respond and Ben invited Harry, John and Brenda instead. Ben reports that Carol stopped flirting for a while but later they resumed smiling and chatting to each other (JN2 para 1518, JN3 paras 239 ("smile still there"), 527, 608, 807).

[112]   A former director at Custom Products

[113]   FileRef: JN2, paras 1242-1252

[114]   FileRef: JN2, para 1356. Ben chatted during an after work drink with Diane then told his wife how he felt. A few days later he moved into a separate room.

Ben discussed with Andy how the friendly environment at Custom Products gave him the confidence to change his life at home[115]. The fallout, however, was considerable and Ben sometimes turning up for work upset.

> *That morning I went into work. Both Diane and Hayley could see I was upset. Diane was very supporting and comforting. She held my hand and gave me a hug. She gave me her home number and said I could kip at their place if I needed to…I could see that Hayley felt bad for me and wanted to talk too. When I came out of the meeting, I touched Hayley - that's not the right way to put it - I put my hand on her shoulder and said that I would talk to her at lunchtime. Within the hour I was feeling much better…*
>
> *At lunch I talked with Hayley and opened up about what had happened - not massively - but enough to know what had happened at home. She was very kind. She amusingly talked about my need to get back into the dating game. I said that I thought I would wait a bit before I do that. She kept telling me that I "wouldn't be lonely" and that I would have "no trouble". I said that I got frustrated with the games men and women play, sometimes even when they don't know it. She looked at me knowingly and said "Oh yes, men and women know when they are playing games". I particularly remember her eyes as she said this - they became very narrow and quite piercing.[116]*

Once this news circulated around the company, others offered their consolations. Harry, the MD, wrote to Ben personally. Ben felt he had to tell his director, Brenda:

> *Telling Brenda (pause). My situation at home was such that it could have affected my work substantially. I still hope that I can get support from her parents and some of my friends. My decision this weekend is not unrelated to working here. When Brenda came in I told her. She was supportive. She asked if there was anything they could do. I said that I still felt I'd be able to come in every day, but I didn't know about 'long' days (because of the children). I said I'd like to talk to John not least because he's been through something similar.[117]*

Deference and Authority

Brenda's style of talking to people did not, at this time, upset Ben. Others – particularly those who were younger and more junior - found her style more difficult to deal with. Hayley, commented that:

> *Brenda likes to be the boss. She's been a manager for a long time and there's this set of expectations. It's not that I feel it is wrong, it's just that I only get it with Brenda, not with John or Harry or anyone else. I'm not impressed.[118]*

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[115]   FileRef: STP1 – Document 45. Ben claims he was not looking for a "relationship" but that friendly support had improved his self-esteem and he "felt okay" about his decision.

[116]   FileRef: JN2, paras 1360-1368

[117]   FileRef: JN2, Paras 1374-1376

[118]   FileRef: JN2, Para 1330

As there were few opportunities left to socialise before Hayley left, Ben asked Brenda if he could finish half-an-hour early and make up the time the following Monday. Brenda initially objected, but after Ben gave reassurances that he was completely up-to-date, Brenda consented and let Ben go.

> *When I got to the pub, Hayley said that she did not like the way that Brenda had reacted to me. I said that I thought it was right that she checked the work was being done. Hayley launched into a whole series of things that she felt. She said that she felt she was regarded as low status, not having skills. She felt that Brenda did not help her enough and was always pausing when she talked to her. This gave Hayley the impression that she was being judged all the time. Hayley felt that Brenda was "all rhetoric" and did not really share the values that the company espoused.[119]*

Andy, who was not one of Brenda's subordinates, initially formed a different impression:

> *With these formal negotiations out of the way, we relaxed and exchanged stories. Brenda had got married after leaving school, but felt trapped, got divorced and then travelled around the world…She described - with some amusement - her visit and the process of deciding between the well-paid corporate position at Vodaphone, and the offer at Custom Products. That was in 1995, I think, and the fact that she is still there says it all. [120]*

> *To my surprise she revealed that Irene refuses to attend social events organised by the company. They attempted to reach a compromise, but she refused even to do this. Brenda had to deal with many issues - she felt that Irene was choosing to exclude herself, rather than the company excluding her. There were issues of competence and attitude (John also said this in an earlier discussion) and Irene's colleagues had raised issues. Brenda had the task of trying to ask Irene to consider the impact of her attitudes on her colleagues. Brenda said that in many ways, Irene showed what was good about the community[121], but she had become so inflexible that there were now issues that were difficult to resolve.*

> *Brenda also told me a story about another worker who had an issue with the company. They had brought along a friend – a union rep – but after the meeting the union rep said to Brenda that he did not understand why he was there because the employee was treated so well.[122]*

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[119]   FileRef: JN2, Paras 1338-1342. Elsewhere (para 1396) Hayley claims that whenever Brenda said "can I have a word?" she felt she was being disciplined. Others report identical sentiments (see CP2004, paras 3233-3253).

[120]   FileRef: JN1, Paras 1356, 1483, 1487, 1493, 1549, 1654

[121]   Internally staff talked about their "community" rather than company.

[122]   FileRef: JN1, Paras 1505-1507, 1515, 1654. This story clearly had resonance amongst the management team because Harry repeated it again in a board meeting when rejecting the idea of outside advocates for employees in disputes with managers.

Andy noticed that Brenda was highly regarded by senior men, but commanded little respect outside that group. Some were blatantly disrespectful while others were fearful:

> *When I was at lunch - the subject of Brenda working long hours was the topic of conversation. Irene, Karen [123] and Larissa were there.   Larissa said that she went late and got in early the next morning. She'd left at 8.30pm, and Brenda was still there at 7.30am the next morning. Larissa asked Brenda if she had bothered to go home. I can see this from both sides, that Brenda loves her work, enjoys her responsibility, is not married any more and does not have a man in her life. Why shouldn't she want to work long hours to develop her career? But Irene said"that Brenda, why doesn't she get a life?" That was quite strong I thought.[124]*

Andy later reflected on the way that the staff and senior management colleagues regarded Brenda differently:

> *At senior levels, Brenda is perceived very positively. John also works very long hours and is dedicated in a number of areas of his life - perhaps this was one of the problems in his marriage - but he is well liked. I have never heard anyone criticise him as a person, people are complimentary about him as a person, although they can take issue with his approach to work issues. But with Brenda it is different. I think this may be a form of sexism. People don't seem to criticise men about working long hours the way they criticise Brenda. But it may be that there is sensitivity around a woman in a director's role. Or maybe it is what Hayley said - that Brenda does not respect people below her in the hierarchy.[125]*

When Andy learned of these dynamics, he followed them up through discussion with John. He also raised the matter of Ben's drink invitation to Carol, although he did not mention Carol by name. This prompted a lively discussion on workplace relationships and inconsistencies. Andy found that John had similar experiences:

> *I mentioned how Brenda made people feel, and also that Ben felt vulnerable after his marriage became problematic, particularly because a man had been sacked for complimenting women [126]. He'd sent a card to someone and was now worried that this would get him into trouble. John said he'd got into trouble once or twice…and commented that there was a dual standard around men making comments, or flirting, and women flirting. He also felt that this operated against senior staff.*
>
> *We both concurred that Brenda had more difficulty gaining credibility with women than men. I mentioned that I'd not heard a negative comment about Brenda from any man, only women. Do women resent being managed by other women? John felt there was an issue with working class*

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[123]   Karen was a temp, working in the warehouse.

[124]   FileRef: JN2, Para 1384

[125]   FileRef: JN2, Para 1384

[126]   A temporary worker that Ben nicknamed "Phil the temp".

women who did not like to be managed by a middle-class woman. He felt that she did not have the "common touch".[127]

Formality, Friendship and Flirting

In Brenda's e-mail below - the formality in her relationship with Ben (see Appendix C2) starts to change. After issuing a warning to Ben about discussing salaries in the work canteen, Brenda wrote:

> *I appreciate your acknowledgement of these 'sensitive' issues. It is incredibly challenging to be totally appropriate all of the time in such an open arena. A deeper discussion on this topic would evoke some 'interesting' thoughts I'm sure: I would be more than happy to put it on the list, (of which I have already subliminally created) to discuss! We just don't seem to make time for more in-depth discussion on these quite significant issues, so maybe we should diarise? At least we've managed to arrange a 'social' before Hayley leaves. I have got a card (for you to sign) and present (very pink and bubbly!!) It should be an eventful evening and well overdue!* [128]

There are discernable changes in virtually all the relationships Ben had with his immediate colleagues but it took him some time to realise this. He continued to grow close to Diane through long talks at the pub. They both had two children and Ben supported Diane through a difficult period with her daughter, while Diane gave Ben support to work through his marriage issues. Ben reports the impact this had on their working relationship:

> *Diane was smashed at this point, but we talked very openly. She was arguing that because of the Data Protection Act "you can't say anything to anyone unless they need to know" because you are in breach of the Act. We talked about the problems of divulging financial information. Under the Data Protection it is considered private. I asked how can we validate the fairness of a pay system if the information has to be kept private? I found there were anomalies in the pay system (that two directors were paid more than the maximum in the policy presented to staff) and that this could never be exposed if this information was kept private. It was quite a debate.* [129]

Ben took up Diane's offer of a place to stay so that he could drink at Hayley's leaving party. Over coffee Diane commented for the third time that he had "admirers" (see Appendix C1 for background):

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[127]   FileRef: JN2, Paras, 194, 203-204

[128]   FileRef: CP2003, para 1194-1198. Brenda had informed Ben that he - like John before him – should "expect a lot of attention" at 'socials'.

[129]   FileRef: JN2, Para 1484

It was the small hours. We were going to go back to Brenda's to open a bottle of whiskey but were too tired and decided to go.[130] The whole evening unfolded how I like it......good meal, good company, lots of chat, and as the evening winds down round a table, everyone drunk, talking about how you feel, talking to each other in ways that you don't talk in the workplace when you feel inhibited.

We had a coffee and talked on a much more personal level. Diane said again that I have some "admirers". I asked if she'd tell me but she wouldn't. She explained that this was part of the way the Data Protection Act worked, that if she told me and something happened that she could be personally liable. I said that the kids have to come first, but that I don't want to turn down the chance of any interesting friendships.[131]

Ben does not seem to be fully aware of the dynamics that are going on around him at the time, but in conversation with Andy, he later started to reflect on the meaning of people's behaviour:

Brenda. (Pause). The barriers have definitely come down ... I have one or two worries about an e-mail I sent. We have been open and complimentary. I said that I found her very sharp and thrive on the feedback she gives. She said that she was "so pleased" that I had come back to the company…I can't generalise. The place is impacting on me now I'm back. Not to put to fine a point on it, Hayley is a beautiful woman and she really took to me. As for Brenda, she's been supportive and I find myself respecting her more. I sent an e-mail because we are building up a clutch of things that it would be good to discuss outside work, so I said that maybe it is the time to go down the pub with John. But Brenda, the next day, seemed glowing with excitement. I think she was flattered by my invitation. She came in wearing a low-cut top and I think she's trying to flirt with me. She's smiling much more at me. Staring at me. Oh God! When I reflect about things, about the way she was very complimentary at Hayley's leaving party, being very open, and standing close up, I just.........(pause)....well, she has my respect but I don't fancy her. I hope that.....I hope....this might sound crazy but this is affecting me because I don't know how to go into work now. It bothers me because I don't want a complicated relationship with my director.[132]

A few weeks later, as things started to settle at home, Ben mentioned to Diane that he had started corresponding with a woman writer. He found Diane's reaction quite peculiar.

It made me think back over my own behaviour. I can't understand why she would say "look, you are not going to find love here". I liked people but did not generally make comments to them or about them. It made me self-conscious and I felt vulnerable. Another man has been sacked for comments he'd made about women's attractiveness and I'm now worried that I've made a

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[130]   Confirmed in an e-mail from Brenda to Ben/Diane, 6th April 2003 - "It was probably a very wise move not to continue the social event beyond the taxi - well done Diane for that intervention!"

[131]   FileRef: JN2, para 1496-1498

[132]   FileRef: JN2, Para 1470, 1505-1507, see also RV01, Para 53.

couple of comments to Diane about finding one or two people attractive [in response to her comments about"admirers"]. I can't imagine a woman would ever be taken up on this. [133]

Ben later discussed his appraisal with Andy. He decided to raise both the sacking of a man for the comments he made, and his own dynamics with Hayley. Although he did not respond to comments made in an e-mail from Hayley that Brenda may like him, he had already internalised this as a potential problem and communicated this to Andy:

> *Ben mentioned his feelings to me about the male worker who lost his job. He also mentioned Brenda's reaction when he discussed his flirting with Hayley. He felt that it has not gone unnoticed but that they'd let it pass. He didn't say it to Brenda in the meeting, but he's worried about his position because he probably behaved more "inappropriately" (in Brenda's view, not his own) than the man who was sacked. Hayley was half his age. What came out is that Brenda felt flirting in the workplace is problematic. She's saying what a manager must say, I guess, but it does not sound as if she is blameless herself. Brenda feels managers/senior people must be extremely careful, that flirting is not worth it "unless you feel someone is really special". I went away - thought about it – and thought about John's view that this is unfair and inconsistent. Brenda feels managers must behave differently but that does not square with the policy on fairness, consistency, gender equality etc. Why must managers (and men?) behave differently?* [134]

Andy saw some contradictions in these comments. During his own induction, Diane had commented vividly about John's "butt" and later boasted about "having a frenchy" with someone as a birthday present. Now she was questioning Ben's response to her comment on his admirers, and Brenda was warning him about flirting – even as Ben felt she was trying to flirt with him. Andy felt that Ben's separation from his wife had resulted in close scrutiny of his behaviour at work.

Andy also recalled John's comments about separating from his wife and the "dual-standard" in the company regarding men's and women's flirting and he started to believe these comments might indicate complex gender and sexual dynamics that required further exploration and analysis. Lastly, he began to wonder about the reasons behind Diane's sensitivity to Ben's behaviour outside work. Was she jealous, concerned for him, or concerned what he might do at work?

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[133]   FileRef: JN3, Para 164. Ben claims he admitted an attraction to "one or two people" in response to Diane's comment about his "admirers".

[134]   FileRef: JN3, Para 224

So, at this stage, Andy was starting to question why the company had let Ben's behaviour pass while "Phil the temp" had lost his job. It started to occur to Andy that the more lenient approach to Ben might be because of several things; firstly, his work was considered more valuable; secondly, he was a permanent member of staff, not a temporary worker; thirdly, that people found him more personable.

The dynamics surrounding Diane, Hayley, Ben and Brenda illustrate both how a team can develop intimate relationships, but can also experience tensions when changing circumstances outside work affect relationships inside work, and vice versa. In the section below, the changing dynamics are reviewed to further develop the framework on relationship dynamics.

Analysing Interpersonal Dynamics in a Work Team

Firstly, a few critical reflections on the data. Most of the data comes from Ben and Andy, which skews the perspective. While this provides good access to a male perspective, the data available for counter-perspectives is weaker. Ben reports that the women looked at him a lot, but to notice this he must have been looking at them! We do not have contemporaneous data on the impact that his behaviour had on Brenda's, Hayley's, Carol's and Diane's *feelings*, although their actions suggest that they all considered a closer relationship with him at some point. In Brenda's, Hayley's and Carol's case, there are indications that their interest is sexual, but this is more ambiguous in Diane's case although her repeated comment about Ben's "admirers" might indicate either interest, or an attempt to check out his attitude. We do not know whether the parties were simply game playing (Berne, 1964) or had a serious intent. Because we have better data on Ben's feelings, we can be more confident that his sexual interest was in Carol and Hayley, and not Brenda and Diane, but in none of these cases did he appear to want to develop this interest.

In building theory, I give regard to the following.

- Diane gave Ben her home number, offered him a place to stay, complimented him repeatedly by telling him he had "admirers" and socialised with him frequently (although she normally did not go out much).

- Hayley swapped phone numbers and e-mail addresses, openly flirted, asked Ben about his attitude to future children and also suggested meeting outside work (see Appendix C1).

- Brenda changed her body language substantially, complimented Ben repeatedly, stood "close" to him at 'socials', encouraged him to stay at her house after Hayley's party (with Diane), dressed in a flirty way at work and became more friendly.

- Carol initially seemed to pay attention to both Ben and Andy, flirted fairly provocatively with Ben, but more cautiously with Andy. She did not respond when Ben invited her for a drink after the final culture class.

- Ben proactively responded to Carol (sent a card, offered a drink) and Hayley (got her a card, birthday present, socialised after work and openly flirted).

- Andy decided to like Carol after she took interest in his work, showed awareness of workplace politics, and showed signs of flirting with him (see Appendix C1).

In the next chapter, I examine a conflict that arose later when Brenda and Diane learned that Ben had invited Carol for a drink. I therefore give further consideration to the background issues here. It seems clear that he enjoyed *some* of the attention he received. This attention begins to impact on his self-perception when there are many concurrent approaches in a very short space of time. Perhaps he is naïve when he talks about these relationships as "friendships" but this appears to be how he conceptualises them until he is probed about his future aspirations (see Appendix C1). Eventually he starts to back off to a more measured distance when he becomes conscious that he might be "overdoing it".

Can we really regard the behaviours of any of the parties as "just friendship"? There was, perhaps, more joint enterprise going on than any of the parties are prepared to admit (except in the case of Ben and Hayley who acknowledged each other's interest). Ben's card to Carol was proactive and he was not shy about admitting to it (until later) or that he enjoyed the attention she gave him. He also admitted to Andy and Diane that he found her attractive. At the same time, there is considerable evidence that he wanted nothing more than flirtation, repeatedly telling others that he wanted to avoid "complicated" relationships, that he wanted to "have a period on [his] own" and "wait a bit" before he thought about dating anyone (see Appendix C1). He also said his "kids come first" and planned to stay with his wife. When Carol did not respond to his invitation, he invites someone else instead of following it up.[135]

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[135]   FileRef: JN2, Para 1296.

Ben regularly socialised with both men (Andy, John, Harry) and women (Hayley, Larissa, Diane, Brenda) and also bought cards and gifts for both women and men[136]. Later, he bought cards and presents for Diane (easter egg, book with quotations on "friendship"), a corkscrew for Brenda, an ornamental candleholder for Harry (to thank him for his support) and juggling balls for John (as a joke about "juggling" in their personal lives)[137]. After the Venice trip, he gave photo enlargements to Larissa and one of her friends. On this evidence, his invitation appears to be in character, and his motives an attempt to draw Carol into "friendship" in much the same way as Hayley, Diane, Larissa, Brenda, John and Harry.

Brenda's invitation to Ben and Diane also resurfaces during a later conflict. What should we read into Ben almost ending up with Diane/Brenda to drink whiskey all night long? It is appealing to think he might be seeking physical comfort at a time when he was lonely. However, switching the genders may give us another perspective. If Brenda had been Brian, Diane had been David, and Ben had been Belinda……

What would we think if Brian (a director) and David (a manager) had invited Belinda (a subordinate), in a drunken state, a week after a marriage break-up for an all night drinking session? Would we consider they were trying to "take advantage" of her? Looking at it from a gender-neutral perspective gives us another angle. What would we think of *any* drunk director and manager (of one sex) inviting a drunk subordinate (of the opposite sex) while the latter's marriage is breaking up in order to "open a bottle of whiskey at my house"? No value judgement is intended – the issue is not morality. Brenda later disciplines Ben for his drink invitation to Carol and the comparison with this incident made Andy question whether values of "consistency" and "fairness" were being applied.

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136   FileRef: OTH, Paras 3 – 17.

137   The accompanying card joked that he would like to teach John how to juggle but feared that he might drop the balls.

The data is not without its problems, therefore, but its controversy in no way hinders my ability to extend the framework on interpersonal dynamics and provide a comprehensive classification of workplace behaviour. Theoretical development follows.

Linking the Theoretical Framework with Behaviours

The framework for understanding relationship formation was developed using the Grounded Theory method of open and selective coding (see Locke, 2001). Empirical data was analysed with NVivo and a wide range of behaviours were identified (see Appendix C). These were progressively reorganised as a result of giving presentations and receiving feedback (at peer groups, conferences, academic associations, and with research participants and project supervisors). After several months, the core categories of *attention* and *assistance* emerged, and the lower levels were formalised when sub-categories were merged together.

The detailed table of behaviours below was developed using a *verification* process. This involved cutting and pasting a selection of data into NVivo and reanalysing it to check every sentence could be coded. The data was analysed until "saturated" to establish the rigour of the framework and provide a comprehensive view of the ways people act during periods of relationship formation and group bonding (Glaser and Strauss, 1967; Locke, 2001).

Behaviours with an asterisk (*) are most likely - on the basis of this data - to be "sent" with the intention of increasing opportunities for intimacy, and are also the most likely to be interpreted as a desire by someone else for a more intimate (or sexual) relationship. These findings are presented in tables 4.2 (assisting behaviours), 4.3 (behaviours to gain / prevent access), and 4.4 (behaviours for acquiring and using information and the emotional states that result).

Table 4.2 – Behaviours Associated with Providing Assistance

The table below identifies the observable behaviours as people seek to *assist* each other:

Assistance	Physical	Meeting, Organising, Making, Avoiding
	Intellectual	Organising, Theorising, Interviewing, Teaching, Evaluating, Noticing, Checking
	Material	Paying, Awarding, Feeding

Table 4.3 – Behaviours Associated with Getting and Giving Attention

Providing assistance requires that we give and get attention. The table below shows the extraordinary number of behaviours used to achieve this. One remarkable thing (for me) is the number of non-verbal ways of communicating both non-sexual and sexual attention through body language and patterns of behaviour.

Attention	Access	(Preventing)	Ignoring, Withholding*, Frightening, Forgetting, Withdrawing, Fearing, Barring, Resisting* (8)
		Non Verbal (The **withholding** of these behaviours, and the verbal/sharing behaviours below can be regarded as attempts to *deny* access and exclude individuals)	**Body Language:** Touching*, Looking*, Smiling*, Waving, Turning*, Flirting*, Approaching*, Copying*, Kissing*, Crying, Laughing* (11)
			Behaviours: Meeting*, Reading, Offering, Trading, Attracting*, Employing, Inviting*, Consenting, Agreeing, Arranging, Sending*, Acknowledging, Awarding, Attending, Playing*, Questioning, Encouraging*, Giving*, Listening, Helping*, Impressing*, Supporting, Committing (23)
		Verbal	Phoning, Storytelling*, Complimenting*, Writing, Apologising, Talking, Asking, Describing, Bantering*, Informing, Texting*, Arguing* (12)
		Sharing	Confessions*, Contacts, Plans*, Reflections, Suggestions, Resources, Time, Space, Interests (9)

Table 4.4 – Information and Emotional Behaviours

Once access is gained, there are behaviours that describe the acquisition of information that *increases* our access and provokes emotional responses.

Attention	Information	Acquiring	Enquiring, Exchanging, Telling, Finding, Discovering
		Using	Understanding, Speculating, Organising
	Emotion	N/A	Intending, Caring*, Fearing*, Wanting*, Aspiring, Coveting*, Appreciating, Liking*, Enjoying*, Jealousing*, Worrying.

These are behaviours found in *building* relationships. On first glance the absence of behaviours such as "protecting", "loving" in the data may seem surprising. The word "protecting" simply does not occur. The word "love" is used, but – in this data sample - only with regard to people *outside* the workplace (spouses, boyfriends, girlfriends) or toward things (e.g. "Brenda loves her work")[138].

These behaviours are part of the *building* process – not engaging in them has the reverse effect. Individuals may temporarily withdraw until they have more information, or a clearer idea of the access another party is providing, or to determine their intentions. Once this information has been acquired and evaluated, it may be used to re-approach the other person and increase intimacy through inclusive behaviours. This process is made clear in the following passage:

> *"Then I told her I had not had a good weekend. I was a bit cautious at first - I said all marriages have their problems - but then she opened up and told me about her mother having breast cancer and how this had affected her and her family over the last decade. I found myself explaining in more detail about what had happened at home."*

Therefore, building a relationship is not a one-way ticket or a straight line. Ben "withholds" from Hayley until she makes a response that invites more detail. He then finds himself "explaining in more detail" while Hayley responds in kind. It was not until Ben received a positive response that he behaved in a way that increased the level of intimacy.

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[138]   The word was found in other samples.

Aronson (2003:313) remarks that the evolution of relationships is "difficult to study scientifically"[139]. But within this data set it is clear that while the workplace provides bricks through which to start building a relationship, the cement that binds them together is supplied by the regular and frequent exchange of personal information, regular banter and shared reflection about loving relationships. Make or break moments in a relationship appear to be when parties make *clear* their feelings for each other. Parties unable to communicate at this level become stuck in a perpetual series of exchange relationships and cannot develop them into communal ones (see Mills and Clark, 1982). Other behaviours (e.g. bullying, intimidating, pushing, hating) are absent not because they do not exist in the culture, but because they do not occur during the building phase of a relationship.

In the next section, a theory of social influence is developed to explain how seeking / avoiding intimacy impacts on our propensity to agree or disagree with others.

Developing a Theory of Social Influence

In the above interactions we can observe the following:

1)   Andy and Ben *increase* the *attention* they give each other from the outset of their relationship and maintain it through both work and personal contact.

2)   Ben *assists* Andy with his consultancy project. Andy *assists* Ben to reflect on changes in his life.

3)   Carol initially *increases* the *attention* she *gives* to Ben and he eventually responds and *increases* the *attention* he *gives* to Carol. She then *decreases* her *attention* and Ben responds by *decreasing* his *attention* as well. In the long term, they marginally *increase* the *attention* they give each other to a level that (presumably) leave them within their comfort zones.

4)   John and Harry **temporarily** *increase* the *attention* they *give* Ben after he gives bad news.

5)   Diane, Hayley and Brenda all increase the *attention* they *give* Ben after his marriage collapse, and Ben accepts the *increases* from Hayley and Diane, but *decreases* the *attention* he *gives* Brenda.

6)   All but one of the parties increase the *emotional support* they *give* each other over the period this data was collected (the exception being Carol).

Interactions may be *non-sexual* or *sexual* but always impact on the level of intimacy in the relationship. It is sometimes hard to judge whether eye contact or touch is non-sexual or sexual, but behavioural psychologists generally agree that more instances

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[139]   A view that comes from his experimental approach to psychology, perhaps.

of glancing/touching and more prolonged eye contact (over 1 second without looking away) is a sign of closeness. If eye contact lasts more than 2 seconds, and touching and eye-contact is echoed, this is a sign of a potentially intimate and/or sexual relationship (see Lowdnes, 1996; Glass, 2002; Pease and Pease, 2004)[140].

Examples of prolonged eye contact take place between Andy/Carol, Carol/Ben, Ben/Hayley. There are also examples where Brenda is reported to stare at Ben, but he claims not to respond. There are no reports of such behaviour between Ben and Diane, although they hold hands and hug when he is upset. Ben and Hayley hugged three times at her leaving party – and both initiate touching at different times. There are examples of "echoing" behaviour between Hayley and Ben and Andy and Carol.

Establishing Relationship Equity

While these behaviours can be observed, the question is why? At the highest level, the answer is that parties are constantly probing each other, or responding to the probing of others, and adjusting their behaviours to determine the levels of *intimacy* that both parties are comfortable with. The *direction* of change is perhaps the most relevant as this indicates the overall intention of one person towards another in the current context. Longer-term intentions, or behaviour in other contexts, are impossible to gauge.

Talking about love lives appears to be part of the process of bonding both in groups, and also on a one-to-one basis. Talking about love lives on a one-to-one basis is one of the most intimate behaviours in the data (with the exception, perhaps, of extended hugging). The people in the sample who do not **regularly** discuss their partners or love lives, are Brenda and Harry. All the other characters, to some degree, discuss their love lives regularly. Andy later reports that Harry and John withhold information from each other about their private lives, indicating that perhaps peer-group dynamics amongst executives are different and senior staff are more reticent divulging information to each

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[140]   If eye contact continues for over three seconds, psychologists regard this as aggression (same sex), or a sexual advance (opposite sex).

other about their relationships[141].   John and Andy also converse about their marriages
and over time this becomes deeply intimate[142].

Another aspect of the dynamic is that parties drift from one person to another. For
example….

1) Ben *increases* the *attention* he gives Diane, Hayley and Carol as he *decreases* the *attention* he gives his wife.

2) Harry, John, Hayley, Diane and Brenda all *increase* the attention they give Ben when he *decreases* the *attention* he *gives* (and *gets* from) his wife.

3) Brenda, for reasons unknown (although we may reasonably suspect some jealousy) tries to *decrease* the attention that Ben *gives* to *Hayley* when *Hayley* wants to *increase* the *attention* she gives to Ben (by taking him to the pub).

4) Ben complains of the *decrease* in *attention* from Brenda when she *increases* the *attention* she *gives* to Harry (see Appendix C2).

5) Brenda and John *decrease* commitments outside work and *increase* the *attention* they give to colleagues at work

6) Others believe Brenda should *decrease* her *attention* to her career in order to "get a life" (i.e. conform to their ideals rather than her own and *increase* the *attention* she *gives* to men and family life).

Linking Home and Workplace

Personal and professional domains are inseparable (although different actors have
different attitudes to the boundary between the two). There is not a seamless distinction
between work and home, and impacts are observed in both directions. In this data, the
intimate friendships at work are particularly important in sustaining commitment to the
workplace – a perspective that has been sidelined by cognitive psychology explanations
of motivation (see Watson, 1996).

Another aspect of the data is the extent to which it is symbolic and intentional (see
Blumer, 1969). Of the huge range of behaviours, 63 are symbolic and give information

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[141]   FileRef: RV04, Para 69. John asks Andy not to divulge personal information because Harry "is
not a man of the world". Andy interprets that John is afraid of Harry's reaction. See Leinonem
and Ridley-Duff (2005) for another study reporting managers reluctance to talk about personal
experiences when compared to non-managers.

[142]   FileRef: CP 2003, para 2759, Andy to John, 25th July 2003.

regarding the level of access being granted to others[143]. The data illustrate how intentions (whether they wish to increase or decrease the level of intimacy) influence whether a person adopts behaviours that grant or deny access. For example, Carol adopts a range of behaviours (looking, smiling, copying, talking, exchanging, listening, asking) during periods in which she is happy to increase access to herself, but ceases these when she wishes to decrease access. The same can be said of Ben with regard the Brenda who adopts some behaviours while increasing intimacy (looking, listening, talking, inviting, approaching, laughing, meeting) but later withdraws after Brenda's own inclusive behaviours are interpreted as a possible sexual advance. Equity is maintained when the parties mirror each other's behaviours.

The Dimensions of Dependency

In short, we can observe social decisions constantly taken on the basis of one party's desire to increase or decrease intimacy with others. These, however, are mediated through the wishes or obligations of both parties to obtain and provide *assistance*. Assistance can be offered voluntarily as a strategy to gain or deny access to others for social reasons or adopted to fulfil obligations arising from the employment relationship. Therefore, Ben's anxiety after Brenda reacts to his invitation to the pub by wearing a low cut top is a conflict between his obligation to engage in inclusive behaviours as an employee, but his desire to withdraw on a personal level. This translates into negative thoughts ("I don't know how", "I don't want", feeling "vulnerable" as he starts to get "worried"). Such conflicts set the playing field for periods of *cognitive dissonance* (Festinger, 1957) as an individual tries to resolve contradictory feelings and obligations.

The Social Domain

Top-level classes of social behaviour (the desire for attention) and the top-level classes of economic behaviour (the desire for assistance) were originally arranged in a hierarchical fashion. However, after additional reflection it seemed that the relationship

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[143]   Total of 63: 11 signalling via body language; 23 are inclusive behaviours; 12 verbal behaviours; 9 sharing behaviours; giving rise to 11 verbalised emotional states (which may or may not be visible to others); 9 behaviours are identified to deny access.

is recursive (not hierarchical)[144]. Firstly, let us consider the progression of behaviours in the *social domain* (attention).

Access > Information > Emotion

At first glance, it appears reasonable to assume that access enables a person to acquire and use information, and that this leads to emotional impacts. However, we can also read the line from right to left. Displaying an emotion gives information and increases the access that the recipient has about their social relationship with the other party. When emotion is displayed, one party is telling the other party something about the state of the relationship. It is better therefore, to conceptualise this domain with double-headed arrows as follows:

Access < > Information < > Emotion

The Economic Domain

Similarly, when providing assistance, we can read the top-level concepts in either direction:

Intellectual < > Physical < > Material

Prior to providing physical assistance (making, meeting, organising), there must be thought (organising, evaluating, theorising). Therefore the development and provision of *intellectual assistance* appears to come before its physical provision. And before *material assistance* can be provided, the agency of both *intellectual* and *physical assistance* is required. But as with the first example, we can read this line from right to left because *material assistance* (investment of money, time and resources) is required to acquire *intellectual skills,* and their acquisition typically requires the physical intervention of social agents (e.g. learners, teachers, consultants, academics!). *After* acquisition, the use of those *intellectual* skills requires a *physical* infrastructure to communicate (the intellectual) or deliver (the physical) "product".

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[144]   This discussion is influenced by my experiences as a systems analyst.

Integrating the Social and Economic Domains

With regard to the relationship between the two domains, I initially theorised that attention came before assistance. However, upon closer inspection, this is simplistic. Firstly, *giving assistance* can be used as a primary strategy for *getting attention*[145]. Secondly, as soon as assistance is offered, the party giving assistance frequently receives reciprocal attention (i.e. "thanks") or attention and assistance (i.e. a "return favour"). Giving and getting attention, therefore, is *both a prerequisite* and *by-product* of getting and giving assistance.

Conversely, giving and getting attention - in this data – always has an economic impact (even if offered/received as part of a friendship). It is hard to imagine a social relationship that does not result in one or both parties assisting each other in some way (making, paying, feeding). The more intimate the social relationship, the greater the economic impact. Therefore, while we can distinguish between social and economic actions, the two domains are recursive and interlinked.

Impacts on Decision Making

But how does this influence the way we make decisions? Increases in economic dependency *or* a desire for greater intimacy gives us an increased incentive to agree. For example, Ben's material dependency (pay) requires him to maintain access to Brenda (so that she will continue to employ him). The effects of this can be very subtle. Let me illustrate this with two fragments of data. Firstly, Ben explains his conversation to Hayley.

> *"During my job review I said how uncomfortable this made me feel initially, but I understood how/why the situation had been handled and felt that it had been handled well"*

His dependency and need for continued access to Brenda inclines him to be complimentary about the way Brenda handles the sacking of "Phil the temp". However, to Hayley he says:

> *" Custom Products needs to bring its equal ops attitude into the 21st Century, though. Brenda is so 1990s in her approach!"*

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[145]   A lesson learned by many marketing departments!

Although he initially depersonalises Brenda, he then feels able to criticise her *to Hayley*. Commonly such behaviour is characterised as "two-faced" – a more charitable explanation is that Ben's attitude to each party is contextual. He wants both relationships (one for exchange reasons, the other for communal reasons). This impacts on the way he talks about the relationship to different parties. It also matters who he is talking to, his dependency on that person, and his desire to maintain that relationship. All these social factors are juggled together. Ben will not criticise Brenda to her face because of the need to maintain the relationship, but outside the workplace talking to friends who no longer work with him, he feels freer to say what he thinks.

A Theory of Social Influence

On the next page, I present *a theory of social influence*. This brings together the framework developed here (as an overarching social and economic environment in which decisions are made) and other relevant theories. In a given situation, we are influenced by economic dependencies and social desires in each relationship *that impacts on our emotions*. The way we interpret a situation is influenced by our previous experience. Here, the TA theories of Berne (1964) are useful, particularly if we focus on the "parent" and "child" – which according to Berne contain "raw" experiences that provide source data for "adult" cognition.

A threat only *feels* like a threat depending on how we perceive the *meaning* of the situation (Blumer, 1969; Weick, 1995). Given Weick's comments on the way emotion is linked to perceptions of change in the environment, the greater the emotion, the greater the perception of threat or opportunity. If either a threat or an opportunity is detected *cognitive dissonance* (Festinger, 1957) occurs. I have distinguished between *negative* and *positive dissonance*, and *consonance*.

In Festinger's original theory, he differentiates between consonance and dissonance. However, I contend that consonance is different from *positive dissonance*. Consonance implies that the meaning of the situation is in harmony with a person's current values. If this is the case, then no value changes would take place as a result of accepting a situation. However, if the situation presents a desired opportunity, but requires a change of values, the dissonance inclines a person to update their values (i.e. it is easy to justify because of the perception of positive outcomes). The acceptance contributes to the

internalisation of new values (Kelman, 1961). *Negative dissonance* however, occurs where acceptance of a situation is perceived as a threat. Perhaps for reasons of material dependency, or to maintain a desired relationship, behaviour is *calculatively compliant*. In other words, the public behaviours differ substantially from a person's private thoughts (privately the person thinks "I'm right, you're wrong"). The distinction is important because apparently similar behaviour may be genuine (if *opportunities* are perceived) or calculative (if *threats* are perceived). If the former, value changes are rapidly internalised; if the latter, value changes **do not** occur.

Whether there is positive dissonance, consonance, or negative dissonance an *evaluation* and decision needs to be made regarding *acceptance* of the situation. Here again, *transaction analysis* (Berne, 1964), or the more academically accepted *schema theory* (Rumelhart, 1975) usefully describes how values impact on decision-making. The outcome of acceptance is value change (through positive dissonance), value neutrality (when there is consonance) or value rigidity (through negative dissonance). A person may not accept the situation and try to change it. After an intervention, the parties go through the process again until one of the outcomes result.

Both parties to a relationship go through this with regard to the *same* change in their shared social and physical environment. What if they cannot influence the situation sufficiently to make the outcome acceptable? This is when despair occurs.
If withdrawal is not possible (either not physically possible, or *perceived* as emotionally impossible) this impacts on a person's emotional and physical well-being. If one party proceeds to withdraw, this may also have multiple impacts (both socially and economically) on both parties, with effects on their personal and shared social networks. In chapter 5, this theory will assist interpretation of conflict. For now, let me round off this chapter by considering a secondary case before commenting on the literature.

Diagram 4.2 – Theory of Social Influence in Decision-Making (SI Theory)

S O C I A L   D O M A I N (Attention)

Access	Information	Emotional Support

Wish to decrease, or resist increase in, intimacy

Perceived need for Intimacy

Wish to increase or maintain intimacy

Increased incentive to disagree

Increased incentive to agree

Situation

Previous Experience
(Transaction Analysis)

Threats?

No

Yes

Meaning of Situation
(Symbolic Interactionism)

Yes

Create New Option

Opport-unity?

Yes

No

Negative Dissonance

Positive Dissonance

Evaluation

Existing Values
(Schema Theory)

Accept?

Yes

No

Internalisation

Identification

Calculative Compliance

No

Decreased need to agree / decreased risk from disagreement

Increased need to agree / increased risk from disagreement

Perceived level of Dependency

Low level of dependency

High level of dependency

Intellectual	Physical	Material

E C O N O M I C   D O M A I N (Assistance)

Value Change Value Rigity

Authenticating the Theory with Comparison Data

These theoretical ideas were tested out by re-examining interviews with staff at SoftContact (see Appendix C7). The level of interaction is extremely high, with people giving their opinion as they see fit, not because they are obligated to do so, but because they are enthused. The *dynamism* here is comparable to that at Custom Products, but the attitude over access to confidential data is completely different. Indeed, the very notion of "confidential data" is an anomaly at SoftContact, not withstanding the provisions of the Data Protection Act, because there is a legal commitment given to members through the constitution. At Custom Products, divulging "confidential" data earned Ben and Hayley a rebuke more than once, and access to payroll data was particularly sensitive. At SoftContact, keeping data confidential would be more likely to earn a rebuke and sensitivity was something developed through involvement in open discussions about pay, not something maintained through secrecy.

The framework, therefore, brings out the behaviours that are practiced in different cultural contexts. At Custom Products *telling* someone about pay *information* might lead to others *barring* them or *withdrawing* from them. At SoftContact *barring* someone from pay *information* may lead to *withdrawing,* while telling people might lead to *appreciating* someone more. The framework is still useful as a way of exposing the alternative behaviours (and values) that might be acceptable in the *same* situations. As a result, the theory remains useful in different cultural settings even if different results are obtained.

With regard to the shifting of affections between people, similar patterns hold. Simon *gives attention* to Gayle, but she responds negatively ("puts him down"). He *withdraws attention* then *increases* his *attention* to someone outside work ("he met Rebecca"). Andy speculates that this is the reason he withdrew from the workplace – with an implicit suggestion that once there were no females he could pursue he had an increased motive to leave. Gayle *gives attention* to a male friend outside work after she breaks up with her boyfriend. But she does not get the attention she wants. So, Andy *gives* her more *attention* inside work with impacts on Andy's own marriage, particularly when his wife, Susan, reinterprets the relationship after the company stops trading.

Discussion of Relationship Dynamics

81 behaviours have been grouped under six headings. Each of these behaviours – if reciprocated – acts as a single thread that joins two people in a relationship. Each thread describes a behaviour that potentially increases/decreases intimacy. Two parties giving and getting on all threads will be "in love" but this is rare. For most, workplace relationships develop slowly over time and are carefully constructed subsets of threads, formed or broken as a result of changing dependencies and restricted opportunities for intimacy.

Groups of threads (organised into top-level classifications) are "bonds" that keep parties in a relationship. Changing patterns of interaction and thread building/breaking account for changes in behaviour, personality, motivation and performance - a communitarian perspective that has explanatory value when considering how people's behaviour changes over time. It is more dynamic than genetic or social inheritance explanations, and can account for rapid changes in disposition and behaviour that take place in a short space of time.

Behaviours that lead to intimacy may be adopted for their own sake, because of the intentional behaviour of one party to deepen their relationship with another. Alternatively, they may be adopted for instrumental reasons or because one party is obliged to assist to meet contractual obligations. Behaviours that are adopted through obligation may become voluntary as intimacy increases. Also, the receiving party cannot always tell whether the behaviour has been adopted for its own sake (purely social), or instrumental (oriented towards a goal) leading to considerable ambiguity.

I define behaviour that is oriented towards the building (or breaking) of a relationship as *social rationality*. A person may undertake a task (or adopt behaviours) not because it is economically rational to do so, but because it is *socially rational* to effect changes. The relationship may be an end in itself (social), or a means to an end (economic). The "presentation evening" organised by Custom Products can be viewed in this light. While there is a long-term economic rational for organising it, the direct purpose of the evening is to create shared experiences. It is an attempt to create an environment in which thread and bond building takes place between company members (although they may be broken as well). It provides opportunities for a multitude of interactions,

behaviours and "talk" that create opportunities for identification (Kelman, 1961), transmission of cultural values (Kotter and Heskett, 1992) and seduction of other organisation members (Willmott, 1993).

Behaviour oriented towards the fulfilment (or avoidance) of a task is something I define as *economic rationality*. Here, the prioritising of economic goals may impact positively, negatively or not at all, on the social threads/bonds between actors. Clearly, if decisions are taken that are perceived by actors as both economically and socially rational*,* then it is reasonable to expect increases in commitment and productivity. But if economically rational decisions are perceived as socially *irrational* then conflict can occur with unpredictable impacts.

Comments on the Gender Literature

Hearn and Parkin (1987:56) contend that:

> *Feminism has changed both the understanding of sexuality and the importance given to sexuality in many ways: the making of women's experiences visible, the realisation of both women's and men's power, the theorising of (the control of) sexuality as the central dynamic of patriarchy (Mackinnon, 1982).*

I partly agree with this. Feminism has made women's experiences more visible. However, by failing to make visible and explicit the impacts of women's behaviour on men, there is a lack of balance. The data presented in this chapter illustrates the way that men's experiences are not straightforward, and that they are as subject to pressures from women's agendas as women are from men's. Farrell's contention that holistic ideals of masculinity and femininity are socially constructed through the desires of men and women for each other (as complete ideal persons) appears to have some merit. The assertion that courtship rituals are as prevalent in the workplace as anywhere elsewhere also appears to have merit.

It is, therefore, worth summarising Farrell's view of how gender is constructed through workplace identities (diagram 4.3). His argument runs roughly as follows:

1)   The selection of life-partners (and close friends) reveals our deepest values

2)   Most partner selection takes place in a workplace setting (if not our own, then someone else's)

3)   Our public behaviours create the identities by which others evaluate us.

4)   The informal, and theoretically desexualised, workplace allows intimacy to develop between work colleagues without drawing too much attention (making it a good "hunting ground")

5)   Identities that lead to (or support institutions that help) men and women having children are most likely to endure. Identities and behaviours that do not attract a mate will be marginalized.

To illustrate his argument, he tells the story of Karla and Chuck (sociologists) who fall in love and want to get married. Karla becomes pregnant but worries that Chuck will not develop his career fast enough, or earn enough to support her child. As a consequence she has an abortion and the relationship breaks up. A year later Karla marries an attorney, has a child, but within 5 years they divorce. Karla raises her son on her own. Chuck, after years of heartache, eventually marries and has children.

These choices had concrete socialisation impacts stemming from decisions related to the workplace. Karla's son – for the first 4 years of his life – had an attorney as his male role model rather than a sociologist. After the divorce, he relates to his father as a "wallet" not a human being, with long-term impacts on his values regarding work (will he too become a wallet?). Karla, concerned about discrimination against women – and therefore looking for a husband with earning potential – forsakes her own career and reinforces the appearance of discrimination for another generation.

Can we observe gendered behaviour affecting the development of hierarchies? At this stage, the data is unclear. At Custom Products, there is a striking difference between the gender split at board level and at management level. The company was formed by a group of men who gradually recruited women who dominate middle management positions. This certainly does not suggest that a simple patriarchy is developing because many men are subordinate to women middle managers. The deferential behaviour of Brenda towards Harry indicates he is acknowledged as leader (see Appendix C2), but the suggestion of patriarchy is undermined by the clear positive discrimination *for* women both at management level and amongst the workforce generally. In neither case could it be confidently said that men were deliberately operating a "glass ceiling".

Diagram 4.3 – Social Construction of Gender Identities

Masculinities ("Success Objects")			
(Home Maker)	Sportsman	Rock Star	Male Executive

Femininities ("Sex Objects")			
(Home Maker)	Model	Pop Diva	Career Woman

Selection of Partners/Friends

Cultural Factors
Imitation and Innovation

Cultural Factors
Imitation and Innovation

Men

Women
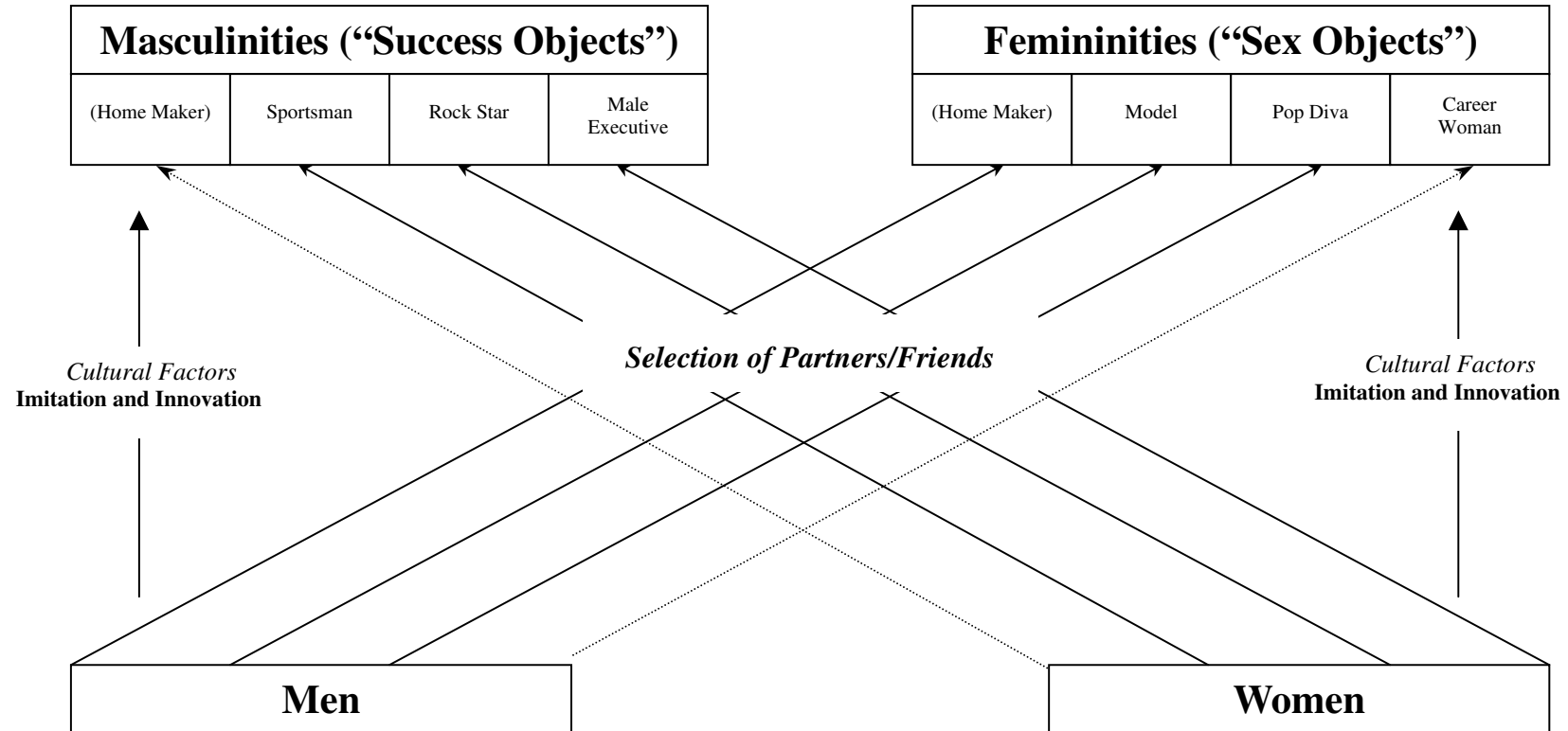
Gender identity theory – an interpretation of the early works of Warren Farrell (1988, 1994)

Comments on Body Language and 'Silent' Behaviours

There is supporting evidence for the views of Perper (1985), Lowdnes (1996) and Glass (2002) that body language is a primary means of communication in the workplace, and that it cannot be separated from the spoken and written word as a form of communicative action (Habermas, 1984). Indeed, there is a suggestion that some body language behaviours, particularly when combined with supportive language, are particularly powerful ways for one person to impact on the perceptions of others. However, the data suggests that people interpret the presence and absence of various behaviours as significant in themselves – this is a further 'layer' of social information that provides information on who is/is not getting/giving attention and to whom. Others interpret patterns of communication as well as the content. It matters not just what and how something is said, but how quickly a response is received.

The many reports of eye contact, smiling and the consequent impacts do suggest that these are important behaviours in the *formative* stages of a relationship, and particularly significant in relationships between men and women. Eye contact communicates attention, interest, and that others are listening to what is being said. It is, therefore, a behaviour that helps people feel valued. But other behaviours also have significant symbolic value (phoning, texting, e-mailing, writing, approaching, meeting etc.). Behaviours that increase contact are meaningful to those contacted. Withdrawal is frequently first noticed because such behaviours stop.

Some Conclusions

I started this chapter by outlining the importance of interpersonal dynamics and the need for a framework that acknowledges sexual behaviour. As part of the literature review, particular attention was given to contributions from the feminist literature and the recent critique of that literature. Body language in relationship formation, development and maintenance, was considered both theoretically and empirically, and micro-analysis reveals verbal and non-verbal behaviours that are meaningful to people.

In sections 3 and 4, empirical data was presented and theoretical development undertaken to explain relationships as integrated processes of getting/giving attention and getting/giving assistance. The attention domain was extended to include social

behaviours for gaining access, acquiring and using information, with consequent impacts on our emotions. Behaviours that were ambiguous with regard to their sexual intent, or which the receiver could misinterpret, were identified and discussed.

Parties also provide assistance. Intellectual assistance involved collecting, organising and communicating information in the performance of physical tasks for material gain. The framework developed in tables 4.1, 4.2, 4.3 and 4.4 comprises a communitarian perspective on the way behaviours are combined to develop relationships. These threads, and the way they are formed and maintained, constitute the fabric from which bonds are woven and people maintain connections to each other.

These were applied to build a theory of social influence to explore how the desire (or lack of desire) for intimacy affects our intentional behaviours (and therefore our decision-making). The desire to remain close to a person will incline us to agree with them – if we think that by agreeing, a relationship will be strengthened. But these are mediated by economic dependencies, past experiences, and value systems, which may support or conflict with our social desires.

All decisions, therefore, are affected by *social rationality* – an assessment of whether agreeing or disagreeing with another party will impact on the social relations we want to maintain or break. In other literatures (particularly cognitive psychology, and social psychology based on experimental research), certain decisions constitute "errors" (e.g. attribution errors). The theory here offers an alternative explanation for many phenomena because of its implicit recognition that every *instrumental* decision has a *social* dimension. In many circumstances attribution "errors" may be known (and considered acceptable) to the parties concerned. If this is the case, they cannot be properly regarded as errors because *social rationality* overrides *economic rationality* in particular contexts. The theory even suggests that *economic rationality* may be driven by *social rationality*. Do entrepreneurs set up in business together just to make money? Or might they sometimes establish a business because they want to work with (or for) someone, or gain entrance to new social networks and markets? Secondly, *economic rationality* – the desire to achieve an economic objective – cannot be achieved without the exercise of *social rationality*. If, as the symbolic interactionist tradition claims, all behaviour is intentional (Blumer, 1969) then *social rationality* is present in every

economic decision. It suggests that economic activity or economic ends are not necessarily primary, nor even that it is desirable that they should be.

Social Life as Acts of Seduction

Social life is an endless process of probing and searching for satisfying relationships, for the purpose of economic or social gain. It suggests, perhaps, that we are creatures constantly trying to seduce each other for different reasons. Outside the obvious seduction of men by women, and women by men, there are salespeople seducing customers into buying products, consultants seducing clients into buying their services, writers seducing us to read their books, musicians to listen to their music, advertisers to consume, barristers and politicians to believe their truths[146].

What if a company's management team sets out to employ these techniques in the recruitment and induction of its employees? What if they set themselves the objective – quite literally – to induce employees to "fall in love" with the company (see Kunda, 1992; Willmott, 1993)? Will they do so? Will the employees resist the seduction? What if the seduction does not work? Or worse still, what if employees see through it and find ways to organise resistance, or simply will not play the game?

In the second narrative, I examine the recruitment and induction processes at Custom Products. Together with a number of social events and "culture classes" that are designed to attract people with "shared goals and values" in order to create "a caring, rewarding environment" in which people will feel "appreciated, respected and fulfilled". The extent to which these goals are being met will become apparent.

We have seen how a group forms and bonds. In the next chapter the focus turns to intra/inter-group dynamics and processes. What things happen to create a "shared mind" regarding behaviour? Why might group members feel that one member should

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[146]   Not forgetting academics seducing others into believing their theories!

be disciplined? How does disciplining take place? And how does the excluded member
react? The next chapter looks at these issues in detail.

Chapter 5 - Intra and Inter-Group Dynamics

I have set out a framework to help understand relationship development. In this chapter, the focus switches to power and socialisation, and the processes that trigger (and resolve) social conflict. "Culture management" is a term used to describe the way values are used to regulate relationships in pursuit of productivity and managerial control. After considering the academic literature, I consider how normative expectations intersect with gendered expectation to explore the complexities of socialisation and social network formation. The focus, therefore, moves away from the interpersonal towards group, corporate and societal expectations.

Relationships are the foundation of complex social networks that individuals variously cultivate, protect and break up. Their social influence orients a person's behaviour and attitudes. Communication takes place to reach agreement on moral values and social facts amidst a multitude of competing social interests. In contrast to cognitive psychology approaches that examine how "distortion" occurs through controlled experiments, this chapter adopts a communitarian perspective by examining the way "truth" is constructed purposefully by individuals and collectives in an attempt to maintain control over their relationships.

Some caution is necessary - collectives and organisations do not interact directly. *People* interact on behalf of group interests and in doing so they adopt both personal and organisational identities. The findings and theory already developed grow in relevance as competing interests and allegiances shape the way we problematise and interpret organisational life. Actors wrestle with perceptions of both private and public interests and come into conflict not only with others, but their 'other' selves (see Townley, 1994; Weick, 1995).

In section 1, there is an exploration of the way culture management has shaped recent thought on management control. The intersection of corporate values and gendered interests is then discussed to explore how this – potentially - create new sets of workplace tensions and contradictions. This is followed by empirical explorations of socialisation (section 3) and social conflict (section 4). The story continues to unfold as tensions build up and are resolved over time. In section 5, I reflect on these processes

and examine a second case to construct theory on the way that culture develops out of a
continual process of dissonance resolution. The structure of the chapter is set out
below.

Diagram 5.1 – Intra and Inter Group Dynamics

Culture Management

Hawthorne → Elton Mayo (HR) → WF Whyte (critique)

Power, Gender and Hierarchy

Pay as Power → Intimacy as Power

Empirical Data (Socialisation)

Recruitment → Induction → Socialisation

Empirical Data (Social Conflict)

Commitment → Conflict → Withdrawal

Theory of Culture Development

A Second Case - Critical Reflections
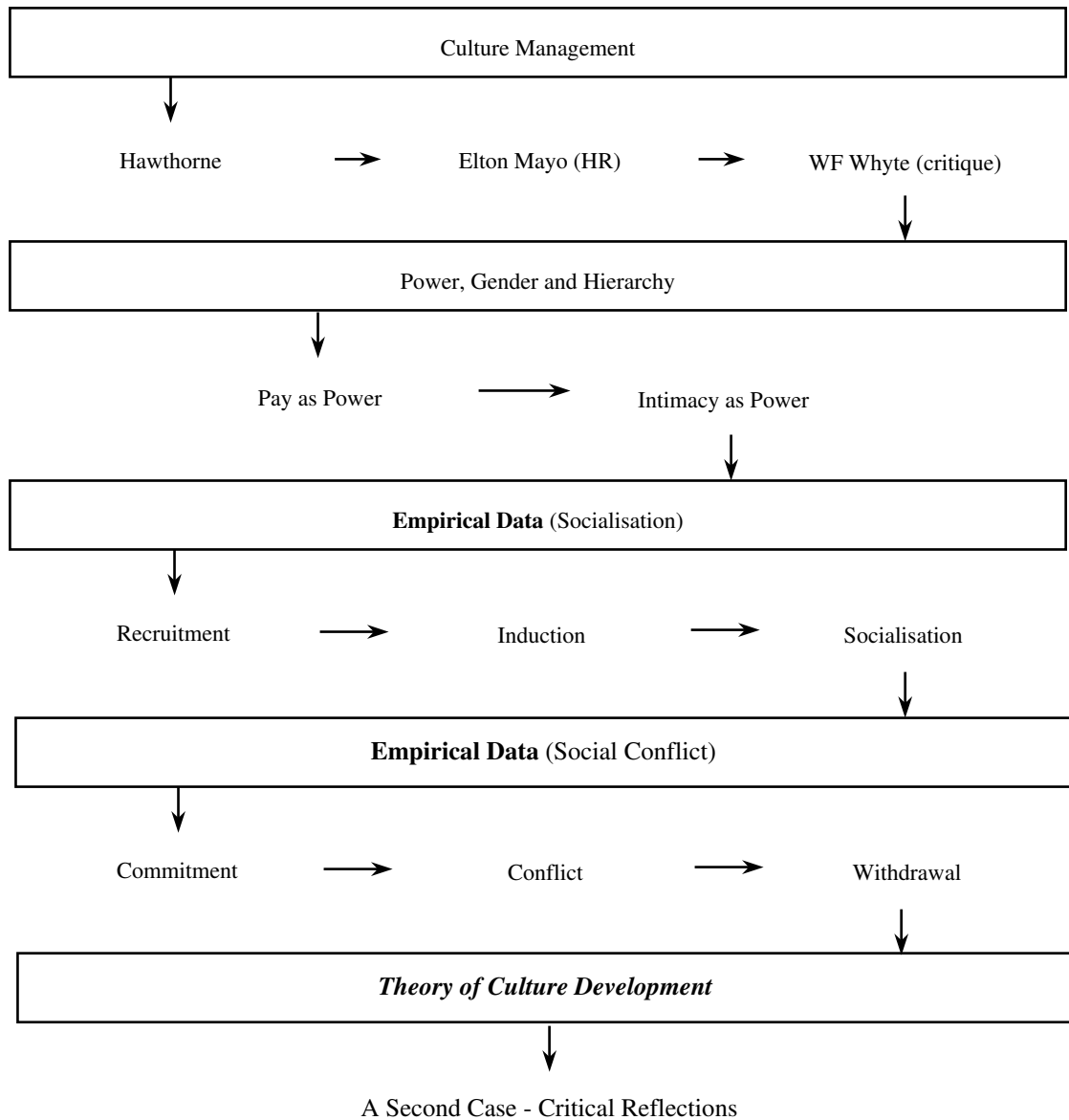
Culture Management

The premise of "culture management" is that it manages employees' emotions to improve productivity (Thompson and Findlay, 1999). As a management strategy, it involves the regulation of intimacy not just between men and women, but also between investors and directors, directors and managers, managers and employees, specialists and non-specialists, customers and suppliers etc. Willmott's critique of culture management as totalitarian (Willmott, 1993 cited in Thompson and Findlay, 1999:168,172) identifies the focus on emotionality:

> *…such mechanisms are not simply top-down, but are self-disciplinary, working in part through tying individual identity to the positive attraction of participation in practices which provide a sense of belonging…[that] replace the language of control and coercion by that of **seduction** …*

Willmott argues that this process works by mobilising emotional commitment to the company by creating situations in which intimacy between employees occurs. The participatory practices induce a love of work and "the company".

Back to Hawthorne

This approach can be traced back to the Hawthorne experiments. Schwartzman (1993) examines how thinking changed on personnel management when the link between staff attitudes and productivity was discovered. Elton Mayo's findings (Mayo, 1933) entered into the management literature and gradually gained influence through changed personnel practices and the creation of human resource departments.

The Hawthorne studies are cited frequently in the organization behaviour literature (see Buchanan and Huczynski, 1997; Collins, 2001) and became one of the principle discourses in behaviour modification. The studies adopted a range of research methodologies to unravel formal and informal organisational structures, and the techniques adopted by employees to resist management. These provided deep insights into the nature of social control.

However, the validity of findings have been repeatedly challenged. As a number of authors report (see Swartzman, 1993; Ackroyd and Thompson, 1999; Wilson, 2004)

keys findings were distorted when managers allowed researchers to replace uncooperative participants. This made it hard to tell whether productivity improved as a result of the attention given to workers or interventions that induced fear. The gendered dimensions of the study were also not adequately interpreted or reported, particularly the different ways that researchers interacted with male and female participants (see Wilson, 2003).

Nevertheless, Mayo's work became influential as a management strategy that sought to control employees through understanding and satisfying their emotional needs. While some have regarded this as an emancipatory discourse, others have attacked it as anti-democratic and anti-liberal (Johnson, 2004), a way for managers to attract employees away from supportive collective structures (e.g. trade unions) towards individualised relationships controlled by managers (see Kasmir, 1996; Thompson and Findlay, 1999; Coats, 2004).

Whyte's Critique

Miller (1962) reviewed the dual tensions between holistic views that saw intrinsic benefits in understanding people as individuals, and those who wanted to objectify personality through systematic testing. The former he regarded as benevolent, but the latter – in seeking to classify personality and emotional skills with the aim of controlling and organizing labour – came in for stinging rebuke. He reviews the argument in Whyte's famous book *The Organization Man* (Whyte, 1957) to roundly attack these approaches as immoral (Miller, 1962:346):

> *If you take the tests in this frame of mind, The Organization will discover unsuspected depths of normalcy in you, and you can look forward to a substantial promotion. You should have no qualms about cheating. Since you are not that kind of person at all, you may do very well in your new job.*

Thompson and Findlay (1999) also draw attention to Whyte's work to illustrate that "culture management" as a concept is nothing new. The methods and styles of socialisation recommended are a rehash of old ideas for the commercial gain of modern consultancy organisations.

The underlying argument here is over the intended outcome of "culture management". While Peters and Waterman (1982) espoused entrepreneurial values to break down

bureaucratic dogma, the bulk of academic critique focuses on the monolithic and inflexible value systems that typically result from attempts to "normalise" human behaviour (see Kotter and Heskett, 1992; Kunda, 1992; Willmott, 1993; Griseri, 1998; Thompson and Findlay, 1999; Collins, 2001). Is culture management an emancipatory movement or a new form of domination?

Culture Management as Emancipation

In the early 1980s, four books raised the profile of culture management as a means of control (Ouchi, 1981; Pascal and Athos, 1981; Deal and Kennedy, 1982; Peters and Waterman, 1982). Based largely on evidence from the best performing US and Japanese companies, all contended that strong cultures positively impact on company performance and create pleasant working environments in which people are energised and liberated.

Supporters of culture management see it as the route to personal liberation through workplace practices (Kunda, 1992). They cite the change from coercive to normative control resulting in the elimination of oppressive practices in favour of improvements to the workplace experience. In this way, employees are induced by both social and material rewards to commit to the goals of the organization with the beneficial result that there is less need for autocratic management.

Etzioni (1961) highlights the change from material to symbolic rewards, including rituals and social recognition, as the principle means by which employees are induced to align their own values with those of the organization. Kanter (1983:203) suggests that work in such companies offers "a high" that may be the closest people can get to experiencing a true sense of community and commitment. From a philosophical point of view, culture management promises to deliver both individualist and communitarian objectives; involvement of people in business or operational practices promotes "shared values" (communitarian goal) but simultaneously increases personal influence and "autonomy" (individualist goal). It sounds good, but does it work in practice?

Culture Management as Subtle Tyranny

Critics of culture management draw attention to the lack of empirical evidence to support these claims. Too many studies, they argue, are conducted by researching

managers' points of view, rather than eliciting the opinions and experiences of employees (Thompson and Findlay, 1999). Distrust is fuelled by a perception that consensus is manipulated through the use of cognitive dissonance (Festinger, 1957), brainwashing (Schein, 1961) and cultural doping (Willmott, 1993).

While 'excellent' companies avoid physical coercion, offer good rewards and pleasant work environments, there are serious concerns about the "totalitarian" nature of the cultures that develop. Ethnographic studies have presented evidence that strong cultures undermine existing social bonds to the detriment of substantial minorities (Kasmir, 1996) and erode a person's self-concept so much that it can endanger their health (Kunda, 1992). If culture management techniques are being used in the hope that organisation members will establish a stable self grounded in a morally sound organizational community, critics argue that the *opposite* effect is the likely outcome.

The impact of normative values on self-identity and motivation recurs repeatedly in the co-operative literature where 'bosses' are non-existent or subordinate to collective power structures (see Rothschild and Allen Whitt, 1986; Cornforth, 1988; 1995; Oakeshott, 1991; Holmstrom 1993; Cheney, 1999; Ridley-Duff, 2002). Ransom's (2004:12) investigative piece suggests that conventional management consultants are perplexed by the dynamics in co-operative enterprises.

> *A few years ago, for reasons that now escape me, we invited a management consultant to take a look at us. She found, of course, that we suffer from all the common complaints that afflict two or more people when they gather together. Nonetheless, she began to look a trifle bemused. Most of her work, she said, was about the huge resources conventional companies have to devote to motivating their employees. In our case we seemed to be well enough motivated without devoting any resources to this at all – which left her with little to say.*

The impacts of normative control, therefore, differs depending on the nature of the corporate governance systems employed and the attitude of organisation members to it. Nevertheless, all attempts at normative control assume that shared values and goals can be developed and propagated. Employees, it is believed, can be induced to emotionally commit to these shared values and goals and therefore management goals change to devise and create an attractive environment that positively impact on work experiences and productivity. The extent to which a shared corporate culture can be developed, and

the impacts of hidden disagreements about shared values, are principle discussion points in this chapter.

Shared Values and Culture Conflict

Griseri (1998) argues that the notion of shared values is itself problematic. He contends that people struggle to understand their own values let alone those of others. As a result, the chances of establishing shared values throughout an organisation are small, although he concedes that agreement about shared *behaviours* is attainable. In acknowledging that attempts to develop shared values have a positive role in organisational success, he regards the process as more important than the values themselves because it is the process through which people learn that they are valued.

Schein (1983), however, points to the consistent research finding that the founding members of an organisation shape culture. The process by which this occurs is still contested. Research adopting an individualist orientation seeks to unravel the personal characteristics and behaviours that give rise to the 'charisma' necessary to lead (see Buchanan & Huczynski, 1997, Chapter 20). Collins (2001) contests the individualist argument by illustrating how companies that bring in charismatic CEOs often produce results that cannot be sustained after their departure. Collins presents this as proof that a *culture* has not developed – only behaviour modification induced by fear of the CEO. For *sustainable results,* he argues, a completely different type of leadership is required that promotes intimacy between employees and communication between stakeholders.

Cultural Diversity and Organisation Performance

Recognising and accommodating diversity is a position that sits at the point of dissonance between individualist and communitarian thought and constitutes a distinct perspective. Studies that propagate a unitarist perspective (whether rooted in individualist entrepreneurial philosophies, or notions of shared values) argue that order and self-discipline benefits everyone[147]. Pluralist perspectives accept liberal arguments that diversity and difference is a source of organisational strength, rather than weakness.

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[147]   The "common good" argument.

Kotter and Heskett's (1992) study of the relationship between strong cultures and economic performance put this to the test. Firstly, they found a poor correlation between strong cultures and good performance, but still concur that culture impacts on performance because of the correlation between commitments to *diversity* and good economic performance. The correlation is not with strong cultures per se, but with strong cultures that accept *differences* as a virtue. They characterise performance-degrading cultures as those that inhibit honest communication (i.e. inhibit the levels of intimacy between employees) leading to slow or inappropriate responses to changing circumstances (see also Collins, 2001).

The Intersection of Gender and Culture Management

Gender intersects with culture management in two principle respects. Firstly, inside work there is the intersection between normative expectations rooted in androgynous Weberian conceptions of bureaucracy (see Wilson, 2004) and the desires of men and women to engage in gendered behaviours. Men and women have different expectations and aspirations in the workplace (due to different aspirations outside it) and these can come into conflict with policies that attempt to desexualise them. The imposition of "equal" treatment (by management or through employment law) may conflict with gendered views of equality. The imposition of tolerance and diversity (e.g. through diversity initiatives) may also conflict with internal norms that encourage homogeneity and cultural conformity.

Secondly, where there are corporate expectations of equal opportunity, pay and responsibility, but *outside* work men and woman are subject to unequal expectations (from sexual partners, family law etc.) the workplace can become a barrier to the realisation of men's and women's goals *outside* work. This aspect of equal opportunity is under-explored.

With these thoughts outlined, I consider how gendered perspectives impact on social structures at work and consider an alternative perspective on power derived from the gender literature. In section 3, I present empirical data to explore the way that culture management is operationalised in the primary case study company. In section 4, empirical data is presented to explore the way that hierarchies develop out of conflict

resolution, and the impacts of gender expectations on the process. Theorisation follows in Section 5, and I briefly discuss the literature again in Section 6.

Power, Gender and Hierarchy

The silence on the impact of gender on social network formation at work has ended. Not only have those working in the field of organisation behaviour started to produce provocative new texts (see Ackroyd and Thompson, 1999; Hearn and Parkin, 2001; Wilson, 2003, 2004) but a new wave of populist works have started to impact on policy debates amongst the intelligentsia, educationalists and corporate executives (see Hoff-Sommers, 2000; Goldberg, 2000; Farrell, 2000; 2001; 2005). Wilson (2003:6) argues that patriarchy is alive and well, and that hierarchies at work are still organised around "male power":

> *If you are unconvinced about male power, just look at the organization of which you are a member. Institutions of higher education are male institutions with very limited and rigid career patterns. Although women are to be found in equal numbers, in the main, in student bodies, they are segregated into traditional female roles, notably services roles – cleaning, catering, and clerical work – and are rare in the higher reaches of administration and teaching. There are general structural mechanisms in higher education that reproduce a patriarchal order and see academic women as actual or potential threats to that order.*

Ackroyd and Thompson (1999:125) examine the issue of sexual harassment as a way of controlling women:

> *In general theory and empirical study, sexual misbehaviour is thus primarily about what men do to women and is constructed around the object of sexual harassment…This emphasis on the 'negative' side of sexual misbehaviour is supported by reference to the considerable body of survey evidence…there can be no doubt that harassment constitutes a serious potential work hazard for women.*

However, they also consider a counter-perspective that empirical evidence from *both* sexes does not always support theoretical suppositions. One "authoritative" study showed not only that men and women working in roughly equal numbers report virtually no socio-sexual problems (Gutek, 1985), but also that both parties more often welcomed the interactions than objected to them. The recent study by the Kakabadses' not only supports these findings, but contextualises the frequency of sexual harassment

– as reported by participants – as less often than consummated homosexual relationships[148]. Sexual harassment, therefore, may be a characteristic of workplaces where there is a gender *imbalance* and may have less to do with men asserting their power over women (or women over men) than competition for sexual partners.

Collinson and Hearn (2001), however, draw the issue more broadly, by examining how a combination of "masculinities" (entrepreneurialism, authoritarianism, careerism, paternalism and informalism) are combined in different contexts to maintain male power and exclude women from social networks that control decision making. However, the emergence of an alternative gender discourse cast doubts on the extent to which men desire to dominate or simply adapt to "femininities" used by women to achieve their own goals (see Ridley-Duff and Leinonem, 2005).

Pay as Power – Some Critical Reflections

Raw statistics abound to show that women are under-represented at the top levels of organisations. In the UK, Wilson (2003) points out that fewer than 10% of directors are women, and only 1 of the top 100 FTSE companies has a woman as Chief Executive. Women's average gross earnings are roughly half men's, more women work part-time, and women are segregated into particular professions in which average earnings are lower. Some of my findings in the last chapter are consistent with this view. Men established all the case study companies, dominated at top levels of management and received the highest pay. I found 16 men engaged in entrepreneurial activity, but only one woman[149]. In this sense, men more often "have power" than women.

Other findings, however, contradict Wilson's assertion. I found far more women promoted to day-to-day managerial positions than men (90% v 10%), and far more women recruited into the business than men (75% v 25%). These findings suggest that – in this context at least - women have become sandwiched between two different groups of men.

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[148]   For a fuller discussion on the gross over-reporting of gendered harassment and violence see Hoff-Sommers (1995).

[149]   Unlike the men, however, the entrepreneurial activity was to form a charity.

Wilson (2003) argues, rightly in my view, that men's dominance of the senior positions in a company can lead to a perception that women (as a group, and individually) encounter a "glass ceiling" in the development of their careers. They can acquire management skills, but perhaps the gap in their experience is the entrepreneurial lifestyles of their male counterparts. If we consider the way that Harry, John, Andy and Tim formed a network to develop their joint enterprise, it is possible to detect a pattern in gendered relationships that derive from the establishment of businesses (or business projects). It may be that workplace power is not structured around "male power" per se, but structured around "entrepreneurial activity". From where do these aspirations spring? Why are they not adopted so frequently by women?

Counter Intuitive Findings on Gender, Pay and Workplace Hierarchy

While there is no dispute that men's gross earnings are higher than women as a group, within various sub-groups, findings are quite different. Through analysis of census data it has been possible to establish that never-married women earn 17.5% **more** than never-married men[150]. A second finding is that part-time women earn 110% of the earnings of part-time men, and that such differentials can be traced back to the 1950s before any equal opportunity legislation was enacted. To bring the issue into sharp focus – and pressing the needle into a particularly sensitive spot - even as he wrote a PhD thesis attacking pay discrimination against *women*, Farrell later found that never married or published female professors were earning 145% of their male counterparts (see Sowell, 1975).

If there is wholesale discrimination against women at work, these findings should *not* occur. The issues underpinning pay differences, and remuneration systems, are not being understood correctly or reported accurately. For sure, men tend to dominate the top positions across all parts of the private and public economy, but men also dominate the most dangerous, least flexible and rewarding jobs. Men account for 92% of

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[150]   Source: Farrell (2005) calculated from census data and correlated by occupation and tenure.

occupational deaths and over 90% of staff in the 10 most hazardous jobs[151] despite demographic changes resulting in a workforce comprising nearly half women. The hierarchy around "male power" therefore, substantially disadvantages many men, not just women. Of the 25 *worst* (as opposed to the most dangerous) jobs, men dominate the workforce in 24 of them[152].

Women's high visibility in some low-paid professions, therefore, may be more complex than an outcome of prejudice and discrimination – it may derive *partly* from *positive choices* to select less hazardous jobs (resulting in lower pay). From this perspective, women are making socially rational choices to obtain low-paid jobs that expose them to fewer dangers, more autonomy and social flexibility, whereas men are being segregated into both high and low-paid jobs that are hazardous, stressful, and less flexible.

Family Life and Workplace Hierarchy

Burke (1997) finds that having families holds back women's career development but has no impact on men. While this *might* be the result of discrimination against women at work, it might *also* be discrimination against men at home, encouraged (or required) to work longer hours to meet the rising costs of a family (Farrell, 2001). But it might also be *neither of these* - it could also be the outcome of equitable negotiations about how to divide domestic and workplace responsibilities for mutual benefit (see Lukas, 2005). A key point in this discussion is that power-relations at work can be viewed as the *inverse* of power-relations at home, rather than the *replication* argument in patriarchal theory (Hearn and Parkin, 1987).

Men are sandwiched between the interests of two competing groups of women – those who desire to work and those who desire to raise children (sometimes the same people).

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[151]   Source: Bureau of Labor Statistics, 2003, Table A7, cited in Les Christie, "The Top Ten Most Dangerous Jobs in America". Men typically constitute over 95% of the workforce in the professions in which the highest death rates occur.

[152]   Source: The "Jobs Rated Almanac" (Krantz, 2002) rated 250 jobs based pay, stress-levels, job opportunities, work environment, security levels etc. Men constitute 92% of the workforce across the 25 "worst" occupations.

The resistance highlighted by Cockburn (1991) to equal opportunity policies needs to be seen in this light. Resistance may stem from the perception that one group of women (with career aspirations) seeks to advantage itself through equality discourses at the expense of another group of women (with child raising aspirations). Men's response – which will differ depending on the interests of the women in their lives - may not be rooted in a desire to advantage themselves directly, but to align themselves with the interests of the women with whom they are - or most wish to be – psychologically, economically and physically intimate.

A Re-examination of "Power"

Power is generally conceived as the ability of A to influence B to do what A wants (see French and Raven, 1958; Lukes, 1974). The framework created in Chapter 4 provides some insights into the complex interpersonal dynamics that underpin relationship development. Mutual *dependency* may limit personal autonomy while mutual *support* can enhance it. However, creating dependency (in order to carve out a meaningful social role) is something that can play a positive role in developing a sense of self-worth. The more others depend on us, the more important we become to them, the more attention we receive. The decision to help another, or subordinate oneself, may be constructed as selfishness, economic dependency or the creation of meaning and purpose.

"Hazing" behaviours

Behaviours perceived as harassing – "hazing" behaviours - are adopted to seek out and socialise a person's attitudes (Ackroyd and Thompson, 1999; Nuwer, 2004). A groundbreaking ethnographic study (Roy, 1958) provided insights into workplace rituals that reveal the social structure in groups. Some of his findings, however, suggest that patterns of interaction are sometimes not what they seem. He offers an amusing story of a "victim" of harassment who sustains his victim status to gain acceptance within his peer group. After his banana is repeatedly stolen by another worker he continues to bring him a banana each day and ensure it is "stolen". Within his peer group this humorous daily exchange came to be known as "banana time".

What is unusual about this story is how a pattern of behaviour initially oriented towards the subordination of a new worker is transformed into a way of managing and controlling the emotions of the "dominant" party. Nuwer (2004) also draws attention to the contradictory reports of hazing in colleges. While new students may dislike – and be at considerable danger from - hazing activities involving heavy drinking or sexual rituals, they can also welcome the attention they receive as a sign of social acceptance. This induces a mindset where parties believe they are developing an equitable relationship based on a series of mutual exchanges even as inequality and hierarchy is apparent to external observers.

The issue, therefore, appears to be one of *consent* as well as behavioural content. A subordinate may see advantages in perpetuating the appearance of subordination *as a strategy for continuing to gain influence within a group*. The critical moment in the relationship, however, comes when the subordinate stops their submissive behaviour. If his or her peers accept the change, then they have been accepted as an equal. But if hazing behaviour continues against the wishes of the subordinate, the underlying social dynamic is authoritarian.

As the banana example illustrates, passive or submissive *behaviours* are not necessarily indicators of fear or submission – they can also be management control techniques used by subordinates to control their superiors. This aspect of submissive behaviour has been indicated frequently in studies across a range of disciplines (see Berne, 1964; Perper, 1985; Farrell, 1994; Lowdnes, 1996; Provine, 2002; Pease and Pease, 2004) and behaviour is not only purposeful, it is often seductive. Deliberate passivity can be deployed to test whether another person is willing to accept responsibility for leadership. Both men and women can engage in this type of behaviour, but passivity is more often directed towards inducing men to take a leading role in difficult or dangerous situations, or when conflicts occur.

In short, "followers" can be powerful agents that induce leadership behaviours in others through a range of rewards (loyalty, flattery, money and sexual gratification) to ensure that leaders keep leading and accept responsibility if things go wrong. This being the case, we can begin to see another way that firms and hierarchies develop – through a social process whereby people (employees, supplier, investors) all seek out and ally themselves with "leaders" who are effective at wealth creation, or who can provide the

protections (emotional, physical and financial) desired by others. Through this process (supporting and encouraging potential leaders) they can acquire a share of the wealth created and enjoy some protection. Social organisation, then, becomes a search by the many for the few who can provision them and also accept responsibility for conflicts and problems.

In this context, "harassment" begins to take highly complex and subtle forms. It can variously be constructed as an act of personal violation to gain control through fear, behaviour that is considered over-friendly (as in "showing the ropes" rather too eagerly) or might even be motivated by a genuine interest to establish a lasting and equitable relationship. *Accusations* of harassment may be made to ward off or reduce the amount of unwanted attention, to avoid responsibility for previous actions, or as a strategy for controlling and isolating individuals perceived as a threat.

Definitional problems arise because of claims in the debate over harassment. Men claim they do not take women seriously as managers if they *resist* subordination, or place a higher value on their own well-being than that of the group they serve (Farrell, 1994). The main criticism of women by men is that they are less willing to sacrifice themselves, put themselves in danger or take risks. The main criticism of men by women is that such behaviour is "masculine", misogynist and rooted in a desire for domination and control (Dworkin, 1976). By constructing men as "harassers", however, the process by which men have traditionally come to build high trust relationships (to prepare for collective working in dangerous situations) has become obscured and misunderstood. Masculinity – therefore – is more properly conceived as a set of behaviours associated with *preparation for* dangerous work.

"Masculinity" and "femininity" are cultural constructs created by *both* men and women - products of economic and social demands made at work (driven mostly, but not exclusively, by men who desire to make money) and *also* economic and social demands deriving from courtship processes and family life (driven mostly, but not exclusively, by women who desire to raise children). If – as has been repeatedly observed – men are more concerned with success in the workplace, it seems reasonable to theorise that they may *need* to be if they wish to marry and have a family. While women are becoming more successful at work, and their motivation to do so increases, their need to succeed

at work in order to find a sexual partner remains much lower. In fact, given the findings of the previous chapter, success at work may be counter-productive in this respect. *Women* saved their highest respect for women who "got a life" by establishing committed relationships and raising a family (see Leinonem and Ridley-Duff, 2005).

Intimacy as Power

Glasser (1998) defines "intimacy" broadly as a desire to share thoughts, feelings and experiences. He contends – from a clinical rather than academic perspective – that it is driven by genetic inheritance. Berne (1965) questions this by noting that babies die from lack of either food *or stimulation*. He contends that we have an insatiable "food-hunger" and "stimulus-hunger" (Berne, 1964:14) triggered by the experience of losing physical contact with our mothers. These concepts (born out of physical and emotional starvation) can be mapped onto the concepts of economic and social rationality. Economic rationality is used to satisfy our "food hunger" while social rationality is used to satisfy our "stimulus hunger".

For Kakabadse and Kakabadse (2004) intimacy is cast as a sexual relationship between men and women, men and men, and women and women. Their findings amongst employees in dental practices, however, cast some doubt on this. Participants pointed out that they are aware of the danger to an intimate relationship from sexual contact - participants *avoided* sexual behaviour in order to *maintain* intimacy. As a result, it can be argued that intimacy and sexual behaviour need to be distinguished. They may be interlinked, but the dynamics and behaviours associated with each are different.

Ackroyd and Thompson (1999:132) also contest narrow conceptions:

> *Intimacy is not just a question of narrow physical sexuality. It also speaks to the partial release of romantic love and friendship from the bonds of marriage and motherhood…The transformation of intimacy is a process managed by women and one in which many men benefit – for example through the construction of close female friendships.*

Men might benefit further if the "transformation of intimacy" was something they could initiate and manage themselves, but norms of social behaviour continue to place this power in the hands of women (see Moore, 1985; Farrell, 1988; Lowdnes, 1996; Goldberg, 2000; Pease and Pease, 2004; Duberley, 2005). At present, men are subject to many pressures that frustrate their desire for intimate relationships. While women

have benefited substantially from feminist discourses – particularly in liberal western democracies – and can form a wide range of intimate relationships with children inside and outside work, or with male and female work colleagues, the trend for men has been the reverse.

Goldberg articulates the problem from two perspectives: firstly, that men respond to fear of freedom and loneliness by submitting to women's wishes (see also Vilar, 1998); secondly, that the liberation of men requires men to be freed from the "role rigid" lifestyles that prevent them from taking full responsibility for themselves.

> *The fear of freedom drives a man to close off his options very early in life. He gets married…has children…assumes an overload of financial responsibilities, and locks himself into a lifestyle with little in the way of remaining choices …*

> Goldberg, 2000:64-65

From this perspective, power is equated with autonomy, not with the capacity to influence others. Conceptualising power in this way developed as a response to the discovery that "successful" people often felt quite powerless:

> *By reconceptualising power as control over our own lives, we can ask questions that illustrate the limitations of our traditional view of power – as status, income and control over others. Does a company president who has never known how to be intimate have power? Does a thirteen-year-old Olympic gymnast who has never known whether she is loved for herself or for how she performs have power? Does a boy who must register for the draft at eighteen and is shot through the face in Vietnam have power? Does a beautiful woman who marries a doctor have power, when she never discovers her own talents? Which of these people have power of his or her own life?*

> Farrell, 1988:10

Power, as autonomy, is constructed as the capacity of a person to *access* five things on a level equal to their expectations and desires (Farrell, 1988):

- **External rewards** (e.g. income, possessions, status)
- **Internal rewards** (e.g. emotional release, positive self-image)
- **Interpersonal contact** (attention, affection, love and recognition)
- **Physical health** (well-being, attractiveness and intelligence)
- **Sexual fulfilment**

The capacity to control our own destiny, therefore, and the ability to maintain control over our self and public images, becomes central to the question of whether or not we

'have power'. A person's power can be reduced if their capacity to control their self-image and actions can be diminished.

In rounding off this section, therefore, let me propose a communitarian perspective on power. Perhaps it is inaccurate to think of society as being filled with powerful and powerless *people*. It is better to talk of powerful and powerless *relationships*. Where two parties can engage in intimate behaviour – freely share thoughts, feelings and experiences – this is the characteristic of a powerful relationship in which actions and ideas can be selected from all the choices available. The more intimate the relationship, the more choices become available. While this may be true for the parties to the relationship, it becomes less true for those who are not in the relationship. For this reason, close relationships are repeatedly subject to suspicion and distrust. Gossip and rumour, therefore, is far more than misbehaviour – it is a control strategy of those who have been excluded from powerful relationships, something that can be used to resocialize a social network so that it accords *less* respect to those perceived as powerful in order to increase the status of those currently feeling excluded.

The reverse, however, is a relationship with taboos, inhibitions, and unquestioned deference. If an intimate relationship is powerful, then a relationship not based on intimacy is powerless, particularly where one party consistently exercises social influence over the other, but the reverse does not occur. While we might say that one party in the relationship is powerful – the relationship itself is not. At best, such a relationship can only operate at 50% the capacity of an intimate relationship.

From both perspectives, intolerance towards intimacy can be viewed as a regressive method of social control than undermines powerful relationships. An unwillingness to allow either men or women to be intimate (both within their own gender-group or with each other) leaves affected parties unable to fully satisfy four of the five aspects of power (internal rewards, interpersonal contact, health and sexual fulfilment). In short, it reduces their power. Instead, they are socialised to trade these for approved and impersonal forms of power (income, status and responsibility) that limit their social influence. An alternative approach, however - one based on promoting equitable democratic relationships – is oriented toward increasing the amount of power exercised in all relationships – both within and between stakeholder groups.

Intimacy, therefore, can be defined as the ability to share private thoughts, feelings, experiences and/or physical closeness with another person or group without fear of rejection**.** The ability to do this can be seen not only as the foundation of personal power, but also as the foundation of power within social networks. In a hierarchy (principle-agent relationship) the principal convinces the agent that they run the risk of rejection (i.e. an end to opportunities for intimate behaviours) if they do not behave in "approved" ways. Such a strategy, however, seems counter-intuitive if the objective is to create powerful *organisations* (i.e. networks of powerful relationships)[153].

In the rest of the chapter, empirical data is used to explore recruitment, induction and socialisation processes. The psychological techniques and concepts used in the case companies are revealed – laying bear some of the techniques of culture management. After this, data on social conflict allows exploration of the intersection between group/gendered norms and normative "corporate" values. However, as we will see, the notion of 'corporate' values – when deconstructed – is actually expressed through the agent charged with enforcing discipline. This creates confusion about the definition and interpretation of "shared values".

The chapter concludes with the development of a grounded theory that illustrates the process by which *difference resolution* underpins cultural development. The theory promotes reflection on the way that authoritarian and democratic cultures are interlinked social processes. Cultures are not so much authoritarian and democratic, as a mixture of both democratic and authoritarian processes that are constantly in conflict.

Socialisation (Empirical Data)

Recruitment

Andy established that pre-interview and socialisation processes[154] focus on establishing whether candidates display behaviours that are valued by the "company" (see Appendix

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[153]   See Tichy et al (1979), Tichy and Fombrum (1979) for alternative views.

[154]   FileRef: JN3, Para 150. Andy references diagrams prepared by Ben for the HR department. Based on recollection of diagrams and first hand experience. See also ST-P2, docs 8 and 38.

C3). An extremely high level of candour is expected from applicants. They are required to talk in detail about their personal and work lives during first interview, and their personal philosophy. The interview questions[155] – redeveloped by Andy, Ben, Diane and Brenda - score candidates under the following headings:

- First Impressions
- Working/Learning in Organisations
- Personal and Professional Development (Permanent Staff Only)
- Socialising (Permanent Staff Only)
- Team Player
- Cultural Fit and Philosophy
- People Skills
- Motivation, Resilience and Honesty (Outside Work)

If successful at interview, candidates receive an offer letter and contract – care is taken to follow the law and CIPD guidelines. As Larissa revealed, however, HR staff do not welcome questioning of the employment contract. Upon commencement of employment, a series of induction/socialisation processes occur: community values training, practical joking, attendance at a monthly "figures meeting", departmental team meetings, "socials", a summer party, a Christmas party and "community classes" (see Appendices C3 and C4).

Views of the Recruitment Process

Senior managers, middle managers, HR staff, production and temporary workers all had different opinions on the recruitment process. Chris, a warehouse worker, chatted about his recruitment to others over lunch breaks.

> *Over Thursday/Friday/Saturday we talked about it. Karen was initially shy but is now quite open. She said it was a "wacky interview", a long process, with amazing questions about personal philosophy. Larissa found it strange but not difficult…Karen did not realise that some temps have come through an agency. I talked about the agency interview, which was only 5 minutes long, but I was asked to answer some questions in writing [about conflict handling and personal philosophy].* [156]

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[155]   FileRef: ST-P2, Document 34c. The third and final revision of the interview script.

[156]   FileRef: JN3, Paras 599-602

Chris also talked with Karen, a temp who had once applied for a job:

> *Karen arranged an interview, but later declined. I found this surprising. But eventually she did go for an interview and was turned down. She claims she was told she was "too loud". I was surprised initially, because she is obviously a good worker, good education and has been there over 3 years. She told me that she wanted a 9-5 job. She also resented – after working there so long – that she had to go through an interview.* [157]

Karen's experience deterred her friends from applying for permanent positions. Indeed, the decision <u>not</u> to apply for permanent positions was a recurring finding, and the reasons cited were usually that staff wanted fixed hours or had family commitments. As Chris recalls:

> *Judith discussed the reason she did not want a permanent job. Going permanent would mean that she would have to work weekends and she was not prepared to do this while she had young children at home. It was only when they reached their mid-teens that she had a change of heart. She then applied for a permanent position, but was still turned down. I remember her saying - "I just don't know what more they want from me". She was extremely down and within a few months had left for a new job.* [158]

Judith was only "temporary" using the definitions applied internally at Custom Products. In law, her continuous employment for five years meant that she had the same employment rights as everyone else. Her rejection at interview had a noticeable impact on her work colleagues not only within her own department, but also amongst HR staff. As Ben reports:

> *We talked about Judith - I said I was disappointed - I found that Diane felt bad too. She instigated the process of interviewing Judith. Brenda and Harry felt they should not interview her because she had not developed sufficiently to fit in with the culture. Diane felt she had made changes. She was very frank – [she said] Judith didn't have a clue about philosophy, either personal or the company's… Diane then said, "I'm not completely on board or comfortable with what the company is trying to do. Sometimes I feel I know what we are trying to do, but sometimes I am not completely sure."* [159]

Judith's philosophy was clear to Chris – she would not take time away from her family while they were young. The construction of Judith as not having "developed sufficiently" to fit into the culture indicates that the company equates "development" as putting company before the needs of a young family. Based on her behaviour when her family was young, Brenda and Harry do not appear able (or prepared) to consider that

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[157]   FileRef: JN3, Para 236

[158]   FileRef: OTH, Para 48

[159]   FileRef: JN3, Paras 694, 696

Judith's "philosophy" had changed as a result of her family growing up. Furthermore, it is contestable whose sense of morality is more developed – but the key point here is the link between family context and attitudes to work.

While the interview process was applied rigorously to production and office staff, a different attitude sometimes prevailed when recruiting managers, directors and sales staff. Andy talked to John about the way the sales force had been recruited initially.

> *We had a discussion about their recruitment approach. They decide on a particular profile of person. John used his knowledge of personality profiling, and they targeted married women with resilient personality characteristics, particularly those returning to work who were already supported by their husbands.*[160]

One of the early sales reps told Andy of Harry's tenacity:

> *Tanya described to me how she had been recruited to the company - that Harry had called her again and again until she agreed to come and work. She'd been a sales director and had experience of running a national sales team. At that time, her experience would have been invaluable and eventually she decided to join.*[161]

While the current interview process was established long after Tanya was recruited, Andy's own experience had been similar. He had known Harry and John socially before John interviewed him (with Tim) for the position at XYZ Consultants[162]:

> *A day or two before I was interviewed, I had a conversation with John. I said I took nothing for granted but he reassured me that it would be hard for me not to get the position. Afterwards...it felt to me as if they had already made up their minds and the interview was just a formality to satisfy equal opportunity requirements.*[163]

It slowly emerged that all the staff at director level had been personal friends of Harry or John prior to their appointment. The co-founder of the business, Reecey, had been Harry's schoolteacher. His first employee, Valerie – later his wife – was a close friend from college. Harry's first bookkeeper was his aunt. John had been a pupil of Reecey too, and Harry, John and Reecey had been to sports camps overseas together. Brenda

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[160]   FileRef: OTH, para 36, JN1, para 1585.

[161]   FileRef: JN3, para 975

[162]   As XYZ Consultants and Custom Products were working together on a joint project, Tim and John interviewed people for the position together.

[163]   FileRef: JN3, para 33

had been a personal friend of John after working on a project at Vodaphone. It was difficult to see much evidence of equal opportunity practice in the recruitment of the company's executive management.

Andy also noted that telemarketing, customer service and finance staff (apart from the financial controller) were all women[164]. While this is understandable in the case of telemarketing (because of hours compatible with school opening hours) it was less understandable for other groups who worked "normal" hours all year[165]. Was there a unwritten policy to target women employees, or institutional discrimination in favour of women? Or were the positions being filled because women sought these positions more than men?

Conflicts Over Recruitment

In December 2002, a dispute erupted when a temp was refused a permanent position. In the passage below, Ben reports his conversation with Diane on the issue:

> *A temp called Len applied for a permanent job and when he was interviewed it was discovered he had a learning difficulty. Len was good at his job but because he'd hidden his disability it became an issue whether to employ him permanently. Diane contrasted him with another person who had a learning disability – but who was very open about it [166]. But one of Len's colleagues Keith [167] got really upset and "mouthed off" at the Presentation Evening. Keith claimed the company was not upholding its values…The story is quite complex, Keith had been there 4 years and got extremely upset [168]*

Another side to the dispute was offered by Charlie during a car conversation with Andy:

> *Charlie, and his colleagues, seemed to have caused a stink about this. The impression I got is that because the department feels they've done so well (in terms of performance indicators) that*

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[164]   Numbers varied – usually 6 women in telemarketing, 8 in customer services, and 5 in finance and order processing.

[165]   Staff worked a 40 hour week (excluding lunch breaks).

[166]   Diane had justified the exclusion to Ben on the basis that the temp had been secretive (i.e. not "open and honest"), and contended that it had nothing to do with his learning disability.

[167]   Keith worked with the temporary worked but lost his job over the way he complained about the handling of the appointment.

[168]   FileRef: JN3. para 564

> *it was unreasonable to have Len's appointment turned down. I got the impression that the production department (collectively) gave the 'directors' a good going over. When John talked to me about this back in December, he told me that the interviewers felt Len's behavioural profile was not suited to the company - he was a 'follow orders' person and would not be able to hack it in the culture. John himself seemed disappointed that the workers in the production department did not trust Diane. He said they'd concluded that Len would be much better in a large institution that was more 'rule' guided and expected less of a personal contribution.* [169]

The explanation given by John, therefore, is that the temp was not taken on because of cultural incompatibility (he needed a different type of organisation).

Critical Reflections on Recruitment

The rationale, according to managers, is that people should "deselect" themselves if they are not willing to accept the culture. However, the techniques used are consistent with psychological techniques designed to induce commitment subconsciously. Firstly, the "We Believe" leaflet includes personal stories and tributes that produce an emotional response. An appeal to sentiment rather than logic is regarded as the "peripheral" route to persuasion (Petty and Cacciopo, 1986). This technique relies on moral appeals that trigger emotions that reduce scrutiny of logical arguments.

Secondly, to get someone to like you, a recommended technique is to get him or her to do you favours (see Aronson, 2003). In the recruitment process, the potential applicant has to visit the offices, take a tour, take an application[170], fill in the application, read a leaflet etc. Before interview, an applicant has justified six separate *proactive* favours that are not required by some other companies. Repeatedly getting someone to do favours while inducing emotional reactions is a technique used by professional seducers - dissonance reduction is achieved by convincing oneself that the requester is worthy of the favour (see Lowdnes, 1996; Aronson, 2003). This technique does more than screen out those not interested; it *increases* applicants' interest in the company.

Does the recruitment policy for director-level staff operate on the basis of informal relationships to find the "right" people? It certainly appears so. The equal opportunity policy is largely ignored at this level and informal opinions are more important.

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[169]   FileRef: JN1, para 704-706

[170]   HR staff – deliberately - do **not** hand out application forms. Candidates are told where to obtain them and are left to decide for themselves.

Elsewhere, the equal opportunity policy was side-stepped for particular staff (in the case of experienced sales representatives, for example) but only when the business context demanded it.

John and Harry were not shy about admitting they sometimes target on the basis of gender, marital status or economic circumstances, particularly women who are not primary breadwinners. The rationale for this was not extensively explored, but it seems reasonable that the explanation applied in other cases (that the company sought people for whom money was not a prime motivation) is a factor. There is a suspicion, however, that it might also be to reduce upward pressure on wages – something that would create a greater wealth transfer to Harry and John[171].

In the case of production and non-managerial office staff, the recruitment process is followed rigorously – not least because applicants are usually unknown to senior managers and it affords the best opportunity to get to know them. Some "temporary" staff are recruited this way, but the rejection of applicants for permanent posts – twice after Diane felt them to be good workers - on grounds that do not even appear to be consistent, calls into question the way criteria are applied in some cases.

In Len's case, the blocking of his appointment on account of a disability sparked a fierce conflict between two departments over the application of company values. When directors favour recruitment of an employee, they appear able to guarantee a positive outcome (as with Tanya and Andy). But the informal wishes of production staff do **not** appear to have been able to influence the outcome. This could be interpreted as evidence of a power struggle over appointments, with the HR department bending to the wishes of directors but not to those of production staff.

The account given by Diane – that the issue was not so much his learning disability, but his secrecy – seemed genuine at first. After reviewing the data, however, in light of comments made by John and other department members, it looks more tenuous. Other factors do not seem to have been taken into account. Len was seeking a permanent position, whereas the temporary worker Diane mentions is a summer student. Len's

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[171]   Harry held 55% of shares, John 10%.

fear of rejection would be greater if his goal was a permanent appointment, and yet he volunteered information about his disability.

Secondly, what were the applicants' past experiences of discrimination on the basis of their disability?[172] The temporary student was educated and had not applied for a permanent position before. Len may have been older, and his education may have been of a less high standard. He may – in his own mind – have already experienced workplace discrimination on the basis of his disability. It could be argued – on moral grounds - that it was reasonable for Len to withhold such information (as discrimination is illegal anyway and "equal treatment" is a company policy). In a company that seeks openness and honesty, it seems reasonable that he should be given credit for his openness – instead it was used to justify his exclusion. The precise reason for Keith's deep unhappiness over Len's appointment was never made clear, but the decision to speak out at the Presentation Evening in front of all company members – and their guests - must have taken considerable courage. His anger must have been considerable – and he appears to have been expressing views on behalf of his colleagues. There are legitimate questions, therefore, over the morality of management decisions in this case.

In the next section, data is presented to promote reflection on the company's "community classes". The training is compulsory for future supervisors and managers. The concept of *cognitive dissonance* is introduced with consideration given to the way the concept is constructed.

Community Development (Empirical Data)

The "We Believe" leaflet states that the company was "born out of a friendship" between Harry and Reecey (one of Harry's schoolteachers) to express their "belief in their ability to create a working environment that could positively affect people"[173]. The leaflet was developed over several years. As Ben reports:

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[172]   These are unknown in both cases.

[173]   FileRef: ST-P2, Document 6

> *Harry described the work on developing the company philosophy. In 1995 they organised a "vision workshop" that involved all 14 staff. By 1997, they had a "core values" workshop involving 40 staff that ended up in the "We Believe" leaflet. In 1999 the rights/responsibilities workshop developed the concept of community pillars.*
>
> *All 60 staff were involved in this, even though it meant organising events in other parts of the country. Harry asked Diane how 'Mission Statements' were developed in other companies ("by someone in the personnel department"). It had an impact on me partly because I did not realise how young the model was, but also because of the commitment to inclusion. The focus on developing, rather than imposing, shared values seems quite unique.* [174]

Senior managers could take years to research new ideas before presenting them to the rest of the company[175]. Papers on new business ideas would **not** be circulated to, or solicited from, staff members prior to major presentations. As Harry remarked in 2004:

> *A few people have commented on how the proposal was delivered last Friday. Most have been positive, but some less so with a few people feeling the proposal came across as a "heavy sell". Whilst "a heavy sell" wasn't the intention, a clear message from myself and John in support of the proposed changes most definitely was. Having allocated significant time over the past three years, researching options…without endangering the company's values….I felt it was my responsibility to communicate this whilst keeping an open-mind to the opinions of others.[176]*

However, in a piece circulated in the company newsletter, he also says:

> *If we achieve the necessary majority, arrangements will commence to put the new structure in place by the autumn. If we don't, further time will be dedicated to redrafting the proposal in a manner that does gain enough support. Ignoring the issue and doing nothing is not an option.[177]*

In effect, employees cannot reject the proposal – only seek to modify it. Harry's "open-mindedness" extends only to how it might be made acceptable. Secondly, a few weeks before the meeting (January 2004) two directors, John and Valerie, resigned from the board. Were they making way for new directors elected under the proposals now being presented to the workforce[178]? If so, the decision had already been taken prior to even presenting the "proposals" to employees.

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[174]   FileRef: JN1, paras 959-968

[175]   FileRef: ST-P1, Document 1

[176]   FileRef: CP2004, para 1144.

[177]   FileRef: CP2004, para 1148

[178]   Information from annual returns at Companies House.

Most staff knew nothing of the work done in the previous 3 years until this presentation. This calls into question the democratic credentials of the *process,* even if there is a sincere intention to create a more democratic culture. As Andy wrote:

> *It can be argued that the presentation techniques used will maximise the chances of winning support but reduce debate. None of the techniques recommended by Berry and Robert (1984) to increase democratic debate are in evidence; executives do not circulate proposals in advance of presenting them; non-managerial staff are not able to speak to company members as a whole and cannot originate alternative strategic proposals. Those who prepare and present the proposals dominate the discourse and the quality and quantity of debate in sub-groups is mediated by and fed back through managers. The company consultations are a far cry from Habermas's "ideal speech situation" (Johnson and Duberley, 2000:121).*

> *On a more positive note, managers do consult widely and take care to allow everyone to contribute. The process of consultation also appears to be efficient and effective. The direction of change is also to increase representative democracy alongside direct participation [and this] will increase the voice of non-executive staff at the early stages of [future] policy discussion.*

> Conference Paper (Edinburgh), July 2004, page 36

Initially, it was unclear to Andy whether the "We Believe" document had been decided via democratic discourse or a "heavy sell", but through attendance at board meetings it became apparent that proposals are originated in small groups, then approved at board level before any discussion with managers. They were then agreed at management level before any discussion with other employees. In this way, staff agreed a vision:

> *…to offer people with shared goals and values the opportunity for continued personal and professional development by cultivating a caring and rewarding environment where people feel inspired, respected and appreciated.* [179]

In the "We Believe" leaflet, information is given about "core values" and six "community pillars" - guiding principles that underpin company governance. The pillars appear in contracts of employment[180], induction documents and teaching materials[181], as well as flow charts to assist managers to deal with "deviant" behaviour[182]. Each pillar has corresponding rights and responsibilities to guide managers and employees regarding expected behaviours. Principle amongst these are

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[179]   FileRef: ST-P2, Document 6

[180]   FileRef: ST-P1, Document 28

[181]   FileRef: ST-P2, Document 8

[182]   FileRef: JN2, Para 31

values: openness, honesty, flexibility, respect, support, fairness, consistency, and "equality of respect".

In the next two sections, informal and formal aspects of culture development – including the role of Development Day – show how company members are socialised. After this, the community classes are discussed in order to explore the thinking of the company founders.

Development Days

Andy's reaction to Development Day was typical:

> *This year - due to the increased prosperity of the company - they were taking staff to Venice (Yes my eyes lit up!! - would I be able to go?). Flights - with food laid on - following by an organised trip, lunch outing, gondola rides etc. I was astounded.*[183]

During the day out, Andy had coffee with production staff and found that they were particularly grateful to Harry:

> *Irene called him "Harry boss" - "boss" is a word that he would rather not use. Everyone around the table was grateful - they all thought it was fantastic that Harry took them to Venice. They didn't say it was Custom Products that took them to Venice, it was "Harry". Nobody mentioned John in this conversation and I decided not to raise it because I just wanted to let them talk. Irene had been around a long time – about 6 years. They were full of Harry - saying what a great boss he was.*[184]

Brenda wrote a piece for the newsletter:

> *It was no small feat arranging a day out of this magnitude, but we did it and we did it in style. From coaches, aeroplanes, water taxis and gondolas: no modes of transport were missed; no passports/tickets/passengers lost; not even anyone held up at customs (although there were a few near misses just to add to the excitement of the day!)….A massive wave of appreciation has to go out to the main organisers of this tumultuous event – Fred and Diane.*[185]

In contrast to Brenda's prose on logistical excellence, Harry penned a piece about utopian bliss:

> *On Friday 21st Feb I had this surreal dream. Instead of travelling to work I dreamt that I got on an aeroplane full of really good people (although I seemed to make some of them cry) and we flew off to this sun-drenched island with liquid streets and beautiful buildings. We travelled around on these really long boats with curly ends and very handsome men (so the girls said)*

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[183]   FileRef: JN1, para 322

[184]   FileRef: JN1, para 1613-1615

[185]   FileRef: CPNews, para 250-271

serenading us whilst they poked long sticks into the water none of them caught any fish though. Even the pigeons were amazing. They filled the streets and the skies but never once did they s**t on anyone's head. Then we flew home and even the people who had cried before when I looked at them seemed better. It was a very strange day.[186]

Andy eschewed Utopia for a reflective piece in national weekly magazine:

Being part of this elicits the warmth of social acceptance. And that is the point of the day. Most members of Custom Products are upbeat about the annual Development Day. Despite its focus on fun, it has a serious purpose. "People talk about it for months in advance and for months after," explains Harry. It's true. And after the trip, photos appear on the notice-board and stories are exchanged over the lunch table. The day is based on the belief that having fun together is the best way to develop relationships that make a community thrive.

Not everyone thrives, however. Attendance is regarded as a community responsibility - repeated inexplicable absences may prompt the offer of a severance package. Avoiding the voluntary community classes damages your career prospects – and some people have avoided them for years. Staff who agree with the values are committed. Others leave quietly with "culture mismatch" stamped on their HR record. Staff turnover is only just under the national average so stresses and strains exist. [187]

The second of these paragraphs earned Andy a stern rebuke from John:

To be honest, Andy, it makes us sound like the KGB and I really don't think this a fair representation. In my naivete I thought that you would tone down your comments as a result of my feedback which is why I didn't ask to see the final version. Whilst appreciating your need to try to remain impartial, I feel that in future we should see the final version of anything you are planning to print before it is published.[188]

Andy responded by detailing the changes made in response to John's comments – and also the text sent back to him before publication. This e-mail concludes:

While I am happy to forward drafts and final versions for you to comment on, it would pose a significant problem if Custom Products wanted editorial control over my work. I will inevitably raise issues that don't accord with the perspective of one or other group in the company because my experiences - and the experiences of different groups - vary considerably from those of the company directors. I need to bring out multiple perspectives, not just the directors' perspectives. I sincerely tried to accommodate your views without compromising the points I was making - which I believe to be valid. [189]

This triggered a substantial amount of dialogue, particularly over the role of the community classes and staff turnover/absence. In the next few sections these are reviewed.

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[186]   FileRef: CPNews, para 384.

[187]   Extract published January 2004.

[188]   CP2004, para 51-57, Email from John to Andy, copied to Brenda, January 17th 2004.

[189]   FileRef: CP2004, para 101-103. E-mail to John, Brenda (copied to Harry, Tim). 17th Jan 2004.

Staff Turnover

John and Harry were upset at the suggestion that staff absence and turnover were no better than the national average, and that the culture produced "tensions". Ben first spotted this as an issue in mid-2003:

> *Turnover data today. I put in all leaving dates and set up reports. Calculates headcount and number/listing of leavers. Unsure if I'm doing it the right way. Diane has information from John on how to calculate it. Turnover figures are fairly high - 20 in 2001 (out of Headcount of 117), 17 leavers in 2002 (Headcount 130). Approaching 20% in 2001, 15-16% in 2002. Overall, the average is around 20% - would be good to know how to benchmark this.* [190]

Andy found that Ben overstated the turnover figures and missed one person in 2002. Leavers during 2000 were 29 (approaching 30%). In that year the company had to close down a business unit. While technically only two people were made redundant, there was the largest exodus of people in the company's history but data does not exist to enable a fully informed discussion. However, the story propagated by directors that the unit's closure did not result in any redundancies is – at the very least - economical with the truth. Not only were 2 people (with under 2 years service) made redundant, the level of conflict recorded by HR doubled (21% up to 41%) resulting in many more "resignations" due to "culture mismatch".

Based on *average* headcount as suggested in CIPD surveys, Andy recalculated the figures at 18% for 2001, and 14.6% for 2002. These figures exclude "permanent" temporary staff who worked continuously for over a year. Legally, they are entitled to equal treatment with other staff and should be included in the statistics. Andy also noted a number of people who had taken long-term sick leave. These concerns were reported to John and Harry, but after face-to-face discussions, they both felt Andy's judgement on this matter was questionable. After the meeting, Andy wrote the following to John.

> *I accept the point you and Harry made about validating the issues regarding mental health. I suspect that Custom Products is better than your average company and we can easily check this. However, at SoftContact not a single person was signed off work by a doctor for mental health issues in all the 12 years that I was there*[191]. *Tim suggested that perhaps the difference*

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[190]   FileRef: JN3, para 381

[191]   Andy received sickness/holiday reports every three months throughout his time there. Based on recollection, not review of the original reports.

> *was that SoftContact was a technology company with degree-educated staff. Kunda's study,*
> *however, is of a hi-tech (engineering/software) company, and it is the highly educated staff that*
> *suffered by far the most stress there. His conclusion was that it is those who are most subject to*
> *culture controls that are most likely to suffer adverse reactions to it. I found this worrying* [192]

Andy took Tim's advice and went back to his data to do further analysis. He used sickness records for a department that was being down-sized and compared these to national/regional benchmarks. To look at turnover, he examined records of leavers.

In neither case was the data originally collected for the purpose it was put to later. In the case of sickness records, Ben had prepared the information to help determine who should stay in the down-sized department. He gave the raw data to Andy for analysis. In the case of staff turnover, Diane gave Andy her record of leavers. Ben and Diane had been classifying leavers prior to destroying old files (under the Data Protection Act) - records go back to the start of Diane's employment. Andy made some notes on 24th March 2004 about the preparation of the data:

> *The leaver categories were initially prepared by John/Diane and discussed by Diane/Ben. They*
> *were checked and amended by Brenda before input into database. Ben decided a "conflict" as:*
>
> ***Deselect** (Employee leaves voluntarily after conflict without being encouraged to leave)*
> ***Mutual Agreement** (Employee leaves after conflict with the inducement of a severance package)*
> ***Culture Mismatch** (Staff member leaves after conflict - no severance package required)*
> ***D & G** (Staff member dismissed after D&G process)*
>
> *All other categories are 'Neutral' (may or may not result from conflict - e.g. New Job). The data*
> *was prepared by Diane after reading the file of each leaver and discussing with Ben. The data*
> *input was checked and revised by Brenda (29 of 86 records were amended). The data errs on*
> *the conservative side. Staff leave and hide the real reason (I have journalised evidence of this).*
> *Therefore, if anything, the data understates the level of conflict.*

Andy's analysis is shown in Tables 5.1-5.4.

Table 5.1 – Annualised Leavers

Year	Category	Total	%	
1999	Left after conflict	3	21%	(Incomplete year)
	Neutral	11	79%	
2000	Left after conflict	12	41%	
	Neutral	17	59%	Increasing
2001	Left after conflict	8	40%	levels
	Neutral	12	60%	of
2002	Left after conflict	9	50%	conflict?
	Neutral	9	50%	
2003	Left after conflict	3	60%	(Incomplete year)
	Neutral	2	40%	

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[192]   FileRef: CP2004, para 2743-2749, E-mail to John, 6th April 2004.

The pattern that emerges is an increase in levels of conflict year on year since the introduction of the "community pillars", and contractual rights and responsibilities.

Table 5.2 – Leavers by Gender

Gender	Category	Total	
Female	Left after conflict	23	36%
	Neutral	41	64%
Male	Left after conflict	12	55%
	Neutral	10	45%

Table 5.3 – Women Leavers Analysis

Gender	Category	SubReason	Total	%
Female	Left after conflict	Culture Mismatch	12	19%
	Left after conflict	Deselect	6	9%
	Left after conflict	D & G	1	2%
	Left after conflict	Mutual Agreement	4	6%
	Neutral	Following Maternity	4	6%
	Neutral	N/A	11	17%
	Neutral	New Job	14	22%
	Neutral	Other	8	13%
	Neutral	Study	1	2%
	Neutral	Travel	3	5%

Table 5.4 – Men Leavers Analysis

Gender	Category	SubReason	Total	%
Male	Left after conflict	Culture Mismatch	9	41%
	Left after conflict	D & G	1	5%
	Left after conflict	Mutual Agreement	2	9%
	Neutral	N/A	6	27%
	Neutral	New Job	4	18%

Andy noted the high number of men who left after "culture mismatch" (41% male v 19% female) and higher overall levels of conflict with men (55%) rather than women (36%). The most common reason for leaving (at 24%) is "culture mismatch". Andy also noted that six women, and only women, "deselected" themselves (i.e. left without the incentive of a severance package after conflict).

The high level of "culture mismatch", however, is an internally constructed concept. As Ben, reveals:

> *When Brenda became involved, she often changed the classification from what Diane/I felt, to what she felt. She changed things to her own view, rather than what was recorded in the files – for example a couple of people said they were resigning for family reasons – Brenda reinterpreted this as "culture mismatch". Another person who left saying they had been "shut away in production" and left to take a better paid sales job was captured initially as*

"Resignation for New Job" but Brenda came along and changed to it to "Resigned, Culture Mismatch".[193]

Keith, who accused directors of not applying company values in Len's disputed appointment, was also recorded in the statistics as having "Resigned, Culture Mismatch".

The citing of family reasons, new jobs or differences in the application of "shared values" is significant. What participants report as a conflict between family values and corporate values, or as a dispute between employees and directors about the application of "shared values" is constructed in HR data as a mismatch between the personal values of the employee and "company" values. In short, conflicts of group interest are restructured so that employees are recast as the party who is not "on board".

A second reason for caution, however, is that there are inherent difficulties with turnover figures as they are highly responsive to economic conditions. In good economic times, turnover figures tend to be higher. Nevertheless, the national turnover figures for 2000, 2001 and 2002 were 26.6%, 18.2% and 16.1%[194]. Across all three years, Custom Products figures are in line with the national average. Within Custom Products' industry, however, lower turnover figures are the norm (13.5%) with around two-thirds leaving voluntarily[195] so concern about high turnover figures is justified. If permanent "temporary" staff with over 1 years service are included, then turnover rates are well above national and industry averages - in all years - but as no historical data on temporary staff is available, it is not possible to establish how much difference this would make.

An unpublished paper by Herman and Brignall (2005) claims that turnover rates in "corporates" are lower. At Custom Products, Diane is CIPD qualified (as were her two

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[193]   FileRef: JN3, para 563-564.

[194]   Source: CIPD: Recruitment, Retention and Turnover 2004: A Survey of UK and Ireland, Table 15, p22.

[195]   ibid: Table 18, p23. Figures only given for one year. Industry figures are below the national average.

predecessors). The company invests heavily in HR and recruitment and has won Chamber of Commerce awards and Investor in People status. Yet, Neil Herman suggested that "corporate" HR departments aim for much lower turnover figures[196]. While there are differences in company size and industry, professionally qualified HR staff should bring staff turnover rates down to between 3%-5% and some departments aim for 0%. Certainly, they should bring them down below industry norms (i.e. below 13.5%). This being the case, the turnover figures at Custom Products do not just look high, they look alarmingly high.

Although Harry declined to look at the analysis above, he offered the following comments when turnover figures were first raised:

> *Analysis of staff turnover may require more detailed analysis than focusing purely on the 'headline' figure (if you are intending to interpret the data as an indicator of "tensions"). Whilst the headline data may reflect our being slightly below the national average overall, I suspect that leavers with under 12 months service would be above the national average, whilst leavers with over say 2 years service would be well under the national average. It may also be over simplistic to make comparison, in respect of staff turnover, between [other companies] and our company or indeed with established "democratic" organisations. Staff turnover is clearly an important indicator of 'something'. It seems important to proceed very carefully in establishing 'what'.*[197]

Harry's belief that turnover would be higher amongst those with less service cannot be confirmed with the data available. By inference, turnover amongst probationers was calculated as marginally *lower* than other staff in 2001 and marginally higher in 2002[198]. If the company were succeeding in its goal of "cultivating a caring and rewarding environment where people feel inspired, respected and appreciated", would we expect these findings on staff turnover?

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[196]   Unfortunately this correspondence has been lost. The information provided is based on e-mail correspondence with Neil Harman.

[197]   FileRef: CP2004, para 501-507.

[198]   The probationary period was 6 months. Headcount from Ben's report is used. Recruited staff calculated by adding the number of leavers in their probationary period to the difference between headcounts in each year. Headcount in 2000 was under 100, but the exact figure is unknown, so the number 99 is used to calculate turnover (i.e. best case).

Sickness Data

Andy found sickness figures that were roughly double the national and regional average[199] in the main production unit 2002, but this did not hold for other parts of the company[200]. The figures were also above the average (in both years) for the industry (4.1%)[201]. This data, collected on a monthly basis, remains useful for understanding the impacts of the culture in the largest production unit, but is not representative of the whole company. Below are the results of Andy's analysis.

Table 5.5 – Sickness by Gender

Gender	Time off %	Hours	Sick	£ Saved	Instances
Female	6.6	29018	1942	£3,619.72	180
Male	4.0	5824	232	£413.44	36

Table 5.6 – Sickness by Length of Service

Service	Time off %	Hours	Sick	£ Saved	Instances
0.0 - 1.0	6.0	14233	885	£1,734.17	89
1.0 - 2.0	6.3	14534	886	£1,767.47	90
2.0 - 3.0	6.5	6075	403	£531.52	37

Table 5.7 – Sickness by Pay Band

Pay	Time off %	Hours	Sick	£ Saved	Instances
£13,000.00	13.6	7098	980	£1,773.74	46
£13,250.00	7.5	5020	400	£227.70	30
£13,750.00	3.5	13990	508	£1,210.04	86
£14,000.00	2.6	5824	156	£524.88	36
£14,250.00	4.7	2910	130	£296.80	18

Table 5.8 – Sickness by Time off by Year

Year	Time off %	Hours	Sick	£ Saved	Instances
2002	7.4	20164	1484	£2,126.72	124
2003	4.6	14678	690	£1,906.44	92

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[199]   Source: Office of National Statistics, 2003. Regional and national statistics were both 3%. CIPD Absence Report 2004 puts the national average figure at 4% and regional average at 4.2%. Smaller organisations have lower absence rates (33% lower for SME with less than 100 employees, 20% higher for those with 750-1999 employees). Custom Products had 130 staff.

[200]   Although precise figures are not available for other departments, Ben entered all the absence data in 2003, and ran monthly reports. Figures in other departments were generally lower.

[201]   Source: CIPD: Employment Absence 2004: A survey of management policy and practice, Table 1.

There are a number of interesting issues here. Firstly, the production unit that was reorganised was semi-mechanised, worked shifts, and was staffed mostly by women. The best performing production unit used more manual techniques, did not work shifts, and was staff mainly by men. Secondly, the data suggests that women take more time off than men and also use flexitime more often to cover sickness. Time off appears to increase with tenure and decrease at higher levels of pay. Lastly, and this is interesting in light of the decision to outsource, time-off fell substantially during the year that the outsourcing decision was made (from 7.4% to 4.6% - only marginally above the regional and industry average of 4.1%).

Critical Reflection on Staff Turnover and Absence

The gendered differences in data on staff turnover and absence could be for a number of reasons. It may be that women are more persuadable than men, or respond to the social influence of managers more readily. Their domestic responsibilities may be different, based more on caring for children than raising income. They may be less dependant on work for their income and therefore can afford to leave if they experience difficulties in the workplace. Maybe men argue more, because they are socialised to resist social influence, or perhaps they are more sensitive when the source of their family's income is threatened.

Men also used the flexitime system to cover sickness much less than women, and with confidence levels at 97%, this is highly unlikely to be by chance. The flexitime system was intended to save the company money and enable it to be more profitable. Upon returning to work, employees are met by their line manager to record whether the absence will be covered by flexitime or not. The argument put to staff is that such practices increase company profit-sharing and secure jobs[202]. However, Andy noted that only 5%-12.5% of profits are distributed to staff[203], while 55% accrues to Harry

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[202]   Hand-written notes dated 28th Jan 2004, taken during attendance at Action Group Meetings (AGMs).

[203]   FileRef: Appendices B and C of an internal document. In 2002, additional monies were allocated to a Profit Related Earnings (PRE) scheme but no payments had been made under it.

personally (in the form of dividends or capital growth). Therefore, each £1 added to the bottom-line using the flexitime system increases Harry's wealth by £0.55, while just £0.05 - £0.12 in each £1 is shared between the remaining 129 permanent staff. Nothing is shared with temporary workers.

The rhetoric, therefore, disguises a wealth transfer mechanism that favours major shareholders at the expense of minor ones, and gives back only a minimal amount to workers who have permanent contracts and nothing to temporary workers – even if they have worked in the company for several years. That men should resist using the flexitime system to cover sickness is interesting. Men, due to their greater responsibility for economic issues inside the family, may look at the issue differently and be less persuaded that using flexitime to cover sickness is equitable. Women, on the other hand, seem to be more easily persuaded or simply frame the balance between social and economic issues differently.

To Andy, the use of flexitime to cover sickness was a way of making staff pay for their own sick leave! The moral argument that this practice secures jobs sounds hollow when it has been found that jobs are less, not more, secure than the industry norm. Another argument used, therefore, is that being "flexible" is the behaviour of a "true community person" (someone who is "on board" the company's "community values"). An example of this attitude is evident in Fiona's feedback after discussing changes to terms and conditions of employment with her team[204]:

> *When I used examples to make the differences clearer, everyone seemed to be fully on board with the fairness of the policy. I was able to have 'live' examples from within the team. Larissa, who could feel as though the policy treats her detrimentally (due to the 6 month clause) was fully on board and said she wouldn't expect anything more. Charlie was more than happy that his [reduced] pro-rata'd benefits kick in straight away.* **All in the team took the company perspective** *and were more than happy that the policy was fair.* [emphasis added] [205]

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[204]   Changes were introduced that employees would receive no increase in sickness entitlements for six months after an increase in working hours (even if the changes were at the employer's request). If hours were reduced, sick entitlements would be immediately reduced. Andy attended all production department meetings at which the policy was presented – not a single person objected to the proposed changes and only one person questioned its consistency.

[205]   FileRef: CP2004, para 684, E-mail February 2nd 2004.

Is Fiona confusing the "company" perspective with the "management" perspective? The question, here, is whether staff are accurately reporting their feelings or hiding them to protect their individual positions.

Developing the Culture

One place where critical debate took place was the company's culture classes. These were forums in which potential team leaders were inducted into the company's community values. Attending is a significant time investment (both for company directors and participants). There are seven classes in all, covering the following topics[206]:

- Activation (Motivation)
- Philosophy, Culture and Community
- Application of Philosophy and Culture
- Organisation Values
- Information and Involvement
- Fair Reward and Shared Prosperity
- Employment Protection and Personal Development

Ben drew a diagram upon completion of the classes to capture his understanding of the links between the "community pillars".

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[206]   These are the titles given for each workshop by Andy on the assignments he submitted.

Diagram 5.2 – Community Pillars at Custom Products.
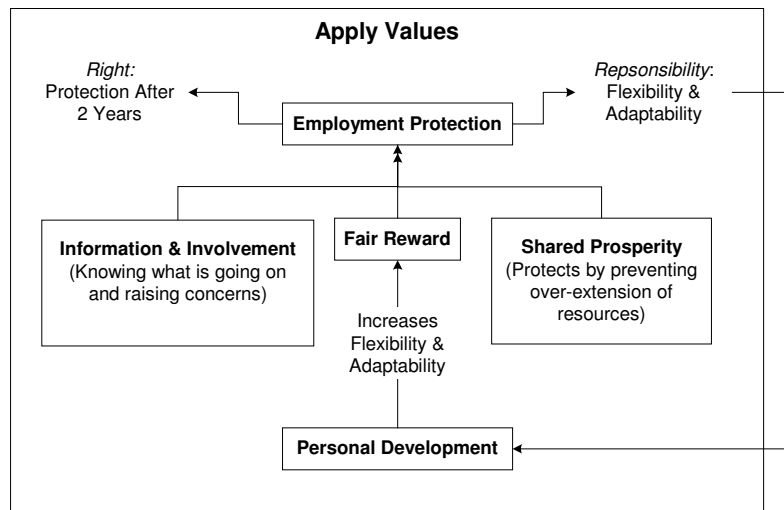
Managers took their responsibility to communicate company values seriously. Andy
attended a session to discuss the effectiveness of the classes with Harry, Brenda, John
and Diane.

> *Everyone felt it was beneficial to give everyone a chance to go to "Community Value Classes". Harry said everyone should have the opportunity to participate (including those who've already been through earlier classes). …Harry still felt that "people aren't walking around thinking of rights/responsibilities in some parts of production" [so we] decided to offer everyone who has not been to classes in the last 3 years the chance to attend a "Community Values" session.* [207]

Attitudes to the classes varied. Many people enjoyed them. Others avoided them.
Fiona – a manager in the warehouse – expressed an attitude that was supported by her
colleagues around the lunch table:

> *Fiona talked about when she joined. She thought it would be just like another place of work, that it would all be words, but she said it really is terrific. I talked about working in a co-operative, that initially it was very good, but that it slowly ebbed away over the late 1990s. There was general consent around the table that the company works extremely hard to maintain its positive culture and that the culture classes are a very active part of it.* [208]

Andy's view was initially shaped by people who were enthusiastic and attended the
classes. Later, however, he talked to Tanya:

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[207]   FileRef: JN3, para 435-437

[208]   FileRef: JN2, para 114

There is nothing wrong with the theory of the community company, but it would take a perfect management to put it into operation and that simply doesn't exist. I haven't been to the culture classes. Apart from viewing them with suspicion and totally unnecessary, time and family commitments prevent me from attending. Thus entry to management is barred for me.[209]

Once again, the different values of staff are framed with reference to value conflicts, including tensions between family and working life.

The Construction and Interpretation of "Shared Values"

Ben reported that the classes were lively, participants were enthusiastic, but sometimes confusion over values surfaced.

*When my group was discussing company values, they said it was a show of respect that people were **not** forced to go to Development Day – they regarded this as an example of 'fairness'. This surprised me because I thought it was compulsory to go. I asked them whether the Development Day was compulsory and some people said 'no'. I checked with Diane later and she said this was only the case this year because it was abroad. The test of people's commitment would be whether they go the following year. Certainly it would be noted on their file if they didn't go and didn't have a good reason. They would not kick them out for one year; they would look for a pattern first.* [210]

There are two key points here. Firstly, Diane's comments about kicking people out for non-attendance were sincere - Irene was offered a severance package after she refused to attend either the Development Day or the Presentation Evening[211]. Secondly, employees felt that it was an example of fairness and respectful behaviour that employees should **not** have to go on the Development Day. For managers, **non-attendance** was regarded as unfair - evidence of a lack of respect. Each constructs the idea of fairness from a different perspective.

The role of classes and assignments was discussed after Andy's "controversial" article was published (see Appendix, C4). Harry raised the issue first:

Having looked again, I'm not sure about the context of the "damages your career prospects" line. There is after all no pressure placed on individuals to attend the classes, and "damage" would only be inflicted if individuals wished to assume management roles but weren't prepared

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[209]   FileRef: CP2004, para 1781

[210]   FileRef: JN2, para 45-53, 59

[211]   This case merits a paper in its own right. Staff outside the management group (Diane, Ben) did not feel that Irene was being fairly treated, but Brenda and John felt she excluded herself.

> *to undergo the training (not much different to someone wishing to become a firefighter but refusing to climb up a ladder really?). In reality this has never occurred. Not the end of the world but I thought I'd mention it.*[212]

Andy responded as follows:

> *I think it is different Harry, because management competence at Custom Products is partly evaluated in terms of a person's moral values. Whether someone can climb a ladder (or can achieve particular sales or production targets) is not as open to the subjective assessment of a director. While I would argue there is no coercion, there is pressure from the doors that remain closed if you don't attend the classes. It may be legitimate, and fair, but it is still a control mechanism and there is a pressure.*
>
> *It also strikes me that every teamleader/manager/director is "legitimised" by John. The classes (and John's role as assessor) are pivotal to everyone's career progression. John is in a very powerful position as both guardian and "gatekeeper" to the culture even though I can see that the classes, and John's powerful grey matter, are invoked in an attempt to "objectify" the process and make it as fair as possible.* [213]

Harry engaged these issues in his own response:

> *Some interesting observations here Andy. I was being slightly scurrilous with the firefighting analogy, although I would argue that the Community Classes are substantially about management competences, albeit in a communitarian framework. As for "moral values"- yes I suppose a small element of the assessment of ones suitability to manage in Custom Product does relate to individuals' perceptions of others and how they should be treated in a work context.*
>
> *Your words overplay John's position of influence in the assessment process. He doesn't play a gate-keeping role as assignment 'marker'. He does contribute to the creation of - hopefully - a rounded picture of individuals adding to input from line managers, HR and other directors. It's fascinating isn't it?* [214]
>
> *I am though perplexed at my inability to spot a "natural leader" as well as you. If the need to undergo relevant training and development prior to taking on a leadership role is acting as an obstacle to the progression of natural leaders, I'm definitely missing something. Alternatively you may be being subjective in your assessment of the individual concerned?* [215]

Harry's last paragraph was in response to comments by Chris that it took him several weeks to establish who the team leader was in one department – because one worker, Nancy, was consistently used as a reference point by most team members. She was not considered for a supervisory role, however, because she did not wish to attend the classes and because Brenda considered her "too abrasive". In response, Andy compared the way management authority was assumed and granted in his co-operative:

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[212]   FileRef: CP2003, para 4638, E-mail Harry to Andy, 24th November 2003.

[213]   FileRef: CP2003, para 4654-4656, E-mail Andy to Harry/John, 24th November 2003.

[214]   FileRef: CP2003, para 4669-4675, E-mail from Harry to Andy, 24th November 2003.

[215]   FileRef: CP2004, para 530-535

We do it differently - it is not a case of being better/worse. We have developed different strategies for spotting how well people are developing. At SoftContact we had no "appointment" system for managers, but inevitably people assumed management roles (otherwise the place would not have functioned). This led to a paper in the late 90s that put together an understanding of the way management responsibilities were assumed within the group. We conceived a person's evolution in roughly the following terms:

Trainee*: when they are learning the job.* ***Professional****: when they are proficient enough to perform their job unsupervised, but still need some support.* ***Expert****: when they become a reference point for others - so much so that most people in the group consult them regularly.* ***Manager****: a person who has constructed information systems that allow a 'learning' culture to develop within their group. This usually involves both written and oral systems that communicate from generation to generation how to undertake and monitor the tasks of the group. So yes - my assessment is subjective, but framed from within this 'objective' model.* [216]

In Andy's model, Nancy had reached 'expert' status within her team.

John's response to Andy's about his gate-keeping corroborates how important the assignments are to progression within the company:

My role is an interesting one Andy and it is mainly there to provide consistency and the link between facilitators. The criteria for assessing the assignments is reasonably objective and again you are right that if people show insufficient understanding of the classes through their assignments it does present them with a problem in terms of advancing. However, the gate is always open in the sense they can do the classes again. [217]

Empirical Data on Cognitive Dissonance

Harry introduced the concept of cognitive dissonance in culture classes:

Harry then presented some slides to give other views on efficiency, philosophy, culture and the components of behaviour. He talked about cognitive dissonance, a term Harry translated as 'emotional haemorrhoids'. He used examples to illustrate the idea that people feel uncomfortable if they have to act in a way that is inconsistent with how they really feel, and that this occurs when they don't like having to keep to their responsibilities. [218]

Harry elaborates in hand-written notes that he gave to Andy:

When thought/feelings are not consistent with actions/words i.e. when an individual feels he/she is having to act in a manner that is different to how they really feel, this is called ***cognitive dissonance****. This is an uncomfortable condition for most people that afflicts (rather like emotional haemorrhoids) – eventually most people will revert to behaving in a manner consistent with their thoughts/feelings. Sometimes people come for interview and, because they really like a lot of what they see and hear in terms of the* ***rights*** *enjoyed by people… they withhold their real feelings about some of the* ***responsibilities*** *that people have to take on board.*

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[216]   FileRef: CP2004, para 542-568, E-mail 28th Jan 2004, copied to John.

[217]   FileRef: CP2003, para 4715, E-mail John to Andy, 25th November 2003.

[218]   FileRef: JN1, para 800

> *For example, people may really like the idea of the right to a share of the community's profits, but not the responsibility of full contribution to the community effort which may involve working some weekend days through the summer months.*[219]

There are two things of note here. Firstly, Harry considers it reasonable to ask people to work at weekends in exchange for a share of profits rather that wages. Eligibility for profit share was based on weekend working – sales staff and "temporary" workers were not part of the scheme. This indicates that the scheme may have been introduced as a sweetener for unwaged weekend working, later institutionalised as an ideological commitment to profit sharing. Secondly, Harry constructs cognitive dissonance as a conflict between thought and action. Andy, however, does not buy either argument:

> *Alternatively, a person may think that for a tiny share of 12.5% of the profits getting up early on a weekend or working evenings is something that makes Harry (who gets 55% of the profits) a good deal richer than themselves. They may recognise this as a bribe to work harder for a minimal return on their efforts. On this basis, resistance seems pretty sensible.*[220]

> *Harry's words characterise those who resist flexible working as people with cognitive dissonance. Indeed, based on Ben's comments, it seems that Harry believes anyone experiencing cognitive dissonance is someone who does not share the values of the organisation. Weick (1995) points out that cognitive dissonance is central to social psychological explanations of "actions that did not follow from beliefs and self-concepts" implying that it provides a framework for understanding why people do **not** follow their beliefs and self-concepts. That is to say, a person who reduces dissonance is a person who allows their values to be overridden by social influence - a conformist rather than an independent thinker. The search, during recruitment, should (perhaps) be for people who resist - rather than comply with - social influence if the objective is to maintain an ethical culture.*[221]

In the academic literature, people who do not reduce dissonance are regarded as able to perceive reality more accurately as well as characteristic of a person with an evolved sense of morality (Griseri, 1998; Aronson, 2003). As Miller (1962) and Sutherland (1992) both noted, during classic social psychology experiments (Asch 1951, 1955; Milgram, 1963) participants were most stressed when they told the truth about what they perceived. In short, those resisting social influence and reporting accurately what they perceived (when others were reporting different things) experienced the **highest** levels of cognitive dissonance**.**

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[219]   FileRef: ST-P2, Document 20, pages 6-7. Harry's speakers notes were given to Andy.

[220]   FileRef: JN1, para 904

[221]   FileRef: JN1, para 802-804

It could be that by interpreting cognitive dissonance in this way, Harry is creating a culture that will marginalize the people that he needs to create a values-driven organisation. Moreover, it would explain why John commented on the lack of critical thinking in assignments[222]. Alternatively, Harry may be constructing the concept to justify the exclusion and marginalisation of those who resist socialisation processes or question its moral basis. Lastly, it may be that John has misrepresented cognitive dissonance to Harry – a company populated by conformists would be more easily controlled for personal gain.

Another discussion point is that Harry assumes actions follow from thoughts – that people will "revert" to their normal philosophy after a while. This is an individualist assumption, rooted in the idea of a fixed personality. This reverses the assumption in the literature, which is that *thoughts follow actions* and that value change occurs as a result of dissonance reduction. No assumption can be made that it is always the employee who is out of step with cultural norms – employees are capable of perceiving unfairness (and a profit share system that is being used to avoid the payment of wages!)

Cognitive Dissonance During Recruitment

The recruitment process offers applicants choices at every step. Dissonance theory would suggest that each positive choice draws them further into the culture. During induction, the community classes are voluntary and a choice to attend them is viewed as a commitment to the culture. Dissonance theory would suggest that by continually offering choices, it actually increases the change in a person's values. It is, therefore, a continuation of the seduction techniques initiated during recruitment.

The delivery of the classes is also relevant. On the surface, it appears that people discover community values without a great deal of input from the facilitator. However, dissonance theory would suggest that the delivery style maximises the *change* in people's values and is not neutral. Also, the theory suggests that the greatest change will occur in people who do not already have strong opinions (Aronson 2003) or a well-developed sense of morality.

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[222]   FileRef: JN3, para 439

The decision to make assignments voluntary may also be deliberate. Publicly this is rationalised as a useful indicator of a person's wish to be a team leader or manager, but dissonance theory would suggest that making the assignments a choice increases the likelihood that a person will internalise the values they are writing about. However, as John makes clear to attendees, the assignments are not a choice if a person wants to be considered for a managerial position. Therefore, the choice is not really about the assignments, but whether a person wishes to communicate their intention to be a manager.

The structure of the assignments themselves (asking people to describe what took place in class and asking them to give examples from their own workplace experience) also takes advantage of psychological techniques to induce dissonance through the "saying is believing" effect (Aronson 2003:194). The evidence stacks up that the design of recruitment and induction programmes are intended to induce changes in people's values.

What should we make of the claim that people who experience cognitive dissonance do so because their values are incompatible with the company's culture? The empirical data reveals a more complex picture. Certainly, dissonance may be aroused if a person holds different values, but it is also possible when people observe others deviating from their own interpretation of them. It is worth repeating – in light of what is to follow – that dissonance may be caused by a perceived *inability* to uphold values.

Critical Reflections on the Socialisation Process

There are a wide variety of perspectives. That people disagree with each other is to be expected - it would be a strange organisation indeed if everyone was happy working with each other all the time. Views expressing discontent should be regarded as typical, and not necessarily an indication that people are any less happy that they would be elsewhere. While there is evidence of some unhappiness, Andy drew attention to the *lack* of discontent, and differences to other places of work. To date, there are two examples (Irene and Keith) of people challenging the way company's values are interpreted. In the next section, the reasons become more apparent.

There is evidence that the "benevolence" of the culture is publicly accepted. However, the lack of open criticism, evidence of resistance (in the form of absence/turnover levels), casts doubt on whether this view is accepted privately. The deliberate actions of managers in targeting particular groups (particularly married women), and policies that favour the promotion of people who are not "too abrasive" (see Appendix C4), provides evidence of gendered behaviour in recruitment, and latent conflict in the culture. In the next section, participants' views of conflict, and a critical incident, are used to evaluate whether "shared values" actually exist.

Inside Social Conflict

Andy, Harry and John – despite some controversy over Andy's published article – used dialogue to rebuild their relationship. In other instances, such as the conflict over Len's appointment and Irene's departure, relationships could not be mended. Data on conflict has so far has been reported mostly from the perspective of an outsider in retrospect. In this section, I (as Andy) solicit the view of individuals who have experienced conflict to assess impacts:

Views on Management-Worker Relations

Harry took the following view:

> *My experience within Custom Products is that conflict is most likely to occur where individuals are struggling to live with the responsibilities conferred as part of their membership within the community. When this occurs extensive dialogue takes place between the individual, their line manager and HR with a view to seeking a resolution that all parties buy into willingly.*[223]

John proffered the view that managers were upholding shared values, rather than management values, and commented that:

> *Most of the serious disagreements at Custom Products are where managers are dealing with an individual who is not upholding their responsibilities. Often this has been drawn to the attention of the manager by other colleagues.* [224]

Charlie, however, saw the issues differently:

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[223]   FileRef: CP2004, para 2236, E-mail to Andy, 5th April 2004, copied to Tim.

[224]   FileRef: CP2004, para 2266, E-mail to Andy, 5th April 2004, copied to Harry and Tim.

> *Even when I raised something in a general way, directors can take things very personally. I was not criticising them individually, but they took it that way.*[225]

Tanya also experienced difficulty raising issues:

> *Even if you are trying to uphold the philosophy by speaking openly and honestly through the right channels, they make out that you are not. They take you into an office, get you to explain things and then attack you. They attempt to disprove you – tell you that your way of thinking and feeling is wrong. How can anybody think or feel in a 'wrong' way?* [226]

Andy initially sought to follow up these issues in interviews arranged through the HR department, but found that Brenda resisted his wish to choose who he should talk to – she wanted him to select people at random. Later, when he negotiated access, Brenda asked Andy to notify her of all interviews so she could brief him (in advance of the interview) on any relevant "issues". She later asked to be debriefed after *each* interview[227]. Andy attended all departmental meetings to request volunteers – but did not receive even one. He discussed the lack of response with several staff at the Development Day in February 2004:

> *What struck me …was the fear they expressed. Two informants expressed the view that the reason no-one was coming forward to be interviewed was that I'd asked people to contact me through their manager. This blew a hole in my strategy to arrange interviews!!… In short, it was emerging that people would not talk if their manager knew they were talking. Some were terrified that anything they told me might get back to anyone inside the company (even their friends) because it might get passed onto managers.*[228]

Given these problems, and having received equivocal advice from Tim, Andy took the decision to send some early work to informants outside the management group to obtain feedback. He talked to each informant first, made them aware of the risks, then sent a paper to them. He did this initially without the knowledge of the management group or his project supervisor (Tim) and collected responses from informants via telephone interviews and e-mails in the period April/May 2004 (see Appendix F). Below is a selection of the feedback received:

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[225]   FileRef: CP2004, para 3275.

[226]   FileRef: CP2004, para 3278.

[227]   FileRef: CP2004, para 1072. Interviews did not take place, Andy was excluded before they could begin.

[228]   FileRef: ST-P2, Document 40. E-mail to Tim from Andy following Development Day.

Male Informant: A lot of people won't question [the culture] because they are too scared.

Andy: Are they scared because of their experiences before they came to Custom Products, or as a result of being at Custom Products?

Male Informant: I think people start with optimism and if you play ball then it can work. But if you disagree with the culture or the philosophy, that does not work, you get shot down in flames. Sometimes I discussed things with friends and we would all agree, then we'd go into a meeting and I'd make the point we discussed. They did not back me – these are my friends – they did not back me. After trying that a couple of times I thought it was a fight not worth fighting. If I said to anybody else what I've just said to you, I'd lose my job.[229]

Similar views were expressed by female informants.

Female Informant: The culture will work with certain groups of people, but the majority are "playing the game". They are saying only what Harry wants to hear and it is widespread that "you keep your mouth shut as you know what it's like here". I bet the person who said "this is for real" was playing the game too. Don't get me wrong, there is a lot of good here and I love my job, it's just the crap that goes with it that sucks.[230]

Andy also asked informants about sick leave and their views on absence for emotional reasons:

Andy: I've raised the issue that there is a lot of sick leave for emotional reasons and that this may be linked to stresses in the workplace. What is your view?

Male Informant: There is sick leave taken for emotional reasons. If you are off for emotional reasons, they will do everything they can to support you. On the face of it the workplace is excellent, but stress leads people to be off sick. Work has been a factor in people going off. I could not say it was the sole reason, or even the biggest factor, but relationship problems arise because of work. Sometimes you have to work additional hours week-in week-out because you dare not say 'no'. You have to choose between work and relationships and that is detrimental to your whole life.

Andy: That's interesting, because other people tell me that the company has been extremely flexible, particularly mothers, and that they allowed people to reduce their hours or be more flexible in their working arrangements.

Male Informant: Yes. But they give with one hand and take away with the other. Over the long term, I'm sure that they get back more than they give.[231]

The link, once more, between relationship pressures outside and inside work should be noted, as well as the distress caused when pressures from partners conflict with pressure from managers at work. One female informant, however, felt particularly strongly that the culture contributed directly to emotional distress:

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[229]   FileRef: CP2004, para 3236

[230]   FileRef: CP2004, para 3238

[231]   FileRef: CP2004, para 3264-3266

Female Informant: I feel you need to explore this more thoroughly. I can't be more strong here. They way they have gone about invading peoples' minds is disgraceful. I personally have been shaking before going into meetings. [232]

But other female informants took quite a different view:

Female Informant: The whole team gave me fantastic support when my father was diagnosed with a terminal illness. That was very different to my last place of work in terms of personal support. I feel I can talk in confidence to my manager and HR and that confidences are respected. [233]

Lastly, Andy turned to the issue of management style and decision-making.

Female Informant: It really feels to me that we have autocratic management and not democratic management a lot of the time. To quote Terry - "They make us feel like naughty schoolchildren if we try and say anything". Of course, the majority of people don't even realise just what is really going on and good luck to them, at times I wish I was one of them, blissfully unaware! [234]

A male informant explained one reason for passivity in meetings.

Male Informant: Harry will ask people if everything is alright, and in the back of their minds they'll be wanting to say no, but they'll say 'yes' to avoid getting bollocked by Brenda. If you raise any issues, then the next thing you know Brenda will say 'I want to see you'. There is instant fear. I once got summoned to a police station and I was afraid all day long. When Brenda says 'I want to see you' it feels the same. There is an in-built fear. [235]

When Andy took these findings back to the directors, however, Harry and John

maintained their earlier views:

Where conflict exists, the main responsibilities of line-managers and HR is in ensuring that consistency is applied in respect of every individual having access to their rights, upholding their responsibilities and maintaining the values embedded within the community. This responsibility is undertaken on behalf of the community, and to protect the interests of all its members. I see this as leadership not coercion. [236]

John again concurred.

It doesn't really seem to resonate with what happens [here] particularly the parts relating to coercion and resistance …the understanding of these values has been embedded through the common working practices that have evolved here. Generally speaking managers do not coerce

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[232]   FileRef: CP2004, para 3268

[233]   FileRef: JN2, para 53

[234]   FileRef: CP2004, para 3250, 3274

[235]   FileRef: CP2004, para 3252.

[236]   FileRef: CP2004, para 2238-39

people, they reinforce the values that are shared by a significant number of people at all levels within the community.[237]

The data suggests that passivity in meetings is something that is learnt. Staff are not necessarily identifying with (or internalising) the values of the directors but are choosing calculative compliance to avoid conflict (Kelman, 1961). Andy attended many meetings and observed that there was passivity when company policies or cultural issues were discussed but "came alive" when operational issues were discussed[238].

In the final block of empirical data, the storyline involving Andy, Brenda, Diane, Ben, Harry, John and Carol is picked up. The submerged tensions reported in chapter 4 eventually resurface and substantive conflict occurs.

Increasing Commitment

In July, Ben reconciled with his wife[239]. Harry, making a rare comment on his personal life, greets the news warmly:

> *That's great news. I wish you both well… My own marriage whilst deeply loving is far from straightforward. A change of mindset since having children has helped us both view our relationship from a different perspective. Now, irrespective of how angry or let down we might be feeling with one another, separation is never discussed or even considered as an option.*[240]

With Ben more settled at home, his relationship with Diane and Brenda appears to settle again and became sufficiently jovial for Ben's sense of security to return[241]. Ben continued to meet Diane outside work for drinks but, as far as possible, avoided situations where he might be left alone with Brenda. Brenda arranged one 'social' to follow a team meeting and suggested that Ben and Diane have a meal out followed by

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237   FileRef: CP2004, para 2268-70

238   FileRef: Contemporaneous handwritten notes made in Action Group Meetings, 28th Jan 2004.

239   E-mail Ben to Harry, 3rd July 2003.

240   FileRef: RV03, para 126, FileRef: CP Email 2003, Para 2691. Diane/Brenda do discuss Brenda's love life, but Brenda declines to discuss it with Ben.

241   FileRef: JN3, para 117, 125. Ben comments on increasing amounts of laughter in departmental meetings, that he felt more accepted by Brenda/Diane and able to make a "big contribution".

drinks at her house. Ben suggested they open the social up to others but Brenda intervened to "keep it small"[242]. Brenda also invited Ben to stay at her house after the End of Summer party but, to Ben's relief, she withdrew the accommodation offer at the last minute[243].

Andy's own relationships with Ben, Harry and John were strengthening. Ben and Andy agreed to go for drinks but struggled to meet up due to Ben's work pressures[244]. Andy's help with governance proposals impressed Harry, so he asked John to seek Andy's views about his future:

> *We were completing some strategic planning this week and were contemplating succession planning over the next three years. One of our dilemmas has always been the search for potential senior managers/directors. It would be really good Andy if we knew exactly what aspirations you had over the next three years and whether a career in Custom Products is something you would wish to pursue. Give this some thought and let me and Harry know how you feel when we get together.* [245]

Andy responded as follows:

> *Thanks for your message - and I understand how much you would like to get a handle on succession issues. It would help me also to know your mind more precisely, and get some updated feedback from you. One thing I am sure is that I would like to have you and Harry as business colleagues. My initial experiences were very positive and I still view a career possibility positively. I think the Social Enterprise angle remains closest to my heart…I will feel a pull in this direction. In the short/medium term, I will be content so long as I continue to have an input.* [246]

The attempt to recruit Andy not only confirms the earlier findings on the approach to executive recruitment, but also created a conflict of interest that Andy discussed with Tim at XYZ Consultants. From a research point of view, however, it is noteworthy that

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[242]   FileRef: JN3, para 123.

[243]   FileRef: CP2003, 3178. Brenda to Ben, 4th September 2003 – "my offer to accommodate you has fallen through and Diane has kindly offered to take good care of you". Ben remarks "I was always a bit on edge at the prospect of staying over at Brenda's … so this change was something of a relief."

[244]   FileRef: JN3, para 938. Ben and Andy arranged one day to meet at the pub after work, but Ben was unable to get there because of a "tough day".

[245]   FileRef: CP2003, para 3610, E-mail John to Andy, October 3rd 2003.

[246]   FileRef: CP2003, para 3624-26, E-mail from Andy to Harry/John, October 5th 2003.

Andy's commitment is not to Custom Products per se, but to Harry and John as individuals (as well as his research interests). Harry and Valerie later invited Andy and Susan to a Valentine evening dinner together with their children[247].

These improving relationships, however, began to unravel when Andy started to take an interest in Ben's view that "Custom Products needs to bring its equal ops attitude into the 21st Century"[248]. Andy's interest was fuelled by two other factors. Firstly, Ben – as was the case with John - had become much more cautious at work as a result of comments about his private life. Secondly, the broader issue of using sexuality as a tool of management control was both a recurring theme in the data, but only tentatively discussed in the academic literature (see Morgan, 1986; Hearn and Parkin, 1987). Ben eventually asked Diane about her comment over lunch:

> *Was my domestic situation discussed at board/manager level? The reason I ask is there was an incident in the canteen where you said to me "You won't find love here". It seemed to me at the time like a warning.*[249]

This question – according to Brenda - upset Diane, but she responded as follows:

> *My comment on your not finding love here was because I felt you were making a conscious effort to seek out a relationship and I was worried about the possibility of your privileged access to files being used in an inappropriate way. When I said that people were asking about you it was in a general way, as people do when there is a new person around. A small group of people, male female and a mixed age group, were just curious to know more about you i.e. your age, marital status and did you have any family. I hope you can forgive me.*[250]

Why would someone ask about Ben's marital and family status, we might ask? In Ben's earlier account, Diane made comments repeatedly during his marriage break-up and the context suggested to him that *women* were showing sexual interest (see chapter 4). His response was that:

> *…some people made me feel nervous and there were others whose interest I liked. I wanted to choose my response from a position of knowledge - that was all. …I think I was looking for an*

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[247]   FileRef: CP2004, Ben to Harry, 10th Feb 2004. Harry also invited John and his new girlfriend, Sophie. Andy later cancelled after disagreements with Brenda impacted on their friendship.

[248]   FileRef: RV01, paras 69-76, E-mail Ben to Hayley, 10th July 2003.

[249]   FileRef: CP2004, Para 216. E-mail Ben to Diane, 19th Jan 2004

[250]   FileRef: CP2004, Para 238, 242, E-mail Diane to Ben, 20th Jan 2004

intimate friendship, rather than a (sexual) relationship - certainly I have always found most comfort talking to close female friends… There was one person I particularly liked (who I thought was showing interest in me) so I did drop a private note to them but they did not respond and I did not pursue it. I feel closer to you than anyone else at work - you are my best friend – there is nothing to forgive. Would you like a drink soon? [251]

Diane, however, showed Ben's e-mail to Brenda and this sparked a sharp conflict over his drink invitation to Carol.

Dialogue During Conflict

Brenda called Ben into a meeting to raise her concerns and afterwards he met Andy to discuss it at length:

Brenda claims that Diane was upset so she asked why Diane was feeling down, and this resulted in Diane showing her some of the emails I sent. I was absolutely mortified that Diane had shared this because she is the only person I have confided in (apart from you) and I'd asked her to keep these confidential. Brenda started questioning my professionalism saying she may need to raise this with Harry[252]. I was having a drink with Diane anyway so we left it that I would get back to Brenda. I called Hayley and chatted to her for quite a while. She thinks Brenda may be jealous, and feels rejected or hurt or whatever. The thought had occurred to me as well. [253]

When I was out for a drink with Diane, she tried to communicate to me that I should not trust her too much, or think too highly of her. I think she was telling me in a subtle way that she's not been entirely truthful and that if I say anything to her, she is duty bound to repeat it to Brenda. If she starts withholding things from Brenda, her own position will be adversely affected. I am genuinely concerned for her. I feel she was pressured into revealing a confidence - something that will probably cause her a great deal of stress. I am concerned that she could have been bullied. [254]

Thereafter, the two men stayed in daily contact. Ben wrote to Brenda about the issues she had raised[255] and concluded his e-mail with the following remarks.

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[251]   FileRef: CP2004, Para 279-283, 299-304, E-mail Ben to Diane, 22nd January 2004

[252]   FileRef: JN3, 938. Ben claims that Brenda "just jumped in with jackboots" before seeking any explanation for his behaviour.

[253]   FileRef: JN3, Para 938, 941-942

[254]   FileRef: RV04, para 118

[255]   FileRef: CP2004, Ben to Brenda, 4th Feb 2004.

My own view is that managers should not seek to intervene into the private lives of staff unless it is affecting the work environment adversely (and even then with great sensitivity and care for the individuals involved). No amount of 'management' will stop people making relationships at work and I feel that attempts to do so will usually be seen as unjustified interference and be far more damaging to the workplace than a 'live and let live' attitude.[256]

Brenda replied as follows:

I appreciate your response, but it does illustrate the difficulties of separating personal and professional issues, which I can fully appreciate was even less clear for you during that time…..Surely this confirms how personal and professional boundaries had been crossed in your role here? I don't feel that there needs to be any further analysis. What is required from you Ben, is an acknowledgement that considering your role, you did over-step the mark professionally and you recognise this for the future. We all have to take responsibility for our actions and this is no exception. Hopefully upon your acknowledgement, we can draw a line under this, but if you feel that I am being in any way unfair, then we shall discuss further how to progress this serious matter.

Just to acknowledge your comments regarding relationships in the workplace. I am not sure that you fully understand my views or in fact the company's views, as we don't actively discourage relationships forming at work - but that could be a discussion we have another time.[257]

Brenda's claim that she does not actively discourage relationships forming at work is not borne out by other evidence. In Ben's appraisal, he claims she expressed the view that flirting "always leads to trouble"[258]. Andy also noted that John had been discouraged by Brenda from having workplace relationships (even with someone based in another office)[259]. Brenda also appears to have forgotten her own drinking with Ben[260], her invitation to Ben to an all night whiskey-drinking session[261], her attempt to organise an intimate drinks party at her house[262], and her invitation to Ben to stay over

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[256]   FileRef: CP2004, 6th Feb 2004, para 824

[257]   FileRef: CP2004, 6th Feb 2004

[258]   FileRef: RV01, para 75. E-mail Ben to Hayley - "Brenda commented that this type of behaviour typically led to 'trouble' and was particularly inappropriate for 'senior' staff. I was being told to be more careful in the future, close to a warning I felt."

[259]   FileRef: JN2, Paras 203-204

[260]   FileRef: JN2, Para 1470, 1505-1507, see also RV01, Para 53.

[261]   FileRef: CP2003, para 1297.

[262]   FileRef: JN3, para 123.

after a party [263]. After discussions with his wife, Ben felt that he should raise the inconsistency directly with Brenda:

> *What is materially different from the invitation I sent to Carol and the invitation I sent to you? Are you saying that because of my role, that I cannot choose who I have drinks with? The question that keeps going through my mind is why are you making an issue of this? This incident, in particular, seems fabricated to make an issue out of nothing. I don't like that.* [264]

Ben met again with Andy. Because of the similarity with a previous sexual harassment case he had investigated, Andy described the external consultant's advice on how to behave in such circumstances. He advised Ben to maintain a diary and copy his e-mails to someone he trusted. Ben kept a diary and copied all his e-mails to Diane and Andy.

Clearly, an *a priori* body of knowledge – developed in response to feminist views on sexual harassment – influenced Andy, and in turn, influenced the advice he gave to Ben. No claim is made that sexual harassment actually occurred – only that Andy saw similarities with a prior case he had investigated in which an allegation of sexual harassment had been made. He advised Ben on this basis and detailed the similarities with the previous case in e-mails and conference papers reviewed by Tim. He was, however, advised against including this discussion due to the sensitivity of the issues and to allow space for reflection on the way harassment is constructed as a concept.

This is not the only body of *a priori* knowledge in play, however. Both Brenda and Ben construct boundaries between personal and professional lives differently. During the meeting that sparked off the conflict, Ben claims that Brenda questioned the morality of his drink invitation to Carol on account of his married status. He also claims she queried the way he made the invitation (using a 'private note'). Ben claims that his behaviour towards men and women was similar – he had also made drink invitations to men, in one case by sending a card. Brenda insisted this case was "different"[265] (see Appendix C5). As a result, Ben wrote the following:

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[263]   FileRef: CP2003, Brenda to Ben, 4th September 2003.

[264]   FileRef: CP2004, Para 866-883

[265]   FileRef: JN3, Para 938. See Appendix C5 for Ben's contemporaneous (summarised) record of the conversation.

…I regard your attitude as sexist in saying that I can socialise with men of my choosing, but not with women of my choosing. You raised issues in a judgemental way, with no prior knowledge of what really happened, or what my real motives were. You made little attempt to understand, and you were unnecessarily insensitive in the way you questioned me. The way you commented that Harry might have to be informed was interpreted by me as a threat to "behave or else". This is bullying behaviour.

I have explained myself to you, so I would like you to explain yourself to me. We can keep the dialogue going until we both understand, then let the matter drop. This is now a matter of principle to me - that I am free to choose my own friends. I will not compromise on such a matter. I think any embarrassment I might feel is insignificant compared to the protection of such a principle.[266]

From a theoretical perspective, a conflict between family and corporate values is again central. Ben's rejection of Brenda's attempt to influence his choice of friends indicates that Ben believes corporate values should be subordinate to personal values. Brenda, however, takes the opposite view – arguing that "personal and professional boundaries had been crossed" and that corporate values should sometimes override personal freedoms. Secondly, there are *a priori* assumptions about the way married men should behave. Ben believes his 'separated' status made any drink invitation moral – while Brenda objects that he should still not invite women for drinks. If their previous behaviour is taken as a benchmark, however, neither believe that women and men, married or not, should necessarily avoid drinking together. This indicates that the disagreement is driven by a much deeper sexual conflict. While Ben says "we can keep the dialogue going until we both understand," Brenda says "I don't feel that there needs to be any further analysis."

In the week that followed, both Diane and Ben were deeply affected. It was not possible to establish the full impact on Diane because Harry intervened to protect her. Ben was unable to sleep properly and lost 9lbs in weight (4 kilos)[267].

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[266]   FileRef: CP2004, Ben to Brenda, 8th Feb 2004, para 941-943

[267]   FileRef: JN3, para 962. Ben reports "I do not think I have got more than ten hours sleep in the last five days. I have lost 9 pounds. Every single waking moment that I am not busy in a task that I have to do, my mind is just working overtime and overtime and overtime trying to work out what is going on."

The Process of Withdrawal

The reconfiguration of the group starts to take place when Brenda rejects dialogue:

> Brenda: *"How are you?"*
>
> Ben: *"Not good, I'm afraid."*
>
> Brenda: *"Ben, I'd like to get Harry involved. Do you consent to that?"*
>
> Ben: *"I would rather you explained your behaviour in an e-mail as I've done to you. Can you do it in writing?*
>
> Brenda: *"Well, I'd rather get Harry involved. Do you not want that?"*
>
> Ben: *"I think it may not be in your interests Brenda, but if you'd like to do that then I guess I would consent to it."*
>
> Brenda: *"What do you mean that it may not be in my interests?"*
>
> Ben: *"I think I'd rather not elaborate."*
>
> Brenda: *"I don't understand."*
>
> Ben: *"I think I may have hurt your feelings and that this is driving your behaviour."* [268]

There was a silence before Brenda confirms that she still wants to involve Harry. Within the hour Harry called Ben. Ben reports that the conversation was awkward as Harry has to go out. Ben wants to meet, but eventually agrees to e-mail the correspondence. Later that night, Harry called again and Ben immediately sensed there had been dialogue between Harry and Brenda.

> Harry: *"Ben, I don't see how she could do anything else."*
>
> Ben: *"This is ludicrous, this is the most ludicrous thing I've ever been through."*
>
> Harry   *"Ben, I think you need to look inside yourself a bit."*

Ben's notes say that he found Harry's remark inflammatory. The consequence was that "unspoken words started to rattle around in [Ben's] head" and he grew angry[269].

> Ben: *"You are stereotyping me and she's portraying me as a philandering husband. That is just not true."*

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[268]   FileRef: RV04, paras 179-198. Ben followed Andy's advice to record all conversations. This conversation is a transcript of notes made by Ben's wife during the conversation. Ben filled in Brenda's side of the conversation.

[269]   FileRef: JN3, para 972. Ben says "I can't help but be very disappointed that he accepted Brenda's point of view, applying the same stereotypes that she had applied. When he did that, I got quite angry and proceeded to put across a robust defence of myself. My defensiveness was quite great at that time. I was both disappointed and angry with him."

> Harry: *"But Ben, you say that you find her attractive and that you wanted an intimate…."*
>
> Ben: *"That does not mean that I wanted anything other than friendship…Besides, this was all 10-months ago."*
>
> Harry: *"That is just your interpretation…what about…"*
>
> Ben: *"Of course it's interpretation. What else is there but interpretation? Harry, when I was separated I had to put up with all sorts of attention that I did not want. I just wanted to sort things out at home and make sure my kids were okay"* [270]

The conversation ended in some acrimony, with Ben's wife also shouting comments about Brenda's behaviour. Harry did not respond further and called a meeting to interview both Ben and Brenda[271]. Accounts of this meeting vary widely, and are contested, but the outcome was that Ben was disciplined, informed that he must be more sensitive, should drop the issue and "move on"[272]. As Andy recalls:

> *Ben claims he was pulled to one side and told his behaviour was "unprofessional". He was asked not to date anyone in the company. Ben said that this was unreasonable – that what he did in his own time was his own business. He was then told that he would not go anywhere in the company if he dated people – basically the message was "if you have relationships with people here, you are not going to get promoted." It is absolutely hypocritical. Just look at Harry who married Valerie after a workplace affair. She later became a director.*[273]

As the following e-mail from Harry to Ben shows, Brenda had involved Harry far earlier that she originally indicated, and did so without Ben's consent:

> *I question your assessment of Brenda's motives in raising the Carol issue with you. You should recall from earlier discussions around this topic that Brenda only raised the issue with you following consultation with myself (after she had been made aware via Diane). This fact does not fit at all comfortably with your view of 'a woman scorned bent on a revenge mission'.*[274]

Harry does not consider the possibility that Brenda may be using him to discipline Ben (much as a child might use their parent to discipline a brother or sister). After the investigation, however, Ben and Brenda attempted to return to work as normal.

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[270]   FileRef: RV04, paras 200-209. Transcription of contemporaneous notes.

[271]   John minuted this meeting.

[272]   FileRef: RV01. This document, written by Andy, details the dilemmas and difficulties regarding Ben's ability to "move on".

[273]   FileRef: JN3, para 979

[274]   FileRef: CP2004, Harry to Ben, 14th June 2004. para 3384.

The Consequences of Conflict

Shortly after, Ben found that another member of his team (a woman) has started a relationship with a man inside the company, and that Harry had been aware of this *before* the meeting with himself and Brenda[275]. Ben raised the inconsistency with Harry at a social event:

> *I had to make a very difficult choice as to whether to raise this matter with Harry or not, and spent the majority of the afternoon pondering whether to raise it. I chose to and accept the consequences. When I raised this with Harry he did not want to talk about it. He came out with phases like "I think you have lost the plot, Ben", "I have deep concerns about your judgement", "You are digging yourself even deeper in a hole", "If you can't see the difference in your situation, then you're losing it completely". [276]*

The "difference" put to Ben by Harry was that the company had invested far more in him so the cases were incomparable. Andy interpreted this as a series of irreconcilable contradictions. Were the objections being made on the basis of the investment made in Ben, his marital status, his gender or the actual morality of his behaviour? It does indicate, however, that Harry's concern was different to Brenda's – he wanted a return on his investment. Ben, however, took a more humanistic view – that corporate and commercial interests were not legitimate reasons to intervene in personal relationships.

Whichever way the issue was considered, it was completely shot through with inconsistencies. For Andy, therefore, this became the most important incident in the research – somewhere that commercial, personal, gender, culture, family and workplace issues all collided, a place where actual values of different parties began to unravel to reveal the absence of any genuinely shared values. Equality, respect, support, consistency and fairness – all parties constructed them according to disparate and different outlooks on life related to upbringing and current interests.

Ben had further discussions with his wife and another meeting with Andy. Andy, acting on advice from Tim, recommended that Ben should write out an account of his experiences and reflect on them. Ben did this, comparing his own conflict with others

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[275]   FileRef: JN3, para 977.

[276]   FileRef: RV04, para 63

inside the company that showed similar patterns. In this account, Ben characterises the behaviour he found objectionable in the following terms:

> *The attack was not physical; it was psychological. The invasion into my private life, forcing me to relive and open up events that took place when I was separated from my wife (putting my marriage at risk again), and making me account for my sexual attitudes and behaviour (over a drink invitation?) felt like "psychological rape".*

Originally intended only for his own diary, Ben received an e-mail in which Harry expressed disappointment that Ben was "misrepresenting" events and should consider his conscience[277]. So Ben sent his diary account to Harry, Diane and John, as well as colleagues outside the management group in an attempt to bring the issues into the open. Andy also sent a conference paper to the same parties to provoke discussion and gave permission for his views to be discussed with others[278]. Ben's paper angered Harry even further:

> *How can you justify your claims? Are you now dismissing the process that we painstakingly went through? Have you forgotten the criticism made regarding Brenda's handling of the dispute? What motivation would I have, to offer blind support to someone if they were acting so blatantly against the best interests of the organisation? If I took such a narrow perspective, how would I maintain the levels of support within the company?*
>
> *As a result of your recent disclosures I now feel that you have destroyed any remnants of trust that existed in our relationship. How can you possibly justify circulating your flawed account in the knowledge that it presents such an incomplete interpretation of events? The only conclusion I can reach in questioning your motives for taking this course of action is that you were attempting to bolster your increasingly untenable position in respect of your allegations against Brenda.*
>
> *I question your preparedness to truly listen to and take on board views that are in conflict with your own version of events. While you claim to do this, there appears to be very little movement on your part, even in the face of contrary evidence and opinions expressed by others. John's suggestion that you "rationalised" events to justify your own thoughts and actions seem well validated.*
>
> *Your actions have now resulted in a serious escalation of an issue that we had attempted to deal with in a calm and responsible manner. Your decision now gives me no option but to communicate the status of the situation more widely.*[279]

Harry again draws on cognitive dissonance theory in an attempt to understand Ben's actions (Festinger, 1957) and suggests he is reconstructing the past to justify his present actions. But it may be that **Harry** is rationalising events to justify his thoughts and

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[277]   FileRef: CP2004, Para 2807, e-mail Harry to Ben, 6th May 04

[278]   FileRef: CP2004, para 2869.

[279]   FileRef: CP2004, paras 3412, 3432-3434, 3442

actions rather than Ben. Or perhaps they both are. Harry's "preparedness to truly listen" needs to be questioned as well.

However, when Andy called Ben's non-management colleagues to find out their views on both Ben's diary account and his own conference 'paper', a completely different picture emerged:

Andy: *What are your general impressions? Are the accounts an accurate and fair representation of the culture?*

Male Informant: *It is so true. Although people don't want to admit it's true, it is. I was particularly struck by one particular line…let me find it yes, that's it. 'If you ask the right questions; you get the answers you want. The directors ask closed questions, not open ones. There are not many ways you can respond to the questions they ask.*

Female Informant: *What can I say? I thought it was brilliant and hit the nail on the head, but, and it is a big but, I think that the way it will be received is as follows. None of them can do anything wrong or be thought of as flawed. Someone who criticises to this degree must be barking and that person's stability must be questioned.*

Female Informant: *I feel that you captured very successfully the essence of the company and I was pleasantly surprised.*

Male Informant: *Everything I understood I agree with. I can't see anything unfair. This document is enlightening in so many ways.*[280]

Andy's access to Ben was compromised when he started to give feedback, because Harry was furious that both had been in contact with other staff members throughout the dispute. Harry claims that Andy was exaggerating:

You exaggerate the relevance of the views expressed by a very small group of disaffected individuals … in order to support your own interpretations.[281]

Andy, however, reported to Tim (at XYZ) that:

….the people that became informants were random in the sense that it was a matter of chance that Ben fell into conversation with them…They became informants because they were sensitive and supportive of his unhappiness (a positive aspect of the culture). They probed for some time before feeling comfortable sharing their own experiences – once these started to come out it was hard to stop them. The people I talked to were generally enthusiastic about their jobs (and wanted to stay for that reason) and they were comfortable within their own peer groups. It was their conflicts with directors that left lasting memories and a legacy of caution and fear.[282]

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[280]   FileRef: CP2004, para 3208, 3237. The comments come from telephone calls, telephone interviews and e-mails sent to Andy. The informants requested anonymity.

[281]   FileRef: CP2004, para 3446

[282]   FileRef: CP2004, para 3671

When Andy would not substantially modify his findings, Harry terminated the contract with XYZ Consultants and insisted that he be removed from a project steering group at XYZ organising research. XYZ also told Andy that no further funding would be made available if further contact with Custom Products was made. Andy reluctantly complied.

Ben accepted that he would make no headway inside the company and started looking for another job[283]. His relationships with Harry, John, Brenda and Diane collapsed and he moved to another department and successfully formed new relationships. Diane, who Ben had described a few month's earlier as his "best friend", returning gifts he had bought her and wrote:

> *I have always been open and honest, and as I would with any of my colleagues, I have offered you moral support when you needed it. There are, however, areas of my role that I have not felt that it was either appropriate or correct to discuss with you due to the confidential nature of my work within the bound of the Data Protection Act. As a result of this you appear to have taken a very biased and one-sided approach. I find your actions towards me harassing and imposing on my personal privacy and would ask you to withdraw from making any further contact with me either at work or at home.*[284]

In concluding this section, it is worth recalling Harry's comments that conflict is "most likely to occur where individuals are struggling to live with the responsibilities conferred as part of their membership" and that the solution to this is "extensive dialogue … between the individual, their line manager and HR with a view to seeking a resolution that all parties buy into willingly." Harry outlined the "main responsibilities of line-managers and HR" as "ensuring that consistency is applied in respect of every individual having access to their rights, upholding their responsibilities and maintaining … values [consistency, fairness, respect, support]".

To what extent are these objectives being achieved? Which parties were consistent and which inconsistent? The plurality of views is one of the features of the situation, and the way managers and workers view the process of conflict resolution varies

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[283]   FileRef: CP2004, para 979

[284]   FileRef: ST-P1, Document 22

substantially. There is no consensus at all, and it is to this point that I now direct discussion.

Critical Reflections on the Actors' Accounts

Diane constructs her comments about "Ben's admirers" to suggest Ben misinterpreted them. Ben's account, however, was contemporaneous. This raises the possibility that Diane had a good reason for reconstructing her original comments. Certainly she has an incentive to do so, because her position within the company requires her to be extremely discrete. As she recognises herself – indiscretion can lead to prosecution under the Data Protection Act.

Her discretion regarding women's comments towards Ben, however, can be contrasted with her indiscretion regarding Ben's e-mails and the way she told the women about Ben's personal circumstances. The e-mails were sent in confidence[285] but were shown to the one person that Ben requested Diane should <u>not</u> show them to. This suggests that the Data Protection Act is not the real reason Diane does not wish to divulge information to Ben, and is being used by her as a 'legitimate' excuse to avoid talking.

There are several ways to interpret this. Firstly, Diane's dependence on Brenda (or wish to maintain friendship) is so great that in this context the Data Protection Act is meaningless. Alternatively, we can interpret this incident from the gendered perspective that we are socialised to protect women (Farrell, 1994). She gives personal information to women who ask about Ben so that they can decide whether to approach him, but will not give Ben similar information so that he can make a similarly informed response. Why? Are the women in more 'danger' from Ben that Ben is from the women? Lastly, there is a simple explanation. Was Diane enjoying Ben's attention so much that she did not want it to be diverted elsewhere? Her motivation may have been less to do with the protection of other women than to keep Ben's attention while hiding her feelings for him. Is Diane's "truth" credible?

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[285]   FileRef: CP2004, Ben to Diane, 19th Jan 2004, para 214. Ben requests confidentiality "…can I ask you not to discuss this with Brenda yet.."

Brenda constructs Ben's behaviour as "unprofessional" because of the sensitivity of his position and personal circumstances. However, she attempts to arrange meetings with him that could be constructed as "unprofessional" in their own right, then denies to both Harry and Ben that she had motives of personal jealousy or office politics. Had Ben not hidden from Brenda and Harry the underlying reasons for his concern[286] then the outcomes here might have been quite different. How much did his dependence on Brenda and Harry inhibit him from speaking up? When Harry finally heard a fuller version of Ben's story, he suggested that Ben was imagining things[287]. How likely is this?

Brenda's decision to seek and divulge information exchanged in confidence raises questions about her own morality and motives. Later she asked for Ben's consent, and he gave it, but she had already consulted Harry beforehand. The incident shows that managers do not always feel able to respect confidences – but the impression given to Ben by Diane - that Brenda *sought* the information even when Diane had informed her that Ben had requested confidentiality (i.e. that Diane had not volunteered it) - suggests that Brenda and Diane both faced moral dilemmas. They had to decide who to be loyal to, who to help, who to protect. Can we really believe Harry's claim that Brenda had "no choice" but to act on the information "given" to her? Or did she act proactively to control, isolate and hurt Ben?

Andy offered Harry access to research data to corroborate Ben's account[288] but Harry declined and chose to accept Brenda's and Diane's verbal accounts over Andy's contemporaneous one. Why would Harry do this? Firstly, it is possible that Ben's account was so incongruous with Harry's perception of Brenda's character that he could not bring himself to investigate properly. Maybe Ben's opinions caused Harry such

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[286]   FileRef: RV01, Para 184; RV03, para 124. Ben states "I still want to protect Brenda until I can communicate a more sympathetic understanding of the nature of sexual harassment and how it might be handled more effectively."

[287]   FileRef: CP2004, para 3405.

[288]   FileRef: CP2004, Andy to Harry, 9th Feb 2004. Access was offered a second time during a meeting but this was declined.

cognitive dissonance (Festinger, 1957) that he simply could not accept the idea that women can be equally responsible for sexist and sexual behaviour at work.

There are other ways to look at this, however. We can see Harry's behaviour as patriarchal. In all instances (even if he criticises women) he still believes women's accounts and disbelieves men's[289]. He may believe that whatever the rights and wrong, his priority is to protect women. Ben – in expecting relationships to be based on equal responsibility and accountability - has violated the "deep structure" (Putnam et al, 1993:230) that "both sexes … protect the female" (Farrell, 1993:23).

Harry, therefore, may be applying a different value system, and acts reflexively to protect when his perception is that Ben is being threatening. This is – by all accounts – classic *patriarchal* behaviour. But does this mean that Harry has "power"? I am unconvinced. This claim rests on an evaluative position that men's interests are being served. Whose interests are served by Harry's dominant behaviour? It is questionable whether Harry's or Ben's long-term interests are being served here[290], and we can regard Harry as serving Brenda's interest at least as much as his own. The speed with which Brenda invoked Harry's support when Ben asked for dialogue – and the way she sought at the earliest opportunity (without Ben's consent) to check she had Harry's support – can be regarded as expressions of *matriarchal* power. Once Harry has given his support, it is difficult for him to withdraw it without damaging the relationship. Even as Harry criticises Brenda for her "handling" of the situation, he does her bidding and fights her battle. This is at *her* instigation not his. It is, therefore, not clear that patriarchy gives "power" to men that enable them to "dominate". Harry's domination, in this instance, can also be interpreted as subordination to Brenda's wishes.

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[289]   FileRef: JN3, para 297. This was true also in the case of "Phil the temp" when he was sacked. An appeal was made to Harry, but Harry backs the version given to Brenda and Diane even though neither were present during the contentious exchange.

[290]   FileRef: CP2004, Para 1008. Ben says in an e-mail that he believes Brenda wants to create divisions between himself and Harry.

It is perhaps more useful to view this as an outcome of the thread/bonding processes described in chapter 4. Bonds have been established and built up through repeated patterns of behaviour. The implicit psychological contract (in both cases) is "I will protect you if you are *loyal* to me". Harry, Brenda and Diane all have mutual dependencies if they wish to protect their social positions, and perhaps this drove them to construct a "truth" to support a tacit decision to marginalize Ben?

Ben's version of the truth can also be challenged. He acts to protect his family and network of friends both *inside* and *outside* the workplace. Because he did not place his loyalties to his departmental colleague above all others, they rejected him. His "truth" was driven by his desire to have control over his relationships. At the time of the dispute, however, the rebuilding of his marriage and family appears to have been important to him – he did not pursue these questions when his home life was unstable. Does he want to distance himself from Diane, Brenda and Harry in order to prioritise other relationships? Was his behaviour (as Harry claims) part of a "crusade" or (as Ben claims) a "question of principle"?

Ben's account, however, has fewer contradictions than others. Firstly, he is – unlike Brenda and Diane – willing to discuss what happened and related issues. He knowingly acts against his own social and material interests (particularly when short-term outcomes are considered) and does not appear to seek conflict with Brenda until she characterises his behaviour as a "serious matter"[291]. Whether he is seeking conflict or challenging a false allegation rests on whose account is more believable. He may have been trying to accurately report his experiences, but even so, he is sometimes economical with the truth, playing down the significance of the card to Carol (calling it a 'private note') when Brenda starts to question the morality of his behaviour. He admits attraction, a drink invitation and enjoyment at flirting, but did he conceal his true intentions? Even if he did, does this justify Brenda's intervention?

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[291]   FileRef: CP2004, para 1076. Ben states: "I am going through personal as well as professional pain by taking this course of action and would not be prepared to do so unless I had very good reason."

This concludes the presentation of data on culture. I will now, on the basis of this data, develop a theory of culture development.

A Theory of Culture Development

Hearn and Parkin's (1987:126) comments are particularly apt in this case:

> *The truth value of such events is not an issue. As in psychoanalysis and symbolic interactionism, if an event appears real, it is real in its consequences. Gossip, rumour, as well as the telling of scandals, may often tell more about the* <u>*teller*</u> *of the gossip or their organisational context than the object of the gossip.*

Each party's construction of the "truth" is oriented towards the maintenance of their social network. Every party, at some point, make claims that are inconsistent with Ben's original account – even Ben himself. However, Andy's record of Ben's account was made contemporaneously when all the parties were good friends - this adds credibility to the account.

Looking back over the empirical data in the last two chapters, a number of things emerge. Firstly, there are a number of positive outcomes that arise from the development of intimacy. The dialogue between Ben and Diane over the Data Protection Act, for example, showed how intimacy can bring out disclosure of previously hidden information into a forum where it can be debated openly. While it may be inaccurate to claim *shared values* arise out of such debate, it is certainly the case that *shared understanding* – an understanding by each person of the other's thoughts and feelings on a particular issue – is possible.

After John's rebuke about Andy's article, a series of fruitful exchanges allowed different points of view to emerge. The participants eventually enjoy the exchanges, but it should be noted that Brenda did not participate (an early sign, perhaps, of her concerns). Some relationships strengthened as a result (corroborated by Harry's invitation to Andy to a private dinner and John's enquiry about "succession"), but other relationships – such as Andy and Brenda's disagreements over access to staff for interviews – became more strained. Again, it cannot be said with confidence that *shared values* were established, but greater levels of *shared understanding* are apparent in some cases.

In short, when relationships become more intimate, plurality reigns as listening, learning and debate thrive. Personal commitments deepen, emotions are positively affected, positive character attribution are made. Self-images and views of others improve, openness and honesty increases.

But when parties feel threatened – and all feel threatened when their sexual views come under scrutiny - other behaviours and outcomes are observable. When Diane feels threatened (either by Brenda or Ben – it is not clear how she conceptualises the threat), she withdraws and breaks confidences. She becomes anxious. When Ben feels threatened, he becomes judgemental but still invites dialogue to find a solution. Later, he starts to withdraw and becomes more reticent about giving information. He loses weight. He can't sleep. When Harry is drawn in, he makes accusations and assumptions that anger Ben, and then becomes angry and exasperated with Ben's response.

Did Brenda and Ben both attempt to bully the other? Who is resisting and who is coercing becomes confused as different parties bid for their version of the truth to be believed. Regardless of what parties believe privately, publicly Brenda's version of "truth" prevails and Ben is marginalized – but only within one social network. Within other networks Ben finds himself listened to and supported, a process that underpins a new round of bonding.

The inter-group dispute over Len's appointment shows similar characteristics. Some group members – particularly Keith - sought to raise issues, only to find themselves unable to influence Diane and John, or hold them to account for apparent inconsistencies in applying the company's values. When managers attempt to ignore or suppress strongly held views, Keith goes outside the normal channels of communication to articulate his concerns. In turn, John constructs this as a violation of the culture and confrontation takes place. The party with fewest resources has to withdraw. Contracts are terminated - Keith is "resigned due to culture conflict" as a consequence of "mouthing off" at the Presentation Evening. Similarly, when Andy will not substantially modify his findings his contract with XYZ is terminated.

If we cast our mind back to the issue of attendance at the Development Day, we noted how different groups constructed the issues of "fairness" and "respect" in different

ways. Non-managers felt "the company" showed respect and fairness when it did **not**
force people to attend the Development Day. Managers felt that employees were
showing respect and being fair when they **did** attend. These differences show how the
same words are constructed in the light of different parties values, attitudes and
interests.

The same is true in the conflict between Harry and Ben over the use of the word
"intimate" when he says:

> *I think I was looking for an intimate friendship, rather than a (sexual) relationship - certainly I*
> *have always found most comfort talking to close female friends.*

Even though Ben says clearly (in a confidential e-mail to his "best friend") that he was
not seeking a sexual relationship, Harry - and presumably Brenda – took his use of the
word "intimate" as concrete evidence that he is did seek a sexual relationship. Clearly,
Brenda, Ben and Harry understand the word "intimate" in different ways. Ben
conceptualises his relationships with many people – both men and women – as
"intimate" without meaning to imply they are sexual. But for Brenda and Harry,
"intimate" seems to be synonymous with "sexual".

When relationships are becoming less intimate, unitarist outlooks dominate, judgements
start to be made, listening stops, debate is replaced by authority, dialogue is replaced by
claims of moral superiority, personal commitments loosen, parties withdraw, hurtful
character attributions are made, and there is decreased openness and honesty. Self-
images, however, are protected.

People change their intentions regarding relationships over time, and are influenced by
events both inside and outside work. Levels of intimacy are increased or decreased
(deliberately or as a result of social structure changes) usually in subtle ways that are
non-threatening to the people involved. However, when one party believes it is
justifiable to impose changes - or makes public information the other party wishes to
keep private - a process begins whereby the differences have to be resolved publicly.
The influences are theorised in diagram 5.2 and the conflict resolution process is
theorised in diagram 5.3:

Diagram 5.2 – Social Influences During Difference Resolution
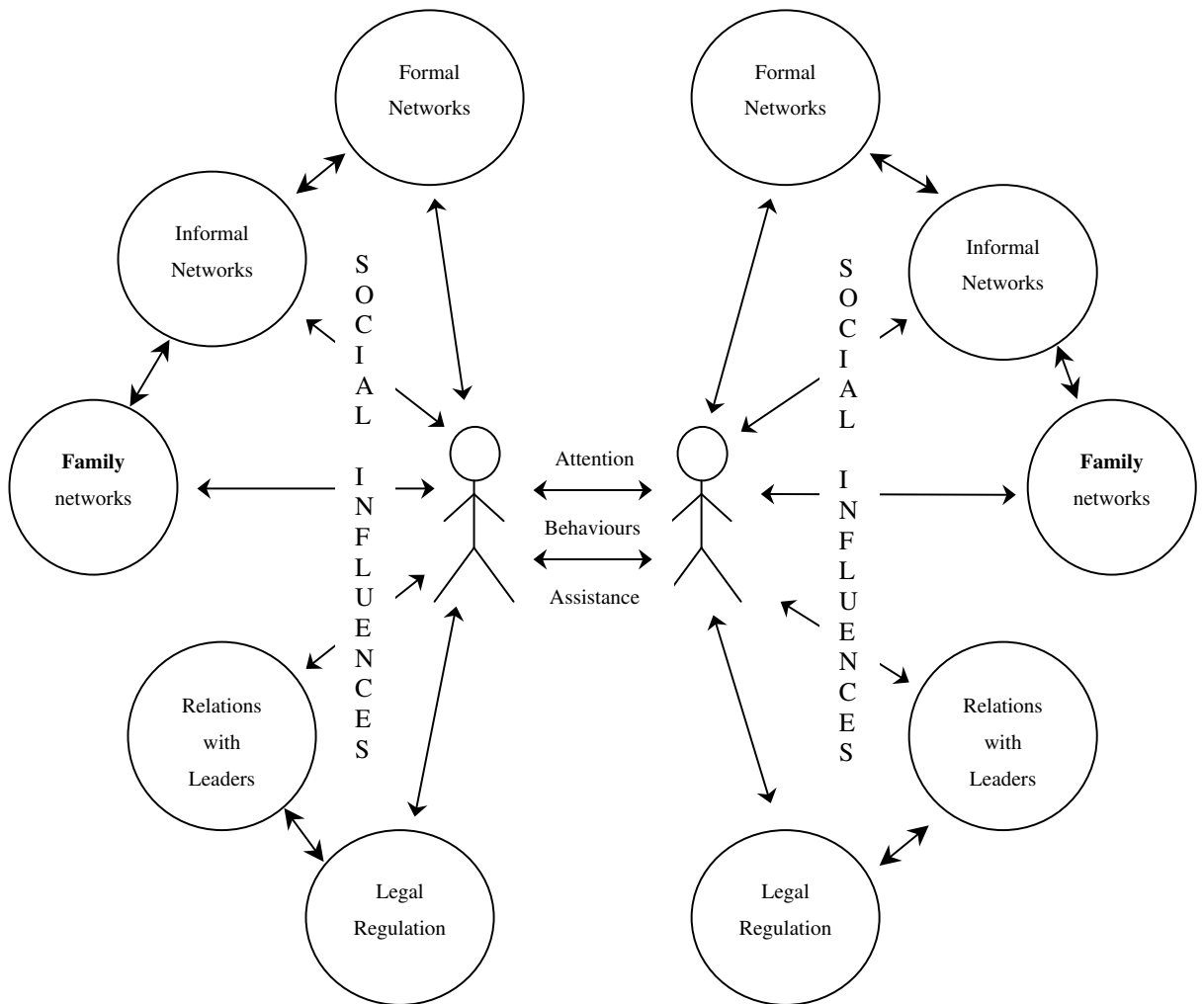
What emerges is that we are influenced principally by those that affect our emotions and induce cognitive dissonance. These are the influences to which we direct our attention and orient our behaviour at any particular time. The greater the dissonance, the more attention we give a particular situation (unless we reduce it by simplifying the problems or ignoring the contradictions). The process of dissonance resolution – and the impacts on relationships – is summarised in diagram 5.3.

Diagram 5.3 – Theory of Dissonance Resolution and Culture Development

Improving self-image, increased commitment levels and feelings of satisfaction

Shared Understanding and Value Congruence	Plurality, Listening, Learning, Debate	Openness, Honesty and Intimacy

OUTCOMES

Co-operation

Yes

Understanding?

Yes   No   Yes

Dissonance (Continued)

DEMOCRATIC MANAGEMENT

DISSONANCE

I N I T I A T O R   Dialogue?   Dialogue?   R E C E I V E R

AUTOCRATIC MANAGEMENT

Dissonance (Continued)

No   No

Coerce?   Yes   **Compliance**   No   Resist?

No   Yes

CHAOTIC MANAGEMENT

No   Reject?   Yes   **Confrontation**   Yes   Reject?   No

OUTCOMES

Physical and Psychological withdrawal	Blame, Resignation, Contract Termination	Caution, Dishonesty, Loss of Intimacy

Protected self-image, reducing commitment levels, feelings of dissatisfaction

Both democratic and autocratic behaviours, therefore, are normal in the resolution of dissonance caused by different intentions and relationships aspirations. We cannot know everyone well, and have insufficient time to reach full and unambiguous understanding on every issue. However, providing we can keep the process of dialogue going, perhaps with the occasional push to bring in new ideas, then gradual improvements in understanding are possible.

Confrontation becomes possible after a decision to withdraw has been made. The theory provides insights into the behaviours that are likely when an intentional withdrawal is combined with ego-defensive behaviour. As people (particularly leaders and celebrities from all walks of life) are often driven by the desire for social approval (Michels, 1961), it follows that confrontation can occur if one party wishes to withdraw but is inhibited – perhaps for ego-defensive reasons – from admitting this. Withdrawal could, alternately, take place co-operatively – confrontation is not inevitable.

These findings are supported by other studies that use a different methodology. Tjosvold found that co-operative conflict resolution leads to **greater** trust and confidence in relationships (Tjosvold et al, 2005:356):

> *…results suggest that managing conflict cooperatively is a practical way to strengthen team relationships. Teams that relied on managing conflict cooperatively and avoided competitive conflict were found to have confidence in their relationships and this confidence in turn predicted team productivity and commitment…Personal relationships…promote mutual exchange and are needed to supplement rules and roles that are often limited and ineffective…*

The view that conflict was only productive if focussed on a task was not supported:

> *…discussing conflict need not undermine relationships and can, when done cooperatively, strengthen relationships. Results of this study support De Dreu and Weingart's (2003) argument that the cooperative and competitive approach to conflict management may be more useful for identifying the conditions under which conflict is constructive than the type of conflict.*

The question, therefore, is how to create incentives for co-operation rather than conflict. The intentional behaviours of the people in conflict, rather than context, is the most important factor in understanding outcomes. Their findings – achieved through a hypothesis testing approach – supports my theory that debate over conflict strengthens relationships and creates understanding.

The lesson seems to be that so long as there is willingness to accept equity, and both parties wish the relationship to continue, trust levels can be improved through each conflict. As this process develops, monitoring costs can steadily decrease leading to economies throughout the organisation. When such findings are added to studies that have suggested communication and alignment of interests creates stronger corporate performance (see Whyte and Whyte, 1991; Kotter and Heskett, 1992; Collins and Porras, 2000; Collins, 2001), a blueprint for alternative approaches to governance becomes clearer.

Comments on 'Harassment'

Dissonance is ever present in our decisions regarding the levels of intimacy we permit in each relationship. Nor can we avoid engaging in (or experiencing) some intrusive behaviours – these are the everyday risks that people initiating change take to test whether others wish to accept a change in a relationship, or the normal objections people may raise in response to a particular point of view. They are essential for equitable and intimate relationships to develop (see Lowdnes, 1996; Aronson, 2003).

However, this is different from repeated, escalating or violent intrusions that are deliberately malicious. These leave receivers feeling harassed and frightened. However, it is not always easy for a recipient to perceive the difference between friendly and hostile behaviour, particularly when ego-defensive mechanisms have been activated by fear. Initiators can also be slow to understand that the receiver has become afraid/angry if emotions are suppressed. However, the data highlights the symptoms that should trigger concern. Firstly, there are high levels of agitation and fear when alone with the perceived harasser. Secondly, a person may experience sleeplessness and weight loss. Thirdly, they may absent themselves more often from the workplace. These symptoms should alert others to the possibility of harassment.

Relationships and Emotion

Relationship intentions are decided within a complex maze of family, social, organisational and societal networks. We act when events impact sufficiently on our emotions to get our attention. If we have insufficient control over our relationships, and cannot navigate our networks to talk to those we wish to do so, we experience increasing dissonance. In extreme cases, this can evolve into despair (a feeling that

control has been completely lost). In short, the loss of intimacy leads to loss of social power leads to despair.

This is the essence of *social rationality* – that we can continually act to develop and manage our social networks in ways that preserve the well-being *of the people who impact positively on our emotions*. We may not care about ourselves at times (if we feel completely safe or are in despair). At other times, we may care only about ourselves (if we feel threatened or are totally enthused). However, on the basis of the data presented here, it appears that selfishness is <u>not</u> the most powerful guiding force in social life. The most powerful guiding force is our perception of what is in the best interests of the people we freely choose to care about (including ourselves). This varies from person to person, situation to situation, and can only ever be partially under our control.

This qualifies both the individualist views of Adam Smith's regarded self-interest and moral responsibility (Smith, 1976) as well as the communitarian views expressed by John Dewey (see Starrat, 2001). Self-interest may not be conceived as concern for oneself but as the needs of loved-ones within a person's social network. The "common good" as a theoretical ideal cannot be achieved because we construct the concept so as to legitimise the social groups and behaviours that we support.

Implications for Understanding Culture

Autocracy and democracy are not different processes; they feed off and stimulate each other. Autocracy generates a democratic response (through resistance that is characterised by egalitarian debate amongst affected parties). But democracy also generates autocracy as people disagree with the current consensus and resist attempts to normalise their behaviour. Single-mindedly pursuit of alternative "truths" is, ironically, the starting point for democratic renewal – it is from these divergent truths that future debates will occur to construct a new consensus.

Can "culture management" work? The answer is sometimes "yes" and sometimes "no"; yes, when the pursuit of shared values brings about increasing levels of intimacy between people in the workplace; and no, when normative values and expectations conflict with people's experiences, reduce intimacy and frustrate the pursuit of

difference. This finding supports the contention of Kotter & Heskett (1992) that good performance is linked to cultures that embrace diversity rather than conformity.

In the case of inducting people into a culture, the evidence here is that the techniques only work for as long as people remain the focus of management attention. After an induction process, levels of attention reduce (through lack of time and need to induct the next generation), different cultures develop as the inductees become embedded in different social networks. This has benefits if allowed to develop, because people become exposed to new ideas, richer sets of experiences, new ways of thinking that enhance their ability to select from a wide range of choices.

If managers seek to limit the development of these "other" networks out of a desire to control people's thoughts, or desire for personal or corporate loyalty, then resistance occurs. The nature of the resistance varies depending on managers actions and followers' preference for coercive or submissive methods of controlling them. If both parties perceive an equitable outcome, then *temporary* harmony is possible. During these periods, corporate performance may improve dramatically. At other times, it may suffer. It takes a skilled management team to sustain "temporary harmony" for long periods. The selection of leaders with modest egos is likely to improve the chances (see Collins, 2001) and this implies a preference for pluralist democratic arrangements rather than one based on the sovereignty of the entrepreneur.

A Second Case

Andy took theoretical ideas into discussions with members of SoftContact (Intl) Ltd. Two interviews were conducted in late 2003/early 2004, and two further interviews in late 2004. The first part of the interview collected participants' 'story' of their experiences inside the company before a semi-structured questionnaire to gather views about the 6 "community pillars" identified at Custom Products. The second interview discussed findings from the primary case, and tested theoretical propositions using additional data on personal relationships in the comparison case (see Appendix C8).

Both Simon and Andy cited responsibilities to family as a key consideration in the way they handled the affairs of the company. For Andy, the creation of the company was something that would lead to long-term improvements in family life (by enabling him to work closer to home and be more involved with his children). When trading conditions

deteriorated, both Andy and Simon conceptualised their priority as the protection of family rather than corporate economies.

In June/July 2002, Simon attempted to take over the company but could not gain support from others in the organisation. Gayle and Pauline reported that Simon used "every opportunity" to undermine Andy by divulging information about his private life. After Simon resigned as a director, claiming in his resignation that Andy had "too much power" an ongoing conflict developed in which Simon threatened the company with an industrial tribunal, and Andy with criminal prosecution over the non-issue of share certificates.

Gayle's departure also involved a conflict between personal and workplace finances. When the company's fortunes declined, on advice from Andy she sought part-time work to supplement her income. But when she approached a new employer, the part-time job on offer had been upgraded to full-time. She accepted it. Andy, putting his relationship with Gayle before the survival of the company, did not attempt to persuade her to stay.

Learning from Both Cases

Taking both cases together, perceptions of sexual behaviour played a part in conflicts at work and had impacts on social structure and leadership. Personal accusation, and the use of personal information to undermine a person's social standing, is a finding in both cases. The different outcomes, however, are interesting. At Custom Products, there was a strict line-management approach to discipline (a formal hierarchy) with Harry as the final point of appeal. At SoftContact, there were line-management structures for operational management but democratic structures for director appointments and staff appraisal[292]. At Custom Products – where hierarchy was the norm - the accuser prevailed. At SoftContact – where democratic processes prevailed - the accusation rebounded on the accuser and lost him all social support.

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[292]   FileRef: FC-P0, Page 197-209. All staff members, including the CEO, had a 360° appraisal that involved self, subordinate and manager feedback.

We need to be mindful, however, that a woman had made the accusation of impropriety at Custom Products, while a man made the accusation of impropriety at SoftContact. A comparable case at SoftContact (UK) Ltd – one in which the accusation was made by a *woman* against a man - resulted in the *man's* dismissal[293]. It could be that the gender of the accuser and accused is a more significant factor than organisation structure, and that the "deep structures" learned through family life and courtship rituals override the impact of other social structures.

The implications for hierarchy development are considerable. Not only do men appear to be "promoted" rapidly (by women) to the role of protector and conflict handler, they end up in conflict with the accused man rather than the woman who initiates the conflict. The result is that the "promoted" man (and woman) remain inside the in-group while the accused man is excluded. Rather than the hegemony of men over women (or women over men), there is hegemony of *pairs* of men and women over men who are perceived as a threat. This process, replicated repeatedly, would account for the findings in the literature that men are found at both the top and bottom of organizational and societal hierarchies, while women are largely sandwiched in-between.

The democratic governance structures at SoftContact (UK) Ltd, however, did prevent the situation that arose at Custom Products. The conflict had to be resolved through a public and transparent process, not behind closed doors. The accusation had to be brought to a General Meeting (a forum of all members) to be proposed and seconded before an investigation could be started. The investigation team were elected and their report went to the next General Meeting for a vote on their recommendations. As a result, there were substantial constitutional changes after the conflict, and a consultant was contracted to provide further training on investigating and counselling in harassment cases[294]. For the investigating team, the process changed their views substantially on gender issues and the nature of harassment, but those outside the team

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[293]   FileRef: JN1, paras 600-630. Andy describes and reflects on a number of conflicts involving race/gender at SoftContact (UK) Ltd and his own role in investigating and resolving them.

[294]   FileRef: FC-P0, Page 15. Andy's employment commenced on 14th August 1989. A new contract containing an updated procedure was signed on 17th August 1993.

were less affected[295]. Due to the loss of access, it is not possible to establish what learning took place at Custom Products, but other researchers may be able to assess this.

The similarities, however, are even more interesting. In both cases, a man was selected by a woman (or women) to head the process of conflict resolution after a woman accused a man of inappropriate sexual behaviour. In both cases, despite substantial cultural differences, the woman was released from personal responsibility for resolving the conflict, and the responsibility was passed to the men, resulting in male/male conflict.

In both cases, there is gendered behaviour in all areas of activity. At Custom Products, we observed gendered behaviours in targeting recruits, induction (sexual stories, sexual games), team building (close male/female friendship/flirting), staff turnover (higher male than female conflict), use of flexitime (more use by women than men), sickness (more by women than men), gendered conflict (over alleged sexual interest), conflict resolution (men acting to resolve female initiated conflict). At SoftContact, there are gendered attitudes towards work and home, decisions about careers, the rationale for a new business, intentions to leave (Simon) or close the business (Andy). Empirical data from this study also provoked exploration of gendered behaviour during recruitment and disputes over Gayle's management role (Ridley-Duff and Leinonem, 2005).

Some Concluding Remarks

Power has two-faces. There is considerable support for Lukes (1974) three-tier construction of power. In the primary case, Harry sets the agenda when conflicts occur in order to re-establish control. However, this entails the attempted suppression of Ben's views – a decision that had substantial repercussions. Harry eventually gets Ben to accept the outcome using his social power (French and Raven, 1958). At the same time he controls the investigation process (agenda setting) and defines what behaviours are "appropriate" (ideological control). As Ben was disciplined more for perceptions about his *intentions* rather than his actions, Harry's and Brenda's attitude puts pressure

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[295]   FileRef: JN1, paras 600-630

on him to have only "acceptable" *thoughts.* Ben resists but has to comply to save his job (as does Andy as a consequence of corresponding with Ben).

The character of the conflict at SoftContact is similarly vigorous. Simon appears to response to a growing sense of powerlessness by setting the agenda. Andy responds sometimes through negotiation, and at other time with resistance, and finally with decisive power when his family interests are threatened. As in the case of Harry at Custom Products, Andy eventually sees no course of action other than to set the agenda himself, and each acts to protect the social networks they most care about. Any claim to be acting for the "common good" is contestable – but both seek a solution that suits all people as a *first* resort. This suggests that people can pursue interests other than their own when social conditions do not threaten them – it is much harder to do so when a personal threat or threat to one's own group is perceived as real.

In neither of the sharp disputes reviewed can it be said that one party dominated the other – there are exchanges in which both parties seek to establish their stories, controls meanings, agendas and outcomes. Both parties try to dominate. The most senior person, however, takes the "final" decision that suppresses further conflict. Whether they *felt* powerful is another matter. And the "final" decision sparks its own set of actions and reactions – decisions, it seems, are never "final".

Consequently, there is strong support for the assumptions of symbolic interactionism (Blumer, 1969) – that our behaviour and interpretations are guided by our intentions towards others. In this research, personal relationships (particularly loving relationships) emerge as the most meaningful in our lives. These relationships develop both inside and outside the workplace and as they do so, they impact on the intentions and behaviours of each party. In all cases, the parties protect the relationships that are considered most valuable to them, and react to events that have the most *emotional* impact.

The "truths" constructed are those that each party feels will best serve the interests of the people they care about. This is not to say that all truth claims have equal merit. Social life leaves a trail that Andy was able to find, capture and articulate. Andy's account, however, should not be regarded as objective - we need to be mindful that Andy also has long-term interests and his own perspective on what is and is not worthy

of discussion. His position, however, is such that his interests are not served by suppressing contradictions. He exposes many half-truths to give a fuller (but still incomplete) rendering of events. More plausible interpretations and theorisations are possible as a result of previously hidden accounts entering the public domain.

Attempts to socially engineer workplace cultures (Thompson and Findlay, 1999) appear fraught with difficulties. On the evidence here, culture management appears to succeed only until employees gain first hand experience of conflict with senior managers. Thereafter – and particularly over the longer term – pragmatic learning takes precedence over management rhetoric. Attitudes over "company" values - equality, mutual respect and support - are eventually decided with reference to actions, not abstract concepts or rhetoric. Evaluations change, managers and employees fall from grace, and carefully constructed halos rapidly disappear in the face of the rough and tumble of social life. At Custom Products, passivity co-existed with occasional explosive conflicts. At SoftContact, public conflict was more common, but backstage politics still occurred and remained hidden until uncovered by this research.

There is support for Farrell's conception of power. The empirical data suggests that another way to conceive power in the workplace is the ability to withstand social influence, retain control over relationships and the meanings ascribed to our behaviours, and to follow one's own conscience by articulating (or withholding) thoughts and feelings as we judge necessary. From this perspective, it is possible to argue that power is not simply how Harry influenced Ben (or Andy influenced Simon), but *also* how Ben *resisted* Harry and Brenda (and Simon *resisted* Andy). The conventional power discourse masks this alternative view. On this measure, both Ben and Simon (as subordinates) were able to exercise considerable power, but not the power of "final" decision. Their *relationships*, however, ceased to be powerful from the moment one or other party perceived that collaboration for mutual gain was impossible.

In the next two chapters, I apply the findings here to critique the corporate governance literature and construct two related arguments. In chapter 6, I build the argument that there is a relationship between intimacy, power and democracy. The empirical data and theory developed here illustrate how intimate relationships underpin both social and economic efficiency through the ability to exchange accurate information more readily.

Corporate governance, therefore, has to contend with the charge that controls, formalisation and professionalisation (which reduces intimacy between parties) is a counter-intuitive response to the perceived crisis of corporate governance.

Secondly, this study suggests that the most influential factor "controlling" the workplace is the aspirations of people for intimate relationships in which they can love and be loved. In place of class, gender or race, there is a constant (and unspoken) battle for supremacy between values supportive of family-life (and personal relationships) and those believed to contribute to corporate success. In the next chapter, I argue that this conflict is only problematic when family and corporate value systems are conceived as separate domains.

Chapter 6 - Corporate Governance

In chapter 4, hidden dynamics of relationship development were explored to reveal how people behave in both *socially* and *economically* rational ways. Theories of governance and control are typically oriented towards the completion of tasks (economic rationality) rather than the construction of communities (social rationality). As economic rationality is concerned with the effective and efficient completion of tasks, it characterises social rationality as "opportunism" and "self-interest" rather than balanced social thinking (see Williamson, 1975; Berry, Broadbent and Otley, 1995; Cheney, 1999).

I will argue that economic rationality runs counter to – or at least only partially explains - the dynamics that create a sustainable business. Focussing on economic rationality sets up a permanent value conflict between the economically rational goals of institutional and private investors and the social and economic goals of the founders and other stakeholders. A key motive of organisation *founders* is to promote their own *autonomy* and *social* interests.

Chapters 4 and 5 illustrated that sexuality and gender roles shape expectations toward paid work. Most women choose (or are socialised) to bear and raise one or more children, and support the man who takes primary responsibility for protecting and providing for them. Most men choose (or are socialised) to "father" and support not only the children they raise, but also the woman who bore them. These are not peripheral matters in corporate governance for the straightforward reason that those who are admired for their nurturing, developing, protecting and supporting skills become most sought after as both sexual partners *and* workplace leaders.

Seduction and sexuality is continually deployed in the workplace to create the relationships upon which both business and family life depends. Moreover, as explored in chapter 5, companies self-consciously adopt "culture management" approaches that shape the relationship between employers and employees using scientific knowledge about sexuality and seduction. Success in business is often linked to the same skills as those used to establish any other enduring partnership. Knowledge of seduction and attraction (whether conscious or not) affects not just recruitment processes but also success in sales, strategies for marketing, and the cohesion of social networks that

interact to develop an enterprise. Outside work, the "greedy institution" of the household (Tietze and Musson, 2005) is not subordinate in the relationship. Similar behaviours are deployed to secure economic advantage from the workplace. There is, therefore, a recursive relationship inside and outside the company entrance, each feeding off the other to structure and restructure economic and social arrangements.

Moreover, the behaviours of organisation leaders (and their place in creating and reinforcing hierarchy) are not simply shaped by the economic dependence of colleagues at work and family members at home, but also by their own dependence on social support of colleagues and family members for a sense of purpose and well-being. Corporate governance arrangements can either be in natural sympathy with this dynamic or in contradiction with it.

In the second part of this chapter, this point is considered closely. At present, the dominant discourse in corporate governance is oriented towards the interests of those who believe that companies, and company stock, are commodities to be bought and sold for their exchange value. Deference to entrepreneurial and investor autonomy (as shareholders) denies autonomy to other stakeholders (customers, employees, suppliers). The current discourse, therefore, argues *for* authoritarian social relations that conflict with the values of a pluralist democratic society (see Pateman, 1975; Johnson, 2004).

But when the purpose of a company is conceived differently, alternative corporate governance logic occurs. Social and economic health can be approached from the viewpoint that the corporation contributes to the integration of community and family interests *through the corporate governance systems they deploy.* Legal obstacles currently hamper reconciliation of community and business interests.

Conceptions of power have been – and will be further - challenged. At present, management theory is preoccupied with concepts of power that sustain the reproduction and effectiveness of hierarchy through the control of employees (as agents) by managers (as principals), the control of managers (as agents) by directors (as principals), and the control of directors (as agents) by owners (as principals). This chapter helps to redress this balance by examining power from another perspective - that power is the capacity for autonomy within equitable relationships. As such, a powerful organisation is conceptualised differently as a "power full" organisation – an organisation in which

more people can exercise power. The switch to a pluralist perspective changes the way that power is conceptualised and studied. When power is conceptualised as a product of powerful relationships (i.e. a relationship in which parties can exercise autonomy) control of one person by another can be seen as a behaviour that <u>decreases</u> the power of the relationship in proportion to the amount it increases the power of one individual over another.

The argument is developed that governance can set out to achieve "equilibrio" rather than "conformance". Whether this is more or less successful in economic and social terms is a debate that will not be resolved within this study. However, there is sufficient evidence here to seriously undermine the assumption that alternative ways of controlling corporations are less efficient economically and socially, raising provocative questions for policy makers and business advisers alike.

Below, I outline the way the arguments in this chapter will unfold.

Diagram 6.1 – Corporate Governance

The Foundations of a Changed Perspective

Intimacy as Power → Emotionality and Democracy → Social Rationality as Power

Understanding Relationship Development

Gendered Divisions → Gender and Hierarchy

Linking Personal and Corporate Governance

Entrepreneurial Dynamics → Governance Dynamics

A Critique of Anglo-American Approaches to Corporate Governance

The Combined Code → Change and Resistance → Rethinking Governance

Summary

The Foundations of a Changed Perspective

The debate about intimacy – between any two people, but primarily between men and women - is central to a different conception of corporate governance. As the data in chapter 5 shows, relationships are productive when parties increase their capacity to share thoughts, experiences and feelings (i.e. engage in intimacy) but rendered ineffective when they cannot. As intimacy increases, information flows between parties freely and they *believe* the information is dependable. Intimacy, therefore, is closely linked to *potential* efficiency – but cannot, of itself, generate desirable social and economic outcomes. It can, however, provide an environment in which uninhibited economic and social deliberations can thrive together.

There is one piece of data in which all these dynamics collide to produce an "aha!" experience. I was attending my second Development Day at Custom Products when I was drawn into conversations with people across the company. Not only were contradictions in the culture evident, but also those between autonomy and authority, as well as the impacts of emotional commitment on organisation structure:

> *They asked me how the research was going. I was a little bit hesitant and said that I had got below the top layer. The second layer was a little bit murky and messy. They asked what I meant by that so I explained my thoughts that there were different values for men and women [in the company]. I also spoke up that managers "try to get inside your head and cross the line into your personal life" and at times this felt too intrusive. One of them said "I know exactly what you mean". They had got inside her head. Some of them had been there over ten years and what then came out is one of the most shocking things I heard.*

> *We left the other group and just wandered round the town centre talking. As soon as I explained that I had been given a hard time when I stood up to one of the directors and confronted some inconsistent behaviour, the conversation opened up. Someone said "You and 150 others" which is a very peculiar remark. One woman described to me how she had been recruited to the company…eventually she not only decided to join, but persuaded other friends to join too. Some of their husbands later joined the company.*

> *For the first few years most were happy – as self-employed workers they organised and managed their own activities and the results of their efforts were spectacular. But this all changed when the company – responding to the crackdown on self-employment by Gordon Brown – made a policy change to make them PAYE employees rather than independent entrepreneurs. Pressure started to be put on them to accept a much lower salary rather than the commission based income they had grown used to. One man chipped in that it was a "bitter pill to swallow" – it changed the culture of the company, for them at least. They believed the policy changed from recruiting entrepreneurial people to those more easily manipulated. While earlier I had heard that managers were "forced" into making changes because of government regulation, this group felt the changes were to gain control over them – it was not just a question of reacting to the legislation because the idea of franchising had been suggested and rejected. Also commission-based pay was phased out and replaced by fixed salaries – that struck me as particularly odd because all the best salespeople I had encountered told me they would only accept commission-based jobs.*

> *They said the place treated them really badly, but as one started to talk another said "you must not tell anybody what we are telling you or we will get the sack." I then opened up and explained how my own experience had affected me - I lost three-quarters of a stone and I found it difficult to sleep. One woman stopped dead in the street – she suddenly had tears in her eyes. "That is what happened to me," she said. "Four years ago I challenged something and they totally destroyed me. I still think about it everyday." A few moments later she said it was "like a breath of fresh air to talk about it". They claimed there are lots of others who feel as they do but they have to be careful who they talk to because there are "spies" who will take it all back to management. "Spies" was their word, not my word.*

> *What do I now think? Well, they were absolutely terrified, even though we were in the centre of town one kept looking over their shoulder in case a company manager could see us talking, but they carried on telling me about all these people with happy faces. The young ones who are just coming into the company think it is okay. Brenda and John act as a pair. Harry gets manipulated into doing things. Anybody who has a thinking brain in their head and knows what is going on gets pressure put on them. When this conversation was drawing to a close, I asked*

"why on earth do you stay?" One woman looked up at me and said "I love him.....(pause) like a mother you understand". And it all became clear – they still admired and loved Harry.[296]

These were not peripheral relationships unrelated to the success of the company. When the company was founded, Harry's first employee (later wife) worked tirelessly to win customer accounts. In John's words, Valerie became "the best salesperson we ever had" but later reduced her commitment to the workplace to raise a family. As Valerie's influence reduced, the above people – and one in particular - made the largest contribution to the financial results of the company year after year. As this data shows, the company was actively developed through their agency. Some helped to recruit friends, who then recruited spouses. An alternate process of same-sex and cross-sex recruitment rooted in family and friendship ties created the company structure.

In chapter 5, the emotional links between the founders and others directors were discussed. The above data, however, shows the emotional and social links reach well outside the executive group and include emotional relationships *across* group boundaries. When these data are considered, the behavioural model of control and the ownership arrangements of the company appeared secondary to the emotional connections between different groups, and to Harry himself.

This process, however, was undermined when executives – ostensibly to meet the requirements of employment law – ended self-employment. The influence of outside legislation cannot fully explain the nature of the changes, however. HR workers disliked sales staff earning large amounts of money and told Andy (several times) that they should not be allowed to earn more than Harry[297]. The process of change, therefore, sought to decrease the autonomy of sales staff, lower their income, and change their status from "insiders" (remunerated like the founding shareholders as 'entrepreneurs') to "outsiders" (remunerated as 'employees'). An HR discourse

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[296]   FileRef: JN3, para 975. This passage is constructed from a series of small group and one-to-one conversations to protect individual identities. The unfolding of the conversations – and what was said - is accurately reported, but the conversations did not occur in one large group.

[297]   This ignores, of course, the dividends and multi-million pound stake that had accrued to Harry through his shareholding in the company.

replaced the entrepreneurial discourse. Ironically, as legal 'outsiders' they had been cultural 'insiders' (in social network terms); as legal 'insiders' they became cultural 'outsiders'.

Another aspect of the above data fragment is the characterisation of the relationship between Brenda and John ("as a pair"). This was recurrent throughout the study. John recruited Brenda to the company. Both were major contributors to the establishment and development of HR practices. When governance proposals were meeting resistance - John agreed to persuade Brenda, while Harry focussed on persuading Valerie. Each used their intimate relationships as a conduit for discussing workplace matters. Also, when Andy's magazine article concerned them, Brenda and John wrote to him as a pair, but *John* sent the e-mail. Once again, Brenda's concerns were taken up by a "powerful" man.

Emotionality, Efficiency and Democracy

All of this points to an argument that runs counter to current corporate governance and employment discourses. The most effective and efficient organisations are not populated by those who are "impartial" and "objective", committed to equal opportunity policies that attract individuals with the 'best' skills (an individualist perspective). The most effective and efficient organisations develop out of people so attracted to one another – for a range of reasons - that they work tirelessly to maintain and deepen their relationships for mutual benefit (a communitarian perspective).

In the work sphere, the presumed wisdom is that conflict demotivates and hampers efficiency – but some recent studies are now suggesting that this view is false. The outcome of conflict depends on the way parties construct the *purpose* of the conflict. If the purpose is perceived as problem resolution (either regarding the relationship or a task) then not only can it improve the relationship, it can subsequently improve productivity (Mills and Clark, 1982; Buchanan and Huczynski, 1997; Tjosvold, 1998, 2005; Aronson, 2003; De Dreu and Weingart, 2003).

As Collins notes, the cultures in the "good-to-great" companies[298] have a different attitude to conflict. In place of the "calm and responsible" behaviour that Harry expected of Ben, the CEO of Nucor revealed something that seems quite startling (Collins, 2001:76):

> *"[The meetings] were chaos. We would stay there for hours, ironing out the issues, until we came to something…At times, the meetings would get so violent that people almost went across the table at each other…People yelled. They waved their arms around and pounded on tables. Faces would get red and veins bulged out."*

This was characteristic of all eleven "good-to-great" companies (Collins, 2001:77):

> *Like Nucor, all the good-to-great companies had a penchant for intense dialogue. Phrases like "loud debate", "heated discussions", and "healthy conflict" peppered the articles and interview transcripts from all the companies. They didn't use discussion as a sham process to let people "have their say" so that they could "buy in" to a predetermined decision. The process was more like a heated scientific debate…*

Not only does this contrast with the descriptions (and outcomes) of the consultation process within Custom Products, it also supports the contention that the most intimate and productive relationships are <u>not</u> those in which parties are sensitive during disagreements. Parties who engage both intellectually *and emotionally* create the conditions in which they can speak honestly about their affections and anger. By implication, the "good-to-great" study establishes intimacy as a factor in commercial and social success stories.

Despite voicing substantive concerns about bureaucracy and hierarchy at the MCC, Cheney (1999:139) finds the same story:

> *The culturally grounded tradition of discussion, debate, and confrontation is still alive within both MCC and ULMA. In **marked contrast** to my experiences as a researcher and consultant in the U.S. organizations, I found nearly all employees of the cooperatives to be quite open in voicing their criticisms of their supervisors, managers, and elected officials; **there was clearly little or no fear of reprisal**. [emphasis added].*

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[298]   Eleven Fortune 500 companies that outperformed the rest of the stock market for 15 consecutive years by a ratio of over 3:1.

Let us be clear here. The researchers into the "good-to-great" companies and the MCC regarded argument and debate as a pivotal aspect of their social and commercial success. While it has sometimes been suggested that the MCC is conflict free (because of the absence of strikes) closer examination suggests that there is **more** conflict – but it does not escalate into stand offs between managers and workers because the corporate governance structures facilitate equitable debate.

At Custom Products, it is quite hard to find examples of a "heated exchange", particularly during a meeting. Instead rumours would circulate and eventually managers would attempt to quash them in monthly meetings. As Harry was provoked into saying at one:

> *Rumours have caused distress. I pledge to everyone who values the working environment that I will deal with it. (In a raised voice) People who are not honest and open have no part in this company. This is the only thing that makes us different. The company values are worth making a stand for. If people make the wrong choice, the company will go over to gossip and become no better than any other.*[299]

From Harry's perspective he was acting as a "guardian of the culture", but as established in chapter 5, employees felt at risk if they spoke up. A common reaction to being open and honest was that a director would request a private meeting to "prove" that the employee was "wrong" in their thinking. In such an environment, gossip becomes the only safe (and effective) way to raise legitimate concerns.

The culture of emotional self-discipline is captured in Andy's reflections on a board meeting dispute:

> *I found this conflict interesting - the night before I was at the pub with John and he was quite consumed with the issue of "paternalism". He wanted the organisation to reject paternalism in favour of democratic organisation. The board meeting exchanges with Valerie on this issue were fairly sharp - one of the few times that I've seen board members show any agitation in making their comments. After the board meeting, I spoke with John again and he was kicking himself for "losing it" in the meeting. To me, he didn't show that much anger or emotion, but he clearly felt that it had contributed to his losing the argument. Not sure what I feel – it is so different from SoftContact that I don't know where to begin discussing it.*[300]

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[299]   FileRef: JN3, Para 454

[300]   FileRef: BM – 200030625, para 77.

In passing, we need to note the gender dynamics here - the advocates of "paternalism" (in John's eyes) were not himself and Harry, but *Valerie and Brenda*. Later, Andy commented to John:

> *Working at SoftContact was not stress free (far from it). It was just that those stresses tended to come out in meetings (it was a regular occurrence for there to be tears and strong arguments in management meetings)....Custom Products seems a much less argumentative workplace than SoftContact ever was, but maybe there is a side to this that we are missing.*

The side that is missing, perhaps, is that some behaviours that contribute to intimacy are permitted (e.g. humour and "fun") while others are not (e.g. "heated discussion", anger, frustration). The culture has developed to the point where it tolerates some, but not other, emotions – a "cultural dictionary" which includes tacit rules about which emotions indicate the qualities of a person who is "on board". In constructing anger as the behaviour of someone who is "not on board", managers discount the strength of feeling on issues important to those outside their own peer group.

The argument here is not that intimacy can be promoted by being angry, but that it can be expressed inside an intimate relationship. The difference is critical – expressions of emotion are not made to threaten the other person (although they may still have this effect) but because there is sufficient confidence that emotionality will **not** undermine the relationship. Ironically, it is only when anger **is** expressed that both parties discover whether their relationship is intimate or not. If intimacy is not desired, then anger is likely to be met with rejection; but if it is, then parties discuss the source(s) of anger to deepen the relationship.

Social Rationality as the Foundation of Power

Studying social rationality, therefore, is part of a reconceptualisation of power that contributes to knowledge about democratic relations. It is concerned with how the *autonomous* power of individuals and collectives can be constructed, promoted, subordinated and balanced with the autonomy of others. From a socially rational (and democratic) perspective, *relationships* are seen as the primary source of power, not powerful individuals.

In chapters 4 and 5, we observed how networks are formed and extended through emotional bonds and links:

- Harry founded the business with Reece, his schoolteacher and mentor.

- Harry recruited a college friend, Valerie, as his first employee and later married her.

- Harry recruited a family member as bookkeeper (who became director of a spin off company).

- Harry recruited John from a pool of sporting friends that had links to Reece.

- John recruited Brenda after developing a workplace friendship through consultancy work.

- Harry and John recruited Andy (after a period of friendship) initially as a researcher, and then later made an attempt to recruit him as a director.

- Members of the company felt bound to Harry to the extent that their "love" for him provided an incentive to overcome relationship problems (with other directors).

- Members felt sufficiently committed to recruit friends and spouses.

In addition to these "native" relationships, the participant-observation period showed how the process operates amongst those new (or returning) to the organisation. Ben grew close to Hayley, Brenda, John, Andy, Carole and Diane, particularly during periods of change and instability in relationships outside the workplace (see chapter 4).

A changed perspective, therefore, is based on four things: firstly, that intimacy can underpin organisations with *commercial* objectives; secondly, that intimacy creates the conditions for productivity by enabling parties to argue openly without fear of rejection; thirdly, that workplace relationships are structured by gendered outlooks derived from the aspiration to have sexual relationships and raise children; lastly, that attempting to create equality by "normalising" behaviour has the reverse impact – its creates hierarchy because power asymmetries develop *as an outcome of the normalisation process*.

Changed Perspectives on Relationship Development

When two people meet, they decide whether to say "hello", engage in eye contact, turn, touch and converse. Communication includes tone of voice, body language, and intellectual content to indicate intentions. If both parties increase the levels of interaction, a virtuous cycle develops in which feelings of happiness increase until one or other party stops reciprocating. This is the process by which close and satisfying relationships are created. Interactions are more frequent when both parties are enjoying the frission of a (potential) sexual encounter. As others have found, this offers possibilities for improved productivity as well as conflict (see Gutek, 1985; Hearn and Parkin, 1987, 2001; Ackroyd and Thompson, 1999).

Writers on courtship repeatedly draw attention to the way that our own aspirations and intentions, and the role expectations that we have of others, influence who is attracted to

who and also that "inappropriate" courtship signals can impact on workplace relationships. More importantly, however, the desire for human contact and reproduction not only inclines us to give attention to others human qualities, it is the underlying motive behind sustained attempts to create wealth.

Diagram 6.2 – Social and Economic Rationality (Family Life)

Technology Use

Parenthood /Mentoring

Wealth Creation

Economic Rationality

Social Rationality

Social Influence

Resource Management

Caring / Protecting

Equilibrio
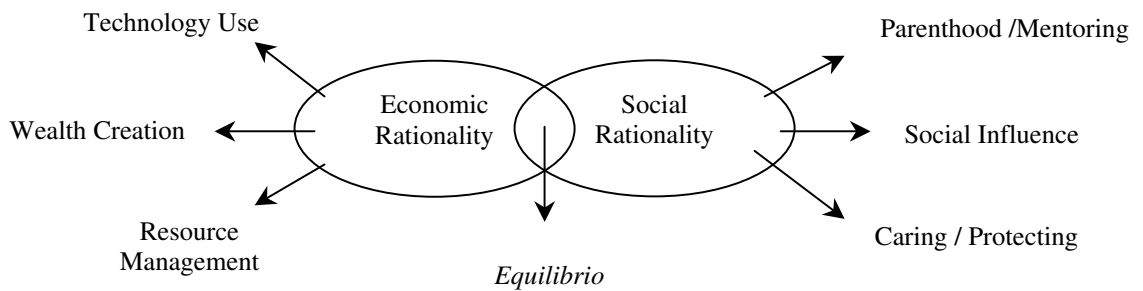
Prior to adulthood a person is socialised to orient their social and economic thinking towards the achievement of independence. As soon as a person seeks a partner, however, this changes. Parties pay closer attention to the social and economic views of potential partners because as parents they will have to decide how responsibilities are divided. The physical vulnerability of the women at the point of birth creates dependence on her partner, and the physical vulnerability of the child creates dependence on his/her mother. It is entirely reasonable, therefore, that women and men closely consider the qualities they will need of a partner at this particular moment in their life, and that their aspirations should reflect these.

While there are no natural laws that say it must remain so, patterns of behaviour dramatically change during courtship, and in the months preceding and following the birth of a child. Seeing the division of responsibility and labour in childraising through the eyes of Institutional Theory (Burns and Scapens, 2000; Coad and Cullen, 2001; Soin et al, 2002) assists with understanding why new thought processes become habitual and resistant to change.

Gender roles, therefore, are continually reconstructed by changes that occur as a result of preparing for the conception and early life of a couple's first child. Women tend to rethread their relationships to support their partner and child by taking primary responsibility for social rationality (see diagram 6.3) while men tend to rethread their relationships to support their partner and child by taking primary responsibility for

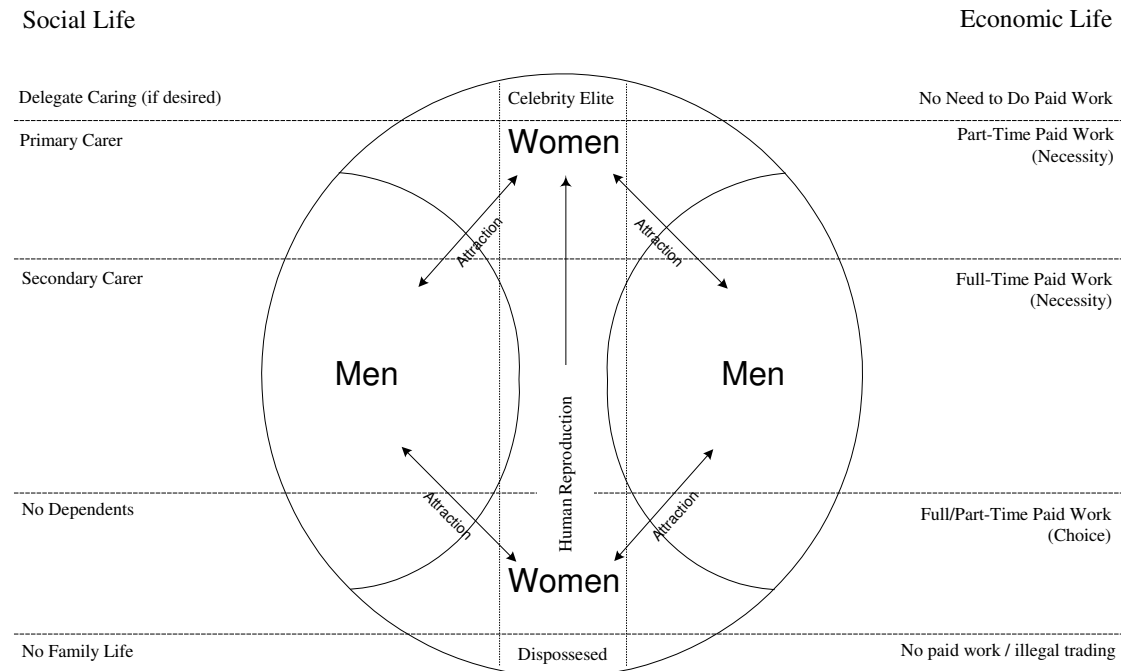economic rationality (see diagram 6.4). As Lionel Tiger comments "biology is not destiny, but it is good statistical probability" (cited in Hoff-Sommers, 2005:32). Patterns of behaviour can be changed - people are capable of understanding what is happening and modify (or entrench) the way responsibilities have been distributed.

The Division of Men by Women, and Women by Men

In diagrams 6.3 and 6.4, I explore how childraising responsibilities alter the way parties perceive the relationship between social and economic aspect of life. From a socially rational perspective (a person orienting their life towards the building and maintenance of sustainable relationships), life is centred on human reproduction. Choices are made regarding who should take primary responsibility for caring and this influences not only the contribution of the primary carer to economic life but also the contribution of their sexual partner.

Within this model, women perceived as most capable of producing healthy human beings come to be seen as an elite. They are so in demand that men are prepared to give up the wealth they create to support them. Only the wealthiest men can support this elite – a powerful incentive to work full-time and develop competencies that promote career success. This is not to say that women in the celebrity elite do not do paid work, but their presence in the paid workplace is a choice not a requirement.

Diagram 6.3 - Socially Rational View of Economic Life (Family Values)

Social Life   Economic Life

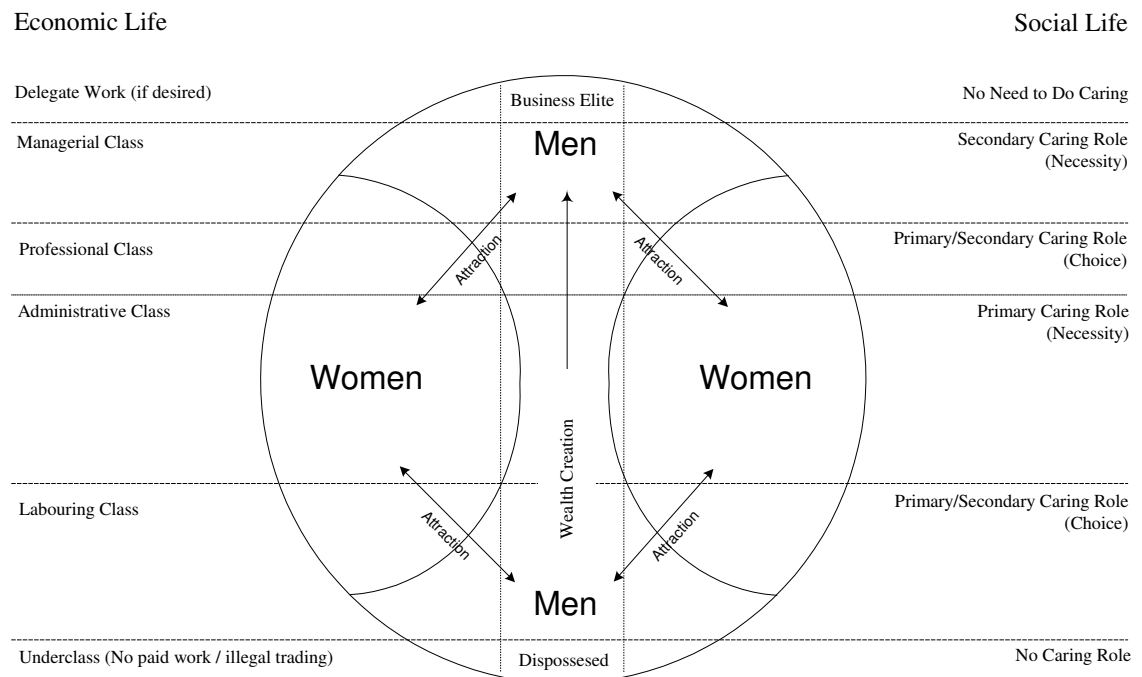|		
Delegate Caring (if desired)	Celebrity Elite	No Need to Do Paid Work
Primary Carer	Women	Part-Time Paid Work (Necessity)
Secondary Carer		Full-Time Paid Work (Necessity)
	Men Men	
	Human Reproduction	
No Dependents		Full/Part-Time Paid Work (Choice)
	Women	
No Family Life	Dispossesed	No paid work / illegal trading

Attraction (×4)

Women who wish to be primary carers are attracted to men who wish (or accept their role) as secondary carers and this typically results in women being attracted to men who are senior to them at work, or further advanced in their career (see Appendix E). The way each adopts different economic and caring roles inside and outside of the home provides explanations for the ongoing differences observed in the literature and empirical data. The balance, however, can shift from generation to generation as men and women reconceptualise ideals about work and family life (see Friedan, 1963, 1980).

The social relations in diagram 6.3 suggest that men divide women into those they will and will not support in the context of a family – as few women offer to support men financially, it is rare that a man seeks a partner on the basis of her earning ability. It is this division that casts women variously as wife/mother or mistress/sex worker and accounts (partly) for the hierarchies and status differences between them. In diagram 6.4, women divide men into those they will and will not support in the context of the workplace (either through close working relationships or managing the home). This accounts for "men at the top" and "men at the bottom" observed in both the literature and empirical data. Where, in the empirical data do the "men at the bottom" exist?

Through their exclusion or marginalisation after conflicts with women, or through their under-employment as a result of recruitment policies targeted at women (see chapter 5).

In the literature we noted how few women run FTSE 100 companies (even fewer than are directors), and in the empirical data we noted that all the actors engaged in *commercial* entrepreneurial activity were men[301]. It is reasonable, on the basis of both the literature and empirical data to say that the business elite is still overwhelmingly men. Even when women join this class, it is frequently facilitated by the wealth, contacts or mentoring of successful men (see Wilson, 2003; Farrell, 2005).

Diagram 6.4 - Economically Rational View of Social Life (Corporate Values)

Economic Life		Social Life
Delegate Work (if desired)	Business Elite	No Need to Do Caring
Managerial Class	Men	Secondary Caring Role (Necessity)
Professional Class		Primary/Secondary Caring Role (Choice)
Administrative Class		Primary Caring Role (Necessity)
	Women Women	
Labouring Class	Wealth Creation	Primary/Secondary Caring Role (Choice)
	Men	
Underclass (No paid work / illegal trading)	Dispossesed	No Caring Role

Attraction (arrows)

Women are now, however, a substantial part of the managerial class (Wilson, 2003) and dominate administration work. We saw that career women (Brenda / Gayle) sometimes eschew family life to pursue their careers. Men on the other hand (Andy / John) are pressured (sometimes willingly, sometimes not) into managerial or entrepreneurial

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[301]   Also true of the MCC. Five male engineers created the first enterprise.

lifestyles to improve family living standards. The literature also suggests that management posts are overwhelmingly full-time, making it difficult to combine them with active parenting. It follows then, that men and women in these jobs either sacrifice family life altogether, or find partners from the professional or administrative classes who will take primary responsibility for children. There is an option – rarely taken – that women choose to support men who raise their children (but see Smith, 2005)[302].

At the MCC and Custom Products, many workers acquired skills that depended on manual dexterity and physical effort rather than purely intellectual skills. In this sense, a labouring class still exists. Because of a continuing fear of male violence and harassment, protective men working full-time still attract women from the same (or administrative) class (see Appendix E; Molloy, 2003). But men too can become dispossessed if they do not acquire skills that enable them to earn an adequate living in the employment market. Like women, they may resort to illegal trading to escape from poverty and this constitutes them as an underclass sometimes ending up in jail, or marginalized as the homeless or confined to life in hostels or psychiatric units (see Carrigan, Connell & Lee, 1987; Farrell, 1994; Hearn & Lattu 2002).

The two models (diagrams 6.3 and 6.4) should be considered two halves of a whole rather than alternatives. The logic in both of them affects anyone who is responsible both for children and wealth creation. However, as more men conceptualise their priority as wealth-creation and more women conceptualise their priority as child-raising, it is perhaps understandable that they orient their view along gender lines towards one or other model during periods in which they take on these responsibilities.

It is, therefore, an attribution error to consider the behaviours associated with wealth creation as "masculine" behaviours and those associated with child-raising (as opposed to child *bearing*) as "feminine" – the behaviours derive from the *responsibility for* wealth-creation and parenting, not directly from gender. Certainly, having undertaken one role or other a person may develop skills associated with that role – but the separation of masculine from feminine should be seen for what it is – the separation of

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[302]   See Smith, J (2005) "Meet Alpha Woman", *Evening Standard,* 15th June 2005, p21

wealth creation (task skills) from person-raising skills (social skills). Women and men can each do both (see Friedan, 1980; Farrell, 2001).

Gender and Hierarchy

While the empirical data shows a variety of seemingly equitable relationships developing between people, men *do* head all the case companies. In two cases, the leading man has a female 'lieutenant' – Harry has Brenda, Andy has Gayle - who controls administration of the organisation. Instead of men as a group dominating women as a group, there appears to be a carefully woven arrangement between leading men and women on how to control people in the rest of the organisation. This being the case, class remains a useful concept to understand the way that men and women network with each other to control men and women in other social groups (see Rowbottom, 1974; Hearn and Parkin, 1987, 2001; Hennessy, 2003).

Class and gender remain intersecting concepts that may or may not mutually reinforce each other. In Ben's case, gendered behaviour was constructed in such a way as to justify his subordination (i.e. to lower his social status). This was achieved partly by disrupting the gendered relationships he had established with Diane, but also by constructing his argument as a 'threat' to the status quo. As his unhappiness did not provoke the protective instincts invoked by his female counterparts, it is worth examining this aspect of the dispute from a broader perspective.

The Impact of Violence Discourses

When arguments are made that women and men are inherently different (see Allan, 2004), this translates into an argument for differentiated norms. Many of these norms are so deeply rooted in our culture that they have become invisible to us. A good example of this, and one that affects the way social hierarchies develop, concerns male violence. Feminist scholars have repeatedly asserted that men control women through violence or potential violence both at home and at work. Indeed, there is empirical support that the *belief* in male violence translates into workplace practices that control men's behaviour. Action was taken against Phil the Temp and Charlie to address women's fears and ensure their safety on the basis that they posed a *potential* rather than actual threat.

However, data presented in chapter 2 (AAUW, 1990) suggests something quite different. Both boys and girls were aware of the hostility to boys by (predominantly female) teachers. In schools, therefore, a pattern of governance is established based on harsh and authoritarian treatment of males. Both sexes (at an age where they have not yet encountered arguments regarding women's "oppression") perceived that girls are better liked and given more support, and that boys are punished more harshly and more frequently[303].

This pattern of (mainly) women punishing (mainly) males for "disobedience" continues into adulthood. Of the 174 studies reviewed by Fiebert (2005), 27 showed violence between men and women to be equal, 25 showed men (in one or more respects to be more violent) while **90** showed women (in one or more respects) to be more violent[304]. And yet, when men engage in violent behaviour towards women they are pursued disproportionately through the courts and media to the point where domestic violence is believed to be almost exclusively a women's problem (Hoff-Sommers, 1995; Farrell, 2000). The belief also results in men being subject to many false allegations. Wakefield and Underwager (1990) found that over 95% of *false* allegations were made by women, and that men were targets of *false* accusations 96% of the time.

While it can be argued that men are stronger and the consequences to women from male violence are more serious, empirical studies are equivocal on this point. Older studies show greater levels of physical harm to women (Goldberg and Tomlanovich, 1984; Carlson, 1987; Cascardi et al, 1992), but later studies with more rigorous methodologies do not support earlier findings. They find that women compensate for men's greater physical strength by using knives or other instruments and that men sustain serious injuries as often as women (Hoff, 1999; Headley et al., 1999; Capaldi and Owen, 2001[305]). The difference, therefore, is not in the level of injury but in the *level of*

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[303]   Over 90% of both boys and girls reported that boys are punished more frequently.

[304]   Figures from studies reporting only men or only women have been excluded.

[305]   Capaldi and Owen's found - contrary to expectations – that 13% of men and 9% of women were physically injured. Headley (1999) found that 1.8% (men) and 1.2% (women) reported injuries needing first aid and that 1.5% (men) and 1.1% (women) needed treatment by a doctor or nurse.

emotion attached to violence and its impacts on each sex. Collectively, we care more about women's injuries than men's injuries, more about women's feelings than men's feelings. This explains why women show their feelings and report their injuries more often than men[306].

The discourse that men are the violent sex, therefore, is misleading. Not only is it untrue in the context of personal relationships, but in public life it can be understood as an outcome of having to enter the competitive world of wealth creation – a world in which success is needed not just to survive personally, but also to attract a mate. Why, then, is the idea promoted that men are more responsible for violence? Why is the idea propagated that men control women (and other men) through their potential for violence? Is it because there is a hidden consensus amongst both sexes that men *should* be violent?

Cultural images of the nature and purpose of male violence are enlightening here. There are legions of films that celebrate violent men *who protect women*[307] and who berate violent men *who harm women*[308]. The film Gladiator was a favourite amongst women because the hero (Russell Crowe) was considered "sex on legs" by popular women's magazines even though the film consists of him routinely and repeatedly lopping the heads off people (other *men*) in order to avenge his *wife's* death. Another favourite amongst women was Cold Mountain, where a man (Jude Law) – a deserter from the army walking home at the request of his lover during the American civil war - ruthlessly and efficiently kills men in defence of vulnerable *women* before finally returning home to impregnate his lover (Nicole Kidman). Male violence, therefore, is contemporary entertainment – erotic entertainment even – for women *so long as the violence is directed towards their safety*.

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[306]   Why show your feelings if no-one cares? Why not show your feelings if it will prompt offers of help?

[307]   Gladiator, Cold Mountain, LA Confidential are all Oscar winning films from recent years based on this underlying premise.

[308]   Silence of the Lambs and Unforgiven are contemporary Oscar winning examples.

How are these modern Hollywood heroes rewarded for their unselfish protection of women at the conclusion of the film? They both die *saving the women they love the most*. Russell Crowe lies dying in the gladiatorial arena having simultaneously avenged his wife and saved his earthly sweetheart from tyranny (the sister of a corrupt emperor). Jude Law lies dying after arriving home to shoot dead the men who had been (sexually) threatening his lover. In the same way as the film Titanic, the death of a male hero is used to increase the romantic climax of the film.   Modern movies still play heavily on image of the heroic man violently saving women, and – in the biggest box-office successes - dying for the one he most loves. Now here is a challenge for you. Can you think of any movie that uses the death of a woman saving the life of a man to enhance the romantic climax of a film?[309]

In popular culture therefore, violence by men is presented as part of a romantic fantasy, *if the purpose is to protect (beautiful) women or family members from other violent men.* Kolehmainen (2005) contends that these cultural artefacts are used to reproduce asymmetries of power between men and women at work and at home, sustained by men's potential for violence. This study and recent contributions to the literature, however, show that men do not use violence or the threat of violence to control women any more than women use it to control men. The empirical data supports what is featured in the movies – that men will more often sacrifice their own interests to protect rather than harm women.

So the empirical claim that men *are* responsible for violence may mask a political argument (and cultural arrangement) that men *should be* responsible for violence so long as it serves the interests of women or the wider community. This creates a number of alternative explanations that merit academic examination: firstly, that men are being subordinated by women to sacrifice themselves to provide for and protect their families (Vilar, 1998); secondly, that men are being socialised by political leaders to keep them psychologically prepared for war (Farrell, 1994); lastly, that men and women both have an emotional investment in exaggerating gender differences (her weakness, his strength)

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[309]   My examination is not exhaustive or robust – I did, however, challenge myself by reviewing the last 20 years of Oscar nominated films. None use the death of a woman saving a man as a romantic climax.

as part of romantic fantasy (Farrell, 1988; Pease and Pease, 2004). In the first two discourses, the pecking order with regard to emotional and physical safety is child first, woman second, man third. In the third alternative discourse, men and women evaluate each other in the light of their commitment to the first two discourses. None of them, however, result in the arbitrary privileging of men.

Gender as a Driver of Hierarchy within the Firm

In the case of Custom Products, subtle interventions – and in two cases major interventions – impacted on social structure. No instance of male violence towards women at Custom Products was recorded, only actual and intended violence by men towards other men who were perceived as threatening to women. There were no incidences of physical violence towards women by men at SoftContact, but there was a contentious investigation into behaviour by a man that frightened a woman. During the investigation, it turned out that he intimated both men and women, not just women.

Interventions were made in the case of "Phil the temp" - dismissed for the perception that he constituted a potential threat to women in the workplace. Ben was disciplined over his "inappropriate" drink invitation. Kakabadse and Kakabadse (2004:117), however, found that only 2% of survey members welcomed "policy based intervention". The culture at Custom Products, therefore, appears to have developed so that men and women are treated in different ways. Early feminists, however, argued *against* any special protection or privileges for women. Instead, they argued *for* equal responsibility and accountability (see Friedan, 1963, 1980; Hoff Sommers, 1995). This does not appear to happen at Custom Products, where policy and action is guided by the belief that women are more vulnerable and innocent. Nor, when the sharpest conflict erupted, was the culture at SoftContact any different – the man was held more responsible than his female accuser for the sexual conflict.

While the impacts are reasonably clear, incidence levels have not been rigorously recorded because of the qualitative mode of enquiry. More research, using different research methodologies, may help assess the frequency of such incidents and impacts. This said, if Kakabadse and Kakabadse's findings are a reflection of general opinion (that only 2% of men and women believe policy based intervention is advisable) then laws obliging employers to intervene leave managers caught between a rock and a hard

place. Obliged to make a judgement, employers are liable if they do intervene unjustly (on the grounds of harassment or unfair dismissal) or if they do not (on the grounds that they failed to prevent a hostile environment).

Integrating Gender into Governance Debate

Hearn and Parkin found it necessary (1987:57):

> *…to see sexuality as an ordinary and frequent public process rather than an extraordinary and predominately private process…part of an all-pervasive body politic rather than a separate and discrete set of practices.*

The evidence here supports their view, but goes further to suggest that violence discourses are also part of a gender politics system that encourages men to accept responsibility for **both** *benign and hostile acts of violence and to assume primary responsibility for social conflict*. As such, it contributes to the development of hierarchies that *subordinate* men into performing dangerous tasks and roles.

Women who quickly seek men to support them during periods of conflict actively trigger hierarchy development through their own agency and contribute to its creation. *Some* men (those protective of women) are promoted more rapidly than *women*, while at the same time ensuring the marginalisation of men who are perceived as a threat. This process not only defeats the goal of gender equality but also illustrates the active agency of women in *constructing* patriarchy. Given this, the label "patriarchy" seems itself to be misplaced.   Does it actually make men more powerful or oblige them – under strong cultural pressure - to behave in ways they would not choose? Do they, in short, have the power of autonomy?

Men's experience of women at work, and the presumption that work is somehow a place of "power", does not appear to pass the empirical test except for those men who are selected by women as worthy of social support. Even then, their social status is fragile and survives only while they accept their role as protector and provider (a supplement to the role of protector and provider at home). Just as the feminist literature talks of male executives having both a home and office wife, its compliment is also true - female workers can have both a home and office husband who provides and protects. But if men start to argue for equal *responsibility* (the compliment to women's

argument for equal *rights*), this appears to trigger conflict that – in this study at least - reinforces the *status quo* (gender-based divisions of responsibility for conflict).

In the remainder of the chapter, these arguments are used to critique dominant thinking on the theory of the firm and corporate governance. Firstly, I illustrate how switching the priority from social to economic returns was an outcome of gender divisions that is now reinforced by the accountancy profession to serve its own needs. Secondly, the argument is constructed that developing intimacy creates the basis of a governance system that works in sympathy with, rather than in contradiction to, the underlying dynamics of social life.

Linking Personal and Corporate Governance

The findings of this study change the direction of arguments away from ownership and financial incentives towards interpersonal dynamics as the basis of corporate governance. The underlying dynamic of any initial corporate governance system is the satisfaction of the socially rational goals of the founders**.** Entrepreneurial behaviour is purposeful. Not only does it reflect a commitment to trade in particular markets (often as a result of previous commitments to a particular career), but also operates within the broader context of social networks (families, communities) that sustain their well-being.

Miller and Rice (1967) argued that corporations promoting a discourse based on "rational" forms of organisation, equal opportunity and dispassionate scientific discovery gradually supplanted family businesses. They argued that where membership of a task and sentient group coincided, this led to performance degradation. Recent studies, however, show that one third of the top 1000 companies worldwide are still under family control (see Ward, 2005), while around 90% of current studies into corporate social responsibility suggest company performance improves as a result (Donaldson, 2005).

While family and community businesses acquire and dispose of other businesses like many other private firms, the orientation is different. The company is not created for sale – it is created to provide surpluses and continued opportunities for the owners. The "profit motive", therefore, is not always – if ever - abstract. It is driven by social rationality rooted in the *primary* purpose of the organisation.

The potentially antagonistic relationship between family life and corporate life is central rather than peripheral. As Salmi and Lammi-Taskula argue (2005:56):

> *Work-family issues function as a catalyst by making visible the points in the work process and work organizations that need to be developed… the process of developing ways to support work-family combinations is deeply rooted in the culture of the work organization.*

My findings suggest that behaviour - in most cases - is oriented towards family members, children and partners who constitute the biggest influence on attitudes to work. Secondly, that stories about loving relationships provide the cement that binds people into close knit and emotionally committed groups. Lastly, that career-minded people (e.g. Brenda and John) often are so because they eschew family life to prioritise career and personal development.

The tensions here are reflected in two inter-locking gender discourses (see diagrams 6.3 and 6.4, pages 238, 239). Tietze and Musson (2005:1334) contend that these discourses are defined by each other:

> *…each Discourse is defined by its 'other', in that the meaning of industry/home, paid work/unpaid work, breadwinner/homemaker etc. are always defined by what they are not, that is by their difference…we can only understand 'the paid work of industry' in relation to, yet separate from, 'the unpaid work of home'.*

But as this study shows, the separation is artificial. Many processes that support home life take place at work and many "workplace" discussions take place in the home. The discourses are not so much separate and interwoven into an inseparable fabric.

Entrepreneurial Dynamics in the MCC

The links between governance and business purpose become clearer in the literature on the MCC. The dominant employer in the Basque region of Spain immediately after WW2 was Union Cerrajera, a private metalworking company. Father Arizmendi – the then future founder of the MCC - approached the company to ask if it would support a project to educate workers' families. The company refused so he went door to door to raise support for a local school. Amongst the first intake were five students who later developed the network of MCC companies. The governance model adopted provided a model for the future businesses, and his insistence on elected representatives to govern

the school "worried" the local authorities while delighting parents (Whyte and Whyte, 1991).

The five students[310] also had unsuccessful negotiations with the Union Cerrajera many years later. In the 1950s, as employees they approached management to ask if workers could invest in the firm. Managers "flatly rejected this proposal" (Whyte and Whyte, 1991:33) so they worked to build the social and financial support to create their own company. Later, Father Arizmendi went door to door to build support for a "people's bank".

From the theoretical point of view, the *process* by which they established support is reflected in the corporate governance arrangements they created. In the case of the schools, colleges and university, governance rights are allocated to funders, parents and participants (staff / students). In the retail outlets, governance rights are allocated to consumers and employees. In the industrial outlets, governance rights are allocated to employees. Those who contributed their *labour* became entitled to govern; those who contributed capital became entitled to fixed interest returns (if not providing labour) or a share of profits (if also providing labour).

Social aspirations drove the motivation to create both the school, the businesses and the bank. Here the recurrent theme is the search for autonomy, for ways of ending dependence on private capital, but both family aspirations (to provide education for the children of workers) and career aspirations (to aspire beyond the limits imposed on "the sons of workers")[311] underpinned their entrepreneurial zeal.

The gender dimension is influential. Not until 1975, after the fall of Franco, were married women able to work. A division between male and female work roles existed

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[310]   Luis Usatorre, Jesus Larranaga, Alfonso Gorronogoitia, Jose Maria Ormachea and Javirer Ortuday

[311]   Whyte and Whyte, (1991:33). The full quote reads: "The five pioneers were guided by a social vision, but they were also responding to concerns about their own careers based on an assessment of current economic conditions. They knew that sons of workers would never rise above minor managerial positions in the Union Cerrajera."

for *married* couples, affecting the career (and personal) aspirations of both single women and men at work. The growth of the MCC, however, triggered a series of gender-based tensions. The demand for labour increased the need for women to work, and this coincided with a worldwide movement to improve women's employment rights. When Father Arizmendi started to discuss with women how they might increase their involvement in the workplace – partly to meet rising demand for labour, but also to increase their access to educational opportunities – the process was not welcomed by some groups of men *and opposed* by "traditional" women.

The women who did wish to work founded a co-operative that provided services to other co-operatives (food services, industrial cleaning, child care) as well acting as an agency for women seeking placements in industrial co-operatives. As Kasmir (1996) later found, there was a long-term legacy from this enterprise that established women's legitimacy as potential managers. In her own survey comparing local private and MCC co-operative businesses, women were better represented in the co-operative enterprises.

The marriage laws, and also men's and women's gender roles within the family, influenced their entrepreneurial activities and aspirations. The co-operatives extended and broke down boundaries and changed the *equilibrio* between family/work life – at least for some women - but the entrepreneurial and career aspirations of both women and men cannot be divorced either from their aspirations regarding family life, or their role within the family.

Entrepreneurial and Governance Dynamics at SoftContact

Once weakness of the literature on Mondragon is that researchers are rarely admitted to the governing bodies of the organisation (but see Cheney, 1999). At SoftContact, however, there was access both through a PhD written in the early 1980s as well as e-mails and personal experiences from my time there. The formation of SoftContact was also rooted in social aspirations. The founders, a group of university friends, came together in 1979 because they were "dissatisfied with traditional employers and wanted to achieve more control over their work lives"[312]. These sentiments find expression in

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[312]   FileRef: FC-S1, Document 90, page 251

the preamble to company rules to "work co-operatively as a way to produce the software of our choice under the conditions of our choice"[313].

The practicalities of exercising "choice", however, led to heated arguments that made SoftContact - in the words of one founder - "a hell of place to work"[314]. Solutions to conflict, however, were inventive. Disputes over product choice were resolved by allocating each member free time to devote to his own projects[315] - an echo of the HP Way were new employees could wander around the company to learn about different activities before deciding on a career path.

At SoftContact, employees divided into two camps, some working on long-term developments while others worked on short term projects that paid well. Counter-intuitive management practices arose (voluntary self-suspension, voluntary termination of contract) that challenge strongly held beliefs that "management" is necessary to enforce discipline. In one case, a member left voluntarily after severe criticism by a client. Far from needing to discipline him, workers "felt guilty about not 'supporting' their colleague"[316].

The founding entrepreneurs – as at Mondragon and Custom Products – were all men. By the time Andy joined in 1989, however, the group consisted of equal numbers of men and women and corporate governance was being affected by other aspirations:

> *When I joined SoftContact the culture was very egalitarian. There was only one married couple, and only one person who - to my knowledge - owned their own house. This changed as people got older. I got married and we recruited married workers. We lost a series of men in the early 1990s who could not raise their families on the wages we were paying, and female workers wanted to work part-time after having children. I will never forget one General Meeting when Jas handed in his resignation and could not hold back tears - he wanted to stay but his third child had just been born and the pressure to earn more was too great…. He went to work in the City. This fuelled arguments to change the pay system so that people were rewarded for length of service. In the mid-1990s, this was agreed and it enabled us to retain two key workers who were under pressure - one from the need to provide for retirement, the other whose income was*

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[313]   ibid, page 252

[314]   ibid, page 255

[315]   At this time the company did not employ any women.

[316]   Ibid, page 257

> *under pressure from a newly born child.*
>
> *Another change was that people started to buy houses. People were deeply concerned to ensure mortgage payments were met. It was not that mortgage payments were higher than rents, but that the consequences of non-payment were more serious. For those with a family it meant more than the loss of a family home - it was also the loss of savings that were intended to provide long term security for themselves and their children. There were both social and economic dimensions to the debate. Those who were single argued that having a family was a choice and that married couples should not be given advantages. But when the chips were down, and cashflow was tight, those with mortgages (whether single or married) got paid first. Protecting people's homes was very much part of the thinking behind pay policy and practice.*[317]

The social aspirations of the founders shaped early decisions regarding control and remuneration, but each subsequent generation faced different problems. As with the dynamics between Andy and Susan (see Appendix C8), this data confirms the pressure from household economies that encourage men to take higher paid jobs. Employers respond by rewarding commitment (not just skills) with higher pay. The pressure for good earners comes *both* from the domestic and the workplace economy, and those with wealth creating responsibilities – not directly because of their gender, but on account of their role within the family – respond accordingly.

In understanding why men more frequently adopt entrepreneurial approaches to work, we again need to give regard to the desire for autonomy. Susan wanted Andy to get a "job" so she could make choices regarding home/work life. Andy, however, preferred an entrepreneurial solution that increased his ability to mix family and work life. For women, pay equality (freedom from dependence on a husband's income) has advanced their autonomy. Ironically, it does so largely by seeking dependence on good wealth creators at work (usually men) rather than good wealth creators at home. For men, however, entrepreneurship represents the perceived route to autonomy – a choice made because women rarely offer to support them financially (see Smith, 2005).

In SoftContact's case social aspirations can be realised because members have control over the decision-making apparatus in their organisation. The labour market was only an *indirect* consideration. The policy was not shaped by the need to recruit skilled labour – but by the need to retain skilled labour under pressure from the social aspirations of "dependants". The higher pay of men, therefore, can be understood not

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[317]   FileRef: OTH, paras 48-50

simply as a product of discrimination at work against women, or the operation of labour markets, but also as a corporate response to one party in a relationship (usually the woman) wishing to work less while raising a family and the other party (usually the man) needing to work and earn more.

A Critique of Anglo-American Corporate Governance

It is not just entrepreneurs and workers who influence the design of governance systems, however. Advisers to new businesses self-consciously design them with their own interests in mind. During a visit to a major accountancy practice for a seminar on executive remuneration, the firm representative asked "Why form a company?" This rhetorical question was answered "to sell it." He explained his role as helping new (and young) companies structure themselves to facilitate a trade sale or stock market floatation. The *purpose* of "his" company was constructed as a set of services that help owners enrich themselves.

This discourse, however, is at variance from a community or family-centred business (to give members job opportunities and financial surpluses in perpetuity). It is also at variance with the discourse developed in the case study companies (to ensure that *workers* and their families can live off the surpluses generated by the business).

The accountancy representative argued that to sell a company the founders have to maximise the *profitability* of the business. The purpose of "profit" is reframed as a means to another end, not an end in itself. Profitability (and not what the company does) is what attracts investors. A key part of the argument made is that corporate governance systems should *remove obstacles to a future sale* (i.e. the influence of managers, employees, customers, suppliers).

As Andy reports:

> *The whole talk was given from the perspective of owners – that they should "incentivise" managers and employees. We went through the normal arguments (e.g. commitment to company, cost effective). Speakers talked about different classes of shares and the reason for them – to limit voting rights for managers and employees. The attitude was that the schemes should prevent managers/employees "having too much power". They did talk about Employee Benefit Trusts and the objectives of share-ownership. The speaker talked about co-ownership but qualified this as "quasi co-ownership" - it was not real because "that might block shareholders exit route via a company sale". Schemes, it was argued, should link shares only to profits, not control.*

There were two particularly interesting quotes by the speaker. Firstly "make sure managers can't block a sale of the business" and secondly "avoid too many employees on the register" …It seems that their view is that people are a resource to make the company wealthy, not that the company is a resource to make the people in it wealthy. I don't think these views can be reconciled. The reason I went was to find out how accountancy practices advise owners to motivate managers. It was all money/financially driven - all the arguments (while sometimes benefit focussed) were all about reward in financial/benefit terms. [318]

My own experience, however, suggests that accountancy practices have to work hard to propagate this view. When establishing SoftContact (Intl) Ltd, our accountant remarked how rare it was to have a business that actually sought to make a profit[319]. Most of his time was spent trying to help owner-managers *reduce* the amount of profit they declare to avoid paying corporation tax. Profitability meant giving up income to the state. We had the same annual dilemma at SoftContact (UK) Ltd and as often than not, the choice was to reinvest profits in the future of the business rather than distribute them or declare profits. Profitability, therefore, is a function of the need to attract or service investors (to keep *them* "on board"!). Without external investors, businesses trade in ways that reduce or eliminate their profits[320].

An alternative organisational goal, however, is to establish a business to support the stakeholders that it serves (owners, employees, customers, suppliers). In this case, corporate governance arrangements that facilitate a sale are not just inappropriate; they actually undermine the goals of the business. A different starting point is accommodation of different internal and external interests in the governance system.

At the MCC, the sale of a business cannot take place unless a majority of worker-owners agree (Oakeshott, 1990; Field notes, 2003). Such a bottom up approach means that their corporate governance models violate most of the "principles of good governance" set out by Hampel, and yet they are the most stable, productive and

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[318]   FileRef: JN3, para 348, 350

[319]   This aim came from the constitutional arrangements for surplus sharing – without a profit, workers wages could not rise above inflation.

[320]   Without triggering the suspicions of Inland Revenue inspectors!

profitable companies in Spain[321]. Profits are distributed between different interest groups through surplus sharing arrangements[322] and the purpose of profit is the continued survival of the community in which the workers live. As a result, there is a diametrically opposite attitude to company sales:

> *Mikel talked about [selling the company] as 'bad dreams'. Once the president of a company started to think like that – he found a German company that was interested in buying them out. Of course, co-ops are allowed to vote themselves out of the MCC if they want. Each worker stood to make €160,000 - we are not talking small amounts of money here - we are talking of over £100,000 per worker. The president took this to the General Assembly. Two options were presented: sell-out, or spend to take on more members. They voted to take on members (this is what the MCC wanted them to do). He said in the car, in discussions like this, **they don't think about capital growth going to the workers, they think about the residual value that they leave in the company for future generations**. It is a collective asset that they bequeath to the next generation. Most co-ops would not dream of selling out, they don't think like this.*[323] [emphasis added]

Family interests – and their emotional impact – are again a theme. The residual value is bequeathed to the next generation of the same community. Recruitment policy prioritises a worker's family members (in much the same way as having a brother or sister at a school increases the chances of a younger child getting a place at the same school). At first glance this appears to be a breach of the equal opportunity legislation in the UK. A closer examination reveals something interesting: the arrangements are pluralist – they operate differently for low-skilled and high-skilled workers. Those who have invested in skills are judged on that basis. But those who have not are evaluated on the basis of their embeddedness in the community[324]. *Equal opportunity is constructed differently for different social groups.*

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[321]   Source: Field notes, 2003. Data also obtained from a United Nations web site prior the visit.

[322]   Source: Field Notes, 2003. At Fagor, proportions agreed in General Assembly were workers (30-45%), co-ordinating industry group (around 10%), social and educational projects (10%), an investment fund (2%) and the remainder to reserves. Reserves become available indirectly for reinvestment through the banking system.

[323]   FileRef: JN2, para 368

[324]   Source: Field Notes, 2003. The differences were elaborated by the HR director at Fagor, 5th March 2003.

The normative nature of equal opportunity legislation in the UK assumes that discrimination is not permissible on the basis of local residence[325]. Employees are constructed (in law) as interchangeable – they should be recruited solely on the basis of their skills. While this appears to be fair, it also advances the interests of those who wish to make the employment of family and friends "illegitimate" – a good discourse for those seeking to gain control of family or community businesses.

This offers a new perspective on discourses into labour flexibility and equal opportunity - it constructs economic rationality (wealth creating) as more important that social rationality (community building). Promoting the idea that the 'best' person for the job should always get employed constructs 'best' in terms of their wealth creating skills. Viewed this way, equal opportunity discourses can legitimise the erosion of social networks that have been formed through community, personal or family links – the social networks that this study shows as underpinning the *commercial* success of the case study companies.

Concern over how to break up close-knit social networks is a recurrent theme in the corporate governance literature. This has variously been couched as a "problem" of managerial entrenchment (Slapnicar et al, 2004) or the "problem" of corporate governance (Joerg, 2004) or the "problem" of management hegemony (Coats, 2004). However, there is another question we can ask: "if the wealth accumulated in companies is *not* bequeathed - at least partly - to the community's next generation (i.e. to the workers' own relatives and children) how does this affect workers' commitment to the company and productivity?"

The Combined Code

The Combined Code reinforces corporate governance as shareholder control. This is expressed in legislation currently making its way through parliament although for the

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[325]   Local authorities, however, sometimes try to attach conditions before giving grants. At SoftContact, the council tried to agree terms obliging us to provide free training for unemployed residents as part of a rent support grant.

first time the concept of "enlightened shareholder interest" obliging consideration of employees, customers and suppliers, will be enshrined in law (see DTI, 2005).

In the 1998 version of the Combined Code (FSA, 1998), it was recommended that one third of the board should be non-executive directors. In the 2003 code (FSA, 2003), the recommendation changed to over 50% with a non-executive "independent" director to chair the executive remuneration committee. These increased monitoring costs are the price of restoring confidence after recent corporate collapses.

The current discourse, therefore, is that those best suited to governing an organisation are a few people who have *no* interest in a company (either financially or emotionally) rather than a broad base of people who have a deep emotional commitment. How many enterprises have thrived when led by people with a verified *disinterest*? Moreover, the code identifies the CEO, Chairman and "senior independent director" (FSA, 2003:7) as a triumvirate with responsibility for good governance. This provides representation for management, directors, shareholders - the groups comprising the 'ruling class' but not for employees, customers and suppliers - the other 'investors' in the enterprise (see Blair 1995, 1997: Coad and Cullen, 2001, 2004).

At a seminar, one guest speaker claimed that UK/US systems of corporate governance were the "envy of the world"[326]. How so when 80% of businesses fail within 5 years (Turnbull, 1994; Wilson, 2003)? Turnbull (1994) argues that one of the reasons many co-operative and social ventures look to the MCC in Spain is that **none** of the 150 enterprises established there failed **in the first 5 years**. Further, only 3 businesses have failed in 45 years, something that Robert Oakeshott found "a large number of bankers and businessmen find too astonishing to believe – saying that they could not conceivably accept such a claim unless it could be verified by their own accountants" (Oakeshott, 1990:207)[327]. In the UK, there is a 6% failure rate amongst *established* companies each year (Cornforth, 1988).

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[326]   Source: Management Control Association, CISA, November 2004.

[327]   The same ones that persuade them to set up their companies for a future sale, perhaps?

Kotter and Heskett (1992) found better shareholder returns in companies where the executive withstood pressure from shareholders to ensure management representation for each stakeholder group. Collins (2001) found that the executive group in the top 11 performers on the US stock exchange 'managed' the stock-market through the provision of *misinformation* that hid reserve funds for long-term development projects. The impact of greater worker-ownership and participation is evident in a study of over 300 UK firms in which a 20% improvement in productivity/profitability was found when workers held shares *and* had participative roles in management. Ownership alone, and participation alone, did not bring about higher returns for investors (Conyon and Freeman, 2001).

In considering the merits of a unitary board of control, it is the MCC's *de*centralised governance system that Turnbull credits for higher productivity and profitability (Turnbull 1994; Field Notes, 2003). If a business unit can vote itself out of a corporation, this changes the nature of the relationship between central planning bodies and individual business units. If the central planning bodies do not satisfy the needs of the business unit they leave to operate independently. This happened at the MCC in 1991, when 5 companies left to form an independent group (see Cheney, 1999). During our field visit, our host described two other occasions where this happened - in one case the cooperative voted to rejoin the corporation a decade later.[328]

Melman (2001) compared the MCC's performance with the 'greats' of the US industry. By 1991, the MCC bank was producing profits (as a % of assets and equity) that were three times higher than the average performance of JP Morgan and Citicorp. Since then, the company has again doubled in size and the bank's investment managers struggle to find ways to invest the monies at their disposal[329]. Reinvestment was higher (as a % of sales) than US firms like IBM, GE and United Technology. In addition, the companies put more of their profits into educational and social projects (10% compared to the 1%

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[328]   Source: Field Notes, March 5th 2003.

[329]   Source: Field notes, March 6th 2003

norm in the UK[330]). There seems no sound basis to assert that the UK/US model of corporate governance is the envy of the world – but it may be the envy of *institutional investors* around the world.

Why then, is there such a desire to retain governance systems based on open-ended hierarchies and unitary boards? Turnbull (1994) suggests that it may simply be the result of habit – that governance systems have been adopted simply through coercive or mimetic isomorphism (see also Burns and Scapens, 2000; Coad and Cullen, 2001, 2004). The evidence from attending meetings of accountants, however, indicates that such "habits" of mind are formed and reinforced by the social interests of the profession itself. To thrive as a profession, accountants must market their expertise. The impression drawn from the empirical data, however, is not that they are responding to the desires of their clients (to create sustainable businesses) but that they are proactively establishing the discourse to maximise demand for their own services (in company valuations, insolvency fees, trade sales and stock market floatations).

Rethinking Corporate Governance

Blair (1995, 1997) argues with conviction that workers risk roughly the same amount as institutional and private investors. Should a firm fail, workers lose (on average) 15% of their pay and aggregated across a whole economy, this is roughly the same level of risk as private and institutional investors. But the argument does not stop there. Coad and Cullen (2001) contend that other stakeholders make substantial investments too. Customers invest through their purchase of products – the cost plus approach to pricing means that each purchase is the source of future investment. Suppliers invest in plant and machinery to satisfy the needs of customers and these investments are at risk if customers close or transfer trade elsewhere. Employees also invest through the opportunity cost of not taking other jobs. Good governance, therefore, requires consideration of the "costs" and "risks" of all stakeholders, because the enterprise cannot continue without their support (see Watson, 1994).

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[330]   Source: NCVO Trustee and Governance Conference, 23rd March 2005. This figure was claimed by Lord Sudbury during a keynote speech.

When entrepreneurs turn to external bodies for finance, there is a danger that the contradictions between competing ideals are reconciled in favour of the group that is most needed in the current context. A communitarian perspective would be to maintain structures that accommodate links between all stakeholders, not to reformulate the business to satisfy the needs of one stakeholder. Sustainability and commercial success depend on retaining the emotional commitment of all stakeholders – one contribution is to construct governance systems that encourage dialogue and debate between them.

Charity and Company Law was instituted in the C17 and C18 when levels of literacy were low, and it was not believed possible that working people could participate in governance. Both legal traditions shared a common characteristic – they exclude some stakeholders (employees, customers, beneficiaries) or give the founders discretionary power over whether to include them (Davies, 2002; Frail and Pedwell, 2003). Law and governance discourses both, therefore, have been constructed from a unitarist outlook – that conflicts of interest should be avoided, and those with superior knowledge should govern impartially in the interests of all.

Company Law and Employment Law still operate like century old Family Laws. Directors in companies can be prosecuted for many offences – they can be sent to prison for the errors of employees under their control. While employees are not technically "owned" by employers, employers have legal remedies if employees do not give undivided loyalty and commitment. Just as equality discourses thrived when men's ownership of women, and men's legal responsibility *for* women, were repealed, so equality discourses in industrial relations will be hampered until equity is the premise in laws governing the workplace. This can be achieved through the repeal of employment law in favour of enfranchising employees in company law, or the creation of an alternative legislative option (such as Cooperative Law).

Successive governments have sought to implement "equality" policies by making employers legally responsible for the behaviour of employees. Like the husband controlling (and being punished for) the errant wife, company officials and the company itself can be prosecuted if they fail to uphold laws. These attempts at normative control operate via power structures established in existing company law. Was there ever a

more nonsensical approach than to believe hierarchical authority can be used enforce equality?

While followers of Marxism argued that means and ends could diverge (that peace could be produced through war, equality through state intervention etc.) the followers of Bakunin and Kropotkin argued that means and ends have to coincide (see Ward, 1966; Rothschild and Allen Whitt, 1986:17).

> *…thus, for example, [they] would not propose mandatory organizations to re-educate people for a free society. They would not advocate violent means to achieve a peaceful society; nor would they choose centralized means to attain a decentralized society. From the congruence of means and ends flows the conception of "direct action". Direct actions are directly relevant to the ends sought and are based on individual decisions as to whether or not to participate…*

Would it not be more effective to end the legal *assumption* is that there should be a division between governors and governed? By enfranchising other stakeholders (customers, employees, suppliers) the principle of equality *between* stakeholder groups would allow new equality discourses to emerge.

Michels' comments (1961:36) – now over 80 years old – still have relevance today:

> *Democracy in large measure rests on the fact that no one group is able to secure a basis of power and command over the majority so that it can effectively suppress or deny the claims of the groups it opposes.*

While this might be true (up to a point) *between* companies, it is less true *within* companies. This conception of democracy is recognisable as both communitarian (group based) and pluralist (legitimacy of multiple points of view). Michels – while applauding it in principle – suggested that most organisations have not evolved social structures able to accommodate and manage continuous internal conflict. With the law as it stands, many organisations *cannot* evolve such structures because conflict and division is created by the laws themselves. However, it sets a standard by which we can recognise communitarian pluralist organisations. They allow "those out of office or out of favour" to continue to organise themselves; they not only support the establishment of, but also defend, institutional arrangements that allow opposing groups to express their views; dominant groups engage with opponents to test the strength of their own arguments.

This alternative solution accepts plurality and organises governance systems to encourage groups to self-organise, and then come together to debate how to achieve the maximum satisfaction of their interests. "Equilibrio" (balanced authority) replaces "conformance" (obedience to one authority) as the central idea behind governance. The 'closed-loop' governance systems – with distributed centres of power that come together in general assemblies, governing and social councils - are not a panacea, but they produce social and economic outcomes that are not possible with UK/US approaches (see Oakeshott, 1990; Morrison, 1991: Whyte and Whyte, 1991; Turnbull, 1994; Kasmir, 1996; Cheney, 1999).

The intellectual difference can be illustrated through a hypothetical example. If Andy appoints Brenda to be accountable for Carol's actions, then Brenda has an incentive to control Carol particularly if Brenda expects to be excluded by Andy for failing to get Carol to help her achieve her goals. Accountability, in this case, can only be in sympathy with "good" governance if Carol's interests are satisfied in the course of helping Brenda meet Andy's goals. Alternatively, Brenda may repeatedly demonstrate an ability to meet Carol's needs, in which case Carol consistently looks to Brenda for help. Brenda can decide whether to accept or decline. If Brenda accepts, then a relationship deepens until a task cannot be fulfilled. In which case, they start to find others who can assist. In helping Carol, Brenda seeks out Andy's specialist skills and persuades him to become part of the network.

The question for governance theorists has normally been how to characterise the principal-agent relationships between Andy, Brenda and Carol, and which party should be sovereign (Carol or Andy?). An alternative way of approaching governance theory is to ask how much sovereignty do Andy, Brenda and Carol need before the desire to increase intimacy starts to overtake the desire to decrease it? In short, how much power (autonomy) needs to be distributed before the parties *want* to work for each other's benefit?

Limitations on Equality

It is naïve to think that all parties can be equal. Asymmetries grow as well as diminish. Some parties have greater access, information or intellectual and physical skills. Some – based on their physical attributes and intellectual abilities – may be more sought after

and effect emotions in other people more deeply. There are also a number of group processes that undermine the notion that participative management can be fully achieved. The Risky Shift (Kogan and Wallach, 1967), Groupthink (Janis, 1982) and the work of Sherif (1936) showed that norming takes place in the *absence* of reliable data and that social processes can undermine effective decision-making (see also Myers and Lamm, 1976; Myers, 1990). Other experiments show that notionally democratic processes - brainstorming and synergy - inhibit rather than increase *individual and group* performance (Hall, 1971; Lamm and Trommsdorf, 1973; Maginn and Harris, 1980). These findings suggest maximum participation is not achieved simply by involving everyone in group discussions and following the 'rules' of democratic discourse (Berry and Roberts, 1984; Habermas, 1987; Gustavsen, 1992).

Intimacy is not possible with everyone. Even the most skilled communicator has limited time to reflect on and consider all views. Time constraints force us to be selective regarding who we give our time. Once we make these choices, some parties are favoured while others are excluded, and this process occurs within "democratic" one-person one-vote organisations as well as those ruled by a sovereign entrepreneur. The tyrant also has social interests and may listen to advice from those that sustain their tyranny just as the "democratic" leader listens to advice from those that will sustain their democracy. What separates them is the extent to which the leaders promote and protect *opponents'* freedom of speech, thought and association – this is the measure of their commitment to democratic values.

Competence

One recurrent issue – present in all the case study companies – is the struggle to find ways to measure competence. Discussion takes place between Harry, John and Andy (see chapter 5). Each case study company found distinctive ways to measure competence in both technical and interpersonal skills. At SoftContact, the frequency with which fellow employees and clients sought a member's opinion was taken as a measure of their social and technical competence. Secondly, 360-degree appraisals gave information on self-perception, peer group and manager perceptions. At Custom Products, the opinions of line managers, HR staff, and directors were combined with the results of community class assignments to create a "rounded" view.

In a trading context, the organisations also sought to establish their competence against national and international standards. The MCC co-operatives all achieved ISO 9000 accreditation before the year 2000 (Field Notes, 2003). SoftContact (Intl) Ltd implemented and applied for ISO 9000 accreditation. Custom Products achieved Investor in People accreditation. The search for collective competence – and conflicts with democratic values – are captured in Andy's reflections:

> *We had such a good product but we lost ground on the market through (sighs) bad management. We allowed politics and people's egos too great a place in business decisions which rebounded on everybody. I suppose it taught me that it is no good saying 'I told you so' a year later when people have pushed you out of the loop for political reasons, not business reasons, but for political reasons, and then everyone's job is under threat. It's about achieving the right balance, I suppose, not …. well it is sort of social and economic. It is the same sort of balance question. You have to have your most competent people leading - you really do - or everyone's job ends up on the line. I guess what hurts people in a supposedly democratic company is when people resent the most competent people deciding how things should be done. Sometimes I think they would rather have the company run incompetently so long as their own freedom is not compromised. It is a delicate balance because autonomy and freedom from supervision is one of the things people value the most. So how do you get that autonomy and freedom from supervision, but still have the most able people leading the company, framing the decision-making environment?* [331]

Custom Products found an unusual way to resolve this issue. Around 20 workers were discussing criteria for selecting people to remain in a department that had to be downsized. Harry led the discussion while Diane and Andy made notes and observed. Andy picks up the story of what happened next:

> *Group members wanted performance to be a criterion - and they seemed to know which people were best. So I tapped Diane who said to be cautious. I wrote my idea down on a piece of paper – why don't they elect their ideal team? They could aggregate the results to provide "performance data". Diane agreed it was a good idea and encouraged me to contribute it. Harry saw us chatting so I asked everyone if they felt they were able to choose the best team. Immediately one or two people in the group started nodding and supporting that. Irene said "I can think of 8 people and I'm not one of them". Although she put herself down, she was nevertheless behind the idea.*

> *So we ended up including performance as a valid criterion - each person in the group voted for their best 6. They recorded their votes on a piece of paper. Charlie asked "when will this bloody process be finished" but Harry said the group needed to "own the decision". I collated the results, all criteria accepted, more or less unanimously. Harry called me the "independent adjudicator" – I made a joke about being just the "notetaker".*

> *Before the meeting Harry and Brenda could not agree a fair way to assess performance. But in the meeting we came up with this model. Harry mentioned quantitative measures but people – and Harry - were deeply nervous about using them because of the things that would automatically be unfair. What struck me was how quickly people latched onto their own*

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[331]   FileRef: JN3, para 388

opinions being a valid measure of other peoples' performance. They all knew who the best
workers were and it became obvious as soon as we looked at the results.[332]

The approach protected managers from the anger of workers who might resent the way performance was being measured – a subject that was raised in the pre-meeting discussion. It also respected those who worked together every day to use their judgement responsibly. As Harry argues, it allowed the group to "own the decision"[333].

The way appointments are made in democratic organisations, therefore, can have a different logic from hierarchically organised businesses. All the case study companies recognised social skills and technical skills as areas of competence, but the theoretical importance is that they found alternative ways to debate and discuss policy implementation with executive managers, and executive managers actively sought non-authoritarian ways of making decisions.

Let me, then, draw together the conceptual basis that underpins an alternative model. Firstly, there is recognition that a corporation is both an economic and social entity embedded within communities of interest, and having communities of interest within itself. To thrive, it needs self-awareness of the way social rationality operates. No individual or group – however "rational" – can divorce itself from how it conceptualises the legitimacy of different wealth generating and human reproductive behaviours. As a result, the scope to create shared values and goals is limited – and may not even be desirable. Individuals and groups change the way they frame their interests over time, as personal and family circumstances change, and these impact on how they want productive work organised and prioritised. Attempts to impose governance systems that are not contextually appropriate, and which do not acknowledge the legitimacy of social thinking, create unsustainable or volatile communities.

Where social rationality is combined with the *ability* to sustain emotionally satisfying relationships (i.e. competence), then social cohesion can be achieved, but if there is

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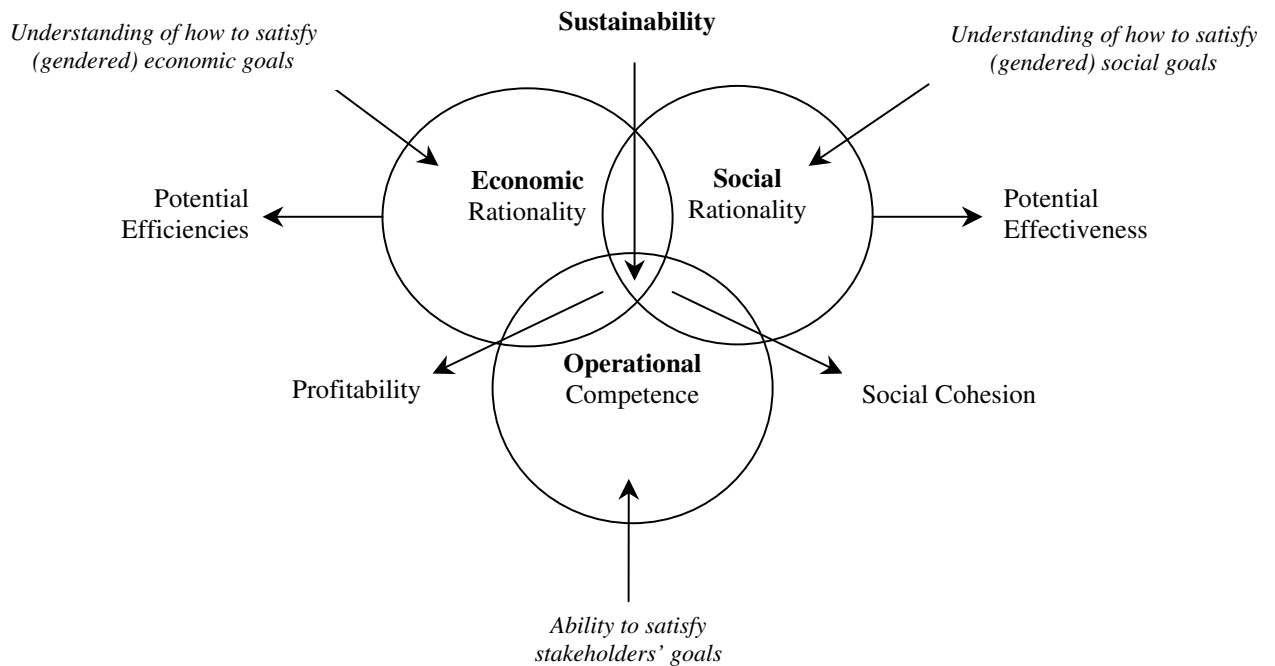[332]   FileRef: JN3, para 474 - 476

[333]   The idea came from an AGM discussion at SoftContact on democratic ways to distribute
           performance bonuses.

insufficient attention to economic thinking, profitability will not be an outcome. Where economic rationality is combined with the ability to perform tasks efficiently, then profitability can be achieved, but if there is insufficient attention to social thinking, social cohesion will not be an outcome. For sustainability, economic and social thinking need to balance so that social cohesion and profitability can be accomplished through increases in competence.

Social and economic thinking are gendered – the social and economic goals of men and women are affected by the expectations and roles they accept (and decline) in the process of courtship and family life. How these are managed in a workplace context impacts on the sustainability of the home – and how these are managed in the home impacts on the sustainability of the workplace. The relationship is recursive and constructs the governance and remuneration policies instituted by a company – particularly when the governed and governors are the same people.

The last ingredient that brings about sustainability is operational competence – that people can put into practice the socially and economically rational goals that shape their lives. In this respect, education remains important – so long as it reflects the context in which people find themselves. Without the ability to acquire competence, neither social cohesion nor profitability becomes a possible outcome, and the goal of sustainability is frustrated.

These concepts are in diagram 6.5 below.

Diagram 6.5 – A Model of Communitarian Corporate Governance

Understanding of how to satisfy (gendered) economic goals

Sustainability

Understanding of how to satisfy (gendered) social goals

Potential Efficiencies

Economic Rationality

Social Rationality

Potential Effectiveness

Profitability

Operational Competence

Social Cohesion

Ability to satisfy stakeholders' goals

Summary

In this chapter, I have argued several points. Firstly, that intimacy in social and economic life provides a foundation for democratic relationships. Efficiency – either in relationships or in operational tasks – is more readily achieved when parties are emotionally committed *to each other's well-being*. Conflict can trigger the destruction or development of emotional commitment depending on how the purpose and nature of conflict is constructed (compare Tjosvold, 1998, 2005). The more intimate the relationship the more emotion can be expressed without parties rejecting each other (see also Aronson, 2003). The cultures at the MCC and the "good-to-great" companies legitimise a wider range of emotions in their "cultural dictionary" (Hochschild, 1998) than is evident at Custom Products. Sustained social and commercial success, therefore, far from being hindered by displays of emotion may actually help so long as emotion is constructed as an attempt to articulate concerns and frustrations rather than the imposition of arbitrary authority.

Empirical data illustrates that people react to events that trigger their emotions and make decisions to protect relationships with those they are emotionally committed to. Aspirations in personal and family lives shape our intentions towards (and demands

from) the workplace, and emotional relationships structure social networks. These can be disrupted both from within – due to personal jealousy and conflicting aspirations – and from without when authorities implement social policies by holding individual network members to account for collective responsibilities.

Contradictions within the Combined Code were discussed, particularly how the code privileges institutional shareholders and their investments. The code – and White Paper on Company Law - is oriented towards regaining the trust that makes companies easier (and cheaper) to sell. Quite apart from whether such arrangements make economic (let alone social) sense, the alternative approach – adopted in each of the case study businesses – is to enfranchise more communities (employees, customers, and in some cases investors and suppliers) so that stable growth and profitability sustains stakeholder groups through surplus sharing.

In the next chapter I review my findings to summarise and evaluate my contribution to knowledge. Four contributions to the literature are offered: an alternative way to understand the foundation and growth of firms; a reconceptualisation of democracy as a *process* by which intimacy replaces hierarchy; an assessment of the impacts of culture management techniques on behaviour control; the construction of a discourse that defines the nature and purpose of social enterprise. Following this, I evaluate the questions set out in chapter 1 on communitarian governance.

Secondly, I contribute to the literature on methodology. In fulfilling my commitment to epistemic and methodological reflexivity, an attempt is made to clarify my own *a priori* understandings and how these impacted on the research. Thereafter, comments are offered on critical ethnography, the handling of ethical dilemmas, ways of reducing bias, the use of body language and the extent to which the study meets the evaluation criteria set out in chapter 3.

Chapter 7 - Contribution to Knowledge

In this chapter, my contributions are summarised and presented as an integrated argument. The theories developed in chapters 4 and 5 are rooted in communitarian pluralist perspectives and explore how the division of social and economic interests is a response to the gendered nature of family and working life. In chapter 6, a model is developed – based on the findings in case study companies – of the way social and economic aspects of life are integrated in corporate decision-making. These are now elaborated to summarise how *both* working life and family life might be democratised further, and provide new options for entrepreneurship and democratic ways of conceptualising power and corporate governance.

Firstly, I return to reproduction of life - the way that men's and women's expectations diverge as a result of courtship and childraising. The survival of communities of interest depends on the reproduction of both human life and material wealth. Consideration is given to the theory of the firm in the light of my findings. Thereafter, the research questions are evaluated to consider the extent to which Custom Products provides an example of communitarian corporate governance.

Secondly, I reconsider my methodology and the ethical dilemmas this created. Contributions to the literature are offered on representation in ethnography, grounded theory, ethics, bias and the use of body language to help interpret truth claims. The study is evaluated against the criteria set out in chapter 3. Finally, limitations and generalisability are evaluated before summarising the personal learning that took place.

The Foundations of Social Life

People seek stimulation and material well-being through a range of strategies for getting and giving attention and assistance. This is a recursive process: attention can be obtained by giving assistance; assistance can be obtained by giving attention. We make decisions to give (or deny) attention to those we want to give us assistance; we make decisions to assist (or deny assistance) those we want to give us attention. Our ability to give or deny assistance and attention is the basis of our agency as social beings

(compare Giddens, 1984, 1990). If no assistance or attention is offered or sought, then a relationship cannot begin or develop.

Arguments about the construction of democracy were considered in chapter 2. Individualist arguments construct democracy as the right to own property and engage in trade (see Skoble, 1994), while others extend this to cover freedom of thought, speech and association (Rawls, 1999), a choice in governance (Giddens, 2001) or equal opportunity to based on merit (Collins, 2001).

The view that emerges from this study, however, is less rooted in constitutional structures or opportunities, and more related to the present or absence of a social process. Democratisation occurs as increasing levels of intimacy transform hierarchical relationships structured by asymmetries in access, knowledge and emotion into ones that become symmetrical and equitable. The symmetry is not absolute – not everyone will make the same contribution – but equity is achieved when the value of each party's contribution (in term of physical, intellectual and material assistance) is acknowledged and rewarded in ways that are sufficiently satisfying to motivate *voluntary* association without relying on formal contracts or coercion.

Relationships deepen through *reciprocal* behaviours. These are the threads joining two people. As relationships develop, more and more reciprocal behaviours are agreed between parties. For example, there is a progression from looking to talking to turning to touching to mirroring, as relationships grow more intimate. "Talking" may be extended through behaviours that involve face-to-face conversation, phoning, e-mailing, texting and body language discourses that communicate thoughts and feelings (smiling, scowling, crying, stroking, hugging, kissing etc.). The relationship between two people – the bonds between them – can be regarded as the reciprocal behaviours in which they engage (see diagram 7.1). The bonds start to break when parties *stop* engaging in *reciprocal* behaviours.

Diagram 7.1 – Democratic Relationship Formation and Development
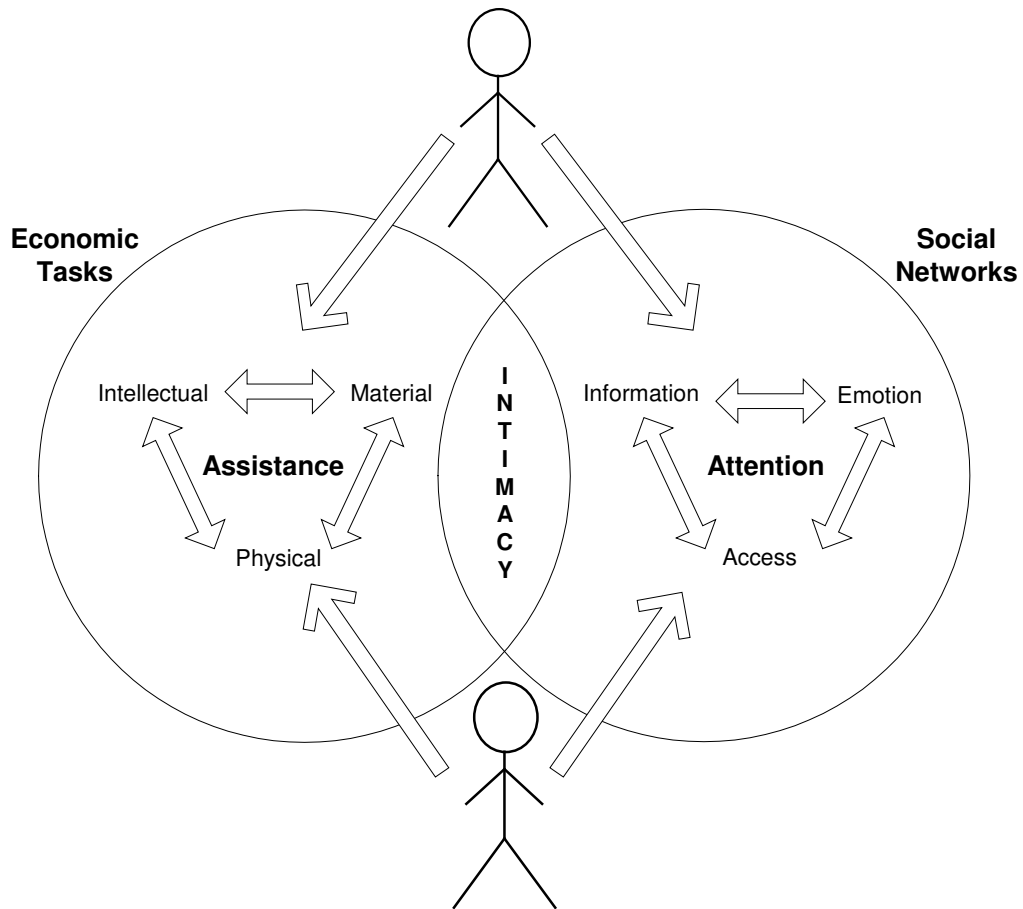
The process by which this is facilitated or obstructed (diagram 5.3) effects culture development. All cultures – both those we characterise as authoritarian and democratic, are a mixture of concurrent and recursive democratic and authoritarian processes within each relationship, social group, organisation and wider society. The relative balance between those processes – between those that increase or decrease a person's ability to get and give equitable levels of attention and assistance – affects insiders and outsiders commitment as well as perceptions of whether they are part of a democratic organisation.

The process takes place within *and between* groups. As relationships among "in-group" members grow more intimate, relationships with "out-group" members may become less intimate (although the *capacity* to be intimate may remain). In short, "in-group" democracy can increase as "inter-group" democracy decreases. These findings suggest that the development of democracy is bound up with simultaneously increasing the capacity of in-group members to be intimate with each other, at the same time as

maintaining the capacity for intimacy between different interest groups (through the agency of relationships between members in both groups). This process is linked to the legitimation of a pluralist philosophy (how else could a person develop intimate relationships across group boundaries and remain "legitimate" in both groups?) Policies or processes that *require* conformance, or which punish members for non-conformance, undermine the capacity of an organisation to develop democracy because this undermines intimacy in *both* intra and inter-group relationships.

Implications for the Literature

The discovery that people orient themselves to both tasks and relationships is not new. Bales and Slater (1956) found group leadership splits between task and socio-emotional leaders. Miller and Rice (1967) extended understanding by illustrating how people have "task" and "sentient" existences. My contribution is to contextualise this with reference to gender roles by identifying the way in which attention and assistance is sought and offered, and the way this is related to expectations regarding our role within the family. The idea that we can be androgynous at work, and hetero (or homo) sexual outside work, is untenable on the basis of the empirical data of this study.

Two key contradictions promote discussion – contradictions that create a challenge for anyone interested in equity, intimacy and democratic practices. Firstly, the empirical evidence here is that equity draws people together, and equity avoidance pushes people apart. This finding is consistent with knowledge drawn from studies of long-term relationships (see Perper, 1985; Moore, 1985; Farrell, 1986; Lowdnes, 1996; Aronson, 2003; Pease and Pease, 2004) and arguments for equity at work (see Adams, 1965; Watson, 1994). Given this, why is corporate governance so concerned with hierarchy and control as the objects of study, rather than equity and balance? If we live in a democracy, why are we studying power as A making B conform rather than A helping B helping A helping B? Why is "power" regarded as hierarchical control rather than autonomy?

There are two closely related reasons. Firstly, during the creation of a business, decisions regarding ownership and control are oriented towards satisfying the needs and fears of those at the negotiating table – they are not forward planned on the basis that enterprises need to accommodate future stakeholders. During company formation,

governance choices are shaped by the need to satisfy the relationships needed to bring the business into existence. Individualist thinking in western culture that inclines us to think of "successful" organisation in terms of control systems to make a profit does not help. An alternative way to measure success is the extent to which the continuous process of forming and developing equitable relationships allows a range of stakeholders to influence how the wealth generated is used.

What if the "success" of a business is measured with reference to surpluses shared amongst stakeholders rather than those retained as profits? What if "success" is measured by assessing how *little* work is needed to provision the organisation's stakeholders (i.e. how efficient and effective is the enterprise at *increasing* the *time* stakeholders have for developing satisfying relationships and activities?)

Reconsidering Theories of the Firm

Re-conceiving power and success in these terms allows us to conceive a theory of the firm that is more socially and economically driven, and less legally and financially driven. Certainly, the claims of agency theory are partially supported by this conception (see Berle and Means, 1932; Jensen and Meckling, 1976). However, it differs in that the "contracts" that matter are not the legal-rational contracts, but those constituted from relationships that are both equitable and *voluntarily* entered into by both parties. Moreover, these "contracts" goes beyond the written word to the reciprocal behaviours and communications that are repeated by parties. Such principles are recognised in contract law, but undermined by recent legal changes that require employers to presume disagreement if there is no *written* agreement between employee and employer.

Nothing here implies that transaction cost theories of the firm are "wrong", but it does suggest that there are a variety of dynamics at play that go significantly deeper than financial calculations to go to market or establish a hierarchy. As Turnbull (1994) reviewed, transaction costs are themselves calculated from prior information that considers mutuality (Brittan, 1975) and emotional bonds (Ben-Porath, 1980; Ouchi, 1980). This study shows how deeply social and economic expectations are related to the desire for human contact and reproduction.

Firms come into existence, and grow therefore, as a result of our *social* aspirations to be bound to particular people (in psychological, marriage and trading contracts!) While

economic thinking is a key aspect of this process, it is more to establish the *viability* of different choices, rather than to determine which choices to make (except for those who measure social value in financial terms). Non-formal aspects of a relationship (either developed prior to a formal contract, or seen as a potential outcome of a contract) are a powerful indicator of potential durability.

Hierarchies develop not simply in response to market conditions, transaction costs or leadership behaviour. They also develop because people deliberately subordinate themselves to "successful" people to access protection and wealth while avoiding conflict and responsibility.   They can develop because of our Pavlov-like reactions to - and desire for - gender difference (see Pavlov, 1902; Vilar, 1998, Chapter 1). Deeply ingrained beliefs that men are responsible for conflict handling and wealth creation, while women are responsible for relationship building and childraising, propel men and women into situations where mutual asymmetries of power become institutionalised. These contribute substantially to the discourses of the workplace to construct arguments on how people *should* behave. Sustainability, however, depends on enduring strategies for equitable reciprocity.

As such, therefore, the theory of the firm that emerges here is closer to evolutionary economics and institutional theory (Veblen, 1989; Hodgson, 1993; Foss 1998; Burns and Scapens, 2000; Coad and Cullen, 2001, 2004), but extends the scope to the provisioning of our desire for human contact, children and sensual pleasures (compare Coad and Cullen, 2001; Lammi-Taskula, 2005; Tietze and Musson, 2005; Farrell, 2005).

Conflict Handling and Culture Development

The Theory of Dissonance Resolution and Culture Development (chapter 5) was developed independently of Tjosvold's work[334] using a different set of empirical data and different research methodology. My findings, however, are similar – that co-operative approaches to dissonance resolution (conflict) lead to closer and improved relationships. Unlike Tjosvold, the contextual dynamics are considered to indicate how

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[334]   I did not read Tjosvold's work until the first draft of chapter 5 was complete.

and why people approach conflict co-operatively or competitively. These limit the applicability of Tjosvold's findings.

Dissonance resolution is *the* central dynamic in culture development. In most models of conflict resolution (see Buchanan and Huczynski, 1997) parties are described as passing through a series of stages. My findings, however, suggest that conflicts can be resolved quickly (where resolution – rather than control - is sought by both parties) or may take a long time as parties iterate around a loop in the struggle for control or mutual understanding. In short, parties can iterate around the process in a seemingly haphazard way until there is sufficient agreement to co-operate or sufficient *disagreement* to break off the relationship. On the basis of this study, there is no smooth path, no linear process, no predictable outcome.

Deliberate policies to manage workplace culture are effective for time-limited periods and are only partial in their success. It does appear to work in some respects – there is evidence that these processes affect some people and they internalise the benevolence of the company culture. In the short term, this can increase their commitment to particular value discourses. Were this not the case, would over 75% of the workforce at Custom Products have voted in April 2004 to institute an elected Governing Council and establish an Employee Benefit Trust at the first time of asking?[335]

But conformance is rewarded to such an extent that those challenging contradictions are unable to progress within the company. As a result, directors still sometimes – after 15 years - go outside the workforce to find future leaders and wonder why this "often ends in tears". The view amongst those I talked to was that such recruits just "do not get it". After completing this study, however, I would hazard a guess that they *do* "get it", they just do not like it. For Collins (2001), the inability to develop people internally is a sign of *unsustainability*. However, the establishment of an elected Governing Council may change this. From this body may come future leaders who can evolve the culture towards pluralism (see Griseri, 1998).

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[335]   As Gavin Boby, the Managing Director of Democratic Business Ltd found, such changes do <u>not</u> necessarily come easily. In most organisations he discussed, workers were less interested in employee-ownership than owner-managers.

Where conflicts occur, direct experience overrides what is written in company policies. Members draw their conclusions with reference to actions, not words. Some quietly lose faith (and become passive) while others challenge the contradictions (and become assertive). At Custom Products, challenging contradictions is a dangerous occupation that can lead to exclusion. The extent of discontent is hard to pin point, but a clear counter-culture that regards managers and even colleagues as "spies" was found amongst production and sales workers, and even a middle manager. Staff turnover and sickness provides some contextual data on genuine levels of commitment and this – together with some of the humour observed (see Appendix C9) - suggests that staff do not "love" their company as much as senior executives believe. On the basis of this study, self-conscious manipulation of culture makes only a marginal contribution to social cohesion, and can produce a counter-culture that insidiously prevents honest communication across a social network with unpredictable long-term impacts.

From Social Life to Social Enterprise

All the case study companies instituted governance processes that specifically recognised social and economic considerations in corporate level decision-making. The commonalities between them were as interesting as the differences. There were expectations of member investments, profit sharing amongst all permanent staff, and institutional processes to ensure involvement of *all* permanent staff in key decisions. The exact arrangements differed substantially, but the principles of *majority* employee-ownership, surplus sharing, and democratic involvement were accepted at an intellectual level by executives (see Ridley-Duff, 2004b). These values are still unusual in business and the durability of all the case study companies (47 years, 26 years and 16 years respectively) show that they are viable and capable of sustained growth.

All the companies considered themselves "social enterprises", but their conception differed substantially from the one propagated as part of the consultations into the Community Interest Company (DTI, 2002, 2003). The DTI definitions focus on social purpose and see no contradiction between this and the existing provisions of Company Law (see CIC regulations, 2005). The only fundamentally different requirements – over a "normal" company – is that the directors must convince the regulator of a *bona fide* social venture and accept the principle of an asset lock. In some ways, the CIC

company form is even *more* unitarist than a conventional private company. Individual investors cannot hold more than 25% of voting shares. While this prevents control by one stakeholder, it also centralises control in the members of the board. Stakeholder governance is <u>not</u> a requirement so the legal framework ensures the executive – by default at least – can have a free hand unrestrained by either stakeholder or shareholder democracy.

In what sense is this a *community interest* company? Faith is placed in the integrity of social entrepreneurs to act in the interests of other people. Based on this study, that is an extremely naïve assumption. The "common good" itself is constructed differently by individuals and opposing political parties. As the political winds (or economic environment) changes, social entrepreneurs and enterprises will find themselves at odds with new administrations. A newly appointed regulator who suddenly characterises trading activities as 'political' or 'not in the public interest' can intervene to appoint different directors or wind up a company. The law becomes a remedial tool for the imposition of the government's values through direct interference in business.

In this study, SoftContact articulated "social enterprise" in similar terms to the Social Enterprise Coalition – that it can have its social mission embedded in its corporate governance structure as well as its trading purpose.

> *Conventional private business forms which create a division between owner and employees – and which do not allow employees to become owners - perpetuate relationships that will always limit the extent to which people can participate in building the enterprise. Social enterprises set out to change this relationship in order to maximise the involvement and participation of the enterprise's workers in the development of the business.*[336]

This changed attitude to surplus sharing and stakeholder control is central to the controversy over definitions of social enterprise. For Haugh (2005:3) "social enterprises are prevented from distributing their profits to those who exercise control over them". Certainly, this appears to be the wish of the UK government through the statutory requirement of an asset lock. The intellectual heritage of this idea, however,

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[336]   FileRef: SR, para 752

comes from philanthropy and charity law and sustains the distinction between the governors and governed.

As Vanek (1977) illustrated through careful study of the Yugoslav economy, asset locks do not work in practice. Executive managers (or the workforce, in co-operatives) respond by changing wage policies to extract surplus value. A more serious complaint, however, is that an asset lock is incompatible with "social enterprise". Allen (2005:57) writes that a key characteristic is the way that "ownership structures based on participation by stakeholder groups" is matched by arrangements where "profits are distributed …to stakeholders or used for the benefit of the community". For him, the *purpose* of social enterprise is to distribute surpluses to as many stakeholders as possible – the same people who "exercise control over them".

What constitutes a social enterprise, therefore, is plagued by the unitarist v pluralist debate outlined in chapter 2. For philanthropists who want to invest their money in social entrepreneurs, the governance system is seen as a way of controlling the purposes to which money can be used, and the people who use it. The perspective is still unitarist – that 'hired officers' should be prevented from making political judgements or extracting surplus value. But for social entrepreneurs who want to earn and distribute money in ways that are determined by organisation stakeholders, a pluralist model is the ideal so that the organisation's purpose can be fulfilled. The governance system is seen as a way for employees, managers, suppliers and customers to influence business development and participate in surplus sharing.

Some differences are observable between the case study companies although the direction of change in all of them is towards a communitarian pluralist position (see Ridley-Duff, 2004b). At the MCC, this commitment has always been based on the principle of one-member, one-vote and solidarity (internally and with the community). Different interest groups are given voice through both governing and social councils. The MCC model directly influenced both Custom Products and SoftContact. At SoftContact, constitutional provisions encouraged social policy debate in general

meeting, strategic debate within the board, and operational decisions in management meetings[337].

While the directors of Custom Products accept economic democracy in principle, it is less clear they are committed to social democracy. Some directors argued against the separation of powers into a tri-partisan structure - concessions had to be made before even a bi-partisan structure was accepted. Management executives continue to handle operational issues with little scrutiny from the governing council and their responsibility is only to *consult* on social policy. Staff – if comments at the company's "Democracy Day" are accurate – may challenge this, but the executive's indirect control over eligibility for election indicates a continuing tension between democratic centralism and liberal democracy.

Tensions between unitarist and pluralist outlooks also existed at both the MCC and SoftContact. For many years, the MCC governing and social councils were chaired by the (elected) President of the company. After a series of reports and intense criticism in the local media, the social councils were finally allowed to elect their own chairperson (Whyte and Whyte, 1991; Kasmir, 1996). As the empirical data from SoftContact illustrates (see Appendix, C8), it was not always clear where the boundaries between business planning and social policy were set, or whether the constitutional separation was being enacted in practice.

The constitutional arrangements, however, do express *aspirations* to organise democratically. These can be abstracted (see diagrams 7.2 and 7.3) to make a contribution to knowledge by linking the divisions of power observed with the social and economic aspects of human existence. Designing governance systems around this recursive tension is not only epistemologically legitimate but also – on the basis of this study – both empirically validated and commercially sustainable.

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[337]   Set out in the Articles of Association - induction documents construct the company in terms of three competing interest groups: investors, managers and workers.

Diagram 7.2 – Defining Private, Social and Charitable Enterprise
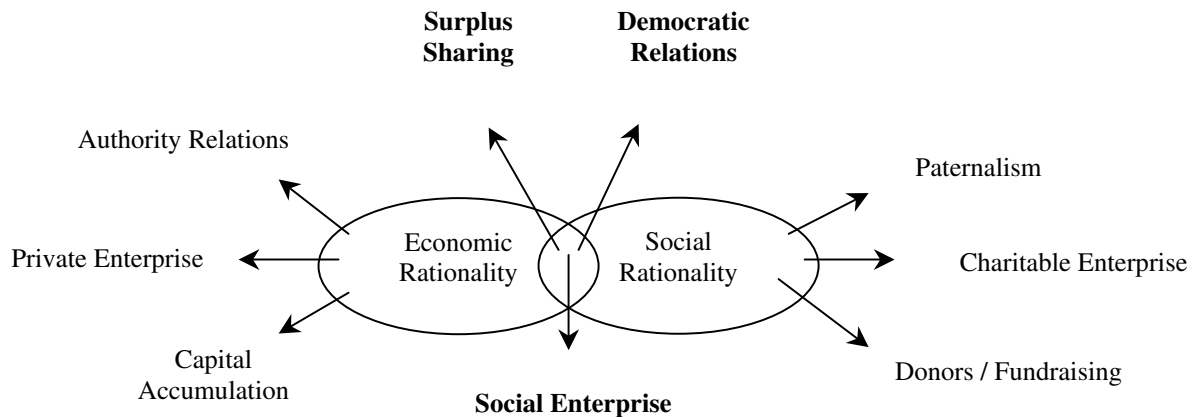
Diagram 7.3 – Social Enterprise Governance
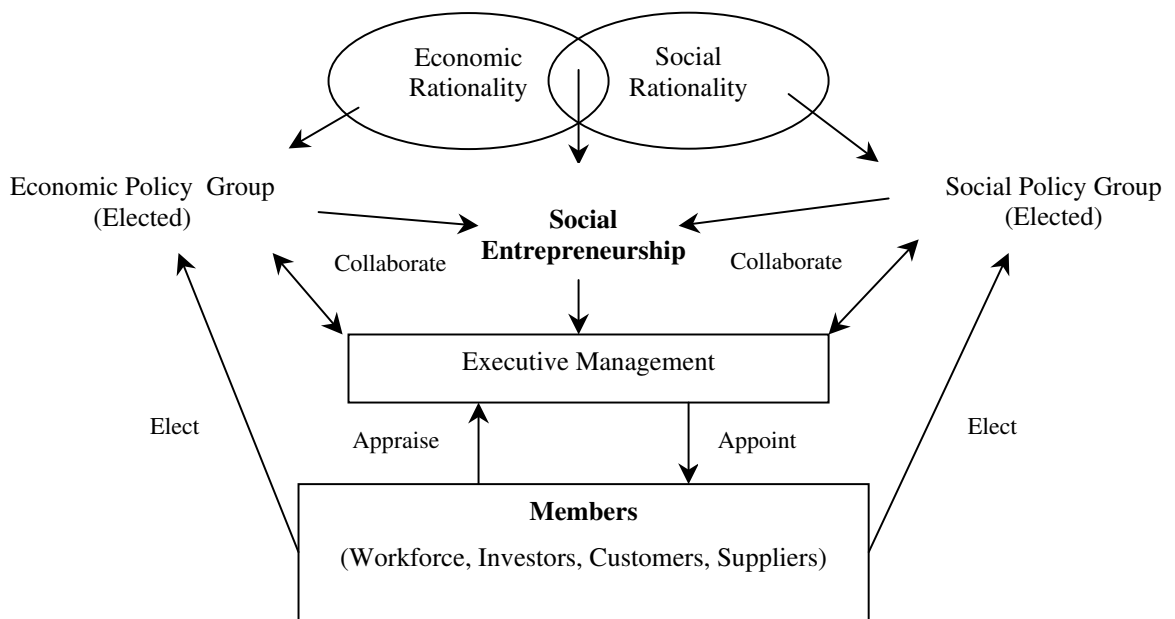
Closed-loop control systems are found in all the case study companies. Senior

executive(s) are accountable to bodies elected from stakeholder groups – including

those working in the enterprise – blurring the division between governors and governed.

Unlike the provisions in the Combined Code 2003 – all the case study companies

believe that only parties *with* a vested interest should sit on the governing body.

Emotional commitment is regarded as a *prerequisite* not an obstacle to a member's

ability to act as a governor. Conflicts of interest are resolved by *internalisation* through

debate in General Assembly, rather than by reliance on "independent" arbiters. This

internalisation of conflict is, therefore, a characteristic of communitarian governance expressed through the outlook that members are "both workers and entrepreneurs"[338].

After a 200-year diversion, a way to internalise the contradictions between social and economic domains are being expressed through new systems of governance. In essence, a governance logic is developing aimed at balancing socially rational and economically sustainable goals through the principle of equity for all stakeholders. The intellectual logic can be represented as follows:

Diagram 7.4 – Theory of Communitarian Corporate Governance
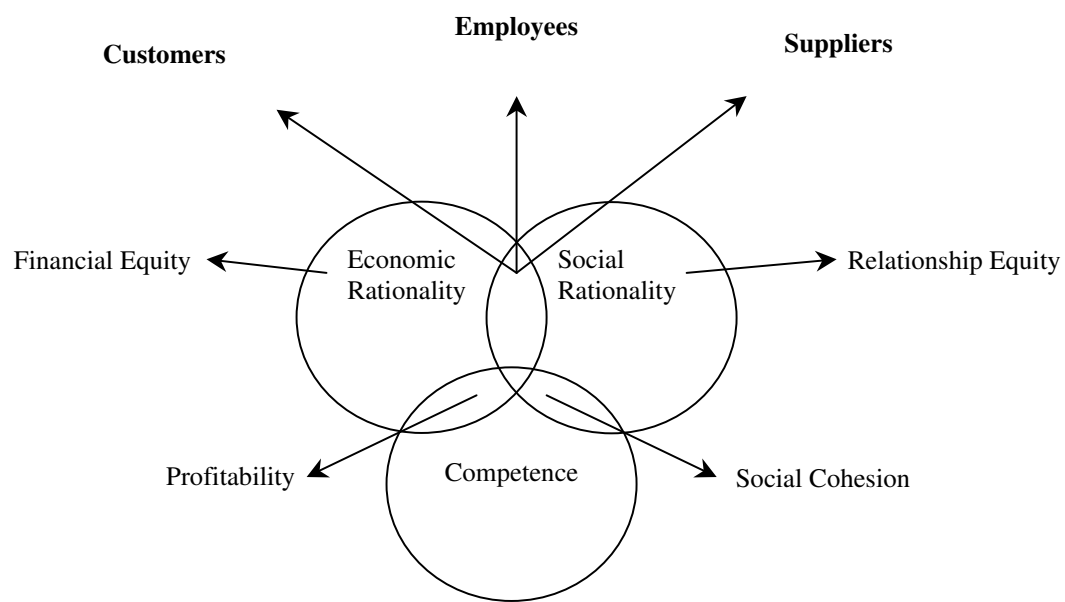
Sustainability is most likely – subject to competitive conditions - when all three circles intersect. Governance thinking mirrors the dynamics found within successful personal relationships rather than asymmetrical power relationships between employers and employees. Governments in France, Spain and Italy use Cooperative Law to regulate trading organisations based on these principles. In the UK, such laws do not yet exist. Therefore, this study represents a contribution to the debate about the principles on which future Cooperative Law can be founded.

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[338]   Mikel Lezamiz used this expression. I asked whether he meant "workers and owners" and he said "No, workers and entrepreneurs".

The Research Questions

In chapter 1, I set out some questions. The first asked whether Harry and John have devised a corporate governance system rooted in communitarian values? The answer is a heavily qualified "yes". The bias – to date at least – has been towards unitarist interpretations of communitarianism that accept arguments for meritocracy over democracy. Even after changes, executives can still bar members who are considered "not on board" from standing for the Governing Council.

This stands in contrast to both the MCC and SoftContact where all members – without exception – can stand for governing positions if they have democratic support. Ben will be an interesting test case. Will he now be barred from standing for the Governing Council after the way he raised equal opportunity issues? At the MCC and SoftContact his right to stand cannot be removed by executive managers, but it can be at Custom Products even if he has the necessary democratic support.

Talk of "shared values" and "rights and responsibilities" are consistent with the communitarian rhetoric as espoused by Etzioni (1995, 1998) and Tam (1999). The character of the culture at Custom Products (and the MCC) is also sustained through cult figures who are revered. In the case of Custom Products, Reecey is seen as embodying the values on which the company is founded, although many people identify with Harry – the founding entrepreneur. Reecey's picture greets people on arrival – another picture hangs in the boardroom. Rituals such as the "Reecey Award" are built into the culture to encourage conformance to social values. At the MCC, Father Arizmendi, is similarly revered. When visiting the university, statues adorned university squares, and the Arizmendi museum was shown to us on a tour of the management school. This is reminiscent of Weber's typology in which communitarian organisations are built around a much-loved figure (Weber 1942, 1968).

The second research question can be answered by considering the sub-questions it generated.

What are the underlying epistemological and philosophical assumptions?

Surprisingly, the underlying epistemological and philosophical assumptions are somewhat contradictory. In conversation with two senior directors, there was considerable recourse to 'genetic' talk. Harry prodded me in the direction of Adam

Smith, confessed a liking for Charles Handy's "The Hungry Spirit", while John drew on cognitive and social psychology, character profiling, psychometric testing, and "behavioural" interviews. As I withdrew from the field, Gallup psychometric tests had been introduced to help identify potential directors (using the "strengths" of existing directors as a benchmark). Prior to my application as a researcher, John gave me two psychometric tests – ostensibly to help my professional development - but probably also to allow him to assess my character. There was, in short, considerable use of rationalist knowledge based on individualist assumptions.

Where, then, did the influence of communitarian philosophy come from? Key influences include the education background of most directors – a discipline that draws on the democratic and communitarian writings of John Dewey. Beyond this directors were familiar with Peters & Waterman's "In Search of Excellence", John Collins "Good to Great", and William Glasser's "Choice Theory". The first two of these both derive from a belief that "excellence" can be achieved through culture management. Both texts emphasise the characteristics of "great" companies and the way core values are believed to underpin superior commercial performance. John Collins book was required reading amongst directors and ideas were used in board meetings. The third book was highly unconventional in that it saw psychological conditions as an outcome of *current* relationship changes rather than a product of culture or upbringing. References to it were found in the culture classes and internal management documents.

An array of communitarian and individualist sources were eclectically mixed in an attempt to create a "community" culture, based on six "pillars" with associated "rights and responsibilities". This is presented in a way that appeals to a person's sense of morality. HR techniques, however – particularly cognitive dissonance in recruitment, induction and training, and face-to-face control behind closed doors – are more reminiscent of the brain-washing and manipulation techniques discovered in the 1960s (see Schein, 1961; Thompson and Findlay, 1999). These are mixed with good old-fashioned seduction techniques (Willmott, 1993; Lowdnes, 1996) to induce emotional commitment to the goals of the company.

How did it develop? How is it implemented in practice?

At its outset, Custom Products was a conventional entrepreneurial enterprise – formed by a person capable of building and sustaining relationships through entrepreneurial values and outlooks. The first intake of sales staff accepted entrepreneurial risks by working wholly on commission. In the mid-1990s, however, the approach to sales and marketing changed to one based on scripts and sales models that could be learnt by less experienced staff.

Recruitment policy changed. The founding sales team – intact but alienated at the start of the research, crumbling and marginalized by the end - maintained that "people buy from people". Sales models and presentations were overtaking sensitivity to the customer and interpersonal skills. Telesales staff also developed scripts to systematically overcome objections to making appointments. While this is apparently successful, staff turnover in telesales (as is the norm in other companies) is high. Formalisation and standardisation of operating procedures is slowly creating a more bureaucratic culture.

In HR – from the mid 1990s onward – standard procedures for recruitment were introduced. Many of these are validated against CIPD 'best practice', but at their heart is a 'behavioural' interview whereby a set of expectations are evaluated throughout the recruitment process. This is underpinned by a belief that people either have the values or not – the company is searching for those that have. The behavioural model is individualist in its assumptions and has evolved into a sophisticated and routine process for recruitment, induction and socialisation. It is, however, largely ignored in executive appointments except as a final check.

From 1999 onwards, the process of "normalisation" has intensified. The agreement on community pillars, rights and responsibilities have been written into contracts of employment and permeate other culture artefacts. There is evidence that this normalisation process is contributing to internal conflict, and increasing the propensity to construct disputes as a "culture mismatch" on the part of the employee. In April 2004, however, over 75% of the workforce voted to establish an Employee Share

Ownership Trust and Governing Council, and this was enacted in October 2004[339].
There is, therefore, still a high degree of public support for the culture inside the
organisation.

Can the model be generalised and made useful to others?

Many aspects of the corporate governance model are now standardised – particularly the
recruitment and induction design, interview processes, and culture classes. They
continue to evolve year on year, but are sufficiently well developed to be packaged and
commercialised if there is a desire to do so, or for others to learn from their example.
Whether organisations will wish to use these techniques depends on whether the
outcomes observed are desired. The findings here are that the techniques work for a
limited period, but may promote a counter-culture of passivity interspersed by
occasional explosive conflicts. Those who have lived in the culture a long time, while
sometimes sceptical or privately critical, do not necessarily claim that they would be
happier in other jobs, so the models still merit evaluation.

There is room, however, for scepticism over whether the approaches will actually
benefit other companies. Employees may be reducing their cognitive dissonance
through ritual displays of "fun" and "happiness" (see Aronson, 2003) in ways that are
similar to the "happy subjects" of totalitarian regimes. Employees understand their
responsibilities well – and are expected to learn the mission statement and core values
by heart at culture classes. Other indicators – such as variable sickness levels and staff
turnover, and reluctance to speak up at meetings facilitated by directors – do not
indicate a democratically progressive company.

One academic colleague expressed disappointment that "there's nothing new here" –
pointing out that the culture management techniques are over 20 years old (see Peters
and Waterman, 1982) and the outcomes of such approaches have been extensively
reported in previous studies (see Kunda, 1992; Willmott, 1993; Thompson and Findlay,
1999). However, it is unusual for a company's management and workforce to
voluntarily transform themselves *into* a company majority owned through an employee

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[339]   Fame Database, accessed 03/10/05

trust. Corporate policy eschews outside equity finance in favour of debt finance on both moral and commercial grounds. At the time of writing – even with increased activity in recent years - there are fewer than 100 such companies known to me in the UK[340], so its fortunes, growing pains, and experiences should interest anyone considering employee-ownership as part of new democratic business movement (see Gates, 1998; Melman, 2001). The exit route on offer to entrepreneurs has attractions – it places a high value on the contribution of employees, bequeaths the wealth creation *process* to the creators of that wealth, and can establish the entrepreneur as a "good person" in the local community! If confidence improves, wealth transfers to entrepreneurs may rival those available from a trade sale or public floatation providing an attractive alternative.

In the next section, contributions are made to critical ethnography, grounded theory and research ethics. Consideration is given to the *a priori* bodies of knowledge that impacted on the way the ethnographic study developed before discussing representation of the ethnographer, handling of bias, use of body language and an understanding of emotionality. There is extensive comment on ethical dilemmas, particularly the complexity of situations faced during this research and how they might have been resolved differently. In considering limitations and generalisability, an evaluation against the criteria set out in chapter 3 is undertaken to consider the impacts of the methodology. Lastly, I consider how the research has changed me personally.

Methodology

No study is conducted in a vacuum. This work does not exist outside the cultural traditions of the research participants, academic literatures, or my life experiences. It is one of the strengths of this study, I hope, that conflicts between these have been deliberately exposed to produce useful theory. No claim is made that this study represents "the truth". My goal has been to reveal different "truths" to stimulate theory and provide alternative ways of seeing. If others find these insightful and useful, then the research has succeeded in its goal.

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[340]   Guy Major found 22 such companies in 2002.

There are three substantive *a priori* bodies of knowledge that I brought into the study, which – with hindsight – impacted not only on data collection, but also interpretation of the data. The first is my experience of democratic working. It is rare for a researcher to have spent 10 years working in a co-operative before studying corporate governance. It is still rarer that after such an experience, s/he should have spent a further two years in academia learning about and researching the reconciliation of democratic theory with contemporary discourses in management. The difference between reading about, and living embedded within, a democratic organisation is greater than I realised.

My experience of equitable – non-authoritarian – relationships, however, stretches back even further to a time when I grew up – aged 13, with my 15 year-old sister. For most of my teenage years, I lived without a mother or father and therefore self-management was a way of life from a very early age. It is quite possible that my interests in (and comfort with) equitable ways of relating to people stem from much earlier experiences than those encountered at work.

Power exists and is exercised in non-authoritarian settings. Indeed, the perspective offered here is that much *more* power is exercised (hence the greater levels of conflict, debate and argument). Living within a culture that deliberately developed systems to prevent centralisation of power and hierarchical authority made me particularly sensitive to these issues (and inclined to react against them more strongly than others). The extent to which this affected me became evident when I could not adequately see how challenging the ideas of those in authority would affect the path of the research. To make such challenges were normal for me and my expectation, given the company's claim to be democratic, was that such challenges would not cause undue stress. I did not realise that such challenges might be interpreted as hostility because my previous experience was that they were welcomed as a prelude to vigorous debate.

One learning point, therefore, is how people in authority dislike having someone in their midst questioning assumptions about the cultures in "their" organisation. With hindsight, my lack of fear was both a problem and benefit to the research. I went far further than many researchers would go precisely because I was insensitive to the notion that – as a researcher - I should "know my place". My lack of submission to authority, however, caused problems for members of the sponsoring organisations who progressively applied controls that might normally be expected to reduce (or suppress)

conflict but in my case – due in no small part to values derived from daily living in a democratic organisation – acted a bit like dangling a red rag in front of a bull.

The second is my experience of gender issues. These were shaped as a teenager by the activities of my sister (who researched and later established a women's refuge). A sympathy with feminist perspectives, however, was shaken not so much by leading an investigation into sexual harassment in the mid-1990s as the subsequent refusal of *both* male and female colleagues to discuss, let alone acknowledge the findings of their own investigation. As a consequence, I began to see my authority – and election to 'lead' the investigation – as something of a sham. It made me much more sensitive to the way that men are regarded at work, as people to be used in the resolution of the most contentious conflicts, and sensitised me to alternative gender discourses.

This impacted on the research through my sensitivity to gendered behaviours – both in myself and others - that would not have interested other researchers in this field. It also meant that the perspectives adopted during recording and interpretation could be both orthodox and highly unorthodox. The importance of gender emerged only when managers in the primary case proactively used gendered perspectives as part of their management control strategy, and also to apply them directly to me. My sensitivity on these issues – due to past experiences – was particularly acute.

In the situation that evolved, I saw an astonishing level of congruence with the investigation I led in the 1990s – except that my role in the conflict was quite different. It was like a *déjà vu* experience watching the responses of someone else elevated to the position of arbiter and awaiting the outcomes. To go through such an experience once is unusual. To go through it twice – the second time on the opposite side of the balance of power – was not just extraordinary, it was deeply fascinating and frustrating in equal measure. For this reason, it not only held my interest but motivated me to change the perspective from which the study was written. Such strong confirmation of a complex social process – in a completely different setting, and in a completely different way – is not only rare but also unlikely to be coincidental.

The third body of *a priori* knowledge comes from being a systems analyst and developer of software. For the greater part of my working life I have entered organisations to unravel their administrative systems, expose the way processes are

embedded in the way data is stored and used, and then worked collaboratively to devise new systems that meet departmental or executive aspirations. The way this manifest itself was a reluctance to embrace conceptual models that were hierarchical – preferring to embed emergent concepts within models of social processes. NVivo – a text analysis tool for qualitative research - encourages hierarchical ordering of concepts. After using it to identify concepts – my preference was to switch to paper based ways of "playing" with them by elaborating decision-making processes. Ironically, as grounded theory seeks, a single concept – intimacy – did emerge, and its dominance across interpersonal, group and corporate governance gradually became clear. In considering my final reflections, readers can consider the extent to which these *a priori* bodies of knowledge impacted on the findings.

Ethnography

An ethnographic approach uses experiences and discourse as resources. Such an approach is fraught with problems as different sub-cultures socialize the ethnographer in different ways. The informality of ethnographic study enabled discussion of intimate behaviours but also created conflict. Unraveling which processes and conflicts were attributable to my position as researcher and which to my status as an 'insider' was one the biggest challenges during analysis and write up.

Insiders, Outsiders and "Going Native"

The concept of 'insider' is itself problematic. At different times I was treated as an 'insider' by different groups (office workers, managers, sales staff, production workers, temporary workers, researchers). However, there are other 'insider' groups that are more difficult to enter. At Custom Products, there was a smokers' group. As a non-smoker I could not achieve 'insider' status although friendships with smokers afforded me some access. The group was a constant source of angst to managers who considered it a "hot bed of discontent" to be broken up.

Another informal group – that of 'bullied' members of staff – did partially accept me, at least until an attempt was made to bring the issue of bullying into the open. Meeting the entrance requirements of different in-groups requires time and some luck. While time in the field improves the chances of access, stronger socialization also occurs through participation in rituals, and this can compromise access to other groups.

There are two aspects to the issue of "going native" – one much discussed (concerning the researcher) – the other less so (concerning the research participants). Firstly, there is the issue of the researcher becoming so socialized that they are unable to notice anomalies in the culture or step outside them. But a second aspect is not, in my view, extensively discussed – that of the research participants coming to believe that they can treat the researcher in the same way as any other insider. When participants treat the researcher as an insider, this too presents a problem to the researcher (and researched). During the study, people not only continually asked if I was "on board", but also sought reassurances from me that I would remain after the research[341]. This extended to those sponsoring the research who became unable to see the conflict of interest – for the research – of attempting to recruit the researcher!

Did I go native? If I did – and certainly after being asked about succession issues there was a short period where I started to see the company's aims as my own - my commitment to the emancipatory goals of critical ethnography continually militated against this. Two substantive interventions were made, driven both by a desire to learn about the culture, but principally out of concern for some research participants. Embededness in a research community is – in my view – essential to draw the researcher out and create space for reflection.

A second process that militates against going native is transcribing and micro-analyzing the journal. This raises new perspectives because knowledge of outcomes encourages reinterpretation of earlier data. This continually raises new questions which – when asked – starts a process whereby the researcher is transformed from an "insider" to an "outsider" again. This period – it appears to me – is particularly problematic. As the researcher assembles theoretical concepts and meanings, they will challenge meanings already present in the culture. Will those with control over meanings feel threatened? Will they allow control of meaning to pass to the researcher for wider discussion? Control of meaning may be jealously guarded making this period of research particularly problematic.

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[341]   These assurances were requested by many people – both inside and outside the management
           group.

Unraveling Ben and Andy

The issue of representing the researcher is problematic in the relationship between Andy and Ben. Ben is constructed out of four cases and sometimes the relationship reflects dialogue between myself and people inside Custom Products. But in some parts of the story (particularly the conflict over a drink invitation) my own experience is used to create a dialogue between myself as participant and myself as researcher. Why this choice?

It resulted from a realization that aspects of my experience were common to others inside the organization while others were related directly to my research role and life experiences. It was put to me that the conflict arose because my behaviour was incompatible with my role as a researcher. This view, however, was not consistent with the empirical data. Not only had my drink invitations been repeatedly accepted early in the research, sexual behaviour (both towards me, and by me) was not simply allowed to pass unchallenged, but even welcomed and encouraged. The recasting of my behaviour as "inappropriate" was also consistent with the experiences of others inside the company whose status oscillated between insider and outsider within their peer groups. John, for example, was the target of sexual behaviour by Diane, but claims he was cautioned by Brenda when he expressed a wish to engage in similar behaviour. The inconsistencies were sufficient to continually generate questions. For example, at the very time John's wish to invite a woman for a drink was prompting concern, the same staff group *encouraged* a relationship in which a recently separated man – holding one of the most sensitive positions in the company – dated his immediate subordinate. This meant that the casting of sexual behaviour as "appropriate" and "inappropriate" is contextually related to shifts in influence and power. "Insiders" are permitted to be sexual while "outsiders" are not.

During write up, experiences in common with other participants were articulated through Ben's character. For example, several men (and women) reported that managers claimed they were "unprofessional" regarding their behaviour towards others with consequent impacts on their future prospects. Accusations of "thinking errors", "losing the plot" and "being emotional" – these were all reported to me by several people – often using exactly the same phrases. It was as if those invoking these phrases were following a programme for the social exclusion of others. Reports of lost sleep,

weight loss, fear – these were reported by men (and women) after resisting attempts by directors to construct "truths" that participants perceived as "lies".

Where experiences were **not** duplicated by other organization members, they are articulated through Andy on the basis that they related to my background before becoming a researcher, or were intrinsic to the research role. Experiences such as investigating a company-wide sexual harassment case (as Andy) informed the way that Ben was advised to respond. At the time I recalled precisely the advice given to me by an equal opportunity consultant – advice that had been repeated to others over the years who found themselves in similar situations. In this case, the advice was given (by Andy) back to myself (as Ben) and constitutes the justification for presenting this data as an "insider" account – not the constructions of Andy the researcher.

Similarly, being a company director and Chief Executive, conducting research interviews, discussing governance structures, writing articles and academic papers – these were all experiences that were **not** in common with other participants, but which contributed to my agency in the field as a researcher. This separation creates greater authenticity, plausibility and epistemic reflexivity through the capture of dialogue between past experiences and present action, how our learning from the past impacts on agency in the field.

While I could not experience social life in *precisely* the same way as others, or draw *precisely* the same conclusions, by matching my behaviours and feelings to those reported to me, it is possible to construct *authentic* and *plausible* insights. Through the creations of discourses, a new way is offered for the researcher to be a "research instrument par excellence" (Hammersley and Atkinson, 1995:19) by using "the researcher's knowledge of his own feelings" (Douglas, 1976:16) to provide deeper insights into a culture. My aim – through Ben's discourse in particular – is that the reader gains an authentic sense of what it can feel like to be an employee at Custom Products replete with consistencies, contradictions, happiness and sadness.

Ethical Issues

In ethnography – particularly adopting a grounded theory approach - the lack of an explicit agenda can induce participants to talk freely about matters that they do not realize will become the focus of the study. This applies to the researcher as well. The

emergence of gender as an issue may have been possible only because it was not clear how important this issue is to governance practice. In this research, it created particularly difficult ethical issues.

Within codes of ethics, as with any normative system, contradictions occur between different values. Which values matter more? At what point, and how frequently should an ethnographer – particularly a participant-observer - inform participants what they are researching? How can the researcher do this when they are committed to allowing theoretical concepts to emerge? What is the ethical balance between suppression of findings at the insistence of 'powerful' people, and the researchers' right to use accounts – including their own - that were freely given? Should participants in full knowledge that they are actively trying to influence a researcher's interpretation of events then seek to suppress their own opinions? Is it 'wrong' for a researcher to challenge a manager's account claiming to speak for 'the overwhelming majority' when in possession of data from others who also claim to speak for 'the vast majority'? Should the researcher remain silent, duck and dive (as one colleague put it), or bring out the contradictions to see what happens? These are some of the dilemmas it became necessary to navigate.

The nature of critical ethnography is that participants (including the researcher) will encounter difficulties and contradictions (see Thomas, 1993). A study of culture is not conducted under conditions of calm in a cosy interview room with cups of coffee. Nor is it always possible to anticipate the impact of particular questions. It is real life, happening in real time, sometimes raw and deeply emotional. The obligation, it seems to me – if the experience is one of genuine participant-observation - is to use knowledge of the culture to act in ways that are consistent with what has been learnt and then note the feelings, dilemmas and outcomes for the purpose of reflection.

It was put to me by a colleague that a researcher studying drug addiction would not themselves take the drugs. I agree with this sentiment but add that living with the drug addicts, sleeping rough to see how it feels, staying with them when police arrive and allowing oneself to be deliberately mistaken for an addict – these are valid strategies for learning. It can be dangerous, for sure, but the person best placed to assess potential risks and benefits is the researcher. If "misjudgments" are made, so long as the health of the researcher and participants are not endangered, they can yield highly valuable

data. Life is not always cosy and researchers should not pretend to themselves or the participants that it is.

I have, at times, included statements that participants would probably not wish to have been included (had I been able to ask them). On one occasion, I include material that a participant was concerned should not be attributable to them. While care has been take to ensure anonymity, these decisions need some ethical justification. Gill and Johnson (2002:160) argue that "producing a more comprehensive study is never justified by putting the job of an informant at risk". It is easy to agree with this statement in the abstract – but it fails to capture the complexity of situations that can occur. Sometimes not intervening also leaves informants at risk.

During the research I uncovered bullying. The first instance was a personal experience when a senior manager not well known to me at the time tried to deliberately trap my fingers in a door. That same manager was later reported to me as the person who grabbed one of my work colleagues by the throat after he took exception to a joke. It is unfair to tarnish this person, because bullying emerged as endemic at all levels in the culture.

On reviewing personnel files, a complex case emerged. A person was "resigned due to culture mismatch" for bullying someone. It later emerged that this person had been *reacting* to bullying by a relative of a senior member of staff. So a second person was "resigned due to culture mismatch"! This, however, was not the end of the matter. During my period there, two *other* senior managers were accused of bullying by an employee on extended sick leave. After discussions with a counselor, they wanted to address these issues on their return to work but managers felt she was not "moving on" and "letting go". Before long, she too was "resigned due to culture mismatch". The issue would not go away.

In January 2004, I received an anonymous company survey form highly critical of directors, followed by an anonymous poem from someone "dying" inside the company. Concern mounted only for me to undergo a personal experience in which I too felt bullied. The paper on critical theory v ethnography (Putnam et al, 1993) is relevant here. Stanley Deetz argues that critical researchers always have an obligation to intervene so that the power relations that exist between managers and workers can be

exposed. There is, therefore, a methodological justification for intervention. John Van
Maanen, however, cautions against interventions unless there is a moral case – and
confessed that he had occasionally made such interventions. The protagonists in the
debate both agree that interventions can sometimes be justified, but differ in their
reasoning.

Aronson (2003) describes the dilemma as one between the value of freedom in scientific
enquiry and the need to protect the dignity of human beings and their right to privacy.
How, in this instance, could both be preserved? There were implications from
intervening and *not* intervening – concern for the health of some research participants
required an intervention, but this could have impacts for other participants. The choice
was not between harm and no harm, but between which harms were more acceptable. It
was – as one colleague commented – a no-win scenario.

The path followed had serious consequences for me personally (as well as others) – but
in the circumstances, it was hard to see a better alternative:

> *I've sent my account to Harry, Diane and my supervisors. I've sent other papers to my*
> *supervisors and also to John and Diane. And I've contacted other people outside the*
> *management group to begin the process of authenticating what I believe is going on. I'm scared*
> *- I don't mind saying it. But I feel this is right. What I will not do, either for the research or in*
> *life generally, is leave people suffering when I know they are suffering.*

I chose to recount *my own* experiences and hoped all the anger would be directed at me
rather than other parties. But I underestimated the participants' trust in me. The
intervention – in the sense of creating an environment in which bullying and gender
issues could be productively discussed - did not work.

Part of the dilemma was the obligation to a democratic research design. I interpreted
this as a requirement that the claims and involvement of non-management staff should
be regarded as equal to managers. If managers sought to discount the views of others,
this inclined me to seek the views of these 'others' more actively. If the views of
managers were sought, I felt an obligation to seek the views of non-managers. Caught
between two camps, each wanting to propagate their version of the culture created
irresolvable insider/outsider problems. In resisting both camps, both – eventually -
rejected me. But it crystallized the ethical debate put by Johnson and Duberley (2000)
that ethnographers should be careful about engagement with participants over agreeing

what material can and cannot be used. Next time I will consider capturing the data and making a run for it!

Would I do things differently next time? Were my actions mistakes? On the first question, my answer is definitely "yes" – but the purpose of doing so would be to establish the answer to the second question. It is not possible for me to evaluate the second question without more experience. The knowledge gained from challenging the management discourse (and methods of exercising authority) was considerable, and until other approaches are attempted it will not be possible to make a comparison between the benefits and pitfalls.

A different path could have been taken and will be in the future. But in this case, I opted for a line somewhere in between Van Maanen and Deetz. There was both a moral obligation to intervene and also a methodological justification. It is hard to regret the approach I took here, even if I would not choose to take it again. With hindsight, it may have been a mistake to use my own – rather than others – experiences. As a result my actions were misunderstood as an act of personal spite. My intention – at the time, as now – was to use my experiences as *illustrative* of the experiences reported to me by others while protecting participants who felt vulnerable. My goal was to stimulate debate, not make accusations.

Earlier research into the same company – conducted through surveys and interviews – produced different findings. Does this cast a question over my findings? I believe not – it would strange indeed if surveys and interviews (even repeated interviews several hours long) were to produce the same findings as a study in which data was collected over 18 months on a daily basis, much of it working side-by-side with people. The challenge is to theorize about the contradictions rather than question the findings.

It will be for the participants to assess whether the interventions had any positive impacts. If, as Johnson and Duberley (2000) argue, they make it harder for other researchers to gain access in the future, then my hope is that the payback is reflection that reduces bullying and increases gender awareness amongst participants. As Freud (1923) argued, learning is often proportional to the emotional impact of an experience.

Making Ethical Choices – Taking a Lead from Research Participants

A day attending a university course in ethics convinced me that codes of ethics are a hazard to both researchers and participants if the goal is to learn rather than achieve social control. The company names in this research – apart from the MCC – have been changed. On a few occasions, I have deliberately misdirected the reader so that anyone tempted to discover the identity of either the companies or participants will face a series of endless frustrations. Names have not only been changed, but their testimony has been mixed with the testimony of others to encourage focus on *discourses* rather than tracing who said what.

Controversial data with no direct relation to the central thesis has been discarded. "Risky" data has been included only where its omission would itself have created an ethical dilemma. In some cases, the omission would have been tantamount to falsification. If all testimony of bullying or sexual behaviour, for example, had been suppressed, could I hold up this study and claim it as authentic? The answer is 'no' - the apparent contentment of many participants cannot be understood without considering both their fear of being bullied, and also the satisfaction they derive from close relationships within their teams.

How then, do I justify – on ethical grounds - the inclusion of particularly sensitive data? My contribution here is to suggest that the standard should be set by the claims and concerns of the research participants. At Custom Products, the company vision is to "offer people with shared goals and values the opportunity for continued **personal** and **professional** development…" and the leaflet sent to potential recruits states that the company "is structured in a manner that allows people the freedom of expression and involvement they require in shaping the direction of their **lives** and **careers…"**[342]**.**

These claims are very specific. The company intends to impact on members "personal lives", not just their "professional careers", and this makes it ethical for a researcher to pay special attention to the intersection between the two. If, in a company that sets out to allow people "freedom of expression…in shaping the direction of their **lives**…", it is

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[342]   FileRef: ST-P1, Document 2.

found that directors' are inhibiting such freedoms, then the contradiction is worthy of close scrutiny.

Moreover, if it is acceptable for directors to expect staff to engage in sexual behaviour – and even participate themselves - to enhance the "fun" at formal company events, then it becomes legitimate for a researcher to consider the purpose of sexual behaviour in governance[343]. If it is acceptable for participants to ignore (their own) requests for confidentiality during research interviews then it is reasonable to report this and consider the outcomes. Lastly, if participants feel it is acceptable to challenge the moral conduct of others while oblivious to their own conduct, then it is sensible to consider the impacts of perceived hypocrisy on the evolution of conflict.

I would call this a *contingent ethics* approach, in which the standard is set with reference to the findings of the research. The obligation of the researcher then becomes the exploration of what participants *choose to make relevant* and consider the question "why?" If the data and theorization offends sensibilities, it may be that the cultures described are offensive when judged by alternative criteria. Your own emotional reactions, therefore, operate as a guide for you to consider your own *a priori* perspectives and values.

Ethics and Methods

Something can be learnt from Aronson's (2003) review of the Milgram experiments – experiments that were lambasted on ethical grounds at the time, but which have made a lasting contribution to knowledge. What is the balance between the benefit and harm to the research participants from publishing a study? Aronson describes how both researchers and participants cannot know in advance what self-discoveries they will make through their participation, or whether such discoveries will be therapeutic or harmful (Aronson, 2003:344):

> *A few years after having published his results, Stanley Milgram confided in me – sadly, and with a tinge of bitterness, that he believed much of the criticism was fueled by the results he obtained rather than the actual procedure he employed. That, in and of itself, is an interesting question. Would the criticisms of the*

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[343]   Particularly if HR staff recount these stories to newcomers during their induction!

> *ethics of Milgram's procedure have been less vehement if none of the participants had administered shocks beyond a moderate level of intensity?*

A decade later, researchers tested out this hypothesis and found it to be true (Bickman and Zarantolello, 1978) – when participants did not know the outcome of Milgram's experiments, his procedures were considered ethical. The issue here is that ethical problems arise when research participants confront aspects of themselves that do not match their self-image. This has certainly been the case in my research. While it is not the job of researchers to court controversy, it is in the nature of research to create it. Reporting new perceptions of truth (i.e. reporting that which is hidden by a culture) *will* create controversy. In an odd sense, the value of a research project is proportional to the amount of controversy it creates.

In ethnography, the most acute dilemmas relate to data collected in informal settings - here there have been frequent discussions with my supervisors. If, for example, a key member of staff responsible for upholding corporate values expresses private reservations after a drunken night out regarding the way values have been applied, is it the responsibility of the researcher to report them or discard them? Are these data unreliable or the most reliable? My view is that data obtained when the constraints of a culture have been removed by a *change* of social setting are the *most* reliable (see Hammersley, 1992; Hammersley and Atkinson, 1995; Alvesson and Deetz, 2000). It is precisely the presence of the researcher in so many different settings that allows them to "penetrate the various complex forms of misinformation, fronts, evasions and lies' that are considered endemic in most social settings" (see Gill and Johnson, 2002:165). Not reporting or using them leaves the ethnographer open to the charge made by Ward and Werner (1984) that the ethnographer will undermine their own research if they fail to report and consider dissonances between different data.

Researchers need to balance their responsibility to consider the well-being of participants with responsibility to theorize about how data changes in different settings. But, if faced with a choice between falsification or reducing the hazards to research participants, then the latter can only be done to the extent that the former does not occur. Research participants also have ethical responsibilities. In choosing to participate – particularly if soliciting assistance from the research community - they bear equal responsibility for what is learnt through the research process. If the findings are not to

their liking, is it the proper response of a researcher to lie to them, or change findings to make them feel better? My feeling is that this cannot be justified any more than deliberately deceiving or harming research participants in order to gain greater scientific understanding. Both researchers and participants bear the same responsibility to respond honestly when faced with the pleasures and discomforts aroused by the research process.

Participation and Discussion

Plans for follow up interviews were thwarted as a result of my own agency. As informants became fearful of their accounts being discussed, their actions were not dissimilar to those of managers – therefore the behaviour of managers is not something attributable to their management role so much as the perception that they were losing control over information and meaning. They have my sympathy – their "investigation" of me was equally uncomfortable and this afforded me insights into their discomfort!

The very experience of being researched, however, provides insights into what it is like to be 'culture managed' as an employee. Here, I believe, ethnography has a unique contribution to make. It is not that the ethnographer is hostile, it is that the social relationship through which one party seeks to investigate the meanings and culture of another will eventually be perceived as intrusive. Participants reaction to scrutiny of their world gives them a 'hands on' understanding of how it feels to be 'culture managed'. My greatest regret is that it was not possible to reflect with the research participants on this - I had anticipated that this might have been the most valuable part of the project. Future critical ethnographers will have to establish whether such an aspiration was wholly unrealistic or simply a failing on my part!

Handling Bias and Truth Claims

Emotionality can lead to bias, or it can induce a researcher to tenaciously investigate a social mystery. In pursuing the latter, have I been guilty of the former? Those who follow up this research with similar scientific rigour are entitlement to make this judgment. It would not surprise me if people regard some of the claims regarding men's position in society as questionable – this was my own reaction in when I first read such claims back in 1994. However, a second direct experience of gendered conflict, and the

additional reading it prompted, has convinced me that emergent views on discrimination against men need to be accorded more credibility.

I followed up conference feedback that too many claims are made on the basis of U.S. studies and data. Where UK data could be found, however, they usually support the claims of US researchers – but this still does not mean the findings are generalisable outside Anglo-American cultures. For example, the ratio between men and women for UK suicides changed from 1.5:1 in 1974, to over 3:1 in 2001[344], but it is *women* who are more frequently diagnosed as depressed. The headline is that suicides are falling – but this obscures the truth (for men). Further, in the UK between 2001 and 2003, men died in **every age category** at higher rates than women. Clearly, there is an aspect of the gender debate going unreported – if women were dying faster in every age category would we talk of them as the dominant sex? For this reason, those skeptical of the gender claims may wish to conduct their own investigations. Establish your own views based on your own data.

There is always a danger that as researchers we get wrapped up in a popular or new discourse. For that reason, attempts were made to evaluate bias and read research that cast doubt on the assumptions emerging from the study. My concerns over bias (both my own and those of participants and research supervisors) influenced me to develop the **Theory of Social Influence** (chapter 4) – these efforts rewarded me by exposing how my own, and others, relationships with people were impacting on the study. It helped me consider the agency of participants, my own influence, that of my research supervisors and the research community. How far will we go to please and displease these parties in pursuit of social acceptance?

In qualitative research, all relationships involve interaction with the researcher and carry interpretations at source (during journal entries) as well as after reflection. Careful consideration and reporting of different points of view can mitigate against bias and inform theory development. In this research, source material from participants (letters, e-mails) was used to offset the bias built into journalized accounts of social life. They

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[344]   Source: Office of National Statistics

create examples of authentic real-time dialogue to offset retrospective accounts that are consciously reconstructed.

No two people see a given culture in the same way and this makes any findings contestable. Revealing hidden accounts, however, links managerial rhetoric and empirical experience. The triangulation of methods and engagement in ontological oscillation (Weick, 1995), as well as the contexts in which this came about, was particularly fruitful. The attempt to rebut some claims actually showed them to be more, rather than less, relevant. Subjective experience, while good at spotting anomalies is not so good at quantifying them. The occasional use of a positivist approach enriched my understanding of these issues and also brought out other findings that were unexpected. The application of more than one epistemology contributed to, rather than detracted from, the process of analysis.

Using Body Language

Writers on body language caution that isolated gestures cannot be interpreted to mean specific things. I am happy to reassert this view. Nevertheless, the power of body language to inform a situation is captured in the account below in which Ben recounts Brenda's reaction in a meeting with Harry.

> *When she was asked to respond to my comment that she'd flirted with me, her eyes were fixed on the table in front of her. Not only could she not look at me, she could not look at anyone else when she issued the denial. After this she did look at me to repeat it, but her face was unnaturally contorted as she said it, and her hands continued to be in a closed defensive position. After the meeting she repeated her claim a third time, and only then did she seem more relaxed (when Harry was not in the room).*

> *I accept that we have to be careful about interpreting any form of communication - body language is no different. But I took this body language as a sign that she was not being truthful, or at least holding a great deal back. Her body language could indicate discomfort and unease. However, if she was telling the truth I would have expected a much more expressive and direct denial (including use of hands and open body gestures), and that these would be directed towards the person she most wanted to convince (probably Harry). Instead, her eyes were fixed down on the table in front of her and her body was defensive which led me to believe that my original interpretation about her feelings and motives was probably more accurate.*[345]

Body language experts claim that verbal tone and body movements can often communicate more than words. Even if this is the case, the scope for misinterpretation is still considerable. Some signals are unmistakeable, but they do not tell us *why* a

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[345]   FileRef: RV04, paras 81-85

person is reacting. All that can be established is that a person has positive or negative feelings that are congruous or incongruous with what they are saying (or hearing).

However, accounts like the one above, which relate body movement during critical moments to what is being said within a context that is well understood, offers additional scope for interpretation. Nothing is for certain – all that is happening is that the probability of poor or inaccurate interpretation is being reduced. Paying attention to incongruities between verbal and body language is helpful in establishing the veracity of truth claims. If care is taken, then knowledge of body language is a useful addition to an ethnographer's tool set.

Reflections on Grounded Theory

The techniques of grounded theory (Glaser and Strauss, 1967; Partington, 2000; Locke, 2001) are hard to apply in practice. The broad framework of the approach, which is to collect data, analyse it, then choose the next sample until theory emerges is impossible to apply when actively working inside an organisation. So much data is collected each day that formal analysis techniques cannot be applied on a daily basis. Interview schedules often have to be negotiated and are subject to the commitments of research participants. Opportunities to chat come up infrequently and I found that the pressure to take these created a conflict over whether to follow the methodology strictly or pass up opportunities to collect valuable data for later consideration.

However, by making recordings of journal entries and transcribing or summarising these at the end of the period of intensive contact, it is still possible to alternate analysis of the experience and theory development. Indeed, the process of listening through recorded journal entries was akin to re-living the experience and has some distinct advantages. The emotional impact of events is evident from the tone of voice and language used. However, the volume of data is so large that it cannot all be transcribed. Saturation, therefore, becomes a critical concept in grounded theory - it surprised me how quickly saturation occurs when verifying theories through further micro-analysis of data samples. In future, I will transcribe less and micro-analyse more.

During summarisation and transcription, the process of naming and labelling categories of thought, and the dimensions and constraints that affect their expression, can still take

place. Providing the researcher captures emergent thoughts, ideas and reflections, then the essential character of grounded theory can be followed during participant-observation, even if strict chronology cannot.

External value systems, however, can still assist explanation. In grounded theory, however, I would argue that researchers have to establish through empirical data that patterns of behaviour and attitudes match the value systems they want to use to avoid the imposition of the researchers' theoretical perspectives on the participants. If we can do this, we can sympathetically explore the personal, cultural and environmental influences that give expression to, and also inhibit the realisation of, an organisation's "shared" values.

A good example of this is the discussion of "cognitive dissonance" (Festinger, 1957). Knowledge of this concept was embedded within the culture not imposed to explain the culture. As a result, it was possible to compare the way that the theory was constructed and applied *in situ* by the actors, and also by Andy. The differences were revealing – once again a theoretical concept was constructed in the light of different interests.

Theoretical Sampling

The development of discourses centred around status/gender helped me to understand how positions within a social structure impact on understandings of a situation. I repeatedly returned to the pattern of dialogue between participants (in meetings/conversation) to try to understand how they were constructing problems. But in developing theory, constant returns to the literature were invaluable. Instead of digging deep into a single discipline or discourse in the literature, searches for materials from different disciplines were sought to challenge and inform emergent theory.

As each theoretical idea surfaced, I scoured the materials at my disposal, bought new books, read journal articles in order to give myself a cross-disciplinary understanding of the way discourses were articulated. This helped me develop a theoretical *and philosophical* understanding of the literature. In short, the "theoretical sampling" concept was applied equally to empirical data and the literature.

It became apparent that we ontologically switch as we alternate between gathering information and reflecting on it, and between developing intimacy and withdrawing

from it. We engage and interact as we seek to understand others (when people appear to us as opportunities) and we withdraw either to theorise or to control (when people appear to us as objects or threats). Learning emerges as a process of switching back and forth in order to engage and reflect on the phenomena and people we encounter. My experience, therefore, supports the arguments of Morgan (1986) and Wieck (1995) that we deploy different metaphors and perspectives as part of a sense-making process.

Limitations

The main limitation in this study is heavy reliance on one primary case. Can findings from one case be used to generalise? The use of a second in-depth case, and a case from the literature helps to offset this limitation. As has been argued in chapter 3, the richness of the data – and in this study an astonishing range and wealth of data has been collated – can be more important than the number of case study companies involved, but it will take follow up studies to establish the contexts in which the theories generated here can be applied.

Given the orientation of the research question – which was to examine the nature of communitarianism through exploration of 'value-driven' companies – the use of one rich case is not problematic. The companies – and their most senior executives – were drawn together by an apparent consistency in their outlook and values. It was for this reason that they were used for comparative purposes. However, the location, workforces, constitutions, and industries varied in each case, making direct comparisons meaningless. While Custom Products workforce was drawn from a local indigenous population, SoftContact's included people from Cyprus, South Africa, Nigeria, Malaysia, France, Italy, Australia, Ireland – there were even a few people from England! While this limits the applicability of the findings in one way, it means that *similarities* in the face of these differences are particularly noteworthy.

One limitation of participant observation, in my view, comes from the embededness of the ethnographer. While I made the acquaintance, and gathered data from, a large

number of participants[346], as the study progressed it became clear that relatively few people (just four senior/middle managers and four informants outside management) were dominating conversations. While other one off in-depth conversations can be used for comparison (or corroboration) the number of people I got to know well constitutes only 6% of the workforce.   At one point, my concern at the disproportionate influence of two directors encouraged me to proactively seek other opinions – but this caused the many access problems described.

One person asked the pertinent question "how will you get to know us?" The study may be biased by the views of those who were able to gain significant access to me – or to whom I gained significant access. In defence of this approach, however, the relationships developed were extremely deep, affording me access to the backstage worlds and lives of key "players" within the company. Evening drinks and frequent meals out supplemented daily work alongside people. The level of access – while not always even – surpasses that of many other studies because of the access granted to social events, management and board meetings, as well as day-to-day working life.

In considering the literature, my approach has been to take a thin wedge off the top of a fairly wide range of inter-related disciplines. The problem with this may be an insufficient understanding of different bodies of literature. The benefits, however, are the opportunities for lateral rather than vertical thinking – of connecting arguments across disciplines that might otherwise be missed. Any limitations that this imposes on the study can be commented on by others in due course, and every effort will be made to take account of their feedback in future work.

The last limitation, however, was created by the ethical dilemmas encountered. Follow up interviews would have broadened the base of data from which to test emergent theory. A choice was made between interviews that would be conducted under the close scrutiny of managers (something that might have compromised the integrity of all the interviews), or informal – but highly focussed - discussions free from the scrutiny of managers. In opting for the latter, the breath of views was diminished. My hope,

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[346]   There were 80 cases in the first 1/3 of summarised journal data. There would have been well
          over 100 if consolidation had not taken place.

however, is that this was offset by the value and integrity of the more limited dialogue that did take place.

Generalisability

In chapter 3, the following criteria were established for evaluative purposes:

- Reflexive interrogation of one's own knowledge
- Sensitising the self and research participants to hegemonic regimes of truth
- Democratic research designs that allow participants to validate the credibility of constructed realities
- Accommodation through an exploration of differences with comparable contexts
- An evaluation of how the research changes those it studies

In the following sections, I evaluate how far these criteria have been satisfied, and emancipatory goals achieved.

Reflexive Interrogation

Throughout the empirics, parts of my own life and *a priori* knowledge were exposed. In critically reflecting on Ben's and Andy's discourses and behaviours, reflexive analysis of my own agency and behaviour takes place. Through the narratives in chapters 4 and 5 – particularly by tracking Andy's developing thoughts, an audit trail is presented that shows how research experiences influenced the course of theory development.

In the literature reviews – and also at the start of this chapter – important personal experiences that impacted on my perspectives were discussed. These *a priori* perspectives changed in the course of the research and remain something of a double-edged sword. While they brought distinctive experiences to inform collection and analysis of data, they also impeded consideration of alternative perspectives at different points in the research.

The impacts of *a priori* knowledges that became clearer to me include – but are not limited to:

- Democratic values derived from living within – rather than reading about - democratic organisations

- Quality-management discourses (TQM, and ISO quality standards).

- Assumptions about relationship maintenance rooted in consultancy work

- Assumptions implicit in IT software development – a systems approach

- Value assumptions deriving from experiences as a general manager, chief executive and entrepreneur.

- Value assumptions from being raised by women (with no brothers or a father).

In some cultural environments, my responses may not draw so much attention, but with hindsight is possible to see that others found my responses difficult to understand at times. As a result – while not necessarily wishing to change those responses - a greater awareness provides me with new choices in the future.

Hegemonic Regimes of Truth

As the research progressed, the discourses of management became apparent together with a realisation that these had become so internalised that their sources had been forgotten. For most managers the discourses had mutated into "common sense". Internal promotion depended variously on "accepting" them (to become an employee) "living" them (to become a supervisor/manager) and "leading" them (to become a director)[347]. This was true also in my own workplaces where we had developed our own discourses, notions of what was "inappropriate" and "appropriate". The juxtaposition of the two cultures (at Custom Products and SoftContact) was particularly informative – and exposed many taken for granted assumptions in both.

Some progress was made towards sensitising research participants so that they became more aware of hegemonic discourses, but my success was partial. The work on governance structures contributed to the development of an alternative hegemonic regime but did not necessarily expose it as such. There were, however, points of contention – on the role of culture classes, on the selection and promotion of staff – where the juxtaposition of cultures created productive dialogues on the nature and legitimacy of authority.

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[347]   This was made explicit in an HR document describing the criteria for promotions.

The intervention made – with regard to bullying and gender discourses – may have long term impacts, or be discarded by executive managers. Van Deventer and Allan (2004) claim that powerful interventions, followed by rapid withdrawal, can bring about reflection as the emotional impact of disrupting a discourse triggers a process of gradual change (see also Freud, 1923). It will be for others, however, to consider whether this has occurred.

Democratic Research Design

The democratic research design – which afforded me opportunities to mix with and work amongst staff at all levels in the company – was initially beneficial, but ultimately problematic. When I started to raise questions – rather than simply engage as a participant - the hierarchies in the company became explicit. Even mild questioning of the management discourse – as in the newsletter article (see chapter 5) – triggered strong reactions[348]. As a consequence, Harry prevented circulation of the article (even though it was a public domain document) because of "questions over its accuracy".

Another concern occurred after spending several days visiting teams to outline the second stage of the research. Some staff later revealed that they did not wish to indicate their interest to their manager[349]. Privately they felt free to offer opinions. Implementing a democratic design, therefore, came up against the impact of hierarchical organisation. The outcome was that while considerable data was collected from across the organisation, the management group tried to monopolise discussion of findings until an "acceptable" interpretation was agreed. This itself is an interesting outcome.

The most acute issues, however, were triggered by a decision to seek non-management feedback on a conference paper. After comments from senior managers that more could have been done to validate claims, I took the decision to follow these up with some informants. My follow up was interpreted as a gross breach of trust. It then dawned in me that what was meant by 'validating claims' actually meant checking claims with

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[348]   The article as a whole was 800 words – only one paragraph raised concerns (see Appendix C4)

[349]   This was a deliberate strategy to see the impact of working through line management structures. It was still, however, a surprise that out of 130 staff no one volunteered to be interviewed.

senior managers so their 'accuracy' could be vetted. This rendered all hope of meaningful democratic discussion impossible, but also provided useful information about the culture.

Accommodation - Comparable Contexts

The use of comparison cases was particularly fruitful, both for the differences that were observed (despite similar rhetoric), but also for the similarities that emerged *despite many other differences.* The most striking similarity – despite differences of location, staff composition, industry, and a decade in time – were the gendered reactions to gender conflict, the promotion of men to handle such conflict, and the absolution of women from taking equal responsibility for either the construction of the conflict or the outcomes.

Other striking similarities amongst all three case study companies – despite being located in Spain, London and Leeds, and each trading in different industries – is a common discourse on constitutional pluralism, reliance on a mixture of *internal* equity and debt finance, and separate governance bodies for social and economic policy. Even accepting that the MCC influenced the other two organisations – both had (prior to visiting the MCC) evolved their own constitutions to accommodate surplus sharing and employee share-ownership. In other respects, however, the differences in culture – particularly the fear free culture in the *bona fide* co-operatives and the deep fear amongst some staff at Custom Products – promoted extensive reflection.

Perhaps the most shocking finding for me personally was that the adoption of hierarchy and quality discourses had – within just 8 months – created a culture at SoftContact's spin off company that already showed similar characteristics. In 22 years, no employee had ever brought a legal case against SoftContact, but after my election as General Manager and the spin off company was formed, both threats were made and cases brought. Such recourse to law, sexual gossip about staff, and silences when problems were faced, and strong male/female relationships marginalizing other men - all these findings occurred in the spin off company more than the collective from which it split. Very little in the culture at Custom Products could not be found in the emergent culture at SoftContact (Intl) Ltd, implicating me as directly as Harry and John in developing unitarist discourses while "talking democracy".

Did the Research Change those it Studied?

Out of this research, new governance arrangements were instituted and enacted. In terms of contributing to the development of a changed democratic discourse within the company, this research had far-reaching and long-term effects. In particular, the idea of management as a service, rather than a controlling function, started to emerge from board room discussions, as well as the concept *equilibrio* rather than conformance. The legal board now comprises 50% elected members and 50% executive managers – a commitment to *equilibrio* - and the general assembly of all members is now nominally – but probably not practically – the sovereign body of the company.

Another intervention introduced the notion of democratically assessing workgroup performance – rather than assessment by "superiors". At the point of withdrawing, discussion on the election, rather than appointment, of team leaders was underway. There has been a considerable change in attitudes since the start of the research process, when Harry expressed the view that only directors should appoint directors, and that HR and managers should make other appointments.

Development of HR processes took place – particularly the redesign and process of evaluating interviews. This work, however, merely consolidated and streamlined existing assumptions without challenging them. The challenging of stereotypical assumptions regarding male and female behaviour, however, caused considerable defensiveness, upset and resentment. Whether long term changes will result from this is unclear, but as Nuwer (2004) points out, such interventions can bring about substantive changes over the longer term.

There is evidence that participants outside the management group found findings illuminating and enlightening – but far fewer that I hoped were exposed to these perspectives. The impact of private discussions is difficult to quantify, but some made it their habit to meet me after work for discussions and it is likely that they were changed as much by my contribution as I was by theirs!

Summary

The impact of this research, therefore, was to help the management group at Custom Products realise their goal of creating an employee-owned and controlled company.

The outcome, however, fell short of the emancipatory objective to sensitise staff to the hegemonic regimes of truth that have taken root in the organisation, and the impacts that this is having on those that are being marginalized. The disrupting of this discourse – while emotive – may continue to provoke reflection on taken for granted assumptions.

The theories in this research – particularly those regarding interpersonal dynamics, social influence, culture development and communitarian governance – have potential applicability in a variety of contexts. The theories on interpersonal dynamics can be applied in personal relationships, intra/inter-group relationships (both within and between organisations). For those that accept that 'shared values' – however limited – can be held by groups of people, then the theory on culture development can be applied to facilitate the creation of democratic communitarian cultures.

The identification, and exploratory work, on social rationality provides another way to understand organisation development that is particularly appropriate to those interested in corporate responsibility and social enterprise. It can be applied to construct ways of thinking about governance that do not rely on hierarchical organisation, and accommodates economic rationality within a framework that gives equal emphasis to social thinking. These ideas – the subject of chapters 6 and 7 – should provide an intellectual foundation on which to construct cooperative and multi-stakeholder governance models that emphasise organisation 'strength' as an outcome of powerful relationships rooted in the promotion of **autonomy** within intimate relationships.

Personal Journey

This research has changed me. Firstly, I came to terms with emotionality and caught a glimpse of the benefits to be derived from sensitivity to emotions as a way of deepening understanding. Even if reacting to them directly, it became a habit to ask 'why'? What was the gap between my (or others) expectations and what had occurred? What was the disjuncture between past cultural experience and the current situation? Seeing others emotionality as a product of interaction helped to get past blaming and towards understanding.

During this research there were two occasions where I felt it necessary to deliberately lie – firstly to protect informants; secondly to protect relationships with people not

connected directly to the research. One way to interpret this is that I have a disposition to lie - a product of my personality, perhaps. However, to my knowledge this is the first time in adult life where – on ethical grounds – I felt compelled to lie. Another way to view this, therefore, is that such lying was a product of ethnographic research or the culture that was being studied.

I will never know if these lies protected the people who – through no fault of their own – were endangered by the activities of the research. Accepting my own capacity to lie – and seeing others do so as well – was humbling and forced me to accept my ordinariness and limitations, just another person navigating the complex boundaries between social groups and making constant (and instant) assessments of what can and can not be said in particular contexts. Life looked different afterwards and, as a result, my confidence in managing close relationships has grown.

Thirdly, I had to radically change my views on gender (again). Content in the past to approach gender issues from an "equity" standpoint – and from the presumption that men were primarily, but not exclusively, responsible for sexism and harassment - I was forced to adjust this view again after considering the ways that women and men exercise control over each other. It was sobering to find women *more* powerful in some ways but less powerful in others and this re-ignited an interest that had lain dormant for a few years. That women are as (or more) sexual than men – but that we generally believe the opposite both astonished and liberated me. It changed my self-perception and made me look at my relationships with men and women in a new way.

Lastly, my views about "human nature" took a bashing. Is there such a thing? I found myself answering both 'yes' and 'no' to this question. Sit in a meeting watching people enthused by social acceptance and hurt by social exclusion and their reactions are reasonably predictable. Reciprocity triggers pleasant emotions for both parties. But as one party starts to ignore the other, unpleasant emotions can be observed and find expression in a variety of ways. In this sense, there is a human nature – but not one that is rooted in fixed personalities and 'hard wired' ways of thinking – one that accepts that humans (as organisms) recoil when hurt but engage when excited. In this sense, I found myself believing there is a human nature.

But what is meaningful – what symbolises, or is interpreted as, acceptance or rejection is variable and rooted in culture and learning. How we react depends on the way we construct the problem as well as our capacity to understand alternative motives. Practical joking may be constructed as an act of friendship or hostility. A burp may make one person laugh spontaneously and another outraged at the rudeness. In this sense, human nature is a cultural variable.

Accepting that variability, not just in culture, but in the way people construct situations has changed my views about morality. Instead of seeing morality as a cultural variable, I came to see *understanding* as a moral behaviour in itself. Is this the cop out of "moral neutrality" hated by liberal communitarians? Not to me. Understanding required more effort than moral superiority. It also required more humility. Understanding became the embodiment of morality, a position from which hard won reconciliation is always possible.

It was this realisation that finally made me aware that my philosophical and political instincts are as liberal as they are democratic, and that it was necessary to distinguish between unitarist and pluralist modes of communitarianism. From there, I could write up this research with added confidence - I have found my voice and contributed my verse.

Chapter 8 – Conclusions

In this final chapter, I draw out the principle contributions to knowledge. Firstly, I summarise the contribution derived from answering the original research questions. Secondly, I outline the contribution derived from answering questions that emerged in the course of the research. Lastly, I highlight future directions, including a contribution to critical ethnography based on the construction of composite characters.

Primary Contributions to Knowledge

At the start of the thesis, I set out two questions. Is Custom Products Ltd an example of communitarian governance, and what are the impacts of their approach? **My first contribution is to show how communitarian arguments and practices induce positive attitudes during recruitment and induction that are frequently revised, and sometimes reversed, by later socialisation and experience of conflict.**

This contributes to the literature on culture management. On the basis of this study, the 'benevolence' claims of studies dominated by managerial talk appear tenuous (see Ouchi, 1981; Peters and Waterman, 1982; Collins, 2001). My study confirms Thompson and Findlay's (1999) supposition that when data is collected from a large number of employees, counter-cultures of passive and active resistance become evident. Staff turnover figures revealed higher than expected levels of dissatisfaction (on the part of both employer and employee) that managers explained away as examples of 'culture mismatch'. The expectation of 'silence' (i.e. "no further analysis") regarding women's sexual behaviour exposed its relevance to organisation dynamics (compare Kunda, 1992; Willmott, 1993; Griseri, 1998; Hearn and Parkin, 2001). An appreciation of gendered interests proved decisive when seeking to understand acts of social control, the development of social structures, and governance practices. The connections and fault lines between people were most apparent when gendered interests triggered changes in non-verbal and verbal behaviour (compare Habermas, 1984, 1987, Moore, 1985; Perper, 1985; Crossley, 1998).

Adopting a communitarian perspective, therefore, highlights how potent gendered interests and emotional connections can be. When decisions and practices could not be

explained using available theory, questions regarding the inter-relationship between corporate and family values developed. **As a result, this study makes a further contribution by revealing the complex relationship between human reproduction and wealth creation: governance practices respond to gendered interests that are expressed through friendship networks, courtship rituals and the way people internalise their parental rights and responsibilities.**

Unitarist discourses that privilege entrepreneurs, investors and executive managers make asexual assumptions in corporate governance theory (Berle and Means, 1932; Coase, 1937; Miller and Rice, 1967; Beer, 1966, 1972; FSA, 1998, 2003; IFAC, 2003). Social thinking finds limited expression through the concept of 'utility' in principle-agent theory, 'opportunistic behaviour' in transaction cost economics, and the growth of 'social responsibility' reporting (Williamson, 1975; Jensen and Meckling, 1976; Cadbury, 1992; Donaldson, 2005). This study redresses this imbalance by developing the concept of "social rationality". Women and men take decisions (separately and together) over who takes primary or secondary responsibility in socio-economic processes that support sexual relationships. Firms (and social norms) develop in response to the choices made by men and women raising families in different social classes. By focussing narrowly on the economic rationality of the entrepreneur, Coase (1937) missed the sexual dynamic that spurs people to control others or subordinate themselves in economic life, as well as the impact of workers outside the entrepreneur's immediate social network. The case study companies embraced "equilibrio" as the guiding principle of corporate governance: the pursuit of 'balance' between different stakeholders' social and economic interests (Whyte and Whyte, 1991; Watson, 1994; Turnbull, 1994; Gates, 1998; Coad and Cullen, 2001).

Power

In chapters 2, 5 and 6, I examined governance and management control theories, contrasted them with individualist theories of power that emphasise personal autonomy, before rejecting both in favour of a communitarian pluralist perspective that power is embedded in relationships (see Chapters 5 and 6). **A further contribution, therefore, is to illustrate that social power grows in relationships that embrace intimacy and equitable exchange but diminishes when formal rules (or laws) are used to protect personal authority or autonomy.**

Current theories that focus on *power over* others (French and Raven, 1958; Michels, 1961; Lukes, 1974), or *power to* influence others (Kanter, 1977, 1983; Peters and Waterman, 1982) only have logic when hierarchy is taken as a given. Theory rooted in individualist political commitments (Smith, 1776; Friedman, 1962; Rawls, 1999) and gender theory (Friedan, 1963; Farrell, 1988) presumes that equality between individuals is the ideal. By adopting a communitarian pluralist perspective, the limitations of both these perspectives are exposed. This study finds that power embedded in relationships grows during periods of increasing intimacy, but diminishes when intimacy is destroyed. My contribution, therefore, is to unravel how social exchange develops the power embedded in social networks (compare Ward, 1966; Giddens, 1984, 1990; Coad and Cullen, 2001).

Gendered Power

This study also illustrates that power operates differently in same-sex and cross-sex contexts. While Kanter (1977) found that women use the same power plays as men when studied in isolation, this study finds that each adopts different power plays when working together. **Women, even as high as director level, use men as enforcers by co-opting them into their conflicts. This contributes to the development of patriarchal social relations and an underlying value system that encourages men to accept responsibility (and blame) for conflict in exchange for loyalty.**

Women's approach to conflict resolution creates the "glass-ceiling" (compare Farrell, 2000, 2005). As they move up a hierarchy, over reliance on (or deference to) powerful men inhibits their capacity to build independent social power. At the higher levels of a bureaucratic organisation, where political and rhetorical skills are at a premium during conflict, this may disadvantage women whenever independent judgement is valued over relationship skills.

Future Directions in Research and Methodology

Joanne Martin (2003) highlights the potential benefits from building bridges between feminist theory and critical management studies (see Alvesson and Willmott, 2003). **This study contributes to knowledge of governance by bringing together a management literature devoid of gendering as a *governance* process and a feminist**

literature that frequently obscures the way women's proactive courtship and conflict-avoidance behaviours contribute to hierarchy development.

Social dynamics change when organisation members experience instability or breakdown in their long-term relationships. In coping with loss, new intimate relationships are forged with work colleagues. At the same time, parties have to cope with (and interpret) an upsurge of interest from others seeking to establish their future intentions regarding sexual relations. Interactions are particularly intense around people of both sexes who are perceived as attractive. The way these processes are monitored and controlled are of particular interest for the future. The evidence of this study suggests that monitoring and interventions play a pivotal role in the development of gendering processes.

Further work on gendering in different contexts will help to develop knowledge of workplace hierarchy and firm development. There is also a case for new directions in gender research to focus on men's experience of women so that the nature and boundaries of matriarchal power (and its impact on governance) can be more fully assessed. Lastly, psychologists may wish to explore the scale of any double-standard on men's and women's sexual behaviour by examining the frequency of behaviours compared to the frequency and substance of interpretations. This will provide insights helpful to management practitioners as well as those involved in judicial processes.

Methodology

The way I presented myself in the ethnography makes a contribution to narrative techniques in participant-observer studies. While several attempts were made to inform participants that I would be participating in social events for research purposes, and that my own experiences and feelings were part of the data on which theory would later be based, they often acted as if they did not know this, or had forgotten. This created ethical dilemmas about when and how to present my own and participants' views.

Navigating these ethical dilemmas prompted a particular approach: the creation of composite characters that obscured individual points of view in favour of a coherent discourse. Individual cases were organised into plausible accounts of social life rooted in participants' status and gender. My own experience was divided: researcher

experiences were represented through one character while participant experiences were represented through composite characters based on a job role. In this way, my participant experiences could inform (rather than distort) the discourses of other research participants by imbuing their descriptions with plausible feelings and cultural understanding. The requirement that I match experiences and feelings to other participants' added rigour.

Biographical descriptions and storylines were constructed from multiple cases. Each episode in a storyline, however, is based on a series of unfolding events with dialogue based on actual conversations between two people. The material for conversations is taken from e-mail correspondence (of the ethnographer or a third-party), reconstructed from contemporaneous hand-written notes, or based on a transcript of a meeting. This ensures authenticity and plausibility while preventing falsification of the social processes and relationships in the study. It also makes it hard for anyone (even inside the company) to discover who spoke particular words without actually having been part of the original conversation.

Van Maanen (1988) discusses ways to address issues of the reflexive 'self' in ethnography (see Dalton, 1959), but was later criticised for not exploring the political context of the research and the researcher's own perspectives (Putnam et al, 1993). Subsequently, critical ethnographers have repeatedly called for the researcher to adopt a reflexive position and expose their *a priori* assumptions (Clough, 1992; Thomas, 1993; Laughlin, 1995; Dey 2002).

I found this hard, both intellectually and emotionally, but by turning myself into a character that exposed my own values and prejudices, an effective method was established. The measure of protection afforded by composite characters engaged in dialogue with other research participants also made it possible to explore my own behaviour and values more fully. While presenting participants' private views could be construed as unethical (on grounds of informed consent) these concerns had to be balanced against the ethics of ignoring crucial data (leading to falsification of the findings). I took the view that the protection of private views was only justifiable if it did not lead to falsification.

This approach enables the reader to see how biases affect decision-making. It made it clearer to me how and why interventions were made, as well as the value-systems, interests and prior experiences that prompted particularly actions. Such an approach has its risks, and will undoubtedly attract some criticism, but by representing myself in this way, I learnt far more about myself, the participants, and the social processes in which I was embedded. For that reason, I recommend it to others as a fruitful way to engage in epistemic reflexivity throughout a critical ethnography.

Appendix A – Selected Cast of Characters

This appendix contains a list of primary characters that appear in the ethnography, plus information on the way their cases have been constructed from research data.

Men

Name	Discourses	Jobs
Andy	Consultant Male Manager Elected Director Advocate of Employee Ownership	SoftContact (UK) Ltd – General Manager SoftContact (International) Ltd - Chief Executive XYZ Consultants – Junior Consultant
Ben	Male Office Worker	Custom Products Ltd - Support Services Officer
Charlie	Male Warehouse Worker	Operations Officer, Custom Products Ltd
Chris	Temporary Male Worker	Custom Products Ltd – Temporary Worker
Fred	Male Manager	Custom Products Ltd – Warehouse Manager
Gerry	Self-Appointed Director	Democratic Enterprise Ltd – Managing Director
Harry	Self-Appointed Director	Custom Products Ltd – Managing Director, and Valerie's husband.
John	Appointed Director	Custom Products Ltd – Sales Director
Keith	Male Warehouse Worker	Operations Officer, Custom Products Ltd
Len	Temporary Male Worker	Custom Products Ltd – Temporary Worker
Mikel	Advocate of Employee Ownership	Mondragon Co-operativa Corporation (MCC)
Neil	Male Office Worker	SoftContact (UK) – Database Analyst SoftContact (International) – Development Manager
Patrick	Executive Director	SoftContact (UK) – Director
Reece	Cult Figure	Custom Products Ltd – Founder
Simon	Male Manager Elected Director	SoftContact (International) – Marketing Manager
Terry	Male Salesperson	Custom Products Ltd – Salesperson
Tim	Consultant Male Manager	XYZ Consultants – Senior Consultant

Women

Name	Discourses	Jobs
Brenda	Career Woman Appointed Director	Custom Products Ltd – Director of Finance
Carol	Female Warehouse Worker	Custom Products Ltd – Operations Officer
Diane	Female Manager	Custom Products Ltd – Support Services Manager
Fiona	Female Manager	Custom Products Ltd – Warehouse Manager
Gayle	Career Woman Temporary Female Worker	SoftContact (International) Ltd – Administration Manager
Hayley	Temporary Female Worker	Custom Products Ltd – Temporary Worker
Irene	Female Warehouse Worker	Custom Product Ltd – Operations Officer
Judith	Temporary Female Worker	Custom Product Ltd – Operations Officer
Karen	Temporary Female Worker	Custom Products Ltd – Temporary Worker
Larissa	Female Office Worker	Custom Products Ltd – Purchasing Officer
Melanie	Elected Female Team Leader Elected Director	SoftContact (UK) Ltd – Customer Services Manager
Nancy	Female Warehouse Worker	Custom Products Ltd – Operations Officer
Pauline	Female Office Worker	SoftContact (UK/International) – Product Specialist
Sally	Female Salesperson	Custom Products Ltd – Salesperson
Susan	Spouse	(Andy's wife)
Tanya	Female Salesperson	Custom Products Ltd – Salesperson
Valerie	Female Director (and Spouse)	Custom Products Ltd – Director, and Harry's Wife

Summary of Characters by Discourse

Discourses	Name	Jobs
Advocate of Employee Ownership	Andy	SoftContact (International) Ltd - Chief Executive
	Harry	Custom Products Ltd – Managing Director, and Valerie's Husband
	Gerry	Democratic Enterprise Ltd – Managing Director
	Mikel	Mondragon Co-operative Corporacion
Appointed Director	John	Custom Products Ltd – Sales Director
	Brenda	Custom Products Ltd – Director of Finance
Career Woman	Brenda	Custom Products Ltd – Director of Finance
	Gayle	SoftContact (International) Ltd – Administration Manager
Consultant	Andy	XYZ Consultants – Junior Consultant

Discourses	Name	Jobs
	Tim	XYZ Consultants – Senior Consultant
Elected Director	Melanie	SoftContact (UK) Ltd – Customer Services Manager
	Andy	SoftContact (International) Ltd – CEO
	Simon	SoftContact (International) – Marketing Manager
	Mikel	Mondragon Co-operative Corporation
Elected Female Team Leader	Melanie	SoftContact (UK) Ltd – Customer Services Manager
Elected Male Team Leader	Dan	SoftContact (UK) Ltd – Technical Director
Executive Director	Patrick	SoftContact (UK) Ltd - Director[350]
Female Manager	Diane	Custom Products Ltd – Support Services Manager
	Fiona	Custom Products Ltd – Warehouse Manager
Female Salesperson	Sally	Custom Products Ltd – Salesperson
	Tanya	
Female Office Worker	Larissa	Custom Products Ltd – Purchasing Officer
	Pauline	SoftContact (UK/International) – Product Specialist
Female Warehouse Worker	Carol	Custom Products Ltd – Operations Officer
	Irene	
	Nancy	
Cult Figure	Reece	Custom Products Ltd – Founder
Male Manager	Tim	XYZ Consultants – Senior Consultant
	Andy	SoftContact (International) Ltd - Chief Executive
	Fred	Custom Products Ltd – Warehouse Manager
	Simon	SoftContact (International) – Marketing Manager
Male Office Worker	Ben	Custom Products Ltd - Support Services Officer
	Neil	SoftContact (UK/International) – Database Analyst
Male Salesperson	Terry	Custom Products Ltd – Salesperson
Male Warehouse Worker	Charlie	Operations Officer, Custom Products Ltd
	Keith	
Marital Partner	Susan	Andy's wife
	Valerie	Harry's wife (left during the period of participant observation to focus on motherhood).
Self-Appointed Director	Gerry	Democratic Enterprise Ltd – Managing Director
	Harry	Custom Products Ltd – Managing Director
Temporary Female Office Worker	Hayley	Custom Products Ltd – Temporary Worker
	Gayle	SoftContact (International) Ltd – Administration Manager
Temporary Female Warehouse	Karen	Custom Products Ltd – Temporary Worker

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[350]   From December 2000, SoftContact (UK) Ltd elected executive directors. Executive directors met the General Manager at monthly meetings to agree company policy.

Discourses	Name	Jobs
Worker		
Temporary Female Worker	Gayle	SoftContact (International) Ltd – Administration Manager
Temporary Male Office Worker	Chris	Custom Products Ltd – Temporary Worker
Temporary Male Warehouse Worker	Chris	Custom Products Ltd – Temporary Worker
	Len	

A team comprising Andy, Tim, Harry and John acted as a project steering group to which Andy reported his research.

Selected Character Profiles (Alphabetical)

Andy   Age: 40, white male, married to Susan with children, originally from the South of England.

(Discourses: Consultant, Male Manager, Advocate of Employee Ownership, Elected Director, Male Salesperson)

This character is unambiguously based on my experiences as a former company director/manager and researcher. Some details have been changed to obscure personal information (where I live, former employment, etc).

The character offers insights into culture at board level / senior management level, in two companies. He unravels both similarities and differences in the underlying rationale of governance and control in both contexts, how these are presented as rhetorical discourses, and the evidence of substance beneath the claims.

His reflections on differences in attitudes to personal liberty, democracy and managerial authority in both companies trigger a series of productive exchanges with Harry and John at Custom Products, but also sows the seeds of the sharp conflict with Brenda and Harry that results in the termination of his contract.

Ben   Age, 35, white male, married with children, but who separated and reconciled with his wife during the period of the research. He was raised in the Midlands and moved to the area for family reasons.

(Discourse: Male Office Worker, Custom Products Ltd)

This character's marriage/separation storyline is constructed out of the experiences of four male members of staff all of whom experienced marriage/relationship problems during the research period. One separated from his wife and started divorce proceedings; a female colleague advised him against forming any new relationship at work. One separated from his wife and quickly formed an intimate relationship

with his closest female colleague at work. Another ended a 6-year relationship with his live-in girlfriend and moved into new accommodation; he was asked not to form new relationships at work but refused to do so. Lastly, there is my own separation and reconciliation and the conflict that arose when my invitation to someone for a drink was interpreted as sexual interest.

The character is presented to illustrate the complexities faced by sexually attractive/assertive men in both their career development and personal relationships. The impacts of their behaviour on women, and the perception problems that this causes for managers when prompted to intervene, are one of the central 'stories' of the ethnography. The flip sides of this character is expressed through Carol's, Diane's and Brenda's characters.

Brenda   Age, 35, white female, married then divorced and now single. No children. Followed university by taking gap-year travelling.

(Discourses: Career Woman, Appointed Director, Custom Products Ltd)

This character is based mainly on three cases, with detail filled in from a range of minor cases (drawn from women in management with full-time careers). One case involves a woman who married young and ended up feeling trapped and unfulfilled. After leaving this marriage she was able to pursue a career in personnel management. The second case is a single career woman who moved from the security of a multinational company to the relative insecurity of Custom Products and made a successful career there. Her self-motivation and determination won her friends amongst senior staff, but some subordinates fear and despise her. The third case is a woman who joined Custom Products Ltd in a clerical function, then move to HR and studied for IPD qualifications. After a year off to travel the world, she returned and resumed in a managerial role.

Brenda's relationships with Andy/Ben are constructed out of 4 field cases. One case involves a male staff member who has a series of conflicts over his workplace behaviour after difficulties in his marriage; a second where she disciplines a male staff member for a workplace relationship and allegedly threatens his career progression; a third (my own experience) where a drink invitation to Carol triggers conflict, a fourth where a male member is disciplined and later sacked for "inappropriate" behaviour towards women.

These cases create a highly complex character who interacts widely because of her position as Director of Finance. The character can be contrasted to Gayle (Career Woman, SoftContact (International) Ltd) to generate theory about the problems/opportunities for career woman.

Chris   Age, 36, white male, divorcee who is now a mature student. He works part-time in the warehouse during the summer period.

(Discourse: Male Temporary Worker, Custom Products Ltd)

This character is constructed out of the experiences of four male characters. One, initially enthusiastic, eventually falls foul of the culture and has his contract terminated. Another, likeable and well integrated, leaves when a reorganisation in another department reduces the need for temporary staff. A third, a divorcee who is initially liked, gradually becomes alienated due to cultural and age differences with younger female colleagues; he withdraws and is ostracised towards the end of his employment. Lastly, there is myself, who integrates fairly well, but finds relationship building hampered by continual job changes, and tries to organise a 'leaving drink' to which nobody comes.

Carol   Age 29, white female, divorced, but now in a long-term relationship. No children.

(Discourse: Female Warehouse Worker, Custom Products Ltd)

This character is constructed out of two primary cases, and fleshed out using a host of secondary cases. One primary case involves an attractive married woman who has established herself as an informal leader amongst her peers. She is frequently cautious with people she does not know well, but not averse to forming closer, but "proper", relationships with men she likes. She allows attractive men to hug her and spend time with her, but does not allow the relationships to become sexual.

The second case involves an attractive divorcee who displays leadership qualities amongst her peer group. After a period of financial hardship, she is now in a new relationship - works out at the gym – and conducts flirtatious relationships with men at work. Both cases are women who Brenda considers 'brusque'. As a result, they are considered unsuitable for team leader or management roles despite the respect they enjoy amongst their peers.

The character is presented to illustrate the complexities faced by sexually attractive/assertive women in both their career development and personal relationships. The impacts of their behaviour on men, and the perception problems that this causes for managers when prompted to intervene, are one of the central 'stories' of the ethnography. The flip side of the relationship is expressed through Ben and Andy.

Charlie   Age 29, white male, married with two young children. A troubled employment history, but now settled at Custom Products Ltd.

(Discourse: Male Warehouse Worker, Custom Products Ltd)

This character is constructed out of three main cases, and supplemented by minor ones. One is a man who has progressed to team leader, and who is the de facto manager of his unit. Despite this, his talkative and extrovert style do not go down well with more senior staff and he is passed over when a management post becomes available within his

department. The second is a kind young father whose openness and generosity is sometimes misunderstood as a lack of intellect and over-familiarity. Of modest education, and coming from a job in which he received no respect, he nevertheless fairs well at Custom Products Ltd and makes progress. The third case is a man of advancing years whose religious values feed through into supportive and loyal behaviour.

The character is offered to show how men establish and manage non-managerial careers. Charlie also offers some insights into how less attractive men are managed with regard to their sexual behaviour.

Diane
Age, 45, white female, a career oriented married women with children who holds a managerial position.

(Discourse: Female Manager, Custom Products Ltd).

Based on three cases. All the women have degree level education and pursue careers in HR. One case involves a degree-educated woman who has successful progressed her career to management level, starts an MSC, but has to drop out. The second involves a married woman who gained IPD qualification on route from personnel management to operational management. She finds the switch difficult and thinks of leaving. An external coach is brought in to help her through the change and she recommits to the company. The last woman, also degree-educated, made her career in personnel management. Publicly committed to the culture, she is privately confused by it and the contradictions it throws up, yet remains committed to her colleagues and career.

The Diane/Ben conflict is constructed out of one well-documented case involving four of the above characters (two men[351], two women), with anecdotal contributions from other cases. When the woman managers characterise the subordinate men's sexual behaviour as "inappropriate" the men put up some resistance, experience a drop in commitment, start to consider options for leaving.

Fiona
Age, 48, white female, married with grown up children. Frequently travels in the course of her work, but lives close to the company.

(Discourse: Female Manager, Custom Products Ltd)

This character is based on five cases. The first two cases provide evidence of subtle (and not so subtle) sexual advances that Ben ignores. The third/fourth cases reveal the interactions taking place between directors and Fiona's subordinates that she has to mediate. This provides evidence of the impact on Fiona of being caught in the middle

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[351]   Including my own experience.

of a tense relationship between Harry/Brenda and some of the sales staff (Tanya/Terry/Sally). Ben believes that this casts Fiona's behaviour in a new light.

Fiona offers an interesting contrast to Diane. While Diane is flirty and passive, Fiona is sexually assertive. Her sexual behaviour is not, however, raised or challenged by anyone and her intent remains ambiguous[352].

Fred   Age, 44, white male, married with children, but frequently away from home due to work commitments. He commutes from a long distance away to work at the company's head office.

(Discourse: Male Manager, Custom Products Ltd)

Based on two cases, this character is a study of how perceptions of "democratic" change can backfire when direct experience is perceived to be at variance from management rhetoric. The first case involves a salesperson who becomes a manager, and whose view of the company dramatically changes after he starts to commute long distances to work in the company's head office. The second involves a manager who reacted negatively to the proposal for an elected body to work with managers on "social" policy. He suggests this is nothing less than the introduction of a "politburo".

The character also offers insights into the ambiguous feelings of male managers. Difference between Fred's experiences and Diane's offers insights into gendered perspectives.

Gayle   Aged, 28, a single woman, in a long-term live-in relationship.

(Discourse: Career Woman, SoftContact (International) Ltd)

The character is constructed out of two cases. The first involves a woman who was recruited to SoftContact (International) Ltd as Company Administrator and resigned shortly before it stopped trading. The second involves a woman who was recruited in spring 2002 to initiate the company's marketing campaign and who stayed with the company until it was wound up. Both were initially employed on temporary contract. Both were converted to full-time permanent contracts after a three-month period.

Gayle remains in contact with Andy after he moves to XYZ Corporation and continues to provide information that helps with understanding of

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[352]   Ambiguous in the sense that it is not possible to determine whether her end-goal is a sexual relationship or simply a relationship sufficiently close to get emotional support for workplace problems.

past events. They correspond by letter, e-mail, through lunch dates, and formal (transcribed) interviews. She also offers testimony on Andy's behalf at an employment tribunal.

Gayle continues to develop her career during the research period and therefore contributes to the discourse on Career Women. Her experiences, and relationship with contributes to discussion about the influence of gender/attraction on social networks that affect governance.

Gerry   Age 40, white male, married with two children, long time activist/academic in the field of employee ownership.

(Discourse: Advocate, Democratic Enterprise Ltd)

This character is built out of three cases (mostly documented in e-mail correspondence, but also including journal entries and face-to-face meetings). Overall, the character captures how the relationships between practitioners, academics and lobbyists develop. He also provides insights into three processes; the way that dialogue between company directors/consultants feed into academic debate and practitioner discourses; the way that academics/consultants navigate existing legislation to create governance systems for employee-owned companies; how discourses can influence government policy and change the external legal/cultural environment.

Harry   Age, 41, white male, married to Valerie with children. He lives close to the company that he founded with Reece, in which he has a majority stake.

(Discourse: Self-Appointed Male Director, Custom Products Ltd, Advocate of Employee Ownership)

Based on two cases which are combined to present a (compelling, inspiring but often rhetorical) story of a social entrepreneurship whose values have been moulded and informed by the culture management revolution of the 1980s. This results in the introduction of strong social controls through HR "best-practice". Harry's application of his knowledge is contrasted with Andy's to provide insights into the way that different experiences inform moral values and behaviours, leading to different social outcomes and corporate governance systems.

The rhetorical claims of social responsibility and democracy are contrasted with the values implicit in contractual documents, policies and humour (both verbal and written) that circulates amongst managers/directors. These sources suggest a dictatorship/oligarchy obscured by highly sophisticated cultural rhetoric, but which later moves towards a genuine democratic commitment.

The rhetoric at Custom Products Ltd is compared to SoftContact (International) Ltd through an examination of contractual and constitutional documents. These illustrate the way in which similar

rhetoric can mask subtle differences in underlying values and practice. The contractual documents, however, are seen less as evidence of practice, than **historical** *records that articulate aspirations that are not always realised in practice.*

John   Age, 39, married with two children.

(Discourse: Appointed Male Director, Custom Products Ltd)

This character is based on three primary cases. One case is a man (a sales director) recruited from another company to manage a new division within Custom Products. The second is a man who formed a friendship with Harry at summer football camps and later became the company's sales director. The third case involves a long-term director who joined in the early days (after Reece's unexpected death) to fulfil the HR role originally outlined for Reece.

The character interacts a great deal with Harry, Andy, Brenda and Diane. He also forms a surprisingly close friendship with Ben (who shares his interest in politics and psychology, and also experiences similar stresses and strains in married life). The development of the character, and his exchanges with Harry and Andy, show how one senior director worked to prepare and implement new governance proposals. John's background in both education and psychology is also one of the cornerstones of "culture management" knowledge.

Reece   White male, died 1994 aged 47. Reece, a founder of Custom Products, has achieved the status of spiritual leader for his contribution to the values embedded in the culture.

(Discourse: Cult Figure)

The character is based on a single case drawn entirely from company documents circulating within Custom Products. His image (in the form of photographs/pictures) is known to all in the company. His name lives on through internal discourses, memories and the prestigious Reecey Award created in his memory, and awarded annually by a popular vote of staff. Fred and Diane have both won the Reecey Award.

Hayley   Age, 26, single woman, who is employed on a temporary basis.

(Discourse: Temporary Female Office Worker, Custom Products Ltd)

This character is based on a single case (with changed personal details), and supplemented with anecdotes from minor cases. Hayley provides insights into gendered behaviour in the workplace, the dynamics of close (and sexually ambiguous) friendships between men and women at work. The character also contributes to an understanding of how close friendships with ex-workers continue to impact on permanent workers'

interpretations of senior management behaviour during and after their period of work.

Irene   Age, 29, white female. She lives locally and walks to work

(Discourse: Female Warehouse Worker)

(Discourse: Female Office Worker)

The character is based on four cases that are combined to show the complex and difficult relationship that women can have with directors, and the processes of marginalisation that can result in people being pushed out of the company. Irene also contributes to discussion of gender-based behaviour that is impacted by attractiveness. Integration problems due to lack of attractiveness has emerged as a probable factor in the likelihood of complaints.

The first case involves a long-serving unattractive woman who repeatedly becomes isolated at work due to differences with her colleagues. While newcomers find her helpful and friendly, other colleagues complain about her behaviour and managers have to intervene repeatedly. The second case involves a moderately attractive woman who experiences periods of absence from work, allegedly for "personal reasons". Ben, however, discovers from Diane that she discusses workplace problems with her psychologist and that "rehabilitation" problems in the company are due to accusations regarding Brenda/John's treatment of her. The third case involves an unattractive woman who repeatedly comes into conflict with managers regarding the company's values/actions. After a period of absence (allegedly due to illness), she write to the company directors to say that she will not return to work because of differences with them. The last case involves an unattractive woman of limited intellect who after being injured at work is allegedly persuaded to bring an action for damages. She is immediately seen by Brenda, claims her job was threatened. She absents herself from work and after a week produces a sick note signing her off for reasons of stress. When the company insists on an examination by its own doctor, she (allegedly) resigns.

Karen   Aged, 24, single female, in a long-term relationship. She works during the summer months, and sometimes through the winter.

(Discourse: Temporary Female Warehouse Worker, Custom Products Ltd)

The character is based on four cases that combine to reveal different aspects of the relationship between the company and temporary (female) workers. The first case is a woman who has worked for many years and fails a job interview. Her story is reported mostly by Chris, who was working with her at the time. The second case is a worker who, despite management respect for her competence, is refused employment by Brenda on the grounds that she is "too loud". The third case involves a

temporary employee who declines a job interview and later has their contract terminated prematurely because of poorer than expected financial results. The last case is a woman in temporary employment who has worked for several years, and explodes in anger when she is excluded from a company event that her (temporary) colleague was able to attend. Her outburst results in a meeting in which she apologises to Diane for a series of accusations about the way the company treats its temporary employees.

A contrasting discourse on temporary employment is told by Larissa who is initially taken on as a temporary worker and then recruited to a permanent position after two months.

Larissa   Age, 27, a female of mixed parentage. She works in head office.

(Discourse: Female Office Worker, Custom Products Ltd)

The character is built out of two cases – with snippets from minor cases. The first primary case is a woman who felt staff were all "brainwashed" when she joined, but who slowly comes to appreciate and like the culture. The second case is a woman with foreign parents who came to the UK to raise their family. She experiences a series of changes in her motivation throughout the research period, but remains generally enthusiastic about the company.

Melanie   Age, 38, black career woman, not married, not in a relationship.

(Discourse: Elected Female Teamleader, SoftContact (UK) Ltd, Career Woman)

Based on two cases and constructed from correspondence retrieved from the insolvency practitioner, my personal diary (1999), and e-mail correspondence during 2002/3.

Neil   Age, 43, white single "career" male.

(Discourse: Male Manager, SoftContact (International) Ltd)

(Discourse: Male Office Worker, SoftContact (UK) Ltd)

This character is built out of two cases. Both involve software developers recruited by Dan/Melanie to join SoftContact (UK) Ltd. The first previously worked in the public sector, and makes a large contribution to the constitution of the spin off company. The second previously worked in the commercial sector (supplying products to the public sector) and makes a large contribution to software production processes.

Neil not only provides insights into the culture at the comparison companies, but offers evidence that even in notionally 'democratic' cultures, informal hierarchies develop as a result of commercial

competence, length of service, and perceptions of personal qualities. He also contributes to discussions about gendered/class behaviour.

Patrick   Age, 50, white male, not married, no children, but in a committed life-long relationship.

(Discourse: Executive Director, SoftContact (UK) Ltd)

Based on two cases, which are combined to offer evidence of changing governance values at SoftContact. The relationship between Andy and Patrick shows how, despite considerable social pressures and professional conflicts of interest, two people can change and adapt their relationship. However, when the conflict of interest moves from the professional to the personal domain, contact becomes formal and eventually ceases.

Pauline   Age, 52, white female. Two children then divorced. She travelled extensively after her divorce.

(Discourse: Female Office Worker, SoftContact (UK/International) Ltd)

(Discourse: Female Salesperson, SoftContact (UK) Ltd)

Based on two cases and constructed from correspondence retrieved from SoftContact (International) Ltd's insolvency company, my personal diary (1999), and correspondence through 2002/ 2003.

Sally   Age, 54, married white female.

(Discourse: Female Salesperson, Custom Products Ltd)

Based on three cases. One case involves a saleswoman whose commitment to the company is very public. The second case involves a saleswomen who speaks highly of the company's senior management. The third case expresses mixed feelings over senior management, but expresses commitment to the culture. Their opinions are combined to offer a discourse that challenges the one articulated by Tanya to illustrate the mixed feeling amongst the sales force about the values and actions of senior management.

Simon   Age, 35, a white male, who moves to the area to take up a position at the company.

(Discourse: Male Manager, Elected Director, SoftContact)

Simon's story is constructed from data in three other cases, and supported by extensive correspondence retrieved from the insolvency practitioner. The character offers insights into the impact of conflict on the social structure of an organisation, and also how mismatches in the expectations of new and experienced directors can create value conflicts.

Simon's experience of alienation and the behavioural impacts of this, offer case material to support theory on both gendered (male/female interpersonal dynamics) as well as theory on conflict development and resolution.

Tanya   Age, 48, married white female.

(Discourse: Female Salesperson, Custom Products Ltd)

Based on three cases. One involves a long-serving saleswoman who has committed her career to the company because she does not believe that she will ever again be able to establish a client base large enough to match her current income. She expresses to Andy that she feels trapped and misled by directors, but he reflects that her bitterness at some management actions is mixed with admiration for the company's aspirations and its MD (Harry).

*The second case involves a long-serving saleswoman who grows increasingly disillusioned at the way "shared values" are sold to company staff using psychological manipulation. While she is critical of the **way** ideas are "sold", she nevertheless often supports their **content**. She considers the directors sincere in their beliefs, but dishonest in their methods.*

The third case involves a long-serving saleswoman who recounts to Ben her experience of changes to terms and conditions of employment. Originally recruited on a commission-based system (which after several years results in a thriving business with her husband) she feels that she was forced onto PAYE against her wishes. She claims – to Andy – that her income has been reduced while her targets increased. Reconciled to staying with the company, and admitting that she would be unlikely to find better paid employment elsewhere she nevertheless feels that the business she built up from scratch (on a commission-only basis) has been "stolen" from her.

Terry   Age, 50, white male.

(Discourse: Male Salesperson, Custom Products Ltd)

Based on three cases. One expresses the view that the company is simply a family business, established to benefit founder members and their personal friends. Despite a series of conflicts, he stays with the company. The other case is a man who expresses admiration for the company's values and aspirations but grows weary of actual practices that result. In the midst of a dispute, he eventually feels he has no option but to leave the company. The third case is a man (not a salesperson, and head office based) who shares the sense of alienation that has resulted from growth over the previous half-decade. He feels the culture has changed "at least 50% [for the worse]" in that time.

The case is offered to support and contrast the experience of women involved in sales. Often the main breadwinner, the men find the changes to working conditions harder to accept than their female counterparts.

Tim

Age 55, white male, married with children. Tim has been employed by XYZ since leaving the practitioner world for a career as a consultant/academic.

(Discourse: Senior Consultant, XYZ Consultants)

(Discourse: Male Manager, XYZ Consultants)

Based on the experience of university supervision and involving five cases (three research supervisors, plus two others who become involved when Andy's contract with Custom Products Ltd is terminated). The character offers insights into the supervision of Andy's work and the way that it is affected by changing circumstances and relationships.

Appendix B – Body Language Notes

It is possible to spot emotions in people and yourself by being aware of combinations of speech, vocal, body language and facial codes. The notes below were made in preparation for the field after reading Glass (2002). The intention was to provide assistance with spotting patterns of behaviour that indicate various feelings – where a number of behaviours occur together, this assists with interpretation:

Honesty/Openness:	*Speech:* Generous praise, care that what is said is appropriate in circumstances, gets to the point, co-operative, compassionate, interested (not trying to be interesting)
	Voice: Deep, lively, varied pitch, robust tone, conveying emotion
	Body: Learning towards or to one side, palms showing, fingers extended, relaxed arms or arms behind back or head, feet together, legs apart, not crossed or crossed knee on knee in comfortable position, no make-up (women only), hair groomed forward, tasteful clothes
	Face: Smiling with both cheeks raised, relaxed eyes, soft gaze, strong direct eye contact
Attraction:	*Speech:* (as above – but with additional body/face behaviours)
	Voice: (as above - but with additional body/face behaviours)
	Body: (as above accompanied by...) copying or mimicking body movements, body aligned with feet to face person, sideways glancing with head lowered, quick left to right glancing, shoulder shrugging (women only)
	Face: (as above accompanied by...) frequent eye contact - particularly a relaxed gaze held for more than 2 seconds, smiling while raising/dropping eyebrows quickly.
Hostility/Jealousy:	*Speech:* "I was only kidding" behaviour. Saying few words, or not answering questions. Gossiping. Cursing.
	Voice: Rising pitch, increasing volume, deliberate softness or loudness, sudden bursts of loudness, nasal, deliberate slowness
	Body: Standing too close, quick movement forward of head or body, arms akimbo, clenched fists, crushing handshake.
	Face: Deadpan staring unflickering eyes, jutting chin, tight scrunched up eyes, gulping (combined with tight eyes).

Disrespect/Dislike:	*Speech:* Slang or curse words, limited verbal repertoire, politically incorrect language. "Cut You Down" behaviour, failure to listen, talking without listening, unsettling innuendo. *Voice:* Forced low pitch, loudness, loud bursts, nasal, harsh, gravely tones, slow or deliberate speaking *Body:* Standing too far away, leaning back, head retracting or shaking, closed posture (arms crossed, legs crossed above knee, turning body away), squeezing/pinching nose, calm talking with clench fist, walking with chin raised. *Face:* Smile with dropped cheeks, avoiding gaze, gaze with lowered knitted eyebrows, gulping while listening (with deadpan eyes), hand to mouth while listening, lip biting and head shaking while listening.
Lying/Holding Back:	*Speech:* Indirect explanations, over full explanations, hesitation, repeating words, stuttering, over complimentary, mumbling. *Voice:* Nasal, breathy or harsh/gravely voice, dull/lifeless tone, over sweet sugary tone. *Body:* Quick involuntary shoulder shrug, hidden, tense, folded away hands, ankle locking, legs crossed above knee, foot on heel or side. *Face:* Phoney smile (cheeks not raised), touching eye, nose or mouth while speaking, clenched fist with calm voice, licking lips while talking
Doubting/Disbelief:	*Body:* Rocking, fidgeting, side-to-side head movement, crossed arms/legs (above knee), stiff thumb or forming a fist with hand, pinching or squeezing nose, putting fingers to mouth, foot locking, ankle locking, *Face:* Deadpan expression, smiling (cheeks not raised), eyes wide with lips apart, single raised eyebrow, eye look up to ceiling, avoiding eye contact, gulping, knitted eyebrows, laughing (without smile), hand touches mouth or eye, rubbing cheek, rubbing ear between thumb and forefinger.
Fear/Insecurity:	*Speech:* Self-praise, joke telling, talking without listening, giving private information, long words, conciliatory behaviour, putting self down, diminishing own achievements. *Voice:* High pitched or soft voice, sexy/breathy voice, talking too fast, pitching up at end of sentence. *Body:* Rocking, fidgeting, constant nodding, slumped shoulders, 'posing', crossed arms, playing with pen/jewellery, touching face, pinching nose, trendy sexy or loud clothing, hair combed to side, changing hairstyles, bitten nails, over-meticulous grooming *Face:* Excessive blinking, avoiding eye contact, inappropriate smiling/laughing.
Feeling Intimidated:	*Speech:* "Cut you down" behaviour, contradicting, "I don't know", short answers, avoiding answers. *Voice:* Shaky *Body:* Closing off, withdrawing (crossing arms, turning away), foot locking, 'get-me-out-of-here' posture, hunched walk *Face:* Deadpan expression, breaks a gaze and eyes go down, avoiding eye contact, lowering eyebrows, inappropriate laughing, retracting chin to rest on neck.

Speech Code

Category	Behaviour	Additional Evidence	(Possible) Meanings
Great Communication	Generous, Kind, Careful, Appropriate, Succinct, Listener, Co-operative, Compassionate	Concerned about person to whom they are speaking. Interest*ed*, rather than interest*ing*. Nothing to prove.	Honesty, sincerity, good/terrific person
I Was Only Kidding	Playful Sarcasm/Rudeness, Cutting Humour	"Only kidding"; "Where's your sense of humour?"; "Lighten up";"Can't you take a joke?"	Hostility, jealousy, negative feelings, suppressed anger.
Verbally Unconscious	Unaware or ignorant, distracted, outdated language	Slang or curse words, limited verbal repertoire, politically incorrect language	Disrespect, low regard for others
Contradictor	Contradicts another, seeks to embarrass or compete	Constantly contradict what is said by others	Insecure, mean-spirited, disrespectful, feeling threatened.
Cut-You-Downer	Compliment followed by qualification that undermines it, or make undermining comments	Use of absolutes "never", "always", black and white terms, talking at (not with) people	Disrespect, jealousy, feeling threatened
Chatterbox	Talks Constantly, won't allow others time to speak	Don't wait for answers, insensitivity to others, trouble getting off the phone	Distracted, can't confront feelings, narcissist, fear of abandonment
Gossiper	Speaks ill of others Adds disparaging comments	Distort what is said Unable to keep a secret	Jealous, sneaky, competitive, duplicitous, may want to hurt or destroy
Topic Flitter	Flit from topic to topic Changes conversation to self Difficult to follow	Short attention span. only seems happy when conversation centred on self	Narcissism, selfish, manipulative
My, Myself, and I	Compulsive need to talk about self Self-praise	Attention seeking, may use humour to attract attention, talk about self, children/family ad nauseam	Insecurity Selfish, self-serving
Busybody	Asks invasive questions	Rude or digging for gossip, blunt or over familiar	Competitive Manipulative
Tell All	Tell too much, tells private information	Insensitive to listeners wishes, Not sensitive to social boundaries	Insecure and wish to bond Seeking approval
Beat-Around-the Bush	Don't get to the point Indirect about wishes Unclear about wishes	Longwinded explanations, convoluted Words conciliatory behaviour	Internal fear Like status quo

Speech Code

Category	Behaviour	Additional Evidence	(Possible) Meanings
Too-Blunt	Unaware of words/comments Undiplomatic	Speak mind without thinking, over honest	Psychologically immature Possible bully?
Self-Effacing	Fearful of upsetting anyone or being centre of attention, minimise own achievements, won't accept praise	"Sorry to intrude but..." "I am sorry to take up your time but..." "It was not difficult...."	Fearful Low self-esteem Passive-Aggressive manipulator
I Don't Know	Won't commit to an opinion Sit on fence	"Yep" (without elaboration) "Nope" (without elaboration) "I don't know" (when asked opinion)	Intimidated Insecure Fearful
Liar	Indirect Unnecessarily full explanations Unexpected hesitation Too complimentary/over sweet compliments	"Let me be honest with you...." "Um, er..." Repeating words or slips of the tongue	Not being truthful Distracted? Holding back Manipulative
Lisper	Lisping	Problems with /w /r /s or /z	Immaturity/psychological trauma when young (caution, could be dental).
Ethnic Flavouring	Overuse of jargon or culture specific terms		Wish to exclude you
Slang	Overuse of slang terms		Behind the times Excluding Need to belong
Tangent	Tell you more than you need to know Going off on tangents when speaking	Not giving simple or straightforward explanations	Not being truthful Feeling guilty
Stutter/Stammer	Repeating first word or syllable	Hesitation Long pause Repetition	Lying or withholding (NOTE: Disagreement amongst experts)
Mumbler	Unclear or quiet speech	Seek to avoid spotlight Speak too quietly to be heard (Use compassionate loving tones!)	Low self-esteem, shy/timid, embarrassed, hiding something?

Category	Behaviour	Additional Evidence	(Possible) Meanings
Fragmented	Speaks in fragments	Hard to follow train of thought Illogical statements	Brain dysfunction? Drug reaction?
Hesitator	Takes too long to answer, or stops in mid-sentence		Timid, insecure, lying?, Perfectionist? On medication?
Chronic Complainer	Moaning and groaning.... Finding fault in people and things....	Feeling 'wronged' Ask for help but then contradict	Worrier, Unappreciative, Destructive
Few Words	Don't share opinions Too quiet	Short answers to questions Not giving answers Difficulty handling change	Afraid of being hurt, past trauma? Inner rage/hostility Self-absorbed/self-conscious
Condescending	Failure to listen Talking without listening	Using big words Speaking over slowly "You should..." or "You had better..."	Snob Feel superior Controllers
Verbal Instigator	Saying unsettling things Innuendo that annoys	Comments aimed at getting someone into trouble	Feel miserable Two-faced Aiming to upset
Nagger	Nagging behaviour Critical comments	"Why must you..." "Why do you...."	Control freak (Main reason couples end up in therapy and get divorced!)
Interrupter	Interrupt other people before finishing sentence Talking over people	Continue even if interrupted person gets annoyed....	Control freak/Bully Self-absorbed and unaware, selfish? Fearful? (core problem?)
Curser	Using curse words to sound hip or tough	Attention seeking use of expletives	Want to be hip Keeping people at bay Inner hostility Bully/Control freak?

Vocal Code

Be aware that meanings are what people perceive rather than what those saying may be feeling.

Category	Behaviour	Additional Evidence	(Possible) Meanings
Style	Deep vocal tone, lively, varied pitch, conveying emotions, robust.	Voice sounds attractive	Trustworthiness Confidence
Pitch	Too High	Associated with sexual problems Pitch rises when angry or upset	Immaturity Stifled emotional growth Insecurity, anger or fear
	Forced Too Low	Associated with insincerity	Obnoxious Pompous
Volume	Too Soft	Others asking for speaker to repeat Appearance of shyness	Hidden Anger (if deliberate) Feeling of unworth Sadness Powerlessness
	Too Loud	Associated with anger Maybe from a large family	Pompous Arrogant/Controlling Bullying/Competitive Anger (Internal or External)
	Fading Out	Associated with frustration, and an inability to follow through thoughts and actions	Low self-esteem Not manipulative/controlling Will not complete tasks
Quality	Shaky	Could be due to medication Timid or paranoid behaviour Turning red if put on spot	Upset or Nervous Worrying Fearful of Life Wanting approval
	Vocal Attacker	Sudden loud bursts Little shocks (in conversation)	Anger Aggression, competitiveness
	Nasal Whiner (Jaw moves)	Arouse humour in others Butt of jokes Perceived as unaware	Defensiveness Aggression Obnoxious or complaining
	Harsh/Gravelly	May evoke instant dislike	Aggression Controlling Bossy or Bullying Angry

Category	Behaviour	Additional Evidence	(Possible) Meanings
	Sexy or Breathy	Seductive tone (Be cautious if used with several people – maybe genuine if restricted to one person)	Game playing Manipulative Insulting Untrustworthy Lacking confidence
	Frenetic or Manic Tones	Exhausting to listen to (Can be due to chemical imbalance) Motivating (in short burst) Energetic	Controlling Attention Seeking Not Compassionate Selfish Anger
	Too Fast	Can be due to growing up in large family	Anxiety Anger Insecurity Driven/Ambitious
	Agitated	Having 'attitude' Argumentative tone	Chip on shoulder Looking for fight
	Choppy/Staccato	Short simple sentences	Inflexibility Self-righteous Headstrong Judgemental
	Nasal Whiner (No Jaw Movement)	Associated with stinginess, being uptight	Angry/Complaining Pent-up rage
	Sounding Dull/Lifeless	Not in touch with emotions Can be associated with depression or sadness May make others angry	Apathy, uncaring, repressed low self-esteem. Passive-aggressive – could be indication of dishonesty
	Sugary Sweet	Incongruent behaviours Double messages	Duplicitous Untrustworthy
	Pitching Up	Maybe 'Uptalk' – tone used by teenagers within a peer groups.	Tentative Insecure Lack of confidence

Category	Behaviour	Additional Evidence	(Possible) Meanings
	Too Slow/Deliberate	Continuing even if audience is bored Could be due to neuromotor condition or medication.	Poor self-esteem Arrogant Hostility (if persistent) Sadness

Body Language Code

Category	Behaviour	Additional Evidence	(Possible) Meanings
Overview	Leaning	Towards.... Sideways.... Away....	Interest or attraction Friendliness Boredom/Discomfort
	Zone Stepping	Can be cultural	Invasion = Advance/Hostility/Unawareness
	Standing Too Far Away	Offended by you, what is said, smell, look	Arrogant/Snobby, dislike, feeling threatened
	Mirroring Movements	Copying movement of person speaking	Closeness or love, falling in love (if mutual)
	Rocking Back and Forth	Relieves anxiety	Impatience or Anxiety (relief from)
	Fidgeting	Restlessness	Nervousness or irritation
	Head Tilting	Tilting to Side	Interest/Have attention
	Head Jerking	Jerking away	Something does not please (automatic reaction)
	Head Nodding	"Yes" Mode "Side to side"	Desire to be liked (if constant) Insecurity, fear of rejection Doubt/Reluctance/Deciding
	Head Bowing	(if not cultural)	Unsure, unhappy, low self-esteem
	Head Trusting Forward	Forward.... Shaking/Trusting Back....	Aggressive, threatened Disdain or arrogance
	Head Scratching		Confusion
	Shoulder Shrugging	If very quick, then sign of lying Unhurried, by a woman....	Untruthful or Indifferent Approachability/Feeling Sexy
Posture	Slumped Over	Rounded shoulders.... If consistently..... If temporary....	Resignation, low self-confidence, depression Withdrawing from situation or life Uninterested
	Lunging Forward	Associated with fight response	Anger (particularly if neck extended)
	Rigid	Authoritarian behaviour	Uptight or Inflexible
	Poser	Appear snobby, but actually....	Insecure, self-conscious, narcissistic
	Closed	Cross arms over chest, or legs above the knee	Dislike or disagree

Category	Behaviour	Additional Evidence	(Possible) Meanings
	Neutral	Folded hands in front or in lap, crossed legs	Undecided
	Bored	Turning away (head or body), leaning back	Bored (particularly if head rests on hand)
Arms	Crossed	Closing off behaviour, withdrawing	Defensiveness, discomfort, protecting
	Akimbo	Hands on hips, elbow protruding	Stay away/Don't mess (aggressive stance)
	Open	Arms behind back	Confidence
	Flailing	In west (not Mediterranean/Middle Eastern)	Highly emotional/extremely angry
Hands	Hidden	Also indicated by putting hands put into pockets	Hiding information
	Angry	Clenched – look for thumb. Jerky movements	Anger (if thumb hidden, then feels threatened)
	Lying	Less expressive, hidden or folded away, tension	Lying or suppressing strong emotions
	Honest	Palms exposed, fingers extended	Openness, honesty
	Charged	Hands/arms waving	Emotional/Committed
	Stubborn	Stiff thumb, fingers straight or forming a fist	Closed off emotionally, won't be persuaded
	Impatient	Drumming or tapping fingers... Fiddling with jewellery/hair/pen...	Impatience Nervousness/insecurity
	Pressured	Nail biting, hand wringing, fidgeting	Anxiety (feeling pressured), anger, frustration
	Bored	Fingers locked, thumbs twiddling	Bored
	Comfortable	Strong flowing movements, unmechanical Hands behind head, arms akimbo	Feeling comfortable and at ease
	Confident	Steepling with forefingers	Self-assured, confident
Touching	Self touching	Touching face.... Touching eye or mouth.... Squeezing or pinching nose....	Uncomfortable, may not be telling truth May indicate a lie has just been told Suppressed discomfort/disagreement
	Non touchers	Stiff, upright posture can indicate insecurity	Discomfort, self-consumed, selfish Emotional/physical abuse as children?
	Hard touchers	Touch that squeezes and hurts	Inner rage/competitiveness
	Hand shakers	Comfortable and firm.... Weak and awkward.... Crushing and pain producing....	Confident and open Not sure how to 'connect', insecure, intimidated Hostility, attempting dominance
	Hand talking	Calm talking with clenched fists	Dislike, anger or dishonesty

Category	Behaviour	Additional Evidence	(Possible) Meanings
Feet	Honest	Together on ground, facing you.... On heel or side....	Openness/honesty Dishonesty?
	Foot Jiggling	Jiggling/tapping foot	Boredom, wishing to get away
	Foot Locking	Wrapping foot around one leg	Nervousness or feeling uncomfortable
	Ankle Locking	Placing one ankle over the other	Holding back emotion or information
Legs	Confident	Legs apart, or together at knees (women).... Feet on ground pointing towards you.... Legs crossed (knee directly over knee)	Openness, self-assured Honesty, frankness, attraction Openness, confidence
	Lying	Crossed above the knee	Discomfort, lying
	Get-Me-Out-Of-Here	Head/torso out of alignment with feet/legs	Want to leave
	Independent	One leg on top of the other	Unconcerned, independent
	Dominant	Stretched out in front (crossed or not)	Strong willed, bullying?
	One-Legged	Lack of attention	Maybe habit, but can indicate lack of attention
Walking	Depressed	Head bowed, shoulder stoop, eyes down	Sad/depressed
	I'm All That	Chin raised, arms swinging exaggerated	Confidence, superiority, snobbishness
	Timid	Hunched, quiet movements	
	Uptight	Rigid, clipped, short steps, rigid arms	
	Confident	Even pace, bounce, head up, relaxed arms	
Clothes	Outdated	Ill-fitting, worn	Poor or not with the times
	Unkempt	Stained, smelly, unkempt	Low self-esteem, unconcerned about self
	High-Fashion	Follow latest fads	Want to fit in, insecurity
	Sexy	On regular basis.... On occasional basis....	Sexually/emotionally insecure Seeking sexual attention
	Loud	On regular basis Irregular (or dashes of colour)	Insecurity, low self-esteem Happy, upbeat, creative
	Boring	Bland colours	Timid
	Overly Buttoned		Disciplined, well-organised Rigid/inflexible (jeans pressed, underwear ironed)
	Inappropriate	Wearing inappropriate clothes on purpose (Sexy clothing at work is included)	Belligerence, non-conformist, rebel, inner hostility Bullying (but bespeaks insecurity)
	Tasteful	Clean styling (without being loud) ....if includes personal decoration/accessory...	Self-esteem Co-operative, open

Category	Behaviour	Additional Evidence	(Possible) Meanings
Hygiene	Cleanliness	Generally No make-up (women) Re-applying make-up Always wear make-up	Self-esteem Down-to-earth, open? Insecurity Low self-esteem
	Hair Grooming	Groomed forward.... Combed to one side.... Constantly changing hair styles....	Openness Not forthright, insecurity Insecurity, seeking identity
	Nail Grooming	Bitten to quick	Insecurity, anxiety
	Overly Meticulous		Rigid, inflexible, insecure

Facial Code

Category	Behaviour	Additional Evidence	(Possible) Meanings
Overview	Attraction	Frequent looking Looking for more than 2 seconds.... Enlarged pupils.... Left to right glancing, avoiding gaze.... Mirroring smiles, nodding, copying.... If mirroring is mutual and done a lot....	Likes you Really likes you Really likes you Shyness, trying to hide attraction Admiration Falling or in love
	Sincerity	Alive, expressive, soft gaze (not hard or staring), teeth not clenched – jaw is relaxed	Open and honest, confident, interested
	Resignation, Hidden, Anger/Fear	Deadpan or aloof expression Controlled facial movements	Giving up or resigned to situation Hiding anger or fear
Eyes	Friendly	Frequent eye contact	
	Unfriendly	Avoiding eye contact	
	Lying	Smiling mouth with unsmiling eyes (Honest smile affects eyes and forehead)	If talking – possible lying If listening – dislikes what is being said
	Surprised	Eyes wide (showing sclera – whites of eyes) Eye brows raised Dropped lower jaw, lips apart	If noticed after asking a question.... may have caught person in a lie
	Scared	Eyebrows together Lips drawn back	Fear
	Angry	Eye scrunched up, unflickering	Attempting to intimidate, threaten
	Staring	..with unchanged natural or kind expression.... ..with controlled rigid expression....	Sexual advance Hostility
	Doubting	Eyes narrow, forehead furrowed One eyebrow lifted	Unsure Undecided
	Astonished	Eyes lifted... Glance at ceiling or of disdain....	Astonishment Disbelief
	Shy	Sideways glance... ...with lowered head....	Shyness Flirtation

Category	Behaviour	Additional Evidence	(Possible) Meanings
	Sad, shameful	Eyes downward ...When breaking a gaze....	Sadness Submissiveness
	I didn't do it	Strong direct eye contact during denial....	Honesty
	Twitching		Self-consciousness, stress Awareness of doing something wrong
	Excessive blinking	Generally.... When talking to another person....	Nervousness, insecurity Lying or worried about not being believed
	Avoiding	N.B. Do not assume this means lying; just sign of discomfort or something being withheld	Dislike or intimidated/defensive Lying
	Raised, knitted or lowered brows	Smiling and quickly raised/lowered... Smiling but eyebrows are not raised... Lowered, knitted eyebrows	Person likes you, is interested in you Person not bothered about you Dislike, anxiety, fear
Lips	Smiling	Corners up, showing teeth, cheeks raised	Genuine friendliness, approachability
	Tight grin	Dull eyes, cheeks not raised	Dishonesty?
	Inappropriate smiling	...and laughing...	Discomfort, nervousness
	Yawning	….if not actually tired….	Boredom Unwillingness to face subject or issue
	Gulping	...upon hearing news.... ...accompanied by tight grin, dead eyes....	Shock or jealousy Displeasure
	Hand to mouth	When talking.... When listening....	Lying Dislike what is being said
	Lip Biting	Head is still.... Head is shaking....	Internalised anger Intense anger
	Lip Licking	When talking... When listening or gazing...	Nervousness or lying Flirting, inviting sexual attention
	Cheek movements	Both raised.... One raised (distorted grin).... Rubbing cheek.... Going red....	Openness, friendliness Possible sarcasm Doubting Feeling humiliated or embarrassed
Chin	Anger	Jutting forward (particularly children)...	Defiance or Anger
	Fear	Retracting chin so it rests on neck	Intimidated and fearful
	Boredom	Supported by hand...	Trying to be interested
	Concentration	Stroking....	Intense concentration
	Criticism/Snobbery	Lifting of chin....	
	Doubt	Rubbing or holding chin....	Disbelief
Nose	Lying or Holding Back	Touching nose/mouth area	
Ear	Doubting or Confused	Scratching behind ear....	
	Disbelief	Rubbing ear with thumb and finger	Person does not believe or does not want to hear what is being said

Appendix C – Supporting Empirical Data

This appendix contains data and narrative included in earlier drafts of the thesis. These were removed to shorten the thesis and improve readability. The data constitutes part of the empirics analysed with Nvivo to produce the framework for understanding relationships, and the associated behaviours. The screen shot of the micro-analysis process is offered below:
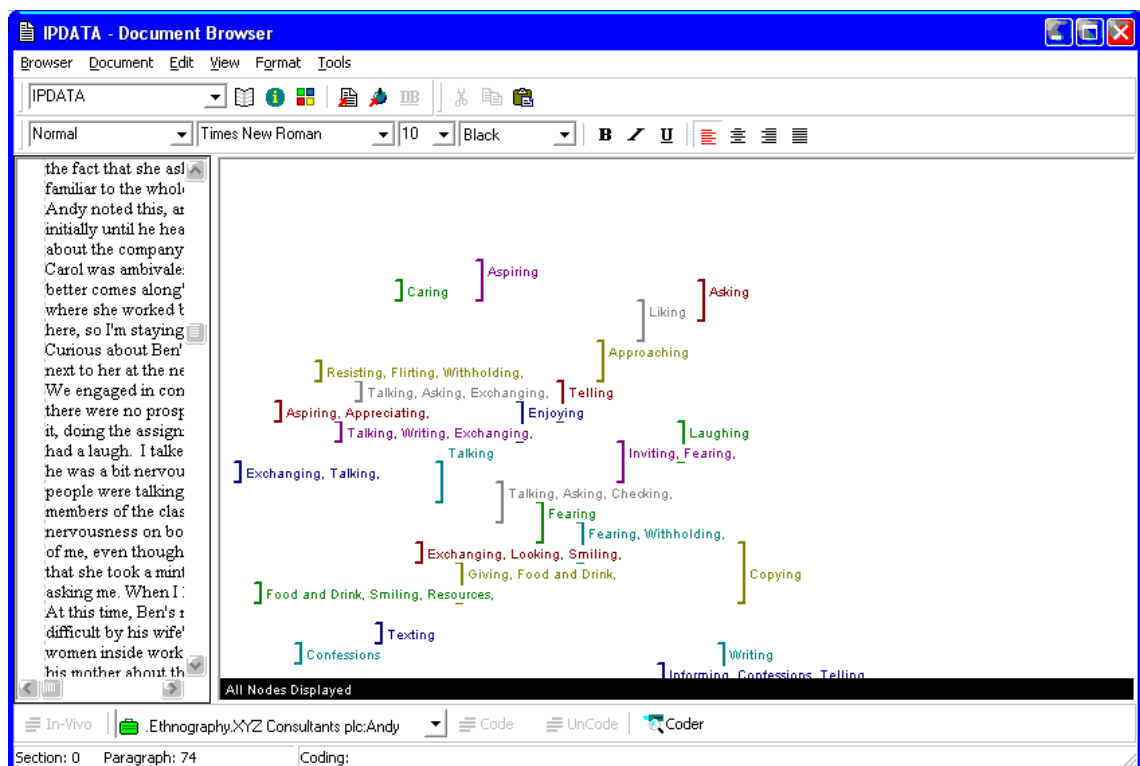
C1 – Evidence of Sexual Dynamics

Curious about Ben's evolving relationship Andy decided to "break the ice" with Carol properly and deliberately sat next to her at the next culture class. He found her interesting but cautious, and also noted her propensity to flirt:

> *[At first] we engaged in conversation a bit. I asked about her previous job - she said people were really bitchy and that there were no prospects. She felt Custom Products was friendly and there were better prospects. She's enjoying it, doing the assignments and has had useful feedback from John. We talked about the Presentation Evening; we had a laugh. I talked about Diane's comments and Carol she said she'd brought her partner along even though he was a bit nervous about going. We consistently engaged each other for the evening. In the second half, when people were talking about decisions, I chatted privately to see whether she would corroborate what other members of the class were saying, and generally she did. I decided that I liked her; but I still detect some nervousness on both sides. She was not as open talking about her background as other people. She is cautious of me, even though she smiled at me a lot and*

we engaged in a lot of eye contact. When I took a mint, I noticed that she took a mint. Then later when she poured herself some water, she automatically poured me a glass without asking me. When I later poured myself a glass, I poured her one and this made us both smile. [353]

Initially Ben had regarded Hayley as "born with a silver spoon in her mouth"[354] but after the war in Iraq broke out, and Hayley became deeply concerned for the safety of relatives who were being affected by the conflict[355], his attitude started to change. Andy reflected that Ben – who was nearly twice as old as Hayley – regarded himself as a kind of mentor to her[356]. As the weeks passed, Ben and Hayley got on increasingly well, but he still did not regard her as a friend in the way that he regarded John, Diane, Larissa and Carol[357]. Ben started to notice that Hayley seemed to have a changed attitude at work:

Hayley is much happier. She seemed to be into the training project. I think she quite likes me because she seems particularly upbeat when I see her. When I left yesterday she said "Oh Ben! What am I going to do without you?" I didn't think much about it at the time, but it is her reaction today that makes me think she likes me coming in; she likes me helping her. She seems a good deal....a good deal happier...that is the main point.[358]

From this point on, Ben, Hayley and Diane start to develop together as a team and the atmosphere becomes quite jovial. Ben notices the way that the whole team start swapping stories about their love lives, and that Hayley also starts to become more "friendly":

We talked about soaps, and the music we liked, the programmes we like. Diane told us of her husband and his 'fit' body, that was why she'd stayed with him so long, in all other respects they were quite different. Hayley gave me and Diane the story of her romance with her boyfriend -

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[353]   FileRef: JN2, Para 958-962

[354]   FileRef: JN2, para 205

[355]   FileRef: JN2, para 1216

[356]   FileRef: JN2, para 207

[357]   FileRef: JN2, paras 982-994. Ben is talking about the people he likes and identifies seven people in particular, three men (Harry, John, Andy) and four women (Larissa, Diane, Carol and Irene). Interestingly he does **not** identify his colleague Hayley, or Brenda (the director of his department).

[358]   FileRef: JN2, para 927

that they were friends for a couple of years - then a friend told her that he loved her. The long and short is that apart from playing the normal games, they started going out together.

I made us all tea. I make coffee for Hayley sometimes. When we were reflecting – Diane told us that her husband is her second husband - she fell in love with her next door neighbour (they spent a lot of time together)! Diane just left - felt guilty for a year, cried a lot. She was very open. She said the romance in her latest marriage was non-existent but she still fancies him.

I told them about the differences with my wife, but I did not elaborate because I did not feel I knew them well enough. At lunch time, Hayley asked if I'd like to go to Morrison's with her - I think she just wanted company. …In the car I asked her how she felt, and now she's doing the job she thought she was doing she's enjoying it more. She found the induction off-putting (perhaps that's too strong) but she certainly found it boring. She could understand why they did it. I said that if I hadn't found the others liked Eastenders, I too would have found it boring.

After lunch, Hayley and I chatted away. We are becoming friendly in the way that work colleagues do. When I came in this morning, I could see she'd had her hair done, and had her pullover over her shoulder and looked quite swish so I did compliment her. I could see she appreciated that.[359]

In the run up to Hayley's leaving party, and with his inhibitions diminishing following his separation from his wife, Ben found himself seduced into another flirty relationship, this time with Hayley:

Darling Hayley. She kept coming up and interrupting me from time to time. I'm sure she didn't need to, she just liked to. She was wearing a lovely black top today so I didn't mind being interrupted by her at all. We had lunch again, and again I felt - just like yesterday - that there was a bit of sexual banter going on. I was having a coffee with Diane - we were talking about the night out for her leaving do, we …... I was asking her if she was going to get an outfit (she said "yes", and I said that I might get one). We were talking about the fact that she was unable to stay over the night. She asked me if I would walk her back to her car - and she gave me such a look that I began to wonder what would happen if I did.

We are flirting quite openly now. I hope I'm not overdoing it. I'm conscious that I might have enjoyed it too much today and got carried away. At one point she said "Ben, are you flirting with me?" I said "Yes, just a bit", then I said "I trust you'll tell me to stop if you don't like it". She came straight over and stood very close to me in the corner of the office. She told me that John had warned her about me - that I might give her a lot of attention and then she giggled in a girlish way.

I did end up walking Hayley back to her car. I didn't talk to her much in the bar as she was dancing quite a bit .... she's a sexy little mover on the dance floor ... I walked her back. I think she asked me so that we could have a special goodbye away from everybody else. It was very touching. We hugged for several minutes. One hug was not enough. We hugged each other three times and exchanged compliments. I think she is so nice. I think I've made a life-time friend. I hope so.[360]

At Hayley's leaving party, Ben found that Brenda also opened up much more and talked about commitment to her career.

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[359]   FileRef: JN2, Para 940-950

[360]   FileRef: JN2, Para 1392, 1414, 1480

What I got from talking to Brenda was how passionate she is about the whole "community" thing. She really believes in it, that we are building something worthwhile. I do too. (Curiously – as if working something out) There was something strange, however, in the way she was asking me "how do you think you are going down?" She told me that I had no sense of status, and that I did not seem to appreciate the impact I was having. From the way she looked at me, I don't think she was talking only about my work. This is strange.....but now I think about it there have been a range of comments from different people....that lead me to believe that I'm having a significant impact on the workplace there....either my presence or my work (pause - then continues reflectively) it is affecting me. [361]

Ben found that his female colleagues not only showed concern about his situation, but that they took a keen interest in his immediate plans:

I'm not sure how we got onto the subject, but now my situation is known, they asked me some questions about how I felt. I said that I expected to have a period on my own - I'd been like that before - and Diane said something similar to Hayley's comment that "I wouldn't be lonely" (Pause…as if trying to work something out)…. in fact she said that to me at the pub the other week - but she fleshed it out a bit this time, which was that people had been asking about me, about whether I was married, about my children. I didn't ask her any details at that time, but I found it reassuring. [362]

After Hayley's departure, Ben remained in touch with her through infrequent e-mails and phone conversations. They continued to chat about his workplace experiences. By mid-2003, Ben felt increasingly vulnerable on account of Phil's[363] sacking for – what appeared to him – to have been a comment to another bystander about the shortness of the skirts of some visiting schoolgirls. The bystander reported the comments to a manager and Phil was summarily dismissed. At Ben's appraisal in June, he raised this with Brenda. Afterwards, he exchanged his thoughts with Hayley:

(Ben to Hayley, 28th June 2003) Had my appraisal with Brenda and got what felt like a 'warning' over my flirting with you (because another man lost his job because of repeatedly 'inappropriate' behaviour towards women). I think Custom Products equal ops policy could do with a bit of an overhaul in this area, it is about 5 years out of date I think.

(Hayley to Ben, 10th July 2003) What is Brenda's problem warning you! God, is she jealous or something? I don't even work there anymore! Has someone said something? Does she like you? What a bitch.

(Ben to Hayley, 10th July 2003) There was an incident with a man who lost his job because of 'inappropriate' behaviour (it involved some schoolgirls). During my job review I said how uncomfortable this made me feel initially, but I understood how/why the situation had been handled and felt that it had been handled well…As we were on this territory and it was obvious our flirting had not gone unnoticed I explained that it was consensual. Brenda commented that this type of behaviour typically led to "trouble" and was particularly inappropriate for "senior"

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[361]   FileRef: JN2, Para 1476

[362]   FileRef: JN2, Para 1383

[363]   "Phil to temp" was recruited from an agency to work over the summer months.

staff. Felt like I was being told to be more careful in the future - close to a warning I felt. She's not a bitch, I think. She was just doing her "Brenda" thing of communicating how she thinks I should behave. I don't blame her for that. Custom Products needs to bring its equal ops attitude into the 21st Century, though. Brenda is so 1990s in her approach! [364]

C2 – Evidence of Formality, Deference and Authority

Ben expressed the following about Brenda's style of management:

> *I find there is a distance between myself and Brenda that I don't feel with Diane. It could be the line manager relationship or something. John once said that Brenda is not as trusting as other people, so she tends to think of things in a slightly different way. He gave me an example, suggesting they do something and Brenda's reaction was "what will so-and-so think, and what will so-and-so think". John found that a bit strange.* [365]

Andy and Brenda met when Brenda took one of the culture classes. Andy struggled to reconcile the negative comments he was picking up from staff with the evidence of his own eyes.

> *This was my first real exposure to Brenda and I felt she gave an excellent session - but it was more action than value driven. Her style was upbeat and involving (very much like Dave and Harry). She did not talk at the group as much as Dave, a good thing I think. She very much followed Harry's method of getting people to contribute before presenting related information, but in Brenda's case she was definitely directing people to the Custom Products philosophy and culture, rather than allowing the group to define its own.*
>
> *In our discussions after the session she was an active contributor. I'm unsure why some people make comments about her - she certainly seemed as open and clued in as the other senior staff, and her teaching style was strong, inclusive and interesting. There was a lot of laughter during the session and that did not fit with the comments I've heard from others. She's not well liked, but at the moment I cannot see why.* [366]

Andy found that Ben agreed with this last point. Ben recalled a time when he had worked particularly hard to prepare something for Brenda, but she was more interested in attending to Harry's needs than appreciating the effort he had made.

> *Brenda had been pressing me to get an IT system sufficiently ready for her and Diane to use, so I arranged to go in early to do some training for them, before the managers and directors meeting. It didn't work out like that, however. I was fed up that I'd arranged to come in early to do the training and I'd spent several hours preparing a quick guide to using the system. I'd asked for this meeting to ensure I could go to our next department meeting and show some progress, but the moment Harry put his face through the window, she went out. She treated him 'as the MD' and was in his power. He just had to say 'come on' and that was it. But we had arranged this meeting to give her training and timed it so that she would still have a half-hour*

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[364]   FileRef: RV01, Paras 69-76

[365]   FileRef: JN2, Para 1165

[366]   FileRef: JN1, Paras 1234, 1427

window to prepare for her meeting with Harry. She didn't even apologise for having to leave the meeting.

I'm sure she'll ask in our next group meeting "when are we going to be ready for this IT system?" and my response ought to be "when we start to take these training and handover issues seriously…". I don't think there is much awareness of the way technology and skills handover should work. When I think of other organisations in which I've worked, managers were more aware of their own role in helping people use the technology effectively, and showed more courtesy.[367]

C3 – Recruitment/Induction Processes

Custom Products

Below is the chronology of the recruitment process uncovered by Andy.

1) Following a job advertisement, application forms are **not** sent out (except to sales reps) – the company organises a short tour of the offices. If a person is not prepared to attend, they "deselect" themselves.

2) On the tour, potential applicants receive information about the company, salary, culture and working conditions to discourage speculative applications. **They are not given an application form, but they are provided with a chance to take one.**

3) The application form itself states that CVs are not accepted to discourage speculative applications.

4) Applicants have to answer questions about personal philosophy and conflict handling – notes suggest the applicant should withdraw if they struggle to answer these questions.

5) The "We Believe" leaflet is sent to short-listed applicants to screen out those who do not wish to accept the *responsibilities* outlined in the document.

The interview also has a series of well-defined stages:

1) The first interview is 'behavioural' – each question is ostensibly designed to test cultural compatibility. Applicants are asked to talk about their upbringing, schooling and job history. It can take up to 3-hours.

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[367] FileRef: JN2, Paras 1598, 1605. Later Ben worked for a whole day on proposal to create a new role for a systems analyst in the department (FileRef: JN3, Para 632-634). He received some verbal support – including that he might himself be suitable for that role. After suggesting a date to discuss it further, Brenda did not get back to him, so he gave up on the proposal.

2) Applicants are scored by two interviewers who look for evidence of behaviours that are seen as culturally desirable. The applicant is passed or failed on the extent to which they demonstrate desirable behaviours.

3) A second interview is arranged to explore the applicants' suitability for the post advertised. This usually involves their future line manager.

4) Role-playing exercises and interviews may both be used to further assess the person's behavioural responses and job competency.

HR staff review both interviews with line managers to make a final decision [368]. Post recruitment socialisation includes the following (compulsory element are in bold):

1) **An induction week, with sessions on culture, product range, health & safety, and a visit to each department.**

2) **Monthly "Figures Meeting" at which company results are communicated to staff. Peps talks and information are regularly given at these meetings.**

3) **A session on "community values" – after 6 weeks of employment. This reinforces the information given on the first day of induction.**

4) Participation in informal "socials" arranged across the organisation or by department (optional but expected). Attendance at "socials" was checked at interview. People who do not wish to socialise with their colleagues are screened out.

5) Practical joking against other members of staff (optional but expected). This occurred in many forms, both informal (Christmas pranks) and semi-formal (Red Nose day and during the Presentation Evening and Development Day)

6) **Annual Presentation Evening with set piece speeches, "corporate fun" (always sexual), formal dinner followed by disco/party.** In 2003, the evening had "bum of the year" and "bust of the year". In 2004, the men prepared a DVD of "The Full Monty" and completed their act on the night. The women prepared a DVD of "It's Raining Men", dressed in suspenders and stockings while men ran around them during a dance

7) **A Development Day – day-out for all staff, pre-organised activities, some free time.** These included trips to Alton Towers, Venice, National Parks, Treasure Hunts, Quizzes etc.

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[368]   FileRef: ST-P2, Documents 34a, 34b, 34c

8) End of Summer party. This was the only event to which temporary staff were formally invited. Only those temporary staff with more than 6 weeks continuous service were able to attend.

9) Christmas party. This was an informal "social" with snacks and drinks at a local pub.

10) Culture Classes – 7 x 3-hour sessions plus assignments. The classes are one of the principle means by which senior management assess the development potential of existing staff. Theoretically, no one progresses to a team leader or management post without completing the classes and 7 assignments (with grade B or higher).

Comments on the Fairness of the Recruitment Process

Andy was sufficiently concerned to discuss the fairness of the recruitment process with his former colleague Patrick (with whom he had developed SoftContact's equal opportunity recruitment policy):

> *Patrick asked whether interviewing and selecting only on behavioural characteristics might be in conflict with Equal Opportunities Legislation - we perhaps ought to check whether it is. He had always understood that unless a job required a set of cultural attitudes, that such practices would be interpreted as discriminatory. I said that I could not see how any of the characteristics evaluated could lead to discrimination, but he had a recollection that the law does not recognise 'cultural fit' as a valid criteria for employee selection. Clearly, we need to get a legal opinion on this.* [369]

Andy raised Patrick's feedback with John and Harry during a social evening:

> *I asked if they had any fear of being challenged over their interview techniques. John was aware of the potential of a challenge and cited one instance when a highly qualified person who had been rejected at interview asked many questions because they were so surprised. Harry's attitude was interesting - he said providing they would have their day in court then 'bring them on'. He was extremely confident about the fairness of their selection process. I still felt a legal opinion would be useful.* [370]

C4 – Dialogue on Culture and Culture Management

John commented as follows on the company's attitude to culture control:

> *All organisations have a culture and a set of values which is sustained in part by senior people's decisions about who is suitable to take management positions (or indeed any type of promotion). I think we are no different except that it is a lot less subjective and a lot more open than many organisations. Most larger organisations have management training and the training reflects the values held by that organisation.*

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[369]   FileRef: JN1, para 267-269

[370]   FileRef: JN1, para 483

"… I feel that there is pressure from the doors that remain closed if you don't attend the classes.… "

So what? This is the same in any company where people want to advance, there are control mechanisms in every organisation where people feel pressure if they want to advance their careers, we are not so different.[371]

These exchanges took place before publication of Andy's article. After publication, influenced by Brenda's concerns, Harry's tone started to change:

I am fairly relaxed about the article taking it in its entirety. However, I do understand John's and Brenda's concerns regarding the contentious paragraph. I don't think it represents what Development Day or the community classes are about, in terms of either accuracy ("culture mismatch" stamped on their HR record) or intent ("avoiding the voluntary community classes damages your career prospects"). The idea of "stamped" records does seem to infer something covert and slightly sinister. As you are aware, no "stamp" stating "culture mismatch" exists. Therefore the terminology used does seem un-necessarily emotive.

As far as community classes is concerned, your message does seem to assume that the only way to progress ones career is through attendance at community classes. Whilst this may be true for people wishing to progress into people management positions, it doesn't capture everybody. What about those individuals who see career development in terms of learning new technical skills? [372]

Nevertheless, the fruitful exchanges between Harry, John and Andy continued.

Thanks for this. I take your point about career development - I can see that my comments only apply to the development of team leaders and managers - not others - and I will incorporate this viewpoint in future work.

On the "culture mismatch" point, however, I was involved in a thorough review of all the leavers – Diane and Ben went through all the manual files to capture and record the reason for people's departure. They agreed categories and sub-categories with Brenda and one of these was "culture mismatch". People do have "culture mismatch" recorded on their HR record. Perhaps I should have said "entered" rather than "stamped", but the substance is correct. It was such an interesting way to conceptualise the issue - and often at variance with the reasons actually given by the leavers themselves - that it stuck firmly in my memory.[373]

After reviewing his data, Andy wrote again, this time to all the directors giving the information that underpinned comments in his article. In discussing the role of classes, he drew attention to comments made by Chris about working within one of the warehouse teams:

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[371]   FileRef: CP2003, para 4703-4704, E-mail from John to Andy 25th November 2003.

[372]   FileRef: CP2004, para 121, E-mail from Harry to Andy dated 19th Jan 2004, copied to John, Tim (XYZ) and Brenda.

[373]   FileRef: CP2004, para 141-143, E-mail from Andy to Harry, date 19th Jan 2004, copied to John and Brenda.

One person who commanded the respect of their colleagues (a natural leader, you might say) had avoided the classes for many years. Chris drew attention to the way that most people in the team looked up to her, and went to her for advice if there was a query about procedure. When I chatted to her, I found that she'd not attended the classes and did not intend to. If Chris had not known this, he would have assumed she was team leader. He says she was extremely attentive to quality, worked extremely hard, and acted as a reference point for most staff in the team. It stuck me that in a different set-up her abilities may have been recognised and led to her promotion. [374]

Later, Andy found that Nancy – who he is discussing here – was interviewed by Brenda. Brenda's view was that Nancy was "too abrasive" for a management role. The way that two different companies had evolved their methods sparked one further exchange between Andy and John.

I think the interesting thing in the discussion … is that the system (cognitive model) inclines you to notice some people and exclude or ignore others (you take notice of those that fit your cognitive model, and exclude those that don't). It is probably the model in my head formed at SoftContact that caused me to notice this behaviour in the first place. At Custom Products the methods for spotting people are different. I'm not surprised we have different views and I have no idea whether this person would make a good person leader or not because I do not know her well enough.

Do you think we become trapped by our cognitive models? [375]

John responded, citing the issue of values and cognitive dissonance:

Very interesting - and to a degree we are "trapped" by our own models. Schema theory suggests that we wouldn't be able to function effectively if we didn't have these pre-formed schemas through which we view the world. Obviously these schemas are influenced by a variety of things such as personality, genes, values, experience and the interplay of each of these on the others.

Cognitive dissonance is at the heart of people feeling that they don't match an organisation's values. The research shows how difficult it is to act in a way which is not congruent with one's own values. Far better to find an organisation which suits the individual's values. [376]

There are two points of interest here. Firstly, John talks of Schema Theory in a way that differs from the literature. Gross (2001:309) describes the theory as follows:

At the core of Schema Theory is the belief that what we remember is influenced by what we know, and that our use of past experience to deal with new experience is a fundamental feature of the way the human mind works. Our knowledge is stored in memory as a set of schemas, simplified, generalised mental representations of everything we understand.

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[374]   FileRef: CP2004, para 479-481

[375]   FileRef: CP2004, para 602-603, E-mail from Andy to John, 29th Jan 2004, copied to Harry and Brenda

[376]   FileRef: CP2004, para 615-619, E-mail from John to Andy, 29th Jan 2004.

Gross does not allude to genes as having a role in this process and does not characterise them as "pre-formed" – his focus is on past experience only. Secondly, when John raised cognitive dissonance it reminded Andy of something that Harry had raised during the culture classes.

SoftContact

Neil, in an earlier period, did not attribute the congenial atmosphere to the social structures of the workplace, but nevertheless got a similar first impression:

> *I did not think of the implication of joining a co-op, but the main thing was to develop the job. The cooperative style did not really touch me, it felt like a normal company, but friendly supportive atmosphere, a total contrast to the company I'd come from. We all got on - we knew what we were doing in the period of Autumn 2000.* [377]

However, these comments are made about his own in-group. When he visited the company's other offices on London, he noticed very different dynamics.

> *I went there fairly early on. My first impression of head office was of lots of bits that did not fit together. In Leeds, we were all developers, good offices, and knew where we were going. In head office, there were lots of individuals who did not feel like a complete company - people were doing their own thing, just doing bits and pieces. That idea persisted throughout my time there and I felt that a good team would have laughed off things but in London, people talked about leaving, that they had had enough. It was strange. In Leeds we were optimistic and had a sense of direction.* [378]

The data shows a lot of negative behaviours towards colleagues, with people not talking or exchanging with each other. People are considering whether to withdraw completely as a result of the culture there[379]. Andy, however, had happier memories of the two environments.

> *I can remember Pauline[380] telling me how dire the atmosphere was in London with everybody moping around. In contrast, when she came to Yorkshire there was this incredible energy. It hit you as soon as you walked through the door. It changed later on, when trading results were*

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[377]   FileRef: M-20030325, Para 7, Interview 1.

[378]   FileRef: M-20030325, Paras 9-11, Interview 1.

[379]   Or did the London staff have better *access* to *information* to evaluate the position of the company, thus negatively affecting their perceptions of the future and producing a change in their behaviour?

[380]   Product Specialist, SoftContact (UK/International) Ltd.

poorer, but for a couple of years, from mid-2000 until mid-2002, she loved coming to our offices because nobody was gloomy and everybody was committed. She felt alive there.

However, it used to be like that in London and if trading results were poor sometimes we used to get around the table and thrash things out until we knew where we were going. There was a particularly strong camaraderie at these times. We pulled together and got through, but that seemed to disappear once I was based in Yorkshire.[381]

Andy reflected on differences between this and SoftContact (UK) Ltd on involvement in business planning.

SoftContact made similar commitments to involve staff in policy development - it involved all staff in 2-day Annual Reviews (which usually involved taking over a farmhouse in Suffolk). These were compulsory and highly involving. I felt part of the company after attending the first of these and others felt the same. People would come away from the weekend with a stronger sense of shared purpose, but the organisation was considerable, and the time commitment (before, during and after) was massive. It was an explicitly 'bonding' experience as well as a business process. Tensions, however, could also run high at times. We would share rooms, cook and wash up together. All staff had to take their turn at domestic chores (in pairs) and the evenings were usually late (often well after mid-night). What separates Custom Products from SoftContact is the focus on company philosophy, rather than business planning. At Custom Products, these workshops are focussed entirely on what the company stands for - the creation of shared values and beliefs. At SoftContact it was on business and personal planning. [382]

One contrast is noteworthy. Unlike Custom Products, staff at SoftContact were included business planning – *the* company's *commercial activities were – whenever possible - decided on the basis of personal interests. Anyone could argue for their ideas before their colleagues. In contrast, Custom Products had a board of four senior managers and the Managing Director (who held over 50% of voting shares)* [383].

C5 – *Conversation as Reported by Ben, between himself and Brenda*

The reported conversation below is the key passage that triggered a value conflict between Brenda and Ben over gender issues.

Brenda: I don't want to be moral Ben but you are a married man?

Ben: I don't understand, why is that relevant - I was separated....

Brenda: You are asking someone out for a drink - don't you think you should have discussed this with someone first?

Ben: There was nothing to discuss!

Brenda: It is not that you asked her, it is the way that you did it?

Ben: But I also asked you, sent you an e-mail and you did not respond.

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[381]   FileRef: Oth, Paras 24-26.

[382]   FileRef: JN1, paras 1159-1165

[383]   Although it was later established that the "board" were not all registered as directors at Companies House.

Brenda: But you sent her a note?

Ben: But that was the only way I could contact her – she's not on e-mail. Besides, I also sent a card to a man asking him for a drink and followed it up several times before he agreed.

Brenda: But that's different! [384]

C6 – *Journal Data on Critical Theory Development*

The following passage was critical in making the link between intimacy needs, its gendered nature, democratic and autocratic behaviour (and its link to intimacy needs), and the process of marginalisation when a person feels threatened.

> *I do not want to over estimate the capabilities of the parties involved to reflect on this, but I think I want to capture what I have learned. I deliberately used myself as a human guinea pig. Given what happened, I will obviously think twice about doing it again. (Laughter) The positive side is that I have got some extraordinary data about what the company will do when threatened. I will describe that process in a moment. But also some incredible data on what it is like to be the victim of harassment at Custom Products. Maybe it is true elsewhere. Maybe people feel the same. Let us go through what I have learned. This is how I think things unfold when somebody is a threat to the company.*
>
> *The first thing is that HR are alerted informally or formally. They will obviously talk to the people who are making the complaint, the views and prejudices or stereotypes of the people who are making the complaint get transmitted to the HR department. That then gets mixed up with the prejudices of the people in HR and I will talk about what stereotypes and prejudices I think exist there at the moment. The person is called in for a meeting. Basically the decision has already been made that this person is in the wrong, that their behaviour must change. I think back to the situation with Phil the Temp where Diane came into the meeting we were having because he had made a remark about the attractiveness of a woman, and Brenda's reaction was "let's give him a chance to change." Diane went back and did that and I have a record in the journal of how Diane felt and her reports of Phil's reactions and it sounds like his reactions are almost identical to mine.*
>
> *So the person who they want to deal with, if you like, discipline, not in the formal sense when you are open and up front, but discipline in the sense that the stereotypical understanding of your behaviour is presented to you, it does not seem that there is much of an effort to understand whether this person's behaviour is real or not, whether their motives are as described by the stereotype or accepted by the stereotype. **That person is forced to acknowledge their failings**. If they do not, the issues are escalated until they do. If eventually after a great deal of psychological pressure being exerted the person decides to acquiesce, basically from that point forward they will be totally compliant. They understand and typically won't challenge them again in the future. If the person is sufficiently principled and strong they will resist and if they resist sufficiently they will be pushed out on the basis of a culture mismatch.*
>
> *The whole process is completely undemocratic. It seems to me there is no hearing in which there is independent arbitration. The independent arbiters are people who have already applied their stereotypical views to the behaviour. In my case the stereotypes at play were "man seeking woman". The second stereotype was "predatory male". The third stereotype was "married man with children and wife at home". Why is he asking a woman out? No attempts to explore my research reasons for wanting to see Carol. There are some. Again, going back over the journal made me realise there were legitimate research reasons for me wanting to befriend her,*

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[384]   FileRef: JN3, Para 937

reasons I regretted [not following up] later because of the way the situation unfolded in production. I had no access to anybody and [I would have had if I'd befriended her].

I had to get everything through Diane which was clouded by her attachment to the management team and her function in HR. That makes me realise that all of the values went out of the window. I can see from the correspondence that I entered into that I was testing out the values of the company. I have the "We Believe" booklet here. Diane, she was open and honest with me, as I was with her, and in my own mind I had already characterised her as a communitarian. I had already in my mind characterised Brenda as communitarian only with women but not with men. She had strong views about separating personal and professional but I think her personal views about things probably have been opened up to women. I am not sure how much but obviously a lot more than with men. I take that from comments made by John and Diane because Diane has talked about things in more detail and depth than John has. So I was testing out openness and honesty by asking questions. It is noteworthy that Brenda is just not open at all and she has failed to be honest as well, failing to give any account of her motives for behaving as she did.

The other thing I was testing out was whether she would choose to escalate to Harry. When I made my response, I offered a cooperative route out through dialogue. In other words, I offered an approach which would try to tap into the spirit of democracy and reach greater understanding for both yourself and the research participants. **She declined that and was adversarial, which is consistent with my other theory where people's intimacy needs are low or where they are trying to avoid intimacy they become adversarial. That leads to autocratic behaviour. I feel I have got a great deal out of it on that score.**[385]

C7 – Comparison Case (Interpersonal Dynamics)

Below is a passage from an interview that Andy conducted with Gayle:

Gayle: *In terms of input, I think I was allowed to give a lot of input. I think everyone in the company was allowed to give a lot of input. I think exchange of ideas was …we sat and had brainstorming meetings and stuff like that….which you don't get in big companies, you know, where you can all sit round and give your ideas. I do think there was a really good exchange of ideas going on there.*

Andy: *Did you always have access to the information that you need? Was there any time when you thought 'gosh, I wish I could find that out'?*

Gayle: *No. I could….it was always there for me…if I wanted to look at anything I could always access whatever I wanted. The only thing that was not accessible to me was the accounts, which was your department. To be honest I never wanted to look at the accounts, but I'm sure if I had asked you would have let me* [386]. *It's not something that I wanted to involve myself in.*

Andy: *(As a statement) You did feel involved.*

Gayle: *Uh, hum.*

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[385]   FileRef: JN3, para 967-969

[386]   FileRef: FC-S1, Document 28, Article 39. Gayle, as a company member, had a constitutional right to see the accounting records of the company during normal working hours. All employees became members on appointment. It is worthy of note that she seemed aware of this through the cultural "messages" she had been receiving.

> *Andy:*   *What do you think…do you think that anything was expected of you…by way of involvement. You obviously got involved…*
>
> *Gayle:*   *Yeah. I don't think that… …it was probably expected of me …I think, you know….it was just….well, no it wasn't expected, it was just something that you felt you just wanted to do. You wanted to get involved because everyone was giving their opinion, I wanted to give mine as well. It was more about sharing things rather that being expected to do something.*
>
> *Andy:*   *Did you ever feel that your opinion wasn't welcomed?*
>
> *Gayle:*   *No.*
>
> *Andy:*   *Did you feel that you were asked to give an opinion that you didn't want to?*
>
> *Gayle:*   *Um. It was never….no…it was never like that. I was never, sort of, forced into expressing anything. If I wanted to say something….it was always…even if it wasn't the right opinion or if it was something we weren't going to work on at that particular moment it was something we could do it in six months time, or whatever. It was never like, 'oh that's rubbish, what are you doing Gayle, shut up!' (laughs) I was never treated with that response (both laugh)* [387]

Firstly, a note of caution. Andy and Gayle are good friends, and the impression given here may be a reflection of that friendship rather than the actual workplace. However, noteworthy is the way that Gayle gains confidence from seeing others express their opinion. There is evidence of employees "exchanging" ideas and determining for themselves – using colleagues as ways of generating opinions – the best way to do their own job. She is given *access* to whatever she needs (and even material that she does not need) to do her job.

With regard to sexual behaviour and flirting, SoftContact veterans Pauline and Andy converse about the dynamic and fluid set of relationships at work[388].

> *Andy:*   *Gayle came in very upset once after breaking up with her boyfriend. At that time she used to come in at the weekend quite often, sometimes on her own, sometimes when Neil and I worked. She'd been out drinking with an old friend, made a pass at him and he'd rejected her. I felt sorry for her so I wrote a funny poem to cheer her up. But yes, I did like her too.*
>
> *Pauline:* *There was a lot of banter sometimes.*

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[387]   FileRef: S-200403, Paras 76-88. Interview 1 with Gayle.

[388]   FileRef: S0200303. This transcript is reconstructed from contemporaneous notes (taken during the interview) and was checked with the interviewee – it is not verbatim. Although Andy was researching, he was a participant in this company and the conversation should be regarded as two participants conversing rather than interviewer/interviewee. Their disclosures may influence the other, but from a social constructionist point of view the data is interesting.

Andy: Yes, particularly early on – Simon used to try to flirt with Gayle a lot, but that seemed to change after she went to London with him. She felt he undermined her - she talked to me afterwards.

Pauline: Banter makes the office a pleasant place to be.

Andy: What is it about, though?

Pauline It's not always about getting into bed. It makes the workplace tolerable and fun if people are sensible. I do it purely for the sport.

Andy: I remember Gayle once walked into the office and complained "why are there no good looking blokes around here?" I quickly interjected "present company excepted". I don't think she realised how offensive she sounded at times. I think Simon was looking for a partner and that was why he was so keen to take on Gayle. Initially he used to flirt a lot with her, but she would put him down. She felt in control so I left her to it. Anyway, I think he saw Gayle growing closer to me and got jealous [389]. He just gave up and psychologically withdrew. He met Rebecca[390] and that was it - he just wanted out.

Pauline: Simon talked about you behind your back often. Did [your relationship with Gayle] cause problems in your marriage?

Andy: Yes - often, particularly after the company broke up. I think that as long as the company existed, Susan could believe that it was just a work friendship, but when we carried on communicating after the company break up she felt extremely threatened. [391]

In terms of the impact on productivity, Andy reflected further after the interview:

> I do think others perception of my relationship with Gayle impacted on the work environment - I'm just not sure how much. Neil, to my knowledge, was completely unaware. My closeness to Gayle had a wonderful effect on our working relationship and we were extremely productive as a result. I used to joke that we were like the left and right hands of a person. We always seemed to know what the other was doing, and what the other needed at any particular moment. In different circumstances, this might have been the thing that saved us, but in these circumstances - with Simon competing for her attention - it may have contributed to our problems.[392]

For Andy, then, close workplace relationships are a double-edged sword. On the one hand they can improve productivity between parties that are close, but may cause others to feel excluded leading to behaviours that reduce access and the flow of information between employees.

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[389] Elsewhere in the interview transcripts Neil attributes this to Simon feeling excluded, while Andy attributes it to Simon wanting to keep Gayle out of the management group, so the jealousy was not necessarily sexual.

[390] Simon's future wife.

[391] FileRef: S-200403, Paras 182-188, 190-208

[392] FileRef: S-200403, Para 254

C8 – Comparison Case (Inter-Group Dynamics)

Andy reconstructed key events at SoftContact (UK) Ltd using a personal diary. The text was not written for any research project – it's existence, however, provides a comparative diary account of life in another case company. An entry was made roughly once a week for a whole of 1999 (Christmas 1998 to Christmas 1999). In the section below, the relationships between (and impacts of) social networks on the workplace are further examined.

Work/Home Life Pressures

In 1999, Andy led the marketing and sales of a software system he had developed. The general impact on his life-style is captured in a personal diary:

> *For the first time in many months I am travelling to London without feeling an overwhelming pressure on any particular project. I still have a mountain of documentation and sales work to follow up on, but no project is overwhelmingly at the moment. I have a fairly standard Monday/Tuesday routine now – starting at 6.30am and finishing around mid-night on Monday, then starting at 6am and getting home about 10pm on Tuesday. Wednesday, Thursday and Friday I work from 10am – 3pm on documentation.*[393]

One the major stresses in Andy's line of work was dealing with clients who had become over-dependant on his company.

> *Friday ended with one of their directors shouting down the phone at me for about 15 minutes. It has deeply upset me and I think relations with them are irretrievable now. I will have to write a final letter to them but am not sure how or what to say in it. While they now hold a deep hostility toward SoftContact, this is perhaps the clearest example in my experience of a client despising us because they are so utterly dependent on us.*[394]

The juggling act between work and home started to affect Andy as the year drew on:

> *What I want most of all is never to have to go down to London for three-days on the trot again. Better still, I'd like to work only 4 days a week and spend more time with my daughters, but Susan is unhappy too and would be content to give up work. She always comes first in these matters. I can't see me being able to do that without getting a lot of grief from my clients. I just want to be happier I guess.*[395]

> *At the moment Susan hates single mothers with a vengeance because they don't have to work. But I'm already deeply unhappy about being the main breadwinner – it is such a dangerous*

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[393]   Diary entry, 19th Jan 1999.

[394]   Diary entry, 30th Jan 1999.

[395]   Diary entry, 26th Feb 1999.

situation for any family to be in, with so much depending on one person. And, to think there was a time when she earned the same as me, and looked like she would earn more! [396]

In the middle of the year, Andy became ill and was hospitalised. During convalescence, he visited his own GP.

Today I've been to the doctor to chat about my lifestyle and repeated infections. I am having further blood tests, but the doctor thought these would be normal. More likely it is the accumulated stress of working so intensely. He said that some stress is probably good but repeated infections are likely to be a symptom of adding physical stress (travelling and being active for long hours) to mental stress (the job itself). The whole situation is making me think about moving on from SoftContact. [397]

Andy's doctor advised a change of lifestyle, so a few weeks later he wrote to his colleagues to suggest changes. His diary contains many entries in which he plans out ways to stay within the company but reduce his travel commitments. The process of change, however, caused more tensions in his marriage:

It is easy for Susan to get angry and say I should give up working in London immediately (and then pepper the anger with pressure to get a better paid job that will mean she has the option to leave work!) However she does not have to bear the responsibility for 10 other staff and several hundred software users. I don't want it on my conscience a) that I caused other people to lose their jobs and b) that over 20 organisations are left in the lurch. These are responsibilities she does not have to bear and I wish she could understand my feelings better. I am taking control now, putting my family first again, and making sure my health will improve. [398]

As the year progressed, Andy's proposal for new offices in Yorkshire were passed at SoftContact's Annual Review. After this, the mood in his diary steadily improves as well as his health. Towards the end of the year, he reflected as follows.

It is beginning to dawn on me that my days in London are coming to an end. My children and I are counting down the Mondays until the end of the year, after which time I will stop going to London every week. I have started planning my new time, and giving thought to the list of tasks I'll need to complete before opening the new office. It feels much more real now. The only pain is two projects that have to be completed. It is not the fault of the staff; more the clients who want to go at their own pace.

Whether it was coincidence or not, [my illness] happened at a moment when I was absolutely exasperated with my role at work. Sometimes I feel fortunate that it was a face infection and not a heart attack. When I leave London on the evening of 21st December to begin my new life, my heart will be free of one of the biggest burdens it has ever had to bear – leaving my family each

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[396]   Diary entry, 11th March 1999.

[397]   Diary entry, May 24th 1999.

[398]   Diary entry, June 28, 1999.

week, and the heart-breaking partings with my tearful children. Ending these trips to London is truly the Christmas present I long for the most. [399]

As Wilson (2003) points out, women have a juggling act between children, husband and workplace. Andy also has a juggling act – tied to his position of seniority - caught between Susan's expectations, plus those of his children, customers and colleagues. He conceptualises his financial responsibilities beyond his family, to include both work colleagues and clients, and takes a full 6 months to make the changes necessary to support a new life. He experiences pressure from Susan to accept a job that would enable her to change her own working life, but resists this in favour of finding a solution that will enable him to work from home. While he too wishes to reduce his hours – to spend more time with his children – the wishes of *both* Susan and his *clients* act as barriers to this.

Andy sustained the changes for only 1 year. When another financial crisis hit, he was elected to the position of General Manager and had to resume commuting regularly[400]. This time he adopted an even more entrepreneurial solution. After helping the London-based company return to profitable trading[401], he negotiated with his colleagues to establish a new company based in Yorkshire. This company started trading in January 2002[402]. After 8 months trading, the company was suffering unsustainable losses and tensions in the office were getting fraught. Simon started using personal information as a way of persuading colleagues to back his attempt to take over the company from Andy:[403].

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[399]   Diary entry, 6th Dec 1999.

[400]   FileRef: FC-S1, Document 86c

[401]   FileRef: FC-S1, Document 33, page 2. Document 68 also shows 9-month figures with a YTD profit in 2001 of £25k, compared to a YTD loss of £35k in 2000.

[402]   FileRef: FC-S1, Document 24

[403]   FileRef: S0200303. This transcript is reconstructed from contemporaneous notes (taken during the interview) and was checked with the interviewee – it is not verbatim.

Pauline: *You know Simon would take me out of the office for coffee. We were supposed to be having these marketing meetings but he would talk about what was going on in your home life. He divulged a lot of intimate stuff.*

Andy: *He was talking about my marriage?*

Pauline: *Yes, almost from the moment I got there.*

Andy: *That's interesting. In our last interview you mentioned that he did this towards the end of the company, but you are saying that he did this much earlier, back in May/June.*

Pauline: *Yes, he was always bringing this stuff into the meetings. I felt it was very personal, like he had a personal vendetta.*[404]

In another interview, Gayle explained that Simon had tried – using the company's democratic constitution – to organise a vote of no-confidence in Andy's leadership[405].

Andy: *Was he [trying to persuade] everybody?*

Gayle: *Yeah. He was quite open about it, yeah.*

Andy: *With everybody present? Or one at a time?*

Gayle: *A bit of both, really. He didn't seem to pick his moment - it was just at any possible opportunity.*

Andy: *He was perfectly within his rights to ask for a vote of no confidence….*

Gayle: *..but he had to offer an alternative and you know…as an alternative…I don't think anyone would have voted him in really. That's my opinion.*

Andy: *Why do you think he was focussing on what was happening to me outside work?*

Gayle: *I think he was trying to make out that he was superior - he was working to further his own position. He was always destabilising things.*

Andy: *How calculating was this?*

Gayle: *Yeah, I think it was calculated. I think he was out to further his own career.*[406]

When Simon failed to win any support from his colleagues, he resigned as a director. In his resignation letter he says:

I have approached you before when I felt risk was being piled on me without having the authority to agree as you were taking these decisions yourself. I am no longer happy to take on this liability at a time when I have no confidence in the organisation to pull through without drastically downsizing. Although we set up the company as democratic, it has been run as a traditional small business with the major investor taking all the major decision and not clearly defining the area of responsibility of the CEO. I feel this position is too powerful and should not

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[404] FileRef: S-200403, Paras 182-188, 190-208.

[405] FileRef: S-200403, Para 54

[406] FileRef: S-200403, para 55-60. This is a verbatim transcription from a recorded interview.

be held by a director. I am now in a position of planning a marriage and looking for a house. I am no longer in a position to increase my risk in this organisation[407].

Noteworthy in this response is both the perception that the organisation was not democratic, but also the way that a pending marriage triggered a change of attitude in Simon's approach. Andy, however, responded as follows:

> *Given that you have made a number of serious accusations in your [director] resignation letter, it is necessary for me to respond on behalf of the company and present factual information where relevant.*
>
> *I consulted you. We discussed the matter at a management meeting with yourself, Gayle and Neil. We then took external advice. I took the decision as CEO. As the rules of the company, and the guidance notes make clear (see document 9 j) and k) attached – the CEO is responsible for management of the company and its employees. We have talked on numerous occasions that your liability is limited to your shareholding.*
>
> *All job descriptions were prepared during the company induction on 8th/9th January and circulated to all members of staff for comment[408]. The attached e-mail shows that I made a further attempt to clarify the CEO's role and direct you to the relevant [constitutional] documents. You were also given a book that discusses the role of managers in an employee-owned organisation, and the optimum arrangements for maximum participation and accountability. We have operated to the principles identified in the book – you have conducted my appraisal twice and not raised these issues.[409]*

In a meeting to discuss the deteriorating trade position, Simon threatened to take the company to an industrial tribunal if his terms and conditions of employment were changed. He then requested a new contract so that he could look for a job and leave with one week's notice. In this contract, Andy also agreed that his outstanding share purchases would be cancelled if he was made redundant[410]. However, the negotiations were marred by an accusation of theft.

> *Simon said he had been advised by his solicitor that deducting shares from salary without issuing a share certificate constituted theft from the employee. I interpreted this as a threat that unless I agreed to his terms in our negotiations I would be accused (or the company would be accused) of theft. I stated that if he required a share certificate, I would arrange one immediately, but he repeated the threat saying that the theft had already taken place. As his solicitor is a specialist in criminal law, I felt personally threatened. I feel that I drew up the*

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[407] FileRef: FC-P1, Document 9. The company had limited liability. Simon had no dependants and no mortgage, and had not taken out any loans to fund the new business. Andy had a wife, two children, a mortgage and £17k of new debts to fund the business.

[408] All comments were collated by Gayle and updated job descriptions were distributed to staff.

[409] FileRef: FC-P2, Document 8

[410] FileRef: FC-S1, Document 7

contract of employment, and other agreements under duress, and in fear of being accused of theft.[411]

Andy obtained a legal opinion from Gerry that there was no case to answer and this was communicated in writing to Simon[412]. Meanwhile Simon sent an e-mail to say the new contracts would be void if he was "made redundant or sacked"[413]

Andy reflected as follows while on holiday:

> *In this company – democratic or not – everyone looks to me for leadership. I'm usually fine. If things are going well it feels good – naturally. However, to be threatened and accused when things go badly is crushing. I can cope – just – but not without changing. If I must accept responsibility, I must be more choosey and careful in selecting staff. No lame ducks. No legal minded selfish bastards to fuck things up moaning about their 'rights' while they destroy the company. I guess the law is right that an employer must consult employees before changing a contract but surely it is wrong when people risk everything to tie their hands while they watch their life savings going down the toilet because of staff looking out only for themselves and holding their colleagues to ransom. It is not wrong to care – but when it damages my family I must be selfish.* [414]

The issue of balance between different interests – the rights and responsibilities of employers and employees is again at issue here, as is the conflict between responsibilities to work colleagues, family and personal relationships.

In personal letters, Andy revealed four things that impacted substantially on his decision to appoint the insolvency practitioner. Firstly, he projected that the income of the company would not recover for at least 3, and probably 4 months – the insolvency practitioner had recommended that if net profits could not be achieved within 2 months, he recommended closure of the company. Secondly, he had used all his personal savings to sustain the company. He was not prepared to draw on "family" reserves set aside for his children to service the debts of his enterprise. Thirdly, he was afraid of physical and legal attack from Simon if he attempted to sack him. Lastly, he was saddened by the lost of Gayle from the company. Initially, she had agreed to continue

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[411]   FileRef: FC-S1, Document 5a.

[412]   FileRef: FC-S1, Document 5b. Gerry was the solicitor who originally advised Andy and Simon on the company constitution.

[413]   FileRef: FC-S1, Document 4

[414]   FileRef: FC-S1, Document 64

acting as Company Secretary after her departure, but after advice and pressure from her new employer, she retracted this offer. With the loss of this relationship, he lost his last reason for sustaining the company.

C9 - Humour

Managers present themselves as caring for employees and that any disputes resulted from conflicts between staff or "personal problems"[415], not as something triggered by the application of cultural values. Some of the humour circulated by Brenda to Ben and Diane suggests otherwise:

> *Re: New Employee Rules!!*
>
> *Something to think about for new statement of employment for 04 or any future employee questionnaires?!*
>
> *----- Forwarded Message ------*
>
> *SICK DAYS*
>
> *We will no longer accept a doctor's sick note as proof of sickness. If you are able to get to the doctors, you are able to come into work.*
>
> *SURGERY*
>
> *Operations are now banned. As long as you are an employee here, you need all your organs. To have something removed constitutes a breach of employment.*
>
> *BEREAVEMENT LEAVE*
>
> *This is no excuse for missing work. There is nothing you can do for dead friends or relatives. Every effort should be made to have non-employees to attend to the arrangements…*
>
> *ABSENT FOR YOUR OWN DEATH*
>
> *This will be accepted as an excuse. However, we require at least two weeks notice, as it is your duty to train your own replacement.*
>
> *DRESS CODE*
>
> *It is advised that you come to work dressed according to your salary. If we see you wearing fancy trainers or clothing we will assume that you are doing well financially and therefore do not need a pay rise.*

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[415]   FileRef: JN3, para 841-890. Andy discusses this at length in his journal when he finds "personal problems" related to conflicts in the workplace. For example, Irene "as a result of talking with her psychologist" came into work, made accusations against two directors and wanted to discuss things that had happened in the past.

We are here to provide a positive employment experience. Therefore, all questions, comments, concerns, complaints… accusations, or input should be directed elsewhere.

HAVE A NICE DAY - The Management [416]

This e-mail was not copied to Harry. While this could be interpreted as light banter to relieve the frustrations of HR work it may indicate that even fairly senior staff may not be as "on board" the values as Harry would like them to be.

Practical Joking

Humour and practical joking were rife at Custom Products, and institutionalised in the Presentation Evening. Such humour is not just sanctioned by senior staff – it is actually initiated by them:

> *Harry and John both talked about a desire to make the Presentation Evening humorous. They frequently pick a few people and make gentle fun of them during the evening. Over the years, they say they have found that the only people that they can safely take the piss out of are directors. If they made fun of anyone below this level there would always be a small group of people who were upset by it even if the 'target' had previously agreed to have the mick taken out of them.*[417]

Andy found that Ben had once been pressured into a playing a practical joke:

> *I felt Brenda would be disappointed if I didn't play the joke on John. Although I was nervous, I still did it, I brought it off with great aplomb - I could see that from the faces around the room. There are subtle pressures on people to joke in the workplace, and Brenda has a wicked prank-like humour. She seems to like these things. She didn't seem awfully amused (laughing) when I said that I'd told John that she'd put me up to it. I felt like I was exercising my own power a bit to say "Yeah - I played your trick for you, but he knows it came from you"*[418]

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[416]   FileRef: CP2003, paras 2922-2993. E-mail from Brenda to Ben, Diane, John dated 17th August 2003.

[417]   FileRef: JN1, para 491-493.

[418]   FileRef: JN2, para 1147.

Andy followed this up with Brenda:

> *I talked with Brenda about the humour in the organisation and the way that there is practical joking both amongst staff and against the directors at Presentation Evenings. She agreed and laughed about the way that they "got their own back" in the boardroom. That was where they had a laugh about the staff.*[419]

The above data suggests that either there was 'friendly' banter between different groups within the organisation, or suppressed conflict that surfaces through humour (see Provine, 2000; Glass, 2002; Critchley, 2002).

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[419]   FileRef: JN2, para 1527.

Appendix D – Chronology

The chronology of event – and the research itself - the project is as follows:

Aug 1989 – Dec 2001	Employed by SoftContact (UK) Ltd
1988	Custom Products formed
Aug 2001	SoftContact (Intl) Ltd formed
Jan 2002	Leave SoftContact (UK) Ltd to become CEO of SoftContact (Intl) Ltd.
August 2002	Leave SoftContact (Intl) Ltd (company wound up)
October 2002	Join XYZ Consultants Ltd and Project Steering Group
February – June 2003	Work at Custom Products Ltd (Office-based role) – 20 hrs / week
March 2003	Project Steering Group Visits MCC
June – August 2003	Custom Products Ltd role changes: Warehouse (12 hrs), Office (8 hrs) / week
August 2003 – March 2003	Early analysis and dissemination of provisional findings
March 2003	Leave Custom Products Ltd and Project Steering Group
March 2003 – Oct 2005	Ongoing analysis and write up of project

SoftContact data was drawn from staff interviews, e-mails, letters, policies, terms and conditions, induction and training materials, staff appraisals, memorandum and articles of association, tribunals, court cases, business plans and other company documents. Company set-up and personnel management files were retrieved from an insolvency practitioner.

Appendix E - Data Regarding Sexual Attention

Data sampled until saturation - theories presented in diagrams 6.3/6.4.

Reciprocal Sexual Attention Observed in the Data (Partial Selection)

Custom Products (* indicates a publicly acknowledged sexual relationship)

*Harry (Managing Director) – Valerie (Administrator –> Salesperson –> Director)
Harry (Managing Director) – Carole (Production Worker)
*John (Director) - <Spouse> (Housewife) – later divorced
John (Director) – Diane (Administration Officer -> Manager)
*John (Director) – A. N. Other (Professional)
*Diane (Administration Officer -> Manager) – A. N. Other (Manager)
Brenda (Administrator -> Manager -> Director) – John (Consultant -> Director)
Ben (Administration Officer) – Hayley (Temporary Worker)
Ben (Administration Officer) – Carole (Production Worker)
*Fred (Manager) – Larissa (Administration Officer)
*Charlie (Production Worker) – Fiona (Production Worker -> Team Leader)
*A.N. Other (Male Director) – A. N. Other (Female Manager)
Chris (Temporary Worker) – Karen (Temporary Worker)
Carol (Warehouse Worker) – Chris (Temporary Worker)
Andy (Researcher) – Carole (Warehouse Worker)
*Tanya (Salesperson) – A. N. Other (Salesperson)

SoftContact

Andy (CEO) – Gayle (Administrator -> Manager)
*Andy (CEO) – Susan (Office Worker)
Simon (Director) – A. N. Other (Office Worker)
*Patrick (Founder) – G (Professional)
*A. N. Other (Office Worker) – Susan (Office Worker)

Unreciprocated Sexual Attention Observed in the Data (Partial Selection)

Custom Products

Brenda (Director) – Ben (Administration Officer)
Diane (Manager) – Ben (Administration Officer) ??
Tanya (Salesperson) – Harry (Managing Director)
Fiona (Manager) – Andy (Researcher)
Charlie (Production Worker) – Judith (Temporary Worker)
John (Director) – Larissa (Administration Officer)

SoftContact

Simon (Manager -> Director) – Gayle (Administrator -> Manager)
V (Marketing Manager) – G (Professional)

Appendix F – Follow up Questions on Culture

Following expression of concern by senior members of staff that the culture had been misrepresented, a conference paper was sent out to solicit feedback. Some correspondence took place by e-mail, and others by phone. Due to the difficulty finding people willing to discuss issues openly, the results are only an indication of feeling and may not reflect the opinions of most staff. Nevertheless, these are the only comments that were freely volunteered by staff outside the office environment free from managerial scrutiny.

The approach taken was *not to prompt* if an interviewee/correspondent was volunteering information freely. If the correspondence/interviews stalled, the following questions were used to guide the solicitation of feedback. Answers were collated in response to each question. Where relevant information was provided without solicitation, the response was collated beneath the most relevant question heading:

1.   "What are your general impressions of the paper?"

> *Informant:*   *"It is so true. Although people don't want to admit it's true, it is."*
>
> *Informant:*   *"I was particularly struck by one particular line let me find it yes, that's it. 'If you ask the right questions; you get the answers you want. The directors ask closed questions, not open ones. There are not many ways you can respond to the questions they ask."*
>
> *Informant:*   *"Everything I understood I agree with. I can't see anything unfair."*
>
> *Informant:*   *"What can I say? I thought it was brilliant and hit the nail on the head, but, and it is a big but, I think that the way it will be received is as follows. None of them can do anything wrong or be thought of as flawed. Someone who criticises them to this degree must be barking and that person's stability must be questioned."*
>
> *Informant:*   *"This document is enlightening in so many ways."*

2.   "One of the issues that concerns me is whether the paper is an accurate or fair representation of the culture. It is very important to me that I am accurately describing it. If I have got anything wrong then I need to know. What are your views?"

> *Informant:*   *"I feel that you have captured very successfully the essence of the company and I was pleasantly surprised."*
>
> *Informant:*   *"A lot of people won't question [the culture] because they are too scared."*
>
> *Researcher:*   *"Are they scared because of their experiences before they came to Custom Products, or as a result of being in Custom Products?"*
>
> *Informant:*   *"Personally, I'm not scared, but I think others start with optimism and if you play ball then it can work for you. But if you disagree with the culture or the*

philosophy, that does not work, you get shot down in flames. Sometimes I discussed things with friends and we would all agree, then we'd go into a meeting and I'd make the point we discussed. They did not back me these are my friends they did not back me. After trying that a couple of times I thought it was a fight not worth fighting. If I said to anybody else what I've just said to you, I'd lose my job."

Informant: *"The culture WILL work with certain groups of people, but the majority are "playing the game". They are saying ONLY what they want to hear and it is widespread that "you keep your mouth shut as you know what it's like here. I bet the person who you quoted as saying is this for real was playing the game too. Don't get me wrong, there IS a lot of good here and I love my job, it's just the crap that goes with it that sucks."*

Informant: *"I hate how they get away with things."*

Informant: *"They promise you the world but you get shat on. They've shat on me many times."*

Informant: *"Don't get me wrong. There is a lot of good there, and the culture works for some groups, principally those who are less well educated, but the majority are playing the game. They have learned to keep their mouths shut."*

Informant: *"There is nothing wrong with the theory of the community company, but it would take a perfect management to put it into operation and that simply doesn't exist."*

Informant: *"I haven't been to the community classes. Apart from viewing them with suspicion and totally unnecessary, time and distance and family commitments prevents me from attending. Thus entry to management is barred for me."*

Informant: *"It really feels for me that we have AUTOCRATIC management and not DEMOCRATIC management a lot of the time. Of course, the majority of people don't even realise just what is really going on and good luck to them, at times I wish I was one of them, blissfully unaware!"*

Informant: *"The MD will ask people if everything is alright, and in the back of their minds they'll be wanting to say no, but they'll say 'yes' to avoid getting bollocked by the head of HR. If you raise any issues, then the next thing you know the head of HR will say 'I want to see you'. There is instant fear. I once got summoned to a police station and I was afraid all day long. When the head of HR says 'I want to see you' it feels the same. There is an in-built fear.*

Informant: *"Two of the directors police the company. I feel very bitter about the way one of them treated me."*

3.   "One of the issues in the paper is the amount of time, and the reasons that people take sick leave. I've raised the issue that there is a lot of sick leave for emotional reasons and that this may be linked to stresses in the workplace. What is your view?"

Informant: *"What gives them the right to think they are so bloody marvellous that they think they can change people and manipulate their brains. I've been told I have 'thinking errors'. This is an invasion of my private life and thinking."*

Informant: *"If you are off for emotional reasons, they will do everything they can to support you."*

Informant: *"I agree with Kunda that the very strong culture does very much erode a person's self esteem to the point that it damages their health (strong personal experience).*

Informant:	*"There is sick leave taken for emotional reasons. On the face of it the workplace is excellent, but stress leads people to be off sick. Work has been a factor in people going off. I could not say it was the sole reason, or even the biggest factor, but relationship problems arise because of work. Sometimes you have to work additional hours week-in week-out because you dare not say 'no'. You have to choose between work and relationships and that is detrimental to your whole life.*
Researcher:	*"That's interesting, because other people tell me that the company has been extremely flexible, particularly mothers, and that they allowed people to reduce their hours or be more flexible in their working arrangements."*
Informant:	*"Yes. But they give with one hand and take away with the other. Over the long term, I'm sure that they get back more than they give."*
Informant:	*"I feel you need to explore this more thoroughly. I can't be more strong here. They way they have gone about [invading peoples' minds] is disgraceful. I personally have been shaking before going into meetings."*

4. "Another issue I raise is that senior members of staff sometimes react against those who try to *defend* the culture. What are your views?"

Informant:	*"I have seen to my cost when the company was doing well that management arrogance and insularity prevented them from listening to what the staff were trying to tell them…to the extend that we had a bad year last year and they HAD to admit we were right. This is a huge flaw. They MUST listen to us but we are shot down and frowned upon when we try to give constructive criticism."*
Informant:	*"To quote X 'You make us feel like naughty school children if we try and say anything."*
Informant:	*"Yes. Even when I raised something in a general way, directors can take things very personally. I was not criticising them individually, but they took it that way."*
Informant:	*"Even if you are trying to uphold the philosophy by speaking openly and honestly through the right channels, they make out that you are not."*
Informant:	*"They take you into an office, get you to explain things and then attack you. They attempt to disprove you tell you that your way of thinking and feeling is wrong. How can anybody think or feel in a 'wrong' way?*
Informant:	*"Aronson has got it right, that we always have to justify ourselves."*
Informant:	*"All I have ever tried to do is have a great heart for the company…..sadly this is not enough."*
Informant:	*"Z will be a great loss. He has been very disillusioned for a long time and a situation arose whereby he felt he had no choice but to resign as he felt he could be sacked on the spot without any notice or pay! He is such a nice gentle man. I'm going to miss him dreadfully."*
Informant:	*"One [member of staff moved heaven and earth to ensure a customer got their order] gave herself a pat on the back and was well pleased with herself. She got a phone call from her line manager the next day and was carpeted for being demanding. She almost exploded."*

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