PART 1

CHAPTER-1

EXISTING LITERATURE AND THEORETICAL FRAME WORK

*It is somewhat ironic that although, human resource management (HRM) relates to the effective management of employees, we know remarkably little about how employees, as the subjects of HRM, assimilate the concepts behind each and react to its practice.*

*(Grant and Shield 2202:3.13)*

1.1 Introduction to this study:

This thesis investigates how employees responded to the introduction of a conflict creating situation by the group members during the performance appraisal in industrial organizations in the State of Kerala in India. The investigation was prompted by a request from a senior human resource manager of a multinational organisation for assistance from this research scholar in understanding the unintended consequences of their appraisal system. Why, he asked, were the employees reacting so negatively to what was considered to be an orthodox human resource management initiative?

The need to understand more clearly the employee experiences of human resource management (HRM) initiatives is acknowledged, not only by senior HR practitioners, but also by a growing number of researchers (for example, Thompson and Ackroyd 1995 Guest 1999; Deery 2002; Glover and Noon 2005; Grant and Shields 2006; Garrety 2007). Far too little is known, not only about *how* and *why* employees respond to human resource management initiatives but also exactly *what* it is that they are responding to
(Deery 2002:459; Grant and Shields 2002:328). There is thus a need to theorize employees’ experiences beyond the ‘managerialist paradigm’ (Bacon 1999:1180), to understand what sense they themselves make of FIRM practices. Even in the critical stream of literature, few scholars ‘have bothered to document real employee reactions to such [FIRM] projects’ (Grant and Shields 2006:299, emphasis in original). While worker identity is the new ‘contested term’ in mainstream and critical management writing, the focus is on the extent to which the ‘inner self’ of the worker can be constructed to replace external rewards and motivations in the quest for performance improvement (Grant and Shields 2006:287). Indeed, such issues would take managers and managerial theorists alike into murky waters.

In both the prescriptive and the critical HRM literature, as discussed in Chapter 2, the employee tends to be viewed in instrumental terms, as a means to organizational ends (Grant and Shields 2002). While a substantial body of literature deals with employee responses to such questions which are typically derived from managerially defined performance criteria such as communications, commitment and appraisal congruency (Bacon 1999:1182; Whiting et al. 2008:223), these measures do not represent the sum total of employee experiences and related performance at work. That is, HRM has been part of a managerial agenda that neglects workers’ concerns (Guest 1999:5). While writers such as Legge (2005) have provided powerful critiques of both the promise and the practice — or the rhetoric and the reality — of HRM, there is still scant research on workers’ concerns and workers’ reactions to human resource management techniques and interventions. As Guest (1999:9) puts it, ‘we simply do not have good evidence about how workers react to HRM’.
Employee reaction to performance appraisal feedback, for example, is still regarded as a neglected area of research (Jawahar 2006:213). Indeed, while HRM originally claimed to provide maps or models whose outcomes would be measured in terms of worker commitment, competence, performance, cost effectiveness and goal congruence (Beer et al. 1984), very little empirical evidence can be drawn upon to theorize the mechanisms of worker responses to HRM strategies. Individuals specifically talented at creating original ideas may tend to be more resistant to respecting group norms and processes or organizational framework, and may be more comfortable with boundary-breaking thinking (Kirton, 1989.) These traits may make it more difficult for group members to work together, and may increase the conflict that the individual experiences during the performance appraisal process. This thesis adduces such evidence in relation to employee responses during a conflict creating situation within the group during the performance appraisal process.

1.2 The research question

The thesis seeks to understand the impact of one of the human resource management practices, namely performance appraisal, carried out under a conflict creating situation within a group of industrial employees in the State of Kerala, in India. The research, in the form of an extended case study (Creswell and Plano Clark 2007), listens to the actual ‘voices’ of employees in order to understand the unintended consequences of this managerially imposed human resource management technique. The study provides opportunity for employees to express their own opinions, experiences and arguments during the performance appraisal process, from which it is possible to identify the
strategies the individuals adopted for dealing with the appraisal. When human resource managers at the industrial organisations introduced performance appraisals for their employees, they made no attempt to link the performance rating and review process to other HR practices such as pay and compensation, or promotion, or redundancies. Instead, this mechanism was used for analyzing the actual performance of the employees for a certain period against the expected performance already fixed earlier, and the performance gap (expected versus actual performance) is worked out and reasons discussed. None of the appraising managers have any authority to either enhance the pay or give promotion to the appraisee to a higher grade or position. In other words, other than conducting a dialogue between the manager and the appraisee on the performance yardstick and actual performance, no meaningful result is derived out of this exercise. On account of such a situation, employees were not giving much importance to their performance appraisal process in industrial organisations. Such a stand-alone intervention provides a unique opportunity for examining the effects of a single HRM practice (performance appraisal) while other HRM practices remained constant. As stated, no material consequences (positive or negative) were contingent upon the performance ratings that employees received. Thus, in the absence of such consequences, the central question this thesis addresses is given as:

‘Why not use a novel method of performance appraisal system within a small group of employees to discuss the performance of each group member for a specific duration (say once in three months, or once in six months etc.) where members are permitted (required) to criticize others, even for minor performance deviations, where ample opportunity is provided for self defense and opposing the views and opinions of others’.
This idea was carved out of two major HR interventions, known as ‘Brain storming’ under normal (conventional style as proposed by Osborn) as well as conflict situations (opposing the ideas of Osborn’s free wheeling and no criticism concepts) and studying its effects on creative idea generation process (Gopakumar and Shamla 2009) and using the same method in ‘Performance appraisal’ technique, as a new model.

1.3 Aim of the thesis

Focusing on the research question posed above, the thesis aims to develop a theoretical framework through which to improve our understanding of the effects of one of the FIRM practices, namely performance appraisal, upon employees. The thesis aims to develop theoretically and make sense of empirically the construction and maintenance of occupational identities (Parker 1997:128), in the context of challenges to the employees. In addition, the thesis seeks to explore the discursive resources employed to defend and repair individual identity by investigating the responses of a group of workers whose identities have been disrupted by the individuating practice of performance appraisal. A further theoretical contribution of this thesis will be its drawing together of strands of identity theory from a variety of disciplinary areas including sociology, social psychology, and critical management studies to enrich understanding of the subjective effects of performance appraisal in the HRM discipline. The extended period of the empirical investigation aims to provide a richness of insight into narratives of identity not available through surveys or snapshot studies. The data collected will also add to the understanding of collective identities as plurivocal (Dawson and Buchanan 2005), social
constructions (Brown and Humphreys 2006), that unfold over time and are in a perpetual state of becoming (Parker -1997).

In pursuing these aims, this thesis makes a contribution to knowledge by empirical application of a model of ‘concepts, objects and subject positions’ proposed by Phillips and Hardy (1997: 167). a model subsequently applied by Grant and Shields (2002) to HRM.

1.4 Significance of the study

The implications of considering the effects of HRM intervention strategies on employees are profound. If people are purely means to instrumental ends, then the division of labour will most likely continue to result in the ‘labour of division’ (Parker 1997:115), with all its attendant conflict, controversy and contested identities for organizational members. Because of the ‘legitimacy’ of their privileged discourses, managers may be unaware of the impact of their systems and structures on organizational members whose voices are marginalized or silenced. Indeed, HRM interventions may be informed by agendas which even those making the decisions do not fully understand. Decisions may perpetuate power and privilege without those in HR positions being consciously aware of the reasons for the decisions, nor the consequences for those being managed. Gallos and Ramsey’s comment below on the difficulty faced by dominant groups in understanding the effects of their decisions on the marginalized could apply equally to the design of a performance appraisal system:
Institutional, structural and systemic issues are very difficult for members of dominant groups to understand. Systems are most often designed by dominant group members to meet their own interest and needs. It is then difficult to see the ways in which our institutions and structures systematically exclude others who are not ‘like us.’ It is hard to see and question what we have always taken for granted and painful to confront personal complicity in maintaining the status quo. Privilege enables us to remain unaware of institutional and social forces and their impact on (others)employees. (Gallos and Ramsey 1997:404-405)

HRM practices such as performance appraisal are not power neutral. The critical management literature, which draws attention to power relations in organizations, sees appraisal as privileging the power of people who articulate the dominant discourse (for example, Townley 1999). In this literature, appraisals are seen as instruments of both normative and ‘insidious’ control (Garrety’ 2007:220) . It is even suggested that managers who use such practices may be ‘playing God’ (Newton and Findlay 1996:42).

A discourse analytic approach to employee responses to appraisal opens up explanatory possibilities for studying the effects of such systems upon employees. According to Clegg et al., a discourse analytic approach, remains one of the most interesting developments in terms of understanding power in organizations, although such work remains to be done both in terms of developing the methodology and in terms of extending the empirical topics on which it has been upheld. (Clegg et al. 2006:317)

1.5 Organisation of this thesis :

The thesis is divided into two parts. Part 1 grounds the research question within the existing HRM literature and develops a theoretical framework drawing upon critical
management and identity frameworks and perspectives. Part 2 presents an analysis of the empirical data using the theoretical framework emerging from the literature review in Part 1. Through this process, Part 2 gives ‘voice’ to employees of the organisations and provides a deeper understanding of the conceptual framework described in this research through which the employees defend their occupational identities.

Chapter 2 presents an overview of salient work in the extant HRM literature on performance appraisal, drawing particular attention to the managerial assumptions underpinning much of the mainstream literature and noting the need for more critical, employee-centric studies to counterbalance the assumptions of HRM approaches. Both the prescriptive and the critical streams of literature have a propensity to deprive the employee of agency. The need to ‘develop more nuanced and employee-centered constructs for understanding such [employee] reactions’ (Grant and Shields 2002:329) to HRM techniques provide the basic and fundamental rationale for this thesis.

Chapter 3 explores the possibility of creating a link between brainstorming technique under a conflict situation within a known group of employees with performance appraisal through creativity enhancement. It examines theories of brainstorming and the results of the research work on it and argues for a focus, on defending self and generating more ideas (group creativity and conflict) under a conflict situation in a group process. Attention is drawn to the role of narrative in making sense of the live experiences of the individual, and thus the processing nature of identity construction (Sveningsson and A.lvesson 2003).
The chapter 4 then examines literature on the nature of brainstorming and group creativity and develops a theoretical framework through which to understand identity regulation and identity work among workplace collectives (Alvesson and Willmoff 2002; Reveley and McLean 2008). This framework is integrated with the discursive framework through employees (brainstorming and creativity in work group) suggested by Grant and Shields (2002; 2006) to create a model which is used in Part 2 to analyse the data from the field work.

Chapter 5 explains the methodological approach chosen to address the research question. After positioning the methodology within the critical discourse and critical management traditions, the research methodology and analysis are discussed. The last section of Chapter 5 discusses how discourse analysis (discussions under 3 different conditions) was employed to make sense of the research data. This Chapter thus provides a rationale for the discursive analytic approach that was chosen. As will be demonstrated, analytical leverage is gained by combining the discursive framework of concepts, objects and subjects (see, for example, Fairclough 1992; Grant and Shields 2002; Grant et al. 2003; Ainsworth and Hardy 2004; Hardy and Phillips 2004; Grant and Shields 2006) with notions of defensive identity under conflict situations and collective identity work (Alvesson and Willmott 2002; Reveley and McLean 2008). Chapter 5 further deals with the importance of performance management system, rather than performance appraisal system in the organizations, in the context of performance improvement of the employees. An innovative method is tried out in the research by combining the ‘brainstorming session’ within the work group, by introducing ‘criticism’ and strong opposition against the individuals by the team members, as earlier studied revealed that
criticism during brainstorming session would generate more ideas than in the normal conditions or with minimal instructions. A psychological defense is created to protect the self due to cognitive process to win over the situation and new ideas are carved out of preconscious mind (Gopakumar & Shamla -2009). Further, Chapter 5 questions what and how managers were thinking about appraisal, using objects such as the appraisal documents to discover ‘traces’ (Ainsworth and Hall 2006:270) of the concepts which underpinned the appraisal project from the managerial perspective. A key theme in this chapter is the interevasiveness of HRM concepts (Hardy et al. 2000:1245); that is, ideas borrowed from elsewhere are shown to inform managerial thinking about appraisals.

Part 2, Chapter 6, of the thesis presents an analysis of the data collected during the fieldwork. It covers the introduction, implementation and consequences of several rounds of performance review for employees by using the innovative method of brainstorming under 3 different conditions, one as functional, other as dysfunctional and the third as neutral or controlled condition. Finally, Chapter 7 draws together answers to the research question addressed in this thesis and discusses some of the theoretical and practical implications of these findings. The chapter suggests a way forward for understanding employee experiences of HRM, extending the application of the conceptual models of identity developed in this thesis. The chapter suggests possibilities for future empirical research to provide richer understandings of the impact of HRM practices on employees, specifying a new model of appraisal as, “ratingless performance appraisal”.

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