

HUMAN RESOURCE STRATEGY: INTRODUCING A NEW MANAGEMENT TYPOLOGY TO MAKE CHANGE STICK

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ABSTRACT

I maintain that ideas are events. It is more difficult to make them interesting I know, but if you fail the style is at fault.

(Gustave Flaubert: Letter to Louise Colet) (15 January 1853)

Human resource management (HRM) is now being seen as a strategic activity. This recognises that change processes must include the management of human resources as part of an integrated approach to strategy. Without linking management development and business strategy, change will not stick and organisations will not develop. Contributing to the debate about integrating HR and other strategies, including linking management development and business strategy, this paper develops a new Generic Management Typology of co-existing management philosophies in order to help change agents diagnose the culture of an organisation and to modify that culture. The typology is derived from reflecting on research about the global transformation of public service organisations over the last twenty-five years.

INTRODUCTION

Human resource management (HRM) is now being seen as a strategic activity (Purcell, 1995; Storey, 1992; Tyson, 1987). Tyson (1997: 1) argues that,

'HRM is a more strategically oriented version of personnel management, with a strong emphasis on change management ... its appropriateness being entirely dependent on organisational contingencies.'

Underlying this argument are three key ideas. First, HR strategy emphasises change management because such strategy,

'is a practical managerial activity, which takes place as a consequence of an analysis of what is happening in the organisation currently, and of senior management's strategic intentions.' (Tyson, 1997: 2.)

Second, having strategic intentions is grounded in a set of ideas or management philosophies shaping the intentions. These ideas,

'may be defined as the philosophies, policies and practices which management adopt in order to achieve business-related people management activities.' (Tyson, 1998: 2.)

Third and last, HR strategy is contingent because it is influenced by a range of factors. These include:

'the history and culture of the firm, the national culture and institutional framework in which HRM exists, as well as the decision-making habits and the trade union relationships in the organisation, the labour markets in which the firm operates, and the perceptions of these variables and of HRM by people who work in the organisation.' (Tyson, 1997: 2.)

Tyson's (1997) argument recognises that change processes must include the management of human resources as part of an integrated approach to strategy. Huselid (1995) has empirical evidence to support this view. Research into over one thousand United States (US) companies shows how HRM can accelerate performance improvement but, only if it is bundled with other strategies. HRM practices were able to take performance into a higher level but, only if the productivity improvements and technically advanced systems had pushed organisational performance up to the threshold of competitiveness.

There are other studies which focus on linking management development and business strategy, so

that change will stick and organisations will develop. Fombrun, Tichy and Devanna (1984) identified that if management development is to be a strategic HRM activity and make a significant contribution to organisational performance, there requires to be tight integration at the strategic level, high commitment at the person level and flexibility and cultural reinforcement at the organisational level. Fell and Davies (1997), however, identified that in the United Kingdom there are differences between the public and private sectors. More public sector managers than private sector managers view management development policies as a strategic tool. 46.8% of hospital managers thought that management development is very important to strategic concerns, whilst 41.7% of company managers thought the same.

As a contribution to the debate about integrating HR and other strategies, including linking management development and business strategy, this paper addresses Tyson's (1997) three key ideas of change management, management philosophies and contingent factors. The paper develops a new Generic Management Typology of co-existing management philosophies in order to help change agents diagnose the culture of an organisation and to modify that culture. This approach is adopted because much of the change management literature still adopts a traditional perspective that one philosophy is replaced by another. A classic representation of this is the rational view, clearly expressed by Lewin (1951), that organisational culture can be diagnosed, unfrozen and then a desired new culture re-frozen can be set back into the host organisation. Even newer and more emergent views, for example, Balogun and Hope Hailey (1999), whilst acknowledging the complexity posed by contingent factors, still see one philosophy being replaced by another.

The typology is derived from reflecting on research about the global transformation of public service organisations over the last twenty-five years. Since about 1980, public services across the world have been increasingly subjected to market pressures and this transformation has been labelled the "New Public Management" (NPM) (Hood, 1991). Because of this phenomenon, scholars

have attempted to systematise understanding about the organisational theory underpinning the emergence of new organisational strategies, structures and processes (Miles and Snow, 1994). As a consequence, previous work has been done on developing a typology of co-existing management philosophies. These philosophies co-exist because some services in some parts of the world have developed quicker than others, which means that different ways of organising are used simultaneously.

The typology has been empirically tested in three studies by the author, one of which is reported in Butler (2003). There is not enough space to report the research findings here. The focus of this paper is to present and justify the typology and extend its relevance to broader organisational processes relevant to the public and private sectors, namely HR strategy and change management.

The paper outlines, briefly, the history of the rise of the NPM, discusses how other scholars have characterised NPM and argues for a new Management Typology. The argument identifies how the typology was constructed, presents the typology, locating it in broader organisational processes, and explores how the typology can be used to manage change and integrate HR strategy. Following Flaubert, the paper maintains that ideas, in this case the typology, can become an event, when they are used as a strategic tool to integrate change and HR.

The Rise of NPM

The emergence of NPM is synonymous with the emergence of a new economy in which the old distinctions between the public and private sectors seem to be disappearing. The old economy may be characterised as public administration and the new economy as the NPM. Ferlie (1999: 2) establishes a chronology:

'From the 1940s to the late 1970s, we used to think that markets would give way to the State [public administration]; in the 1980s and early 1990s, we thought that the State would give way to the markets [NPM].'

Reflecting on the UK case, Ferlie (1999: 2) anticipates

that a third phase may be being reached and observes that

'Now the current talk is of the "Third Way", "modernisation", and of public/private partnerships in a way which humanises but does not in my view fundamentally challenge the radical shifts of the 1980s.'

The rise is explained by a number of reasons. Economically, big government is linked to fiscal stress (Barberis, 1998), a condition exacerbated by several factors, including poor macroeconomic performances (Hood, 1995). Politically, there was the motive and opportunity to replace public administration with the NPM the New Right philosophy. The New Right draws on a range of ideas, including Public Choice Theory, which champion the market economy (Self, 1993). Socially, various demands are made both by service users, especially by an ageing population drawing their pensions longer, and by service providers, who seek more resources (Farnham and Horton, 1993, 1996).

It should be noted that outside the UK, there is speculation that there will be the demise of NPM. Johnston and Callender (2000: 601), for example, researching in Australia, suggest that

'early this century there will almost inevitably be another dramatic paradigm shift. Perhaps, the powerful voices on this occasion will be focused more on public rather than private interest, but given the evidence of history seems to be an unrealistic hope.'

The old and new economies are associated with organisational change and certain types of management action. Pettigrew, Ferlie and McKee (1992: 13) describe these changes and actions:

'Up to the mid 1980s [the old economy], the dominant problem was that of parochialism and isolation within the public sector; since the mid 1980s [the new economy] the problem has been the over-mechanistic transfer of concepts from the private to the public sectors.'

Pettigrew et al (1992: 13) also stress that there is mutual learning between the public and private sectors:

'The public sector may also provide learning for the private sector, certainly as far as handling politicians and

powerful politicians is concerned.'

As a consequence, Pettigrew et al (1992: 13) noted that any learning from the NPM should extend to broader organisational processes relevant to the public and private sectors.

'There are, however, sufficient similarities to make the application of a broader range of approaches to organizational analysis within the public sector potentially fruitful, and indeed some of them originated in public (frequently hospitals) as well as private sector settings.'

In order to facilitate this transfer of knowledge, the paper will now discuss how other scholars have characterised NPM and then developed one of those characterisations to create a new Generic Management Typology.

Existing NPM Characterisations

There are three approaches in existing NPM characterisations and all acknowledge the NPM's international trends (Hood, 1995; Balfour and Grubbs, 2000), indicating 'that something significant has been happening' (Barberis, 1998: 456). At one extreme, the approach is reductionist. In other words, some scholars have characterised the NPM as one idea system. Adams and Ingersoll (1990: 165) describe the NPM as 'the managerial meta-myth'. This approach associates the NPM with greater market competition in the public sector and the search for expediency, efficiency, economy and the calculation of ends (Johnston and Callender, 2000; Ventriss, 2000; Dixon, Kouzmin and Korac-Kakabadse, 1998; Kaboolian, 1998).

At the opposite extreme, a second approach is complex. In other words, other scholars have simultaneously characterised the NPM as a combination of idea systems. Independently, two European scholars have identified eight NPM models. In the UK, Salter (1998) discusses the National Health Service (NHS), whilst in Sweden, Rothstein (1998) discusses Sweden's universal welfare state. Model 1 represents a more traditional view, whilst Model 8 represents its ideological extreme. Model 1 views service users as citizens who participate in government to improve service delivery (O'Toole, 1993; Ranson and Stewart, 1994; Clapham, Dix and Griffiths, 1996). In this

Model, the state finance, provides and regulates all public services. Model 8 views service users as customers who choose between competing service providers (Waldegrave, 1993; Hoover and Plant, 1989; Saunders, 1993). In this Model, the state has no role. All functions are delivered by the private sector.

Between the two extremes, is a third approach which simplifies and reduces the number of NPM categories. Independently, scholars in the UK and the US have identified four NPM types. In the UK, Ferlie, Ashburner, Fitzgerald and Pettigrew (1996: 10) argue that:

'At least four new public management models can be discerned and while each of them represents a move away from traditional public administration models. They also contain important differences and distinctive features. A contest for interpretation is apparent ... and the degree of influence they achieve in the field may wax and wane over time.'

The four NPM Models are: The Efficiency Drive, Downsizing and Decentralization, In Search of Excellence and Public Service Orientation.

In the US, Terry (1998: 194) also identifies four NPM types or 'approaches':

'quantitative/analytic management; political management; liberation management; and market-driven management'.

Interestingly, his approaches overlap with Ferlie et al's (1996) models. There is a tight fit between 'In Search of Excellence' and 'liberation management' both draw on Peters and Waterman's work (1982, 1993; Peters, 1992, 1993). There is also a good fit between 'The Efficiency Drive' and 'quantitative/analytic management' and between 'Downsizing and Decentralization' and 'market-driven management'. There is less of a fit between 'Public Service Orientation' and 'political management'. Public Service Orientation stresses accountability:

'reliance on user voice rather than customer exit ... a desire to shift power back from appointed to elected local bodies' (Ferlie et al, 1996: 15).

Political management stresses the interlocking of policy formulation and implementation at the politician/senior

manager interface:

'This approach rejects outright the political/administration dichotomy. It assumes that public managers have a legitimate right to exercise political power in the policy making process' (Terry, 1998: 195).

In recent US public service literature, public administrators become public managers, hence the use of the label political management (Behn, 1998; Cook, 1998; Kaboolian, 1998; Kelly, 1998; Khademian, 1998 and Lynn, 1998).

Ferlie et al's (1996) NPM characterisation stands out as it is *comprehensive* (capturing the variety of welfare ideas associated with the NPM), *theoretically highly developed and empirically tested* (in two UK public services the NHS and education) and *comparative* (using more than one case study).

This paper theoretically develops Ferlie et al's (1996) NPM characterisation by deconstructing their four NPM models into four Management Types with indicators. This development creates a new typology which applies to both the public and private sectors.

Typology Construction

The discussion about the construction of the typology has three elements: the meaning of 'typology', the assumption underlying the typology and how the typology was operationalised. A dictionary definition of typology is

'the doctrine, study, or analysis and classification of types' (Longman New Universal Dictionary, 1982).

In other words, typologies are 'a sophisticated information storage and retrieval system.' (Rich, 1992: 758), combining 'greatest information content with greatest ease of information retrieval' (Mayr, 1969: 98). In organisational analysis, typologies are 'a popular approach for thinking about organizational structures and strategies.' (Doty and Glick, 1994: 230). Typologies have been used to classify and cluster similar types of organisations (Mintzberg, 1979; 1983; Miles and Snow, 1978).

Doty and Glick (1994: 244) criticise the organisational

analysis literature because organisations do not fall into mutually exclusive sets, instead, organisations are complex and can be influenced by multiple ideal types which “fit” in different ways. In other words, one organisation can be a combination of idea systems. This means that organisations can reach the same end by following a variety of paths (Katz and Kahn, 1966, 1978; Van de Ven and Drazin, 1985), which allows for the possibility of the evolution of new organisational types (Doty and Glick, 1994; Felts and Jos, 2000).

Doty and Glick's (1994) multiple ideal types are consistent with the better known paradigm debate which has moved from a unitary to a pluralist perspective. Kuhn (1962) represents the unitary perspective which argues that one paradigm is replaced by another and they do not co-exist. Knights (1997) represents the pluralist perspective which, alternatively, argues that multiple paradigms coexist.

Doty and Glick's (1994) multiple ideal types also capture an important theme, that the process of organisational life is a dynamic and constant struggle between agent networks representing different management philosophies (Gramsci, 1971, 1996; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992). More than that, Ferlie et al's (1996) four NPM models and the author's four Management Types share the assumption that the NPM and organisations can be interpreted as the fall and rise of managerial ideologies (Child, 1969; Barley and Kunda, 1992; Grint, 1997; Faulks, 1998). To be explicit, each NPM model and Organisation Type symbolises a managerial ideology and together they symbolise the fall and rise of different ideas about how an organisation should be managed at any given time, some ideas are in favour and other are not, and this changes with time.

The author's typology operationalised Ferlie et al's (1996) four NPM models by supplementing their *deconstruction* with a wider literature review and by evaluating a prototype of the typology with a group of UK public service managers. Each of the four Management Types contains a unique combination of multiple indicators. It is the use of the indicators which theoretically develops Ferlie et al's

(1996) NPM characterisation.

A New Generic Management Typology

The new Generic Management Typology is summarised in Figure 1.

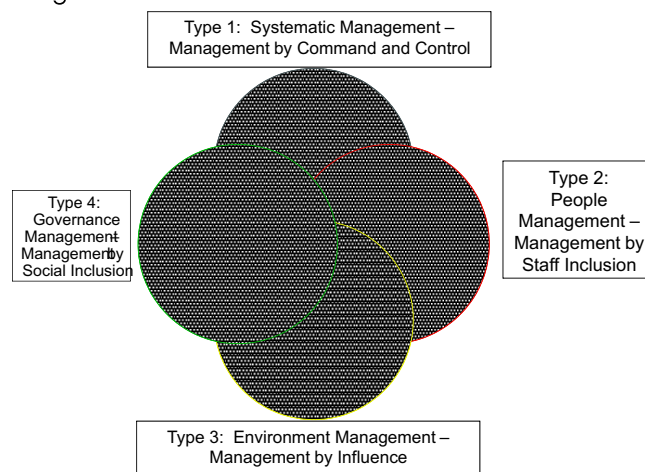


Figure 1: New Generic Management Typology

Each of the four Management Types will be discussed in turn, in the historical order from which the underpinning managerial ideology emerged. The discussion will highlight the original source of the managerial ideology, locate the ideology in the history of the NPM, give a recent policy example from both the UK and internationally and then highlight the key HR issues. All organisations will exhibit the four Types, but some will emphasise one or more Types.

Type 1: Systematic Management Managing by Command and Control

Type 1 symbolises the managerial ideology of Taylorism (Ferlie et al, 1996; Pollitt, 1990, 1993). Taylor (1911) pursued efficiency (increasing output per worker and reducing deliberate underworking), standardisation (of job performance by dividing tasks into small and specified subtasks) and discipline (establishing management by command and control). Taylorism can be more widely referred to as Systematic Management because of its focus on efficiency, standardisation and discipline. The use of Systematic Management would link it to modern management techniques like Lean Management, in which any organisational waste is managed out of any organisational process (Womack

and Jones, 1998). Techniques associated with Systematic Management can be controlled because maximising performance is a critical issue and, as a consequence, use a particular management style management by command and control.

Type 1 'can be seen as the earliest model to emerge' (Ferlie et al, 1996: 10). It is associated with the transition from public administration. In the UK, it stretched back to least in 1951 when the Conservative government reduced income tax, introduced prescription charges, reduced NHS staffing levels and cut education spending (Glennister, 1995).

Type 1 is currently resurgent in the UK because the auditing of public services is promoted by the Labour government (1997-ongoing) (see Power, 1996). The government, for example, is establishing clear performance frameworks for certain services, like local government (Department of the Environment, Transport and the Regions [DETR], 1999).

In the US, Balfour and Grubbs (2000: 578) draw of their consultancy experience to report that 'in an attempt to optimize the performance of a limited number of individuals', a public agency was establishing more generic or standardised working. One member of staff concluded, 'I work for everybody.' (Balfour and Grubbs, 2000: 579).

The key HR issues are the emphasis on: results-oriented governance funding outcomes, not inputs; the

construction of general management; new forms of corporate governance and contract-based employment. Figure 2 relates each of these issues to a set of indicators.

Type 2: People Management Managing by Staff Inclusion

Type 2 symbolises the managerial ideology of the Human Relations school (Ferlie et al, 1996; Meek, 1988). The Human Relations school began with the Hawthorne Studies and concluded that staff are motivated by more than pay and working conditions, by their need for recognition and a sense of belonging. Motivation is shaped strongly by peer group. (Roethlisberger and Dickson, 1964.) The Human Relations school has continuously been reinvented and an enduring example is the Excellence school. During the 1980s, management consultants with best-selling texts emphasised the importance of organisational culture and the management of change (Peters and Waterman, 1982, 1993). Clearly, the common link is People Management. Techniques associated with People Management are less controlling and more empowering because maximising creativity is a critical issue and, as a consequence, use a second management style management by staff inclusion.

Type 2 emerged alongside Type 1. Whereas Type 1 is associated with the financial cost of a public service, Type 2 is associated with the quality of service being delivered.

Type 2, in UK, is not characterised by distinctive social policy activities in the sense of legislative programme. Nevertheless, policies like Best Value, at least in principle, sought a balance between the financial cost and the quality of a public service. Type 2 is interpreted broadly and it contains Ferlie et al's (1996) top-down and bottom-up change and adds an external focus.

In the US, Balfour and Grubbs (2000: 580) report that there has been a 'recent reengineering craze within public administration'. In an attempt to 'support collaborative partnerships among ... grant recipients', a public agency, for example, collapsed 'its separate funding

1.1:	Results-oriented governance – funding outcomes, not inputs
1.1.a	Specific organisational usage of the phrase 'value-for-money' (doing more with less)
1.1.b	Referring to the need to check resource demands
1.1.c	Specific organisational usage of the word 'performance' (including similar words, for example, 'performed' and 'outperforming', in other words, keeping the meaning of the original word)
1.1.d	Using performance indicators (PIs)
1.1.e	Expressing PIs in quantitative terms, especially for professional services
1.1.f	Expressing PIs in financial terms
1.1.g	Holding individual managers responsible for achieving the PIs, though it may only involve named senior managers
1.2:	The construction of general management
1.2.a	Organisational structures and/or pay scales which reflect the shift of power to general managers from professionals (horizontal change)
1.2.b	Management processes which indicate innovative forms of manager, professional and lay member participation
1.2.c	Offering management training to professionals
1.2.d	Reducing professional self-regulation, which includes more transparent forms of self-regulation
1.3:	New forms of corporate governance
1.3.a	Marginalising elected representatives and trade unionists
1.3.b	Organisational structures and/or pay scales which reflect the shift of power to senior managers (vertical change)
1.3.c	Referring to a Board of Directors model
1.3.d	Including private sector members in the Board
1.4:	Contract-based employment
1.4.a	Introducing short term contracts for senior managers
1.4.b	Giving senior managers individually agreed and highly paid rewards packages
1.4.c	Introducing local pay
1.4.d	Employing a review-based management system, for example, appraisal

Figure 2 Type 1: Systematic Management Managing by Command and Control

streams into a single pool of resources' (Balfour and Grubbs, 2000: 579). Balfour and Grubbs (2000: 580) conclude that there has been 'some success over time', but it 'required considerable backtracking and learning by the grant provider to sort through the difficulties of the ... Process'.

The key HR issues are the emphasis on: top-down change or mission-driven governance transforming rule-driven organisations; bottom-up change or changing the role of top management beyond systems to people; customer-driven governance meeting the needs of the service user, not the bureaucracy; enterprising governance earning rather than spending and anticipatory governance prevention rather than cure. Figure 3 relates each of these issues to a set of indicators.

2.1: Top-down change or mission-driven government – transforming rule-driven organisations	
2.1.a	Specific organisational usage of the phrase 'organisational culture' (including similar phrases, for example, 'culture')
2.1.b	Introducing a managed culture change programme, which may be associated with a member of staff
2.1.c	Publishing a mission statement expressing core values
2.1.d	More intensive training programmes, which may be associated with a proactive human resource management function (trainers located within or outside personnel) or external consultants
2.1.e	Referring to symbols of good practice, which are associated with the culture change programme
2.2: Bottom-up change or changing the role of top management – beyond systems to people	
2.2.a	Backing for bottom up service champions
2.2.b	Backing mavericks
2.2.c	Emphasising management by staff inclusion (management by wandering about) rather than management by influencing or command and control
2.3: Customer-driven government – meeting the needs of the service user, not the bureaucracy	
2.3.a	Specific organisational usage of the word 'quality'
2.3.b	Referring to private sector quality initiatives, like Total Quality Management and Business Process Re-engineering
2.4: Enterprising governance – earning rather than spending	
2.4.a	Taking a multi agency approach by creating links with other organisations
2.4.b	Investing capital receipts
2.4.c	Selling capital assets
2.5: Anticipatory governance – prevention rather than cure	
2.5.a	Preventing problems, through raising public awareness
2.5.b	Anticipating the future, through long-range planning techniques (developing alternative scenarios)

**Figure 3 Type 2: People Management
Managing by Staff Inclusion**

Type 3: Environment Management Managing by Influence

Type 3 symbolises the managerial ideology of the market economy (Ferlie et al, 1996). It captures the current fashion within the public and private sectors to downsize and outsource (Hood, 1991; Aucoin, 1995; Boston, Martin, Pallot and Walsh, 1996). In this mode, organisations seek benefits by alliancing or contracting externally with other organisations. In a globalised economy, alliancing or contracting can take place internationally. This is Environment Management. Techniques associated with Environment Management

draw on multi-media technology because maximising effective communication is a critical issue and, as a consequence, use a third management style management by influence.

Type 3 can currently be seen as increasing significance, undermining and contradicting some of the earlier changes brought about as a result of the diffusion of Type 1 ideas (Ferlie et al, 1996). It is associated with the full expression of the New Right philosophy, its ideological extreme (Hood, 1991; Aucoin, 1995; Boston et al, 1996). Type 3, internationally, characterised by a 'decisive break with previous policy' (Wilson, 1993: 29) which in retrospect will be seen as critical in the history of a specific country's social policy. In UK, the decisive break came in 1988-1989, the Conservative government began to apply a programme of market-oriented change to the welfare of state (Le Grand, 1991).

Type 3 has continued in the UK despite the election of the Labour government. Although Best Value is couched in the discourse of a transition from compulsory to voluntary competition, it does, however, accept the principle of competition and by implication privatisation:

'fair and open competition will, in the Government's view, most often be the best way of demonstrating that a function is being carried out competitively. Such competition is expected to play an essential and enduring role in ensuring best value' (Local Government Act, 1999: 12).

Type 3 has been taken to greater lengths in the US. Timney and Kelly (2000: 555) report that, in 1999,

'the State of New York gave welfare recipients an electronic banking card in lieu of a check. Under a contract with Citigroup, the parent of Citibank and the nation's largest financial services company declared that the state would no longer issue individual checks'.

Unfortunately, 'Perhaps the greatest impact on the poor, however, is the charges that are taken for each transaction, effectively reducing the welfare benefit'.

The key HR issues are the emphasis on: catalytic governance steering rather than rowing; market regulation; downsizing and managing by influence.

Figure 4 relates each of these issues to a set of indicators.

3.1: Catalytic governance – steering rather than rowing
3.1.a Introducing market testing
3.1.b Introducing contracting out, through voluntary or Compulsory Competitive Tendering (CCT)
3.1.c Specific organisational usage of the phrase 'CCT' (including similar phrases, for example, 'competitive tendering', 'competitive tender' and 'Housing Management CCT' (HMCCT))
3.1.d Introducing quasi-markets
3.1.e Encouraging other, less obvious forms of contract management, which includes the increasing use of strategic alliances between organisations (networks)
3.2: Market regulation
3.2.a Creating a competitive environment
3.2.a Determining organisational processes to encourage competitor power, so that potential public service contractors/providers can enter the 'market' (defining anti-competitive behaviour)
3.2.b Facilitating customer power and choice, through information flowing from different contractors/providers to customers (league tables) and establishing purchasing schemes (vouchers)
3.2.c Specific organisational usage of the word 'customer'
3.2.d Maintaining and improving service standards
3.2.d Monitoring service standards, through establishing a complaints procedure and other forms of redress
3.2.e Monitoring budgets to limit excessive cost-cutting and excessive billing, so that profit maximisation does not impede service delivery
3.3: Downsizing
3.3.a Shortening hierarchies
3.3.b Reducing the numbers of senior managers
3.3.c Reducing payrolls
3.4.d Introducing short term contracts for contractor/provider staff
3.4: Management by influence
3.4.a Devolving management, through the introduction or greater use of cost centres
3.4.b Decentralising services, through relocating staff either internally within the organisation or externally to new offices
3.4.c Emphasising management by influence rather than management by command and control

**Figure 4 Type 3: Environment Management
Managing by Influence**

Type 4: Governance Management Managing by Social Inclusion

Type 4 symbolises the attempt to combine public and private sector activities in a Third Way. There is a fusion of left and right political values. The traditional left political value of social justice is fused with the traditional right political value of the individual rights and are conditional on responsibilities. (Giddens, 1998.) Social theory translates into organisational theory through a 'fusion of private and public sector management ideas' (Ferlie et al, 1996: 14). Systematic, People and Environment Management are fused with the renewal of democracy Governance Management. This is an emergent managerial ideology. In the wake of various private sector scandals, like Enron, corporate governance techniques are being devised, implemented and regulated. Techniques associated with Governance Management are ethics driven because maximising trust is a critical issue and, as a consequence, use a fourth management style management by social inclusion.

Type 4 'is presently the least well developed and is still to reveal its full potential.' (Ferlie et al, 1996: 14). If Johnston and Callender (2000) are right about the demise of the NPM, then it is likely that its replacement will emerge from

Type 4. This is because Type 4 is a contested area, debating the future of work.

Type 4 is characterised by a critique of Type 3. In the UK, in central government, for example, quangos (quasi non-governmental organisations, that-is-to-say, organisations linked to, but not managed by, the government) still exist but there is 'a progressive shift in appointments from business representatives to local councillors (usually Labour Party councillors)' (Ferlie et al, 1996: 17).

As with Type 3, Type 4 has been taken to greater lengths in the US. Timney and Kelly (2000: 565-6) report that

'the Missouri state energy office ... contracted with a non-governmental organization (NGO), the Kansas City Metropolitan Energy Center, to develop the citizen participation process ... [which] involved hundreds of citizens ... The result was that proposals had significant political support and sailed through the legislature.'

The key HR issues are the emphasis on: transformations and predicaments about choices available; accountability through community governance empowering rather than serving; accountability through elected representatives and designing public service governance. Figure 5 relates each of these issues to a set of indicators.

4.1: Transformations and predicaments about choices available
4.1.a Choice can be achieved not only through competition, but also through public purpose, since service users have a diversity of needs and aspirations
4.1.b Viewing the introduction of competition as a public service responsibility, subject to public accountability
4.1.c Competition will transform the contractor/provider in unintended ways, through the over or under use of services or buildings which may eventually eliminate choice
4.1.d Stressing the inadequate language of consumerism – the proper scope of social policy is the community, not just customers or individuals
4.2: Accountability through community governance – empowering rather than serving
4.2.a Specific organisational usage of the word 'empowerment' (including similar words, for example, 'empowering')
4.2.b Replacing 'exit' with 'voice' by enhancing service user consultation and participation, through organisational design
4.2.c Training service users in the key skills and knowledge that they need to effectively participate in community governance
4.2.d Referring to social justice and the learning society: a new political/moral order in which citizens learn from one another through deliberation, judgement and action, a process conditioned by developing proactive individuals, who are recognised and valued by others and empowered by political structures (a Bill of Rights)
4.3: Accountability through elected representatives
4.3.a Stressing that the legitimacy of public services depends on citizen consent exercised through public and political discourse (deliberation), judgement and choice (action)
4.3.b Enhancing the role of elected representatives, which is not constrained by management processes
4.3.c Training elected representatives
4.3.d Accepting the limitations of responsiveness to service users, through balancing core values: advice/enforcement, openness/security and responsiveness/rationality
4.4: Designing the public service governance
4.4.a Specific organisational usage of the word 'citizen'
4.4.b Expecting openness about and access to the decision-making process
4.4.c Stressing the role of judgement or discretion when measuring performance, through balancing the quantitative data of PIs with qualitative data about quality of life
4.4.d Staffing for citizenship, through recruiting, training and promoting staff based on the above values

**Figure 5 Type 4: Governance Management
Managing by Social Inclusion**

The Typology as a Strategic Tool to Integrate Change and HR

Having presented the typology and located it in broader organisational processes, namely managerial ideologies, policy change and key HR issues, the paper explores how the typology can be used to manage change and integrate HR strategy.

The typology can be used to manage change by returning to Tyson's (1997) three key ideas of change management, management philosophies and contingent factors. Two other ideas are added in order to make Tyson's (1997) ideas operational. A strategic tool with five activities is itemised below to integrate the new Generic Management Typology, change and HR. This is the only approach and it should not be seen as prescriptive or sequential, other approaches should be devised, used and assessed. The author has empirically used the approach up to the end of the diagnosis activity (Butler, 2003). His undergraduate students have used all the five activities with case study organisations of their choice to learn about organisational analysis and the practice of change management.

Activity 1 Organisational Diagnosis

The paper develops a new Generic Management Typology of co-existing managerial ideologies in order to help change agents, diagnose the culture of an organisation and to modify that culture. Diagnosis is achieved by giving change agents four distinct Types of organisational behaviour, each with a set of indicators of that behaviour. The change agents can find evidence for each indicator within their host organisation. Evidence can be found by using different methods: documentary, ethnographic and interview. A judgement can be reached about, which Type is emphasised. The identification of this Type, founded on evidence, will diagnose the dominant organisational culture. Type 1, for example, may be the dominant Type: Systematic Management, Managing by Command and Control.

Activity 2 Performance Assessment

Associated with Activity 1, is an assessment of organisational performance. If performance is

satisfactory, then no modification needs to be made to the organisational culture. However, if performance needs to be improved, then the change agents have two choices. First, the organisational processes that already exist can be improved, for instance, if Type 1 is dominant, then processes linked to this Type can be improved. Second, the change agents may decide to modify the culture. This can be achieved by finding a change strategy to emphasise an alternative Type, for example, moving the dominant culture from Type 1 to one of the other Types. Processes linked to the new Type can be improved.

Activity 3 Operational Context

The decision about which Type to choose is linked to the operational context of the organisation. It may be felt that in a fast-moving context, staff creativity is more valued in order to promote innovation as a competitive advantage. This means that Type 2 will be selected and the processes linked to this Type will be improved. Type 2 focuses on People Management Managing by Staff Inclusion. Other contexts will require alternative strategies and the selection of a different Type.

Activity 4 Integrating HR

Having made this decision, the change agents will integrate HR into the change strategy. Having selected Type 2, managers will be trained in People Management skills and knowledge. This may take the form of a Management Development Programme for all staff, or coaching individual staff through specific training events. The managers will adopt a style of staff inclusion and, more specifically, would adapt organisational processes to mirror the new style. Some of these processes are specified in Figure 3.

Activity 5 Continuous Evaluation

As with any organisational intervention, continuous evaluation of the process is needed. Evaluation should take place at all stages of all stages. Change is an iterative process, in which the emergence of new organisational strategies, structures and processes needs constant monitoring (Miles and Snow, 1994).

By taking this approach, it is envisaged that change

management should stick. Change should stick because the new Generic Management Typology has been constructed to reflect the complexity of organisational life, that organisations simultaneously operate within different modes the four Types. Future research should test the typology and its application in different organisational contexts to build up case studies for scholars, students and managers to use in business education and practical management.

Concluding Remarks

The paper contributes to the perennial debate about how to manage staff by focusing on integrating HR and other strategies, including linking management development and business strategy. In particular, it addresses Tyson's (1997) three key ideas of change management, management philosophies and contingent factors. The three ideas are then linked to two other ideas in order to make Tyson's (1997) ideas operational. A strategic tool with five activities is suggested to integrate the new Generic Management Typology, change and HR.

A novel contribution is the development of new Generic Management Typology. Its newness lies in its acknowledgement that there are co-existing managerial ideologies. In order to manage change, the process of organisational life has been interpreted as a dynamic and constant struggle between agent networks representing different management philosophies, the fall and rise of the four Management Types.

A further novel contribution is the transfer of knowledge from the public sector to a wider audience. In particular, the paper theoretically develops Ferlie et al's (1996) NPM characterisation by deconstructing their four NPM models into four Management Types with indicators. This development creates a new, more generic, Management Typology which applies to both the public and private sectors.

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