Distributed Leadership and Employee Cynicism: Trade unions as joint change agents

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<u>Abstract</u>

The themes of change management and workplace partnership continue to attract significant academic interest – albeit within discreet literatures. Drawing on longitudinal, qualitative data in a heavy engineering organization this article details how a collaborative partnership between management and trade unions, encompassing a distributed' leadership format, was configured to enhance organizational capacity for change in the context of significant employee cynicism. Bridging human resource management/organizational behaviour and industrial relations perspectives the works makes a theoretical contribution to our understanding of the factors underpinning the successful implementation of workplace partnership and the utilisation of distributed leadership configurations. More generally the work informs leadership theory through its scrutiny of distributed leadership in situations of high conflict.

Key words: change management, social partnership, collectivism, leadership, trade unions

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INTRODUCTION

The topic of change management has become a burgeoning field of study in international business schools. This popularity is evidenced in a growing refinement in the theoretical modelling of the precursors to effective change. The shift from normative accounts of change (e.g. Lewin 1947; Burns, 1996) towards critical organizational analyses more attuned to the politics of change (e.g. Pettigrew, 1985: 1990; Seo and Douglas Creed, 2002: 2229) has been an important and highly influential dynamic. Even within this more critical and politically sensitive work, however, the role of trade unions in the process of change management – be it as change agents, facilitators and enablers or reactionary defenders of the status quo – has been largely overlooked. The complexities of managing a significant change agenda in a unionised setting – one in which the presence of competing interests is formally acknowledged – remain significantly under researched. This is a notable oversight given that some of the practices identified as critical to the success of change initiatives, for example, communication (e.g. Conway and Monks, 2008: 81) and leadership (e.g. Kavanagh and Ashkanasy, 2006) potentially incorporate an important collective dimension. The current article seeks to address this oversight. It explores the genesis and operationalisation of a major change initiative in a highly unionised, heavy engineering company. The findings demonstrate how a collaborative workplace partnership (e.g. Johnstone et al. 2009) between management and trade unions, was configured to enhance organizational capacity for change in the context of significant employee 'cynicism' (Reichers et al. 1997). The value of the study lies in its potential to bridge human resource management/organizational behaviour and industrial relations perspectives to develop new insights vis-a-viz change management. The theoretical focus is an exploration of the enabling conditions underpinning successful labour-management partnership – specifically the effect of a dual or 'distributed' leadership (Chreim, 2015) format. Three interrelated research

questions frame the article. First, can workplace partnership influence employee cynicism towards change? Second, how might distributed leadership act as an enabler of labour management co-operation? Third, what are the underpinning conditions under which a form of distributed leadership might emerge in unionised settings?

ORGANIZATIONAL CHANGE, WORKPLACE PARTNERSHIP AND DISTRIBUTED LEADERSHIP

It is now well accepted that employees' reactions are crucial to the success of organizational change and a variety of theoretical tools have been devised to determine the factors underpinning successful change interventions (Armenakis et al 1993). Within the HRM/OB literature base it is possible, for example, to identify a myriad of psychological devices that aim to capture the attitudinal and behavioural characteristics of workers and how these relate to the success (or otherwise) of change interventions. 'Affective commitment to change' (ACC) (e.g. Morin et al. 2016), 'readiness for change' (e.g. Armenakis et al. 1993) and 'pro-change behaviour' (e.g. Fuchs and Edwards, 2012) are prominent examples of this ever expanding genre. Significant as such contributions are, scholars operationalising these models have tended to down play or ignore employment relations institutions and the collective dimension to the employment relationship in their analytical designs and theorisations, even though the measurement scales do not specifically exclude such an approach. For example, the belief that change has value for employees is a central feature of ACC (Herscovitch and Meyer cited in Morin et al. 2016: 842). Similarly, a predictor of 'pro-change behaviour' is the extent to which individuals feel they are treated fairly and justly by their organization (Rodell and Colquitt cited in Fuchs and Edwards 2012: 41). In unionised settings the position and opinion of the union leadership is likely to colour individual perceptions (at least for union loyalists)

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on such matters. Indeed, studies indicate a by-product of unionisation is the politicisation of the workforce (e.g. Borjas, 1979). Crucially, however, the mediating impact of trade unionism on employee attitudes to change has for the most part been overlooked.

The current article attempts to challenge this 'institutionally blind perspective' (Godard, 2014:4) which affords little space to collective voice (Godard, 2014: 8), linking the theme of change – and certain of its key theoretical tools (i.e. cynicism and leadership) – to unionisation and the topic of workplace partnership. As such it seeks to build upon the valuable but incomplete HRM/OB literature on change. This is an area with significant theoretical purchase. The implications of trade union involvement vis-à-vis the success (or failure) of change is far from determinate and there is a need for theoretically informed, context sensitive research (see Edwards, 2005). On the one hand trade unions may be viewed as inimical to the success of organizational change because of their ability to generate a climate of organizational 'cynicism'. Cynicism involves a loss of faith in the leaders of change (Reichers et al. (1997:48) manifest *inter alia* in beliefs of unfairness and feelings of distrust (Bommer et al. 2005: 736). This is problematic because according to Reichers et al. (1997: 52) cynical employees are less likely to participate in organizational change efforts. Cynicism is thus an important barrier to change (Reichers et al. 1997:48), potentially impeding the generation of 'pro change behaviour' i.e. the behavioural extra effort that is seen to push change interventions towards success (Fuchs and Edwards, 2012: 40). Cynicism towards change could develop from any number of routes, but is most obviously a response to a lack of trust and/or a history of unsuccessful change attempts (Reichers et al. 1997: 48). Definitions of 'success' will vary but where previous change interventions have resulted in adverse *employee* outcomes e.g. job losses, work intensification and/or the erosion of terms and conditions, 'militant opposition' by suspicions unions (see Bacon and Blyton, 2004: 762-764) is likely to contribute to an overall climate of cynicism towards change (e.g. Iverson, 1996: 141).

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Trade unions are however far from inimical to successful change management (see e.g. Bacon and Blyton, 2004: 758-762). Much will depend on the degree of harmony in the industrial relations climate (Deery, Iverson and Irwin cited in Iverson, 1996: 13). A number of studies have highlighted workplace partnership as a mechanism for improving management-trade union relations (see Valizade et al. 2016 for a summary). Although remaining 'a moveable feast susceptible to redefinitions' (Ackers and Payne, 1998: 546) standard formulations cite consensual managerial-labour relations (e.g. Johnstone et al. 2009: 261), a commitment to mutual gains (e.g. Kochan and Osterman 1994) and trust (Dietz, 2004: 5) as core partnership principles. This format is often introduced in unionised settings as part of a broader set of change management and restructuring initiatives (e.g. Butler et al. 2011; Evans, 2012). For management 'the crucial side of this equation is flexibility' and ultimately business success (Terry, 2003:466). Thus, the value of partnership lies in its potential to minimise workers' resistance to organizational change (Evans et al. 2012:64). However, studies evaluating employees' views of the effectiveness of partnership are rare (Glover et al., 2013). Crucially, those scrutinising the impact of partnership on employee receptiveness to change are more elusive still. This study accordingly seeks to address these theoretical limitations by exploring the circumstances under which partnership may act as an enabler of change.

An allied shortcoming within the literature on workplace partnership relates to the theme of leadership which has not hitherto been linked to partnership theory. Scholars working in this area have posited a number of factors as conducive to the success of partnership and the realisation of mutual gains. These include strong and independent trade unions (e.g. Oxenbridge and Brown 2004), insulation from market pressures (Dobbins and Gunnigle, 2009) and a positive employment relations climate (Valizade et al. 2016). Surprisingly, however, the theme of leadership and how novel leadership configurations might influence the resilience and success of partnership has been overlooked.

According to appraisal theory (Lazarus and Folkman 1984) reactions to change are influenced by situational appraisals that reflect an individual's cognition regarding how a situation will affect their level of well-being. Amongst trade union members the interpretation of the union leadership vis-à-vis the efficacy of change is likely to possess considerable traction. One corollary is the ability of a managerial leader to overcome cynicism and execute change will be premised not simply on their personal attributes but the support of his or her union counterparts. In such settings some form of cross-hierarchical (management-trade union) 'distributed leadership' (see Chreim, 2015) may be necessary to underwrite change. That is, there is a need to move away from what Gronn (2002:425) terms 'individually conceived leadership' towards an appreciation of leadership as a collective phenomenon. Certainly, the concept of distributed leadership has been usefully employed in the analysis of other contentious pluralistic situations e.g. the study of organizational mergers and acquisitions (e.g. Chreim, 2015). There remains however a significant disconnect. Little is known about how a *joint* leadership space might be created in unionised settings or its potential impact on partnership arrangements. This article contributes to this important stream of industrial relations theory and similarly speaks to important HRM/OB debates regarding the circumstances under which distributed leadership might similarly prove successful (e.g. Chreim, 2015; Gronn, 2002:445). The empirical evidence here is far from conclusive (Feng et al. 2017: 288) and such research has tended to employ a depoliticized view at the expense of situations of conflict and tension. Significantly, the current study explores the dynamics of distributed leadership within a pluralistic context *par excellence* – a heavily unionised environment. In so doing this research fills an important void in our understanding of the viability of distributed leadership in more conflictual employment contexts.

The remainder of this article is divided into three sections. We initially provide an overview of our chosen research strategy. The main body of the article then presents the

research findings with contextual information on the study organization *Engco* reported as the narrative unfolds. In the concluding sections a summary is provided of the theoretical contribution as well as the practical implications and potential limitations of the work.

RESEARCH DESIGN

Our chosen research strategy falls within the tradition of contextualist longitudinal research on change (e.g. Pettigrew, 1990; see also Edwards, 2005). Consistent with this approach the study involved multiple visits to the research site during which formal interviews, informal discussions, documentary evidence, employee surveys and observational data were collected around an ongoing change program branded '*The Mission'*. The sub-locations for the study were two strategically important production areas sitting at the confluence of a range of pivotal production processes. This article draws primarily on the qualitative data and on the formal interviews that took place in three phases between 2006 and 2009 (Table 1: Supplementary Information). In total 160 interviews were conducted across the three phases of the project, with 99 different employees. Fifty of the participants were interviewed on multiple occasions via the use of panel interviews i.e. of the 60 interviews conducted in phase 1, 50 were re-interviewed at phase 2 and 11 of the key informants representing senior management, union representatives and HR were re-interviewed across all three phases. This meant that of the 160 interviews, 111 interviews involved the same set of people. The time frame over which these data were collated - and the stability amongst most of the interviewees and employees taking part in the study - allowed us to chronicle individual and organizational outcomes, the impact of the change programme upon industrial relations and voice, the expectations of employees and their shifting attitudes to change. However, the research design was not restricted to panel interviews, and at phase 2 we had the opportunity to also expand the

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interviews to include new participants and new recruits to the firm. In this way we were able to capture the input from a total of 99 different individuals representing a breath of organisational stakeholders i.e. operational managers, trade union representatives, shopfloor workers and those providing a supporting HR function. Overlapping and separate interview protocols were created for these groupings. Questions addressed to managers focused on the drivers for change as well as the potential barriers and – as the research progressed – outcomes – both soft (e.g. 'has *The Mission* affected how you behave as a manager?') and hard ('how successful has this department been in meeting its performance targets?'). Conversations with union representatives were similarly wide ranging. Core themes included the changing nature of dialogue (e.g. 'has *The Mission* influenced the tenor of consultation?') and matters relating to trust and influence (e.g. 'how much information does management provide you with?'). Discussions with employees explored issues around mechanisms for employee voice, alterations to working practices (e.g. 'has *The Mission* affected your day-to-day working life?'), job design and attitudes to change (e.g. 'are your colleagues in support of the principles of The Mission?'). Participants from HR were asked to comment *inter alia* on the impact of the change programme on industrial relations (e.g. 'have the trade unions bought into the principles of 'The Mission?'). A form of quota sampling was used to gather testimony from a representative cross section of the population taking in both skilled (craft and maintenance) and semi-skilled (team member) grades. Data capture was a fluid and iterative process with each new interview building and expanding upon those already done. The interviews - which varied in length from 45 minutes to 2.5 hours - were fully transcribed.

Analysis

The transcribed interviews were analysed thematically using QSR software (QSR International Pty Ltd, Doncaster, Australia). The process of designing the coding structure and its application were undertaken with care to ensure confirmability, consistency and authenticity (validity) of the data and its interpretation (see Miles and Huberman, 1994: chapter 10). The coding structure (Table 2: Supplementary Information) comprised 159 separate codes or 'nodes'. An initial (a priori) coding schema was devised from the partnership/change literature. This comprised first-order codes reflecting key conceptual themes e.g. facets of the HR system, (pay, communications etc), relational features of partnership/change (e.g. trade union 'buy in' and leadership) and the underlying aims of the change program. The interviews were read by multiple members of the research team to develop familiarity with the materials. A stratified sample of ten interviews were coded independently by members of the research team and then cross-checked to ensure the initial coding schema was being applied consistently to the data; conflicts in coding were discussed and coding decisions agreed. Those conducting the interviews also undertook coding which further ensured the coding structure was a meaningful representation of the data. Higher order sub-codes emerged during follow up interviews with panel members capturing conceptual insights derived from a more fine-grained understanding of events and organizational dynamics. Again, emergent codes were discussed amongst the research team. Here, for example, codes were included relating to the process of relationship building (e.g. changes in managerial style) barriers to change (e.g. existing norms and behaviours) and emergent tensions (e.g. safety versus output). The fine grained nature of the final 'coding tree' allowed the research team to later identify proxies for theoretical constructs that became of interest after the initial process of data gathering had closed; notably cynicism (e.g. fear of speaking out, receptiveness to change, attitudes to the new safety regime etc).

Shifting iteratively between emergent codes and extant literature we were able to validate whether the findings indicated fresh theoretical insights. The data suggested a

relationship between the emergence of workplace partnership (featuring distributed leadership) and cynicism – this observation is used to structure the explanatory account in the findings and conclusion. The documentary data and observational experiences of the research team were cross-referenced to the interview data and used to elaborate on the descriptive narrative and theoretical concepts. For example, employees and union leaders spoke of the power of the video footage presented to them during the launching of the change initiative and the research team reviewed this first hand which considerably enhanced understanding and sense-making of the material (Miles and Huberman, 1994). In addition, the researchers were asked to provide six separate research reports based on the interview and quantitative data, to the workforce and senior management. The process of preparing for the feedback events demanded consideration of how the data made sense in an integrated, holistic way i.e. consistency or contradictions between the quantitative and interview data and between different actors (managers, employees and unions). The feedback events provided the team with a significant opportunity to sense-check, and verify, their interpretation of the data with those central to leading and experiencing the change process resulting in a two-way dialogue between the researchers and organisational members. As Pawson (1996) notes, this two-way relationship is critical to achieving mutual understanding between researchers and research participants (see also 'Verifying Claims from Qualitative Data': Supplementary Information').

EMPIRICAL FINDINGS

The study organization *Engco* is a former nationalised entity manufacturing specialist heavy engineering products. At the start of research process around 6,000 workers (including contractors) were employed at the plant under review. The two manufacturing sub-units that formed the focus of the study had a combined workforce of approximately 550. The plant,

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which opened in 1923, had developed in a piecemeal fashion and was described as 'a higgledy piggledy agglomeration of units' (HR manager). The works was therefore at a technical disadvantage when compared to more integrated overseas sister plants. This rendered the need for efficiency savings paramount – more so in view of increased energy costs. Progress was seen to be stymied by the presence of a mature group of workers unreceptive to change, 'sitting out their time' (HR manager) – average age and tenure were 43 and 21 years respectively.

The precursors of workplace cynicism

At the commencement of research in 2006 the division under scrutiny, reflective of UK operations in general, was loss making. As one HR manager starkly noted, 'in two years' time unless we're performing we haven't got a future'. Previous attempts to rectify efficiency problems had focused on downsizing. Recourse to redundancies was manifest in a lack of trust and general mood of antagonism between management and the heavily unionised workforce. Managers for their part referred acerbically to the plant as 'dodge city', alluding to an ill-disciplined workforce that had 'lost the plot'. A range of incidents demonstrative of a 'cultural malaise' were rehearsed including alcohol abuse, workers exiting the plant without permission, the systematic engineering of overtime and various other forms of deception. As one exasperated HR manager complained, 'it [lax discipline] is like a balloon. You squeeze it in one area and it pops up somewhere else'. In sum, the workforce exhibited behaviours characteristic of organizational cynicism (see Bommer et al. 2005) e.g. low levels of performance, absenteeism and demotivation.

In response, a new divisional managing director (MD), and industry outsider, was recruited in early 2005 from a 'slick organization' with a mandate to change both 'processes and people' (HR manager). The need for change was brutally reinforced by the juxtaposition

of two fatalities shortly into the MD's tenure. These tragic events – 'symptoms of a bigger issue' (HR director) – provided the catalyst or 'breakpoint' (Pettigrew, 1990: 272) for the change initiative which sought to invoke a behavioural and cultural transformation at all levels of the organization:

> We are currently experiencing the second best market in living memory and yet we cannot capitalise on it. We are letting down ourselves, our business and those people who rely on us…It is not just about safety, it is about everything we do every day. We have to regain our professionalism and make *The Mission* part of everything in our business (MD quoted in divisional newsletter).

According to Collins (2000: 70) 'the scope and opportunity for action is limited by the sum of previous decisions'. Significantly, *The Mission* had been preceded by several earlier attempts to inculcate change. The involvement of the convenor and two recognised trade unions (hereafter referred to as the 'craft' and 'general' unions representing skilled grades and team member populations respectively) was minimal within an organizational context where any serious engagement with the unions was viewed as demonstrative of 'managerial weakness' (convenor). Consider here, for example, teamworking, launched in 1999 as a 'fait accompli' and billed as 'the saviour of the business' (convenor). The intention was to develop multi-skilling. The practical outcome however was significant workforce reductions which actually resulted in a *loss* of skills. This, allied to insufficient training, contributed to a significant deterioration in performance. The associated shift to a flat grading structure similarly caused significant shop floor resentment – especially within the craft union – as workers lost control over pay and career progression. Accordingly, by the time *The Mission* was formally introduced in 2005 the workforce was cynical, weary and well versed in aborted change interventions. As one team member noted,

I have never felt secure in this industry – ever. I have spent 28 years in it. It

has just lurched from crisis to crisis...The threat of redundancy for a lot of

people who have been in the industry a long-time is no threat at all because

you can only hear it so many times and you just stop taking any notice of it.

You just get the feeling that you really are a small cog – even managers here

are small cogs. If China goes into recession and starts dumping cheap

product into Europe it doesn't matter what we do here…They [management]

always say this [initiative] is different – much like a politician — 'this *is*

different'. [But], you can only say that so many times without people being

cynical.

In the following sections we analyse the changes that took place during 2005-2009.

Three overlapping 'change actions' are identified: relationship building and the creation of new

alliances; forging new norms; and embedding new practices and procedures. During each we

identify how the partnership was configured in terms of structures and relationships between

management and unions, how these influenced and were influenced by cynicism and the

outcomes that helped legitimise the distributed leadership configuration.

Overcoming cynicism through distributed leadership: Relationship building and the creation

of new alliances (2005-2006)

As Dawson (1994: 37) notes, once the need for change has been identified, the complex

non-linear, 'black box' process of managing the transition commences. It is well accepted that

leaders can act on employees' emotional and cognitive states to quell cynicism (see Bommer

et al. 2005: 749). The literature however often overlooks the complexity of organizational

politics (Chreim, 2015). In unionised settings the pursuit of employee welfare is formally

vested in trade unions rather than managers. This potential conflict of interests would appear

to presuppose some form of 'distributed' (Chreim, 2015) or 'collective leadership' (see Denis et al, 2001). Cognisant of this the MD sought to forge a *de facto* workplace partnership, seeking the support of the convenor i.e. the most senior local trade union official. The convenor, a 'hardened trade unionist', had joined the organization in 1969 and was a veteran of the militancy and downsizing that surrounded the privatisation era. Although collective bargaining was conducted centrally, he maintained significant local influence negotiating plant level bonus payments and chairing the joint union committee. A plausible interpretation is the MD was politically skilled (Fligstein, 1990) to recognise the value in drawing on the convenor's assumed credibility, influence and sway to present a more compelling picture of the need for change. The mobilisation of legitimising narratives (see Landau et al. 2014; Fligstein, 1990) around divisional survival – and crucially health and safety (H&S) – provided significant scope for accommodation in the initial discussions. In terms of the latter, the convenor was acutely aware of the growing stigma surrounding the organization recalling in one interview, 'some of the local newspapers around the time [of the twin fatalities] depicted it as if you want to die a death come to Engco'. The MD's accessibility and general willingness to engage in debate was similarly depicted as 'a massive change' (convenor). An influx of like-minded senior personnel from the MD's former employer, who had the openness to engage with unions and awareness to recognise union voice as a key tool in the narrative for change, was an important structural development.

The convenor was subsequently invited to join the managerial steering committee where the change intervention was formally designed with the input of an external consultancy. The initial operationalisation involved team members and craft grades attending a series of 'Mission Days' which sought to 'reframe' the way workers thought about safety, efficiency and quality utilising various neuro linguistic programming techniques. Simply put, the aim was to 'unfreeze' extant behaviour using the standard prescriptive tools e.g. group activities and

'evangelical speeches' (see Collins, 2000: 59). Certainly the latter were well received – the MD was routinely described as 'a breath of fresh air' by the team member population. Much of the change 'software' was thus aligned with standard normative prescriptions of stepped, linear and planned approaches to change (e.g. Lewin, 1947). Firmly subsumed within this, however, was an understanding of the 'politics (and complexity) of change' (Dawson, 1994:42). The support of the convenor was crucial in underwriting the structured involvement of trade union representatives as facilitators in group problem solving exercises. Hitherto managers had encountered 'emotional resistance' (project development manager) when seeking to involve union representatives in such quasi managerial activities lest they were seen to have 'jumped over' to the managerial side. A combination of factors were instrumental in securing the consent of the activists. Firstly, the unequivocal endorsement of the MD by the convenor. Crucially, the former was an industry outsider and therefore not associated with the entrenched culture of antagonism. Secondly, the emotive theme of H&S which figured prominently in the sessions provided significant room for a unifying agenda. Finally and significantly, the MD displayed traits of transformational leadership behaviour e.g. the articulation of a vision for the future and high performance expectations (see e.g. Bommer et al. 2005:735). As one experienced trade union representative noted,

> He [MD] came up with this spiel on stage and to be fair to him he is very charismatic. And to listen to him he gives off this feeling that there is honesty there. And I think everybody went on board because we could see what he was saying was right for the works. We had to find a way to go forwards because we were only going backwards at that time. We were heading for closure. And I think everybody believed what he said – that if we didn't change our ways we were going to go under… He sold it involving everyone in the works. Up until then it was management coming forward to beat us into shape, sack people, make

redundancies. He didn't have that attitude. He sold the idea of working together –
I have never known that.

Union involvement was considered an expedient move by the managerial team: on the one hand the activists' endorsement served to legitimise the change initiative. Beyond this, as one manager observed, making the union officials 'part of the delivery' instilled psychological ownership; giving them 'a stake' in its success.

Distributed leadership: Forging new norms within a cynical context (2006-2008)

Eighteen months into the MD's tenure enhanced impetus for change was provided by the sale of *Engco*. The purchaser was an overseas competitor with excess capacity and significantly lower production costs. This spawned the development of a challenging set of divisional goals. These amounted to a highly ambitious tonnage production target - set at a level which would allow the division to break even - and 'zero lost time accidents'. These goals, in effect a template for world class manufacturing, were of significant symbolic importance given the lacklustre record of the plant. The targets received the convenors' endorsement,

It's great to see how well we are working together for this common goal. The improvement in trust between management and the workforce is very encouraging (convenor, quoted in divisional newsletter).

Whilst the above targets were to be addressed partly by changes to systems (see below) the initial emphasis was on people – not processes, i.e. tackling the 'behaviours and mind-set' (HR manager) of the workforce. An emergent aspect of cultural change was shrinking

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managerial tolerance of behavioural misdemeanours e.g. unauthorised absence. There was a greater formalisation of disciplinary matters with line managers more likely to involve HR at early stages of the procedure. A minority of respondents noted this was giving rise to something of a 'fear culture'. Nonetheless, consistent with our other findings, managers alluded to broad trade union support further emphasising their role as joint change agents. Consider, for example, disciplinary hearings. According to the HR manager,

> Before [*The Mission*] you would get the trade unions resisting any tackling of behaviour that management didn't feel was acceptable. *Now* you actually get the trade unions challenging the individual with regard to certain behaviour. When you go into disciplinaries it feels different.

A further outcome of the thaw in managerial-trade union relations was the development of a set of corporate values (respect, honesty, integrity etc.). These had been co-created at a three-day workshop involving the senior managerial team (SMT), suppliers *and* – significantly – senior trade union officials:

> Traditionally we would have rolled something like this out [directly] to *Engco* employees. We wouldn't have gone through the engagement with the trade unions in the way we have done. I think that is a fundamental change. We are involving the trade unions right up front [in] organizational change, policy change and policy development (HR manager).

In a closely related development a fortnightly tabloid was launched to highlight 'misaligned behaviour' (HR director). Examples of non-compliant behaviour were met with editorial reprimand — 'whereas some people have moved forward with *The Mission*, others

have slipped back to old habits'. The tabloid also operated as a significant vehicle for demonstrating management's willingness to share and show transparency in the performance data for the site and its progress; and for the unions to explicitly endorse performance messages signalling their trust in the data. Both these features represented an important departure from past trust relations. Distributed leadership was very much in evidence: the MD's regular column would routinely articulate a corporate vision and 'road map for success' while the convenor, likewise a regular contributor, would endorse the need for change in complementary, yet straightforward transactional terms:

> I think the company have got it exactly right this time…Although *The Mission* was initially management led, it has had the support of the unions from day one…Having the unions involved is obviously key to its success…We have a good living here compared with many jobs out there in the community – we don't want to lose all of that.

 Employee cynicism and the embedding of new practices and procedures (2007-2009)

A further important political manifestation of the change in industrial relations was a transformation in the tenor of consultation. Managers for their part provided the unions with an expansive array of business metrics – 'every number we have', according to the HR director. This shift had several practical outcomes. First, the joint design of a 'pay for competence' approach – an important development given the loss of craft skills resulting from the teamworking debacle. This was seen as delivering tangible benefits in efficiency. Crane operators, for example, were now expected to work in each size of crane over a given time period. Formerly very few had worked on the larger more complex units, causing crews to work 'light' at times, forcing managers to draw on the overtime budget. In a related

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development important alterations to the controversial team working agreement were piloted with a view to broader plant wide implementation. One aspect was the introduction of appraisals and greater layering of the pay structure, affording enhanced opportunity for career progression. Such positive developments were ostentatiously broadcast in the plant newsletter; an activity that served to reinforce the stability of both the partnership accord and the distributed leadership format. While all of this was broadly well received by the workforce some had misgivings, emphasising the potential 'stickiness' of organizational cynicism. Team leaders were instructed to take on a more managerially focused remit. Some respondents questioned the acquiescence of the general union with the implicit change in job description, describing the emergent role disparagingly as 'keeping an eye on people and grassing them up'. They argued the union leadership was acting too autonomously, concluding agreements without seeking the mandate of their constituents. Team leaders reluctant to take on the extra responsibility asked to be 'bumped back' to team member status with resultant consequences for morale.

In a more positive development the craft grades were removed from teams and placed back into specialised departments restoring the *status quo ante*. This represented a significant 'win' for those workers affected – there had been long standing complaints that skilled workers had been reduced to undertaking routine, menial tasks. This outcome did much to assuage the cynicism and concerns of the craft union membership, long regarded as less receptive to change than their 'general' union counterparts. In terms of the latter, managers alluded to several examples of behavioural change – a significant outcome being enhanced task flexibility. In early interviews managers cited examples of workers refusing to do jobs 'beneath them'. In later discussions, however, team members were for the most part judged to be 'very supportive' when managers wanted to 'displace' them into alternative (non-production) areas. This might include, for example, routine maintenance and painting and decorating during instances of

planned 'down time'. Temporal flexibility was similarly in evidence. Traditionally workers had demanded overtime or time off in lieu for even minor alterations to contractual hours. As part of the change initiative some managers had instigated pre-shift 'mess room' i.e. team briefing sessions where workers were informed of local issues and invited to offer suggestions vis-a-vis improvements to working methods. Although these were pre-shift, voluntary and hence unpaid, attendance was estimated at 85-90%. Turning to the emotive issue of H&S, a new initiative - 'time out for safety' - was launched. 'Pre-flight checks' (inspections) on cranes, for example – previously enforced haphazardly – were now introduced prior to *every* shift and closely monitored. Safety was thus increasingly prioritised within an emergent proactive 'no blame' culture. As one team member noted – 'every single person on the shift [now] polices the safety side. They say if it's not safe don't do it.' This sat in contrast to early findings where workers cynically alluded to a fear of speaking up because of potential repercussions, an emphasis on safety for safety's sake and the sluggish managerial response to safety issues.

To sum up, a significant number of employees considered *The Mission* to be different to earlier initiatives which had similarly started with something of a starburst — only to peter out. The general mood was the thrust for change remained in place with most commenting there was a greater degree of momentum with more tangible positives for employees and managers evident than under previous change interventions. Certainly some workers remained sceptical e.g. those adversely affected by ongoing changes to the teamworking structure. However, the sticky nature of doubt and cynicism was, we suggest, something which workplace partnership, was particularly well suited to address. The crucial supporting factor was a distributed leadership configuration which signalled the necessity for change, created a joint space for dialogue and communicated the gains accrued. The antecedent enabling conditions of this arrangement and resultant processes are summarised in Figure 1 (below).
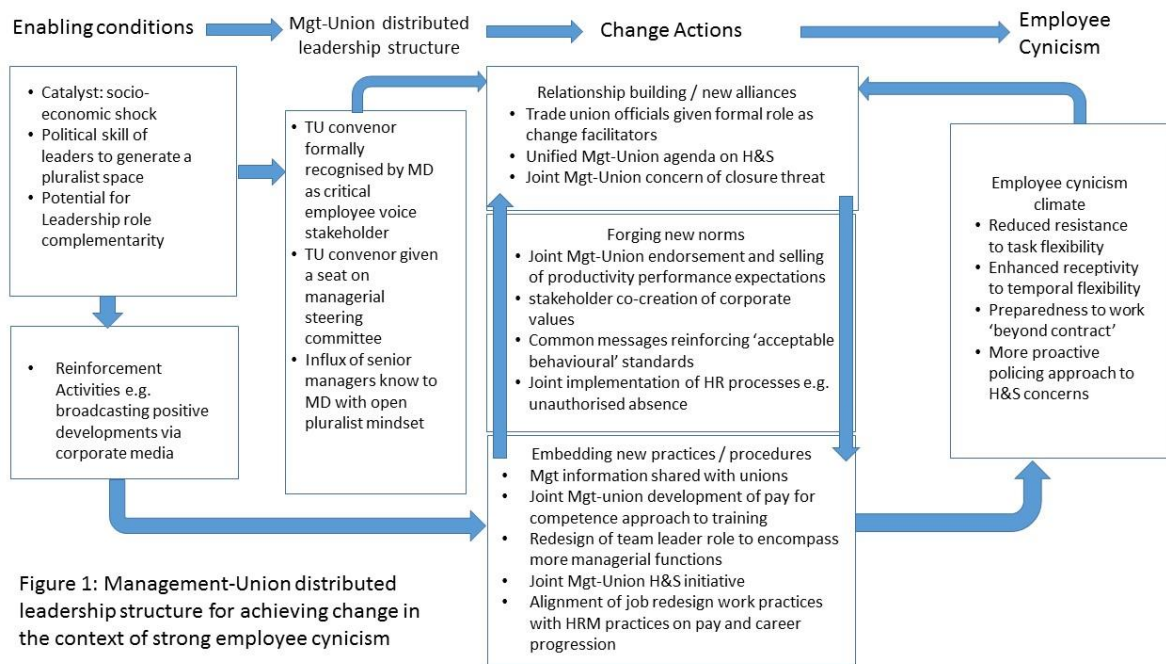
Figure 1: Management-Union distributed leadership structure for achieving change in the context of strong employee cynicism

Enabling conditions → **Mgt-Union distributed leadership structure** → **Change Actions** → **Employee Cynicism**

- Catalyst: socio-economic shock
- Political skill of leaders to generate a pluralist space
- Potential for Leadership role complementarity

- Reinforcement Activities e.g. broadcasting positive developments via corporate media

- TU convenor formally recognised by MD as critical employee voice stakeholder
- TU convenor given a seat on managerial steering committee
- Influx of senior managers know to MD with open pluralist mindset

Relationship building / new alliances
- Trade union officials given formal role as change facilitators
- Unified Mgt-Union agenda on H&S
- Joint Mgt-Union concern of closure threat

Forging new norms
- Joint Mgt-Union endorsement and selling of productivity performance expectations
- stakeholder co-creation of corporate values
- Common messages reinforcing 'acceptable behavioural' standards
- Joint implementation of HR processes e.g. unauthorised absence

Embedding new practices / procedures
- Mgt information shared with unions
- Joint Mgt-union development of pay for competence approach to training
- Redesign of team leader role to encompass more managerial functions
- Joint Mgt-Union H&S initiative
- Alignment of job redesign work practices with HRM practices on pay and career progression

Employee cynicism climate
- Reduced resistance to task flexibility
- Enhanced receptivity to temporal flexibility
- Preparedness to work 'beyond contract'
- More proactive policing approach to H&S concerns

DISCUSSION

The findings illustrate how a form of workplace partnership featuring distributed leadership was used to alleviate employee cynicism, facilitating the establishment of new norms, behaviours and work processes. At the commencement of research a significant proportion of the workforce exhibited the classic features of cynicism (see Reichers et al. 1997) e.g. a loss of faith in the leaders of change – a legacy of a series of unsuccessful change attempts (e.g. team working). Our longitudinal data set nonetheless indicated an erosion in the climate of cynicism and; conterminously, the crafting of a culture more receptive to the embedding of new working practices and procedures. How might this noteworthy outcome be best explained? In this instance the emergence of a partnership arrangement and the successful assimilation of trade union officials as joint change agents was key. Thus our work has a number of theoretical implications. First, this finding is noteworthy because partnership theory has for the most part focused on the conditions necessary for positive and sustainable trade union (e.g. Ackers and Payne, 2003: Terry 2003) and employee (e.g. Glover et al. 2014; Valizade et al. 2016) outcomes. Even though standard formulations cite the reconciliation of employee and *employer*

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interests through dialogue (Belanger and Edwards, 2007) the factors driving a successful managerial agenda have received far less comment. Aside from some early work by Kochan and Osterman (1994) there has been limited consideration of partnership as an enabler of successful change management. The data presented in this study suggest partnership can, under certain circumstances, serve to overcome employee cynicism towards organizational change, highlighting the important mediating role of distributed leadership (see below) in enhancing capacity for change through the generation of specific change actions (Figure 1). More broadly, the data support Denis et al.'s (2001:833) assertion that 'major substantive change in pluralistic organizations is more likely to be established under unified collective [i.e. distributed] leadership'.

A second important theoretical issue is the identification of the underpinning conditions under which a form of distributed leadership might emerge in unionised settings to support partnership. This speaks to both industrial relations analyses of workplace partnership and the leadership/change literature more broadly. While the former body of work has identified several of the antecedents of successful partnership arrangements (e.g. Butler et al. 2011: Oxenbridge and Brown, 2004; Valizade et al. 2016) the phenomenon of distributed leadership has not hitherto figured in such modelling. Similarly, the leadership literature is still in need of research inquiring into the environmental and organizational factors favourable to the continuity of novel leadership configurations (e.g. Gronn, 2002:445). Four underpinning conditions were conducive to the emergence and sustenance of distributed leadership as depicted in Figure 1 (above): organizational crisis – an 'out of the ordinary' situation; managerial skill and political sensitivity; leadership role complementarity; and, reinforcement activities i.e. the broadcasting of employees' gains. The applied implications of this important observation are explored below.

Third, in terms of the construct of workplace cynicism - the findings indicate this can be a fairly resilient and stable employee emotion. This, is consistent with work by Wanous et al (2000). We would argue that cynicism toward change in the workplace is a learned response based on employee's previous experiences of change and confidence in the capabilities of change leaders. Previous studies have examined cynicism in contexts where change has failed (Andersson, and Bateman, 1997; Wanous et al. 2000). Employee experiences of change in organizations e.g. the lack of improved performance outcomes (Wanous et al. 2000) or lack of change coalitions (Kotter, 1995) are identified as reasons for cynicism. Because our work draws on evidence from a successful change context it allows us to question both what happens to cynicism and its impact. We would suggest that the creation of a positive industrial relations climate can off-set cynicism to a degree. Distributed leadership may be particularly pertinent in creating such a climate, especially so given that employees are more sensitive to injustices than positives during times of change (Bernerth, Armenakis, Feild, and Walker, 2007). However, it may take considerable time for cynicism to fall – particularly where workforce tenure is high. The temporal nature of cynicism and the manner in which contextual factors may cause this to wax and wain warrants further theoretical scrutiny. This would add to the growing body of work on context and change (Bernerth, Armenakis, Feild, and Walker, 2007).

<u>Practical implications</u>

Acknowledging the value of and necessity for distributed leadership is far from novel (see Denis et al. 2001:810). The phenomenon has been identified in other pluralistic settings including newly merged/acquired organizations (e.g. Chreim, 2015). However, it has not, hitherto been applied to managerial – trade union relations. Conceptually, the necessity for distributed leadership in pluralist *qua* unionised settings derives from the diverse sources of

legitimacy. Managers are predominantly concerned with demonstrating fiscal responsibility (Denis et al. 2001: 825). Union leaders, conversely, are charged first and foremost with advancing the welfare of the workforce. While these two objectives may sit in tension – and be viewed as such by the workforce – dual leadership underscores their *potential* compatibility. In this study the MD and convenor engaged in complementary practices that gave rise to the pooling of resources and as such the phrase 'blended leadership' (Collinson and Collinson, 2009) usefully captures the dynamic. The role of the MD was clearly rooted in the tradition of transformational leadership behaviour (TLB). It is evident a range of behaviours were exhibited that were consistent with this genre of leadership; not least, the articulation of a vision for the future, communication of high performance expectations (see Bommer et al. 2005: 735) and charisma (see Cregan et al. 2009: 704). In terms of the convenor, although there is a tradition of union leaders exhibiting traits associated with TLB (e.g. Cregan et al. 2009) the approach was more transactional. The value of partnership and the cultural change initiative in which it was ensconced was sold on its ability to provide material incentives to the work force i.e. hard gains such as the maintenance of current financial rewards and absence of job losses. There is evidence to indicate that change implementers who engage in TLB can reduce cynicism about organizational change (Bommer, 2005: 748). The gains made in labour-management cooperation in this instance – and the function of distributed leadership as an enabler of such – may be attributable to synergies between the traits of vision and charisma associated with TLB allied to the more tangible instrumental i.e. transactional need for change articulated by the convenor. In practical terms this emphasises the need for a holistic approach given the potentially complementary roles (Chreim, 2015: 537) the participants – in this instance the managerial and union leadership – can play in envisioning and legitimising change.

Collective leadership is however 'always fragile in a context of diffuse power and multiple objectives, where leaders rule at least partly by the consent of the led' (Denis et al.

2001:833). A further important implication for practitioners is that the navigation of such arrangements requires managerial skill and political sensitivity. The durability of distributed leadership will depend crucially on the aptitude of managerial actors in deploying strategies and making choices in informed ways that do not threaten the security of union leaders. According to Denis et al. (2001: 833), 'if leaders are perceived as offering too many concessions…these perceptions will in turn decrease leaders' credibility and force a slowdown of change'. Crucially, union concessions (e.g. around flexibility) were rewarded with advances in other areas e.g. alterations to the team working structure. Such trade-offs, reinforced by continuous feedback on the success of change (Figure 1), served to safeguard the position of the convenor enhancing his credibility, cementing the leadership pact and underwriting the legitimacy of change.

LIMITATIONS

The findings must of course be read in conjunction with the limitations of the research. When a situationally grounded case study method is selected the issue of generalisability must be confronted. While consideration of a single plant in one country perforce precludes any claims to statistical generalisability, 'analytic' generalisation (see Yin, 1994: 210) is nonetheless possible. The key issue is whether evidence of behaviour in a particular enterprise can shed light on issues common to a wider set of organisations. The broader theoretical utility of the study is to a large extent thus contingent upon whether the structural factors conditioning managerial behaviour and the normative values held mirror those in other unionised organisations. The current study has affinities with the broader partnership literature dating back to early work by Kochan and Osterman (1994) suggesting the insights catalogued (e.g. potential value of distributed leadership) are likely to have wider applicability to social

processes in other organisations. More broadly, although this was a single case study, it was a high conflict case and therefore represents a rigorous test of the viability of distributed leadership in other pluralistic contexts. Some may argue that the case is exceptional – an outlier. That the juxtaposition of the twin fatalities allied to a crisis of profitability served to 'shock' the parties into an unprecedented coalition for change. Change initiatives, however, be they in non-unionised or unionised settings are often 'born out of crisis' (see e.g. Evans et al's 2012 study of Borg Warner) of one form or another again suggesting the findings have wider applicability.

CONCLUSION

The study demonstrates the value of incorporating a more sociologically based, industrial relations perspective into studies of change; not least due to its sensitivity to 'messy' (Godard, 2014:6) issues around e.g. politics and economics. Ultimately the case study highlights the enabling function trade unions can play in change management. This role is far from determinate (i.e. reactionary) even within the context of hostile industrial relations. Within outwardly unreceptive contexts it is possible for subtle managers, sensitive to the political aspects of change, to counter cynicism and mobilise the agency of the union leadership towards the realignment of corporate values and behavioural norms. Future research could usefully 'stress test' the limitations and durability of distributed leadership in unionised settings and in other pluralist contexts. According to Chreim, (2015: 540), 'the promises of distributed leadership – participation, cooperation, mutual support and pooling of knowledge resources – can, but do not always materialize'. Pertinent issues include the resilience of such arrangements when organizations suffer serious 'economic pain' and/or the impact of the exit of key individuals (see Chreim. 2015:539). As economic globalisation continues to force

technological and labour restructuring upon firms the diversity inherent in the workforce is likely to strengthen rather than diminish. How firms manage change and address legitimacy threats from multi-stakeholder voices is likely to remain a challenge to which distributed leadership models may hold some insights.

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